OFFERING CIRCULAR

ORLEN S.A.

(*a joint stock company incorporated in the Republic of Poland*)

€5,000,000,000

Euro Medium Term Note Programme

Under this €5,000,000,000 Euro Medium Term Note Programme (the **Programme**), ORLEN S.A. (the **Issuer** or **ORLEN**) may from time to time issue notes (the **Notes**) denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below). Notes may be issued in bearer or registered form (respectively **Bearer Notes** and **Registered Notes**). The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed €5,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement described herein), subject to increase as described herein.

The Notes may be issued on a continuing basis to one or more of the Dealers specified under "*Overview of the Programme*" and any additional Dealer appointed under the Programme from time to time by the Issuer (each a **Dealer** and together the **Dealers**), which appointment may be for a specific issue or on an ongoing basis. References in this Offering Circular (the **Offering Circular**) to the **relevant Dealer** shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes.

An investment in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the abilities of the Issuer to fulfil its respective obligations under the Notes are discussed under "*Risk Factors*" below.

This Offering Circular has been approved as a base prospectus by the Central Bank of Ireland, as competent authority under Regulation (EU) 2017/1129 (the **Prospectus Regulation**). The Central Bank of Ireland only approves this Offering Circular as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or of the quality of the Notes that are the subject of this Offering Circular. Investors should make their own assessment as to the suitability of investing in the Notes. In order to be able to list certain issuances of Notes on the Regulated Market of the Warsaw Stock Exchange (*Giełda Papierów Wartościowych w Warszawie S.A.*, the **WSE**), the Issuer has requested the Central Bank of Ireland to notify the approval of this Offering Circular in accordance with Article 25 of the Prospectus Regulation to the competent authority in Poland, the Polish Financial Supervision Authority, by providing them with a certificate of approval attesting that this Offering Circular has been drawn up in accordance with the Prospectus Regulation. The Issuer may request the Central Bank of Ireland to provide competent authorities in additional host Member States within the European Economic Area (the **EEA**) with a notification.

Such approval relates only to Notes that are to be admitted to trading on the regulated market (the **Euronext Dublin Regulated Market**) of the Irish Stock Exchange plc trading as Euronext Dublin (**Euronext Dublin**) or on another regulated market for the purposes of Directive 2014/65/EU (as amended, **MiFID II**) and/or that are to be offered to the public in any member state of the EEA in circumstances that require the publication of a prospectus.

Application has been made to Euronext Dublin for Notes issued under the Programme during the period of 12 months from the date of this Offering Circular to be admitted to its official list (the **Official List**) and trading on the Euronext Dublin Regulated Market. References in this Offering Circular to the Notes being **listed** (and all related references) shall mean that, unless otherwise specified in the applicable Final Terms, the Notes have been admitted to the Official List and trading on the Euronext Dublin Regulated Market. Application may also be made to the WSE for Notes to be listed and admitted to trading on the regulated market of the WSE and, in this case, listed (and all related references) shall be construed accordingly. Each of Euronext Dublin and the WSE's regulated market are regulated markets for the purposes of MiFID II.

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Issuer and the relevant Dealer. The Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market.

This Offering Circular (as supplemented as at the relevant time, if applicable) is valid for 12 months from its date in relation to Notes which are to be admitted to trading on a regulated market in the EEA. The obligation to supplement this Offering Circular in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Offering Circular is no longer valid.

The requirement to publish a prospectus under the Prospectus Regulation only applies to Notes which are to be admitted to trading on a regulated market in the EEA and/or offered to the public in the EEA other than in circumstances where an exemption is available under Article 1(4) and/or 3(2) of the Prospectus Regulation. References in this Offering Circular to **Exempt Notes** are to Notes for which no prospectus is required to be published under the Prospectus Regulation and the Financial Services and Markets Act 2000 as amended (**FSMA**). The Central Bank of Ireland has neither approved nor reviewed information contained in this Offering Circular in connection with Exempt Notes.

Each Tranche (as defined herein) of Notes, with the exception of Exempt Notes, will be issued on the terms set out herein under "*Terms and Conditions of the Notes*" (the **Conditions)** or in a separate prospectus specific to such Tranche (the **Drawdown Prospectus**) as described under "*Final Terms and Drawdown Prospectuses*" below, which will be delivered to the Central Bank of Ireland and, where listed, will also be published on the website of the Euronext Dublin.

All references herein to "Final Terms" shall, unless the context requires otherwise, be deemed to include the pricing supplement (the **Pricing Supplement**) specific to the relevant Tranche of Exempt Notes or the relevant Drawdown Prospectus (as applicable).

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**) or any U.S. State securities laws and may not be offered or sold in the United States or to, or for the account or the benefit of, U.S. persons as defined in Regulation S under the Securities Act unless an exemption from the registration requirements of the Securities Act is available and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction. See "*Form of the Notes*" for a description of the manner in which Notes will be issued.

The Issuer has been rated A3 and BBB+ by Moody's Deutschland GmbH and Fitch Ratings Ireland Limited, respectively. The Programme has been rated A3 and BBB+ by Moody's Deutschland GmbH and Fitch Ratings Ireland Limited, respectively.

Each of Moody's Deutschland GmbH and Fitch Ratings Ireland Limited is established in the European Union and is registered under the Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**). As such, each of Moody's Deutschland GmbH and Fitch Ratings Ireland Limited is included in the list of credit rating agencies published by the European Securities and Markets Authority (**ESMA**) on its website (at http://www.esma.europa.eu/page/List-registered-and-certified-CRAs) in accordance with the CRA Regulation.

The rating given by Moody's Deutschland GmbH and Fitch Ratings Ireland Limited to the Issuer and Programme have been endorsed by Moody's Investors Service Ltd and Fitch Ratings Ltd, respectively which is established in the UK and registered under Regulation (EU) No 1060/2009 on credit rating agencies as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 the UK CRA Regulation.

Notes issued under the Programme may be rated or unrated by either of the rating agencies referred to above. Where a Tranche of Notes is rated, such rating will be disclosed in the Final Terms and will not necessarily be the same as the rating assigned to the Programme by the relevant rating agency. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Arranger
BNP Paribas

Dealers

Banco Santander, S.A.

Bank Pekao S.A.

CaixaBank S.A.

Citigroup Global Markets Europe AG

Deutsche Bank Aktiengesellschaft

Erste Group Bank AG

Goldman Sachs Bank Europe SE

HSBC Continental Europe

ING Bank N.V.

J.P. Morgan SE

SMBC

Société Générale
Corporate & Investment Banking

UniCredit Bank AG

The date of this Offering Circular is 30 June 2023.

IMPORTANT INFORMATION

This Offering Circular comprises a base prospectus in respect of all Notes other than Exempt Notes issued under the Programme for the purposes of Article 8 of the Prospectus Regulation. When used in this Offering Circular, Prospectus Regulation means Regulation (EU) 2017/1129 and UK Prospectus Regulation means Regulation (EU) 2017/1129 as it forms part of the domestic law of the UK by virtue of the European Union (Withdrawal) Act 2018 (the EUWA).

The Issuer accepts responsibility for the information contained in this Offering Circular and the Final Terms for each Tranche of Notes issued under the Programme. To the best of the knowledge of the Issuer the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Offering Circular is to be read in conjunction with all documents which are deemed to be incorporated in it by reference (see "*Documents Incorporated by Reference*"). This Offering Circular shall be read and construed on the basis that those documents are incorporated and form part of this Offering Circular. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Offering Circular to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise.

The Issuer confirms that any information from third party sources has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by such third party source, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Other than in relation to the documents which are deemed to be incorporated by reference (see "*Documents Incorporated by Reference*"), the information on the websites to which this Offering Circular refers does not form part of this Offering Circular and has not been scrutinised or approved by the Central Bank of Ireland.

The Dealers have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers as to the accuracy or completeness of the information contained or incorporated in this Offering Circular or any other information provided by the Issuer in connection with the Programme. No Dealer accepts any liability in relation to the information contained or incorporated by reference in this Offering Circular or any other information provided by the Issuer in connection with the Programme or accepts any responsibility for the acts or omissions of the Issuer or any other person (other than the relevant Dealer) in connection with the issue and offering of the Notes.

None of the Dealers makes any representation as to the suitability of any Notes issued as Green Bonds (as defined herein) under the Programme to fulfil any environmental and/or sustainability criteria required by any prospective investors. The Dealers have not undertaken, nor are they responsible for, any assessment or verification of the Eligible Projects (as defined in "*Risk Factors—The application of the net proceeds of Green Bonds as described in the sections of this Offering Circular entitled "Use of Proceeds" and "Green Finance Framework" might not meet investor expectations or be (or remain) suitable for an investor's investment criteria*" below) and their impact, or monitoring of the use or allocation of the net proceeds of any such Green Bonds (or amounts equal thereto), nor do any of the Dealers undertake to ensure that there are at any time sufficient Eligible Projects to allow for allocation of a sum equal to the net proceeds of the issue of such Green Bonds in full. In addition none of the Dealers is responsible for the assessment of the Issuer's Green Finance Framework (as defined in "*Risk Factors—The application of the net proceeds of Green Bonds as described in the sections of this Offering Circular entitled "Use of Proceeds" and "Green Finance Framework" might not meet investor expectations or be (or remain) suitable for an investor's investment criteria*" below) including the assessment of the applicable eligibility criteria in relation to Green Bonds set out in therein. Prospective investors should

refer to the Issuer's Green Finance Framework and the Second Party Opinion, as referred to in the section of this Offering Circular entitled "*Green Finance Framework*" below. The Second Party Opinion provides an opinion on certain environmental and related considerations and is not intended to address any credit, market or other aspects of an investment in any Notes, including without limitation market price, marketability, investor preference or suitability of any security. The Second Party Opinion is a statement of opinion, not a statement of fact. The Second Party Opinion is not, nor should be deemed to be, a recommendation by the Dealers or any other person to buy, sell or hold any Notes and is current only as of the date it is issued. No representation or assurance is given by the Dealers as to the suitability or reliability of the Second Party Opinion or any opinion or certification of any third party made available in connection with an issue of Notes issued as Green Bonds, nor is any such opinion or certification a recommendation by any Dealer to buy, sell or hold any such Notes. The criteria and/or considerations that formed the basis of the Second Party Opinion or any such other opinion or certification may change at any time and the Second Party Opinion may be amended, updated, supplemented, replaced and/or withdrawn. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein. The Issuer's Green Finance Framework may also be subject to review and change and may be amended, updated, supplemented, replaced and/or withdrawn from time to time and any subsequent version(s) may differ from any description given in this Offering Circular. The Issuer's Green Finance Framework, the Second Party Opinion and any other such opinion or certification does not form part of, nor is incorporated by reference in, this Offering Circular.

In the event any such Notes are, or are intended to be, listed, or admitted to trading on a dedicated "green", "sustainable", "social" or other equivalently-labelled segment of a stock exchange or securities market, no representation or assurance is given by the Dealers that such listing or admission will be obtained or maintained for the lifetime of the Notes.

No person is or has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Offering Circular or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers.

Neither this Offering Circular nor any other information supplied in connection with the Programme or any Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer or any of the Dealers that any recipient of this Offering Circular or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and the Issuer and its consolidated subsidiaries taken as a whole (the ORLEN Group or the Group). Neither this Offering Circular nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer or any of the Dealers to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Offering Circular nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained in it concerning the Issuer or the Group is correct at any time subsequent to its date or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of the Issuer or the Group during the life of the Programme or to advise any investor in Notes issued under the Programme of any information coming to their attention.

IMPORTANT – EEA RETAIL INVESTORS – If the Final Terms in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

IMPORTANT – UK RETAIL INVESTORS – If the Final Terms in respect of any Notes includes a legend entitled "Prohibition of Sales to UK Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (**UK**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of the domestic law of the UK by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of the domestic law of the UK by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of the domestic law of the UK by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

Product Governance under MiFID II

A determination will be made in relation to each issue about whether, for the purpose of the Product Governance rules under EU Delegated Directive 2017/593 (the **MiFID Product Governance Rules**), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

The Final Terms in respect of any Notes may include a legend entitled "MiFID II product governance which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

Product Governance under UK MiFIR

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR product governance rules set out in the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

The Final Terms in respect of any Notes may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a **UK distributor**) should take into consideration the target market assessment; however, a UK distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

EU Benchmarks Regulation

Interest and/or other amounts payable under the Notes may be calculated by reference to certain reference rates. Any such reference rate may constitute a benchmark for the purposes of Regulation (EU) 2016/1011 (the **EU Benchmarks Regulation**). If any such reference rate does constitute such a benchmark, the Final Terms will indicate whether or not the benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (Register of administrators and benchmarks) of the EU Benchmark Regulation. The registration status of any administrator under the EU Benchmark Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update the Final Terms to reflect any change in the registration status of the administrator.

NOTIFICATION UNDER SECTION 309B(1)(c) OF THE SECURITIES AND FUTURES ACT 2001, AS MODIFIED OR AMENDED FROM TIME TO TIME (the **SFA**) – Unless otherwise stated in the Final Terms in respect of any Notes, all Notes issued or to be issued under the Programme shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

IMPORTANT INFORMATION RELATING TO THE USE OF THIS OFFERING CIRCULAR AND OFFERS OF NOTES GENERALLY

This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer and the Dealers do not represent that this Offering Circular may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Dealers which is intended to permit a public offering of any Notes or distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Notes in the United States, the EEA (including Belgium and the Republic of Poland), the United Kingdom, Japan and Singapore, see "*Subscription and Sale*".

STABILISATION

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

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OVERVIEW OF THE PROGRAMME

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Offering Circular and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. The Issuer and any relevant Dealer may agree that Notes shall be issued in a form other than that contemplated in the Terms and Conditions, in which event, in the case of Notes other than Exempt Notes, and if appropriate, a new Offering Circular or a supplement to the Offering Circular, will be published.

This Overview constitutes a general description of the Programme for the purposes of Article 25(1) of Commission Delegated Regulation (EU) No 2019/980 (the **Delegated Regulation**).

Words and expressions defined in "*Form of the Notes*" and "*Terms and Conditions of the Notes*" shall have the same meanings in this Overview.

Issuer:	ORLEN S.A.
Issuer Legal Entity Identifier (LEI):	259400VVMM70CQREJT74
Risk Factors:	There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme and risks relating to the structure of a particular Series of Notes issued under the Programme. All of these are set out under "*Risk Factors*".
Description:	Euro Medium Term Note Programme
Arranger:	BNP Paribas
Dealers:	Banco Santander, S.A., Bank Pekao S.A., CaixaBank S.A., Citigroup Global Markets Europe AG, Deutsche Bank Aktiengesellschaft, Erste Group Bank AG, Goldman Sachs Bank Europe SE, HSBC Continental Europe, ING Bank N.V., J.P. Morgan SE, SMBC Bank EU AG, Société Générale, UniCredit Bank AG and any other Dealers appointed in accordance with the Programme Agreement.
Certain Restrictions:	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "*Subscription and Sale*") including the following restrictions applicable at the date of this Offering Circular. **Notes having a maturity of less than one year** Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the FSMA unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see "*Subscription and Sale*".
Issuing and Principal Paying Agent:	Citibank, N.A., London Branch

Programme Size:	Up to €5,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
Distribution:	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies:	Subject to any applicable legal or regulatory restrictions, notes may be denominated in euro, Sterling, U.S. dollars, yen and any other currency agreed between the Issuer and the relevant Dealer.
Maturities:	The Notes will have such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.
Issue Price:	Notes may be issued on a fully-paid or, in the case of Exempt Notes, a partly-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
Form of Notes	The Notes will be issued in either bearer or registered form as described in "*Form of the Notes*". Registered Notes will not be exchangeable for Bearer Notes and *vice versa*.
Fixed Rate Notes:	Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.
Floating Rate Notes:	Floating Rate Notes will bear interest at a rate determined: (a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating (i) the 2006 ISDA Definitions (as supplemented, amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms)) as published by the International Swaps and Derivatives Association, Inc. or (ii) the latest version of ISDA 2021 Interest Rate Derivatives Definitions, including each Matrix (as defined therein) (and any successor thereto), as specified in the relevant Final Terms, each as published by the International Swaps and Derivatives Association, Inc. (or any successor) on its website (http://www.isda.org), on the date of issue of the first Tranche of the Notes of such Series; or (b) on the basis of the reference rate set out in the applicable Final Terms. Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer.

	The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes.
	Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.
Zero Coupon Notes:	Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.
Benchmark Discontinuation:	In the case of Floating Rate Notes, if a Benchmark Event occurs, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which, an Alternative Rate and, in either case, an Adjustment Spread (if any) and any Benchmark Amendments, in accordance with and as further described in Condition 5.2(n).
Exempt Notes:	The Issuer may issue Exempt Notes which are Index Linked Notes, Dual Currency Notes, Partly Paid Notes or Notes redeemable in one or more instalments.
	Index Linked Notes: Payments of principal in respect of Index Linked Redemption Notes or of interest in respect of Index Linked Interest Notes will be calculated by reference to such index and/or formula or to changes in the prices of securities or commodities or to such other factors as the Issuer and the relevant Dealer may agree.
	Dual Currency Notes*:* Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as the Issuer and the relevant Dealer may agree.
	Partly Paid Notes: The Issuer may issue Notes in respect of which the issue price is paid in separate instalments in such amounts and on such dates as the Issuer and the relevant Dealer may agree.
	Notes redeemable in instalments: The Issuer may issue Notes which may be redeemed in separate instalments in such amounts and on such dates as the Issuer and the relevant Dealer may agree.
	The Issuer may agree with any Dealer that Exempt Notes may be issued in a form not contemplated by the Conditions and this overview of the Programme, in which event the relevant provisions will be included in the applicable Pricing Supplement.
Redemption:	The applicable Final Terms will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than in the case of Exempt Notes in specified instalments, if applicable, or for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer.
	In addition, the applicable Final Terms may provide that Notes may be redeemable at the option of the Noteholders upon the occurrence of a Change of

	Control and a consequential rating downgrade or withdrawal (or refusal to provide a rating) in the circumstances set out in Condition 7.4(b). Notes having a maturity of less than one year may be subject to restrictions on their denomination and distribution, see "*Certain Restrictions – Notes having a maturity of less than one year*" above.
Denomination of Notes:	The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, see "*Certain Restrictions – Notes having a maturity of less than one year*" above, and save that the minimum denomination of each Note will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amounts in such currency).
Taxation:	All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by any Tax Jurisdiction as provided in Condition 8. In the event that any such deduction is made, the Issuer will, save in certain limited circumstances provided in Condition 8, be required to pay additional amounts to cover the amounts so deducted.
Negative Pledge:	The terms of the Notes will contain a negative pledge provision as further described in Condition 4.
Cross Acceleration:	The terms of the Notes will contain a cross acceleration provision as further described in Condition 10.
Status of the Notes:	The Notes will constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of the Issuer and will rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.
Rating:	The Programme has been rated A3 and BBB+ by Moody's Deutschland GmbH and Fitch Ratings Ireland. Series of Notes issued under the Programme may be rated or unrated. Where a Series of Notes is rated, such rating will be disclosed in the applicable Final Terms and will not necessarily be the same as the ratings assigned to the Programme. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not (1) issued by a credit rating agency established in the EEA and registered under the CRA Regulation or (2) provided by a credit rating agency not established in the EEA but which is endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation or (3) provided by a credit rating agency not established in the EEA but which is certified under the CRA Regulation. Similarly, in general, UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not (1) issued by a credit rating agency established in the UK and registered under the UK CRA Regulation or (2) provided by a credit rating agency not established in the UK but which is endorsed by a credit rating agency established in the UK and registered under

	the UK CRA Regulation or (3) provided by a credit rating agency not established in the UK but which is certified under the UK CRA Regulation.
Listing:	Application has been made for Notes issued under the Programme to be listed on Euronext Dublin. Applications may also be made for Notes issued under the Programme to be listed on the WSE from time to time. Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer in relation to the Series. Notes which are neither listed nor admitted to trading on any market may also be issued. The applicable Final Terms will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.
Governing Law:	The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and shall be construed in accordance with, English law.
Selling Restrictions:	There are restrictions on the offer, sale and transfer of the Notes in the United States, the EEA (including Belgium and the Republic of Poland), the United Kingdom, Japan and Singapore and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see "*Subscription and Sale*".
United States Selling Restrictions:	Regulation S, Category 2. TEFRA C or D/TEFRA not applicable, as specified in the applicable Final Terms.
Use of Proceeds:	The net proceeds from each issue of Notes (or an amount equivalent to such net proceeds) will be used for the general financing purposes of the Issuer or, in respect of any Notes which are issued as Green Bonds in accordance with the Issuer's Green Finance Framework, to finance Eligible Projects. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

RISK FACTORS

In purchasing Notes, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Notes. There is a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due. It is not possible to identify all such factors as the Issuer may not be aware of all relevant factors and certain factors which it currently deems not to be material may become material as a result of the occurrence of events outside the Issuer's control. The Issuer has identified in this Offering Circular a number of factors which could materially adversely affect its business and ability to make due payments.

In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

The following is not an exhaustive list or explanation of all risks which investors may face when making an investment in the Notes and should be used as guidance only. Additional risks and uncertainties relating to the Issuer that are not currently known to the Issuer, or that the Issuer currently deems immaterial, may individually or cumulatively also have a material adverse effect on the business, prospects, results of operations and/or financial position of the Issuer and, if any such risk should occur, the price of the Notes may decline and investors could lose all or part of their investment. Investors should consider carefully whether an investment in the Notes is suitable for them in light of the information in this Offering Circular and their personal circumstances.

The risk classifications below are for ease of reference only. Some risks (although listed under the heading of a certain risk classification) may in fact involve different categories. Investors should not rely on the headings to classify the relevant risks and should read each risk factor carefully.

Prospective investors should also read the detailed information set out elsewhere in this Offering Circular and reach their own views prior to making any investment decision.

RISK FACTORS THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER NOTES ISSUED UNDER THE PROGRAMME

RISK FACTORS RELATED TO THE MARKET ENVIRONMENT IN WHICH THE ORLEN GROUP OPERATES

Russia's military invasion of Ukraine may impact the ORLEN Group's operations and financial results

On 24 February 2022, Russia commenced a military invasion of Ukraine. In the following days the invasion continued, with fighting and bombing taking place throughout an extensive area. Some Ukrainian cities, including Kyiv, were bombed. As at the date of this Offering Circular, Russia's aggression against Ukraine is continuing. Since 24 February 2022, more than 8.8 million people (mainly women and children) have come from Ukraine to Poland and approximately 7.1 million people have travelled from Poland to Ukraine, including men who returned to Ukraine to join the country's defence. Some of the refugees that arrived from Ukraine have left Poland and moved to other countries. Currently, Poland is hosting around one million refugees from Ukraine.

The international community, including the US, the UK and the EU, has adopted sanctions aimed at freezing the assets of certain prominent Russian and Belarusian politicians and oligarchs. Sanctions have also been placed on the Russian central bank and certain Russian financial institutions have been removed from the SWIFT global payment system, in addition to other economic sanctions. Other sanctions imposed on Russia include, among others, sanctions on Russian banks and companies and travel bans for certain individuals. Multiple countries, including all EU countries, have closed their airspace to Russian airplanes and airlines. Germany has also indefinitely postponed the certification of the Nord Stream 2 pipeline, a completed, but not yet operational, gas pipeline which connects Russia with Germany. The sanctions also concern prohibitions of imports of certain goods from Russia, including crude oil (from December 2022) and refined petroleum products (from February 2023), subject to certain exceptions.

If the Russian invasion continues, more severe sanctions imposed by the international community are expected. As at the date of this Offering Circular, the EU has introduced 10 sanctions packages against Russia and certain individuals connected with the Russian authorities.

As at the date of this Offering Circular, the ORLEN Group does not hold any significant assets or shares in entities having their registered office or operating in Russia or Belarus, which run the risk of being frozen or seized as a result of retaliatory sanctions against those countries.

Heightened tensions between the US, the EU countries, including Poland, and Russia over events in Ukraine could materially negatively affect global macroeconomic conditions and the Polish economy. In particular, as a result of the sanctions imposed on Russia and their adverse effect on the Russian economy as well as the reprisal measures implemented by Russia (e.g. the demand that gas supplied to Europe be paid for in rubles, the suspension of supplies of gas and oil to Poland), oil, gas and coal prices may increase significantly and the availability of oil, gas and coal from Russia, especially in EU countries whose officials have declared their support for the defence of Ukraine, including Poland, has been reduced. A significant increase in the prices of energy resources and, consequently, any petrochemical, refinery and energy products derived therefrom could limit the ability to transfer costs to end-users, which could ultimately result in pressure to limit sales margins and a decrease of demand.

The scale and influence of the war in Ukraine on the macroeconomic situation and, consequently, on the future financial situation of the Group, its operations and future financial results are currently very difficult to estimate. Such influence will depend on further developments in the war in Ukraine as well as measures taken by other governments, including with regard to the maintenance of the existing sanctions or introduction of new sanctions on Russia, as well as on the continuation of restrictions on trade relations with Russia and possibly on other countries supporting its military action in Ukraine.

Furthermore, it must be stressed that the outbreak of war in Ukraine resulted in disruption of supply chains in the global economy, which translated into a significant increase in investment outlays and costs of construction services. Potential increases in steel prices and higher logistics costs and restrictions of the availability of subassemblies, may result in a significant increase in offers for contracts related to modernisation, reinstatement and the development of assets. The war in Ukraine, depending on its duration and severity, may result in an increased risk of the occurrence of other risk factors described in this Offering Circular, such as risk related to the availability and cost of third-party financing, including decreases in or withdrawal of credit ratings. The pressure on limiting sales margins as well as an increase in investment outlays may have an adverse effect on the economic and financial condition of the Group.

The introduction of a prohibition on trading in fossil fuels from Russia or other supply restrictions may have an adverse effect on the operations of the ORLEN Group. At the end of January 2023, long term contract with Rosneft for crude oil delivery to Płock refinery expired. In February 2023, Tatneft suspended crude oil deliveries to Płock and the Issuer terminated this contract in April 2023. Currently, Russian crude oil is processed only in our Czech refineries based on long-term contract with Rosneft binding until mid-2025. Such deliveries are conducted in compliance with any applicable sanctions. In ORLEN Group, approximately 90 per cent. of processed crude oil is obtained from non-Russian sources.

The Group has also carried out a detailed analysis of oil sales made in Ukraine, Belarus and Russia. In 2022, the share of the Group's revenue from sales in both of these countries was less than 2 per cent. (due to low sales volumes).

Consequently, all of the military conflicts or disputes of a similar nature with Russia or transit countries such as Belarus and Ukraine and the countries in which the ORLEN Group operates that result in the imposition of any international sanctions impacting the operations of any relevant jurisdiction or counterparty as well as all further political decisions restricting or prohibiting imports of oil and gas from Russia could result in restricted access to crude oil and, consequently, an increase in its market price. Such circumstances could materially and adversely affect the ORLEN Group's operations, performance, financial condition and prospects, and consequently the Issuer's ability to make payments under the Notes and the value of the Notes.

Adverse changes in local and global macroeconomic conditions may adversely impact the ORLEN Group's business, financial condition and results of operations

The ORLEN Group's business is influenced by macroeconomic factors relating to Poland and other economies, notably in countries where the ORLEN Group operates. Any changes in the economic or geopolitical environment trigger fluctuations in macroeconomic indicators, as well as the prices of raw materials and products offered and required in the segments where the ORLEN Group operates, in particular the prices of crude oil and refinery products, natural gas and steel. Moreover, the ORLEN Group's business is affected by factors such as the level of gross domestic product (**GDP**), its changes and structure of its changes, inflation, currency exchange rates (especially with respect to USD and EUR), unemployment rates, disposable income levels, purchase prices of carbon allowances and prices of electricity as well as Poland's monetary and fiscal policies. An economic downturn, including a decline in GDP or a rise in inflation, may adversely affect consumption, investment and exports. This may also increase pressure on the demand for certain of the ORLEN Group's products. Additionally, continuation of restrictive monetary policy of the National Bank of Poland (**NBP**) and further increases in interest rates related therewith may translate into an increase in the cost of debt financing for the ORLEN Group. Such increases could adversely affect consumption and any investments relating to the progress and prospects of economic development in Poland.

Any instability or other difficulties in financial markets may also restrict the ORLEN Group's access to financing sources. Poor availability or higher costs of credit may in turn affect the ORLEN Group's ability to implement its investment strategy and programmes.

Such changes may have a material effect on the Issuer's and the ORLEN Group's operations, performance or financial condition.

Risk related to fluctuations in the prices of natural resources, products, electricity and CO_2 emission allowances

Among the external factors which typically have a bearing on the ORLEN Group's business segments, the following macroeconomic variables are of key importance: crude oil, natural gas and electricity and steel prices, EUR and USD exchange rates and the spreads for refinery and petrochemical products offered by the ORLEN Group. The ORLEN Group's operating performance depends strongly on spreads between the market prices of petroleum products and the prices of crude oil and other necessary feedstock (called "crack spreads"). Like other international oil companies, the Issuer purchases crude oil under contracts in which prices are set based on, or by reference to, global crude oil prices. These prices also affect all of the remaining business segments of the ORLEN Group and may be subject to significant fluctuations triggered by developments that are beyond the Issuer's control, including:

(a) global economic and political conditions, economic and political developments in oil producing regions, and actual or threatened acts of terrorism or war potentially affecting supply and transport of hydrocarbons and petroleum products, in particular in Russia, the Middle East, North and South America and Africa;

(b) global and regional supply and demand as well as expected levels of future supply and demand;

(c) actions taken by oil producing or oil consuming countries and by major oil suppliers (including decisions made by OPEC);

(d) contract breaches and non-performance breaches by pipeline owners and operators;

(e) oil supply disruptions (e.g. due to technical or environmental issues);

(f) prices and availability of alternative fuels;

(g) prices and availability of natural gas;

(h) prices of electricity and CO_2 emission allowances;

(i) prices and availability of construction materials;

(j) prices and availability of technological subassemblies;

(k) negative settlements and the valuation of instruments;

(l) weather conditions and natural disasters;

(m) oil logistics constraints (for example, caused by the oil contamination in the Druzhba pipeline in 2019 or the Suez Canal obstruction in March 2021 and, as a consequence, supply disruptions);

(n) decarbonisation and development of renewable energy and alternative fuels; and

(o) the popularisation of and high expectations related to the development of offshore wind, energy from hydrogen, carbon capture and storage (CCS), smart grids and energy storage technologies.

Significant changes in the crude oil prices and refining margins, as well as petrochemical products sales margins resulting from the above-mentioned changes, may have an adverse effect on the ORLEN Group's profitability and financial condition; in particular, they may lead to margin adjustments and therefore impact the ORLEN Group’s liquidity or a decrease in the carrying amount of the ORLEN Group's assets, which may adversely affect the Issuer's ability to make payments under the Notes and the value of the Notes.

Revenue from the distribution and sale of electricity and heat depends on, among other factors, the level of electricity and heat prices, which are variable, and the Issuer is unable to predict all of the factors that may have an impact on how these prices develop. Key factors for the ORLEN Group, which determine its production efficiency, include market factors such as the prices of feedstock and carbon emission allowances, and also weather conditions, including those related to wind levels, solar radiation and hydrological conditions and the support mechanism available on the market (mostly for renewable sources and cogeneration units). Electricity and heat prices may also be affected by transport costs, taxes, personnel costs, regulatory burdens and other country-specific or global factors. Moreover, any observed increase in the costs of power, heat generation and gas may be impossible to transfer entirely to the end-users, which would result in a decline of operating margins of the ORLEN Group.

Gas segment revenues depend on, among other factors, prices of natural gas and other gaseous fuels, which may be affected by, among others, political situation in Poland and abroad, weather conditions and current heating needs, transmission costs and other country-specific or global factors. Gas segment revenues are also depended on the tariffs applied to the prices of sold natural gas. For example, in 2022, the main reason for the negative operating results of the Gas segment was the sale of a portion of gas volumes at fixed prices, which are lower than the current cost of gas procurement at market prices.

In addition, the ORLEN Group participates in the EU Emissions Trading System, and since the current trading period (phase IV) started on 1 January 2021, there is a risk that a lower number of emission allowances available across the European Union or an increase in their market price could damage the economic viability of some of the ORLEN Group's operations, which would have a material adverse effect on the ORLEN Group's operations, performance, financial condition and prospects, and consequently on the Issuer's ability to make payments under the Notes and on the value of the Notes.

Exchange rate risk

The price of crude oil and gas purchased by the ORLEN Group is expressed in USD and EUR (as payment currencies). A significant part of the ORLEN Group's sales, including refined oil products, is also priced in

USD or indexed to USD, and the prices of a large portion of petrochemical products are denominated in EUR or indexed to EUR. The ORLEN Group is significantly exposed to currency risk resulting from trade receivables and trade payables as well as investment expenditures denominated in or indexed to foreign currencies such as EUR and USD. For USD, the part of operating currency exposure is naturally hedged as revenues from sales of products depending on USD exchange rate are offset by the cost of buying crude oil in the same currency.

The ORLEN Group applies a hedging policy based on market risk management policy and procedure and strategies supported and supervised by the Financial Risk Committee, the Management Board and the Supervisory Board.

Standard hedging against currency economic exposure is done on a rolling and recurring basis, covering a period of up to the following 24 months. Hedging against currency economic exposure in EUR (due to its stability and predictability) for periods of over 60 months is allowed. A dedicated hedging strategy determines the optimal heeding levels for the standard period and acceptable deviations. Exposure to balance sheet currency risk is hedged up to 100 per cent. of the amount exposed to this currency risk.

In the case of commodity risks, the hedged level for particular exposures is in line with the recommendations for individual companies approved by the Financial Risk Committee. Exposure to commodity price risk related to time mismatches on non-normative operating inventories is hedged for 100 per cent. of the volume of inventories exposed to the risk concerned. Exposure to commodity price risk related to probable liabilities or receivables in the Issue is 100 per cent. hedged on the volume exposed to this risk (offering customers the price formulas based on a fixed price over time). Exposure to commodity price risk related to time mismatch on crude oil purchases is hedged on the volume corresponding to 90 per cent. of sold products made from the purchased crude oil, exposed to this risk.

The realisation of the commodity and currency risk management strategy for gas purchase and sale contracts consists of managing the risk of the total open position arising from these contracts on a net basis covering a time horizon of up to 36 months. Exposure due to the refining margin is hedged opportunistically. In line with the strategies adopted in this respect, the refining margin is hedged in the horizon of up to 36 months in advance on the volume of planned production.

However, the ORLEN Group's hedging policy may prove insufficient, in particular in the event of major disruptions on the financial or commodity markets. Exchange rate risk may become more significant if the Issuer increases its financial liabilities denominated in foreign currencies, in particular in USD. The ORLEN Group has in place financing agreements in foreign currencies that require the ORLEN Group to maintain a certain ratio of the net debt to EBITDA. There is a risk that an increase in the value of foreign currencies relative to PLN could immediately increase the net debt. This contingency may expose the ORLEN Group to additional financial costs if such financing is dependent on, or the margin of such financing is impacted by, the net debt to EBITDA ratio. Any significant movement in such figures could potentially result in a breach of the required ratio.

Any fluctuations in currency exchange rates may adversely affect the ORLEN Group's financial results and, consequently, may have an adverse effect on the ORLEN Group's asset position and on the Issuer's ability to make payments under the Notes.

The ORLEN Group faces the risk of cash flow fluctuations due to interest rate fluctuations

The ORLEN Group is exposed to the risk of cash flow fluctuations due to interest rate fluctuations, resulting from bank credit facilities, loans and debt securities issued, based on floating interest rates, and derivatives hedging cash flow risks. The ORLEN Group hedges part of its cash flow risk associated with interest or principal payments on external financing in PLN or EUR, using interest rate swaps or cross currency swaps. Fluctuations in interest rates may lead to an increased cost of funding for the ORLEN Group.

Any fluctuations in market interest rates may adversely affect the ORLEN Group's financial results and, consequently, may have an adverse effect on the Issuer's asset position and on its ability to make payments under the Notes.

European Union's climate and energy policy, resulting in higher cost of CO_2 emissions, could have a material adverse effect on the ORLEN Group's results of operations and financial condition

The ORLEN Group is subject to EU laws and climate policy regimes, the purpose of which is to promote constant reductions in CO_2 emissions annually. Consequently, the ORLEN Group would have to purchase CO_2 emission allowances on the open market, and the number of free allowances allocated to the ORLEN Group would decrease systematically. This means that the ORLEN Group might have to purchase an increasing quantity of regular CO_2 emission allowances on market terms. At the same time, the number of available allowances in circulation would drop as a result of a higher Linear Reduction Factor and Market Stability Reserve that adjusts the supply of allowances to be auctioned, which is anticipated to increase the prices of CO_2 emission allowances.

Additionally, Poland undertook a general EU commitment on binding annual greenhouse gas (**GHG**) emission reductions by Member States from 2021 to 2030 in order to meet its commitments under the Paris Agreement on climate change of 12 December 2015 to achieve a total 7 per cent. reduction of its GHG emissions (as compared to the 2005 level) by 2030. This commitment might result in uncertain GHG-related regulatory requirements that might materially affect the ORLEN Group's business in the future. In view of Russia's invasion of Ukraine, an acceleration of the EU energy transformation and tightening of the EU's climate policy are expected. Similar commitments were undertaken by other countries in which the ORLEN Group operates, including Czechia and Lithuania.

There is a risk that a lower allocation of emission allowances across the EU and/or an increase in the market price of emission allowances could make some of the ORLEN Group's activities less economically viable (especially if material investment is necessary to meet future regulatory requirements). Achieving ORLEN’s target of becoming net zero on all emissions from its operations could result in additional costs. ORLEN also expects that actions by customers to reduce their emissions will continue to lower demand and potentially affect prices for fossil fuels, as will GHG emissions regulation through taxes, fees and/or other incentives. This could be a factor contributing to additional provisions for ORLEN’s assets and result in lower revenues, cancelled projects and potential impairment of certain assets. Moreover, the abovementioned changes or failure to transit to alternative fuels may make some of the current ORLEN Group’s business line not viable in future.

All of the above factors may have a material adverse effect on ORLEN Group’s business, financial results, financial condition and prospects and, consequently, on the value of the Notes and on the ability of the Issuer to make payments under the Notes.

A substantial or extended decline in refining and petrochemical margins would negatively impact the ORLEN Group's financial results

The operating performance of the ORLEN Group's refining and petrochemical business heavily depends on spreads between the market prices of refined petroleum and petrochemical products and the prices of crude oil and other necessary feedstock. From time to time, fluctuations in crude oil prices may not correlate with changes in refining and petrochemical margins. The cost of feedstock and the selling prices of refined products for the ORLEN Group are dictated by many factors outside its control. These include:

(a) changes in the global supply of, and demand for, refined and petrochemical products, particularly in Europe;

(b) the economic and trade consequences of Russia's attack on Ukraine, which may have a significant impact on both prices and availability of crude oil and petrochemical products in EU countries, including Poland (see also *"Russia's military invasion of Ukraine may impact the ORLEN Group's operations and financial results"*);

(c) expansion of global refining and petrochemical capacities;

(d) changes in operating costs related to oil refining and petrochemical processes, such as energy, utilities and maintenance costs;

(e) changes in global differentials (i.e. the difference in prices of various types of crude oil and Brent Dated oil as the benchmark) between the prices of crude oil with a high sulphur content and that with a low sulphur content; and

(f) changes in environmental and other legislation that could require the ORLEN Group to incur significant expenditures.

The price of the crude oil the ORLEN Group purchases and the price at which the ORLEN Group can sell its refined products may also fluctuate independently of each other due to a variety of factors beyond the ORLEN Group's control, including regional and global supply of, and demand for, crude oil, gasoline and diesel and other feedstock and refined products. These in turn depend on, among other things, the availability and quantity of imports, the production levels of suppliers, levels of refined product inventories, productivity and growth (or the lack thereof) of regional and global economies, political affairs and the extent of governmental regulation.

Risk management is mainly focused on the unpredictability of markets and aims to reduce the impact of volatility on the ORLEN Group's financial results. The ORLEN Group is exposed to commodity price risk such as risk of changes in refining and petrochemical margins on the sale of products, risk of changes in crude oil and products prices related to time mismatch, risk of changes in CO_2 emission allowance prices, risk of changes in crude oil and refinery product prices related to the obligation to maintain mandatory reserves of crude oil and fuels and risk arising from firm liabilities and receivables, including the provision of pricing formulas based on a fixed price over time to selected customers. The ORLEN Group actively manages commodity risks based on agreed strategies, e.g. in terms of refinery margins, the ORLEN Group applies a systematic hedging approach to hedge refinery margins above budgeted levels. The ORLEN Group uses mainly commodity swaps.

Depressed refining and petrochemical margins could have an adverse effect on the ORLEN Group's profitability and financial condition and, consequently, on the Issuer's ability to make payments under the Notes and on the value of the Notes.

The ORLEN Group may not be able to hire, train or retain a sufficient number of qualified staff

Conducting business in the industries in which the ORLEN Group operates, and specifically the execution of the strategy of the ORLEN Group, depends on the stability of employment, i.e. having the required number of qualified and dedicated employees and associates. The present conditions on the employment market mean that the ORLEN Group faces the challenge of retaining its existing or hiring new personnel. This is a result of the dynamics of social and economic processes, rapid technological changes and increased volatility and unpredictability of the environment in which the ORLEN Group operates, including potential decrease of new employees in the industry in which the ORLEN Group operates due business, ethical, reputational or environmental concerns.

All of such factors result in high competition for employees among employers. A majority of employees have long-term experience in working for the ORLEN Group and in the industries in which the ORLEN Group operates. Their competencies and experience are acquired over years and, thus, they are extremely difficult to hire within a short time. Therefore, there is significant risk relating to retention of key employees and securing new personnel with similar competencies and experience (this applies, in particular, to experts with narrow specialisations or professionals that are sought after on the market). In the power industry, the hiring and training of new personnel generates significant costs. Moreover, the Group's competitors or other entities operating in a similar area offer their employees increasingly beneficial terms of employment, which also translates to the ORLEN Group being required to take action to retain its personnel. Personnel shortages, and also a loss of key employees, may have an adverse effect on the functioning and further growth of the ORLEN Group. In addition, the loss of any member of the senior management team may adversely affect the ORLEN Group's operations, its ability to execute its corporate strategy and its ability to identify and execute potential strategic initiatives in the future, including strategies relating to the growth of the ORLEN Group's business.

Failure to hire, train or retain key personnel with the appropriate experience and skills, especially senior and middle management as well as experts in select specialisations with the appropriate professional qualifications, or to recruit skilled professionals in line with potential growth, could have a material adverse effect on the business, financial results, financial condition and prospects of the ORLEN Group and, consequently, on the value of the Notes, and on the ability of the Issuer to make payments under the Notes.

Restrictions or disruptions of supplies may disrupt or significantly limit the operations of the ORLEN Group, which may adversely affect its operations and financial results

The operations of the ORLEN Group are dependent on supplies of specific feedstock. Such feedstock are mostly crude oil and natural gas required for the refinery and petrochemical businesses of the ORLEN Group, and coal, gas and biomass for electricity and heat generation. Any restrictions or disruptions of supplies may significantly disrupt and may adversely affect the operations and financial results of the ORLEN Group. In connection with Russia's invasion of Ukraine, the ORLEN Group has not experienced significant disruptions in supplies of crude oil. However, in view of the ORLEN Group's significant import of crude oil from Russia in the past, the situation in Ukraine and the sanctions imposed on Russia in relation therewith may adversely affect the ORLEN Group's business. The ORLEN Group has carried out a detailed analysis of oil sales made in Ukraine and Russia. In the year ended 31 December 2022, the share of the ORLEN Group's revenue from sales in these both countries totalled less than 2 per cent. (due to low sales volumes).

At the end of January 2023, long term contract with Rosneft for crude oil delivery to Płock expired. In February 2023, Tatneft suspended crude oil deliveries to Płock and the Issuer terminated this contract in April 2023. Currently, Russian crude oil is processed only in our Czech refineries based on long-term contract with Rosneft binding until mid-2025. In ORLEN Group, approximately 90 per cent. of processed crude oil is obtained from non-Russian sources. (see also "*Russia's military invasion of Ukraine may impact the ORLEN Group's operations and financial results*").

The Issuer is also subject to numerous obligations involving the maintenance of emergency stocks of crude oil and fuels, imposed by, among others, the Polish Act on Stocks of Crude Oil, Petroleum Products and Natural Gas, and on the Rules to be Followed in the Event of Threat to National Fuel Security or Disruptions on the Petroleum Market of 16 February 2007 (the **Act on Emergency Stocks**). Pursuant to the Act on Emergency Stocks, ORLEN has an obligation to hold mandatory stocks equivalent to 53 days' average daily production and imports of crude oil and liquid fuels.

The Act on Emergency Stocks requires ORLEN to maintain a certain amount of fuel stocks to ensure the continuity of supply, and ORLEN may face fines for failure to maintain the required stock levels, equivalent to the product of the amount of PLN 4,500 and the shortage of crude oil, LPG or heavy fuel oil, expressed in tons, or the shortage of fuels, excluding LPG and heavy fuel oil, expressed in cubic metres or equivalent to 250 per cent. of the value of the shortfall in natural gas calculated according to the reference price for high-methane natural gas published on the website of the gas transmission system operator and in effect on the day on which the failure to maintain mandatory stocks of natural gas has been detected. The ORLEN Group is dependent on its suppliers, in particular regarding the supply of crude oil, natural gas and coal (for a description of the Issuer's supply sources of crude oil, please see ("*Description of the Issuer – Principal activities – Supply sources of the Refining and Petrochemicals segments*"). Due to the concentration of a number of crude oil producing countries, the number of potential suppliers is limited and in some cases diversification is not possible due to logistical issues.

In order to properly conduct its business, the Issuer needs fuels and feedstock meeting the prescribed quality standards established by the Polish minister responsible for energy issues and the Polish minister responsible for climate issues by way of a regulation, in accordance with the provisions of the Act of 25 August 2006 on the Monitoring and Control System of Fuel Quality. In general, the quality standards are connected with, among others, environmental protection, consumer interests, proper functioning of engines and the impact on human health. The ORLEN Group is exposed, for instance, to adverse consequences of receiving crude oil contaminated with organic chlorides or other contaminants. Non-compliance with the quality standards for crude oil supplies or any deviations in quality parameters may disrupt the continuity and proper conduct of the ORLEN Group's operations, as well as lead to a fine calculated as the product of the unit values of fuels or natural gas meeting quality requirements and the quantity of fuels or natural gas not meeting quality requirements, which, depending on the above-mentioned numbers, could potentially have a serious negative financial impact on the ORLEN Group. In addition, the information concerning the failure to maintain quality standards and penalties, if any, could damage the reputation of the ORLEN Group.

Moreover, the ORLEN Group is subject to the obligation to maintain mandatory stocks of natural gas in the amount corresponding to its 30-day average imports.

The deterioration of the political environment in any of the countries from which the ORLEN Group sources its feedstock, or in any country that generally produces feedstock, may affect the price of feedstock available to it. Those factors could adversely affect the operations of the ORLEN Group, its financial condition, results of operations or prospects.

The ORLEN Group is exposed to defaults or delays of counterparties, including partners, contractors, subcontractors, suppliers, financial and insurance institutions

The ORLEN Group is exposed to the risk of defaults or delays by its counterparties (including contractors, subcontractors, suppliers, financial institutions and insurers), especially if they become financially distressed or insolvent or are incapable of satisfying contractual obligations due to market changes. Any failure by counterparties to meet their obligations could affect the cost and completion of projects, the quality of work and delivery of certain crucial products or services, or could lead to a potential risk of operational disruption, damage to reputation, loss of significant contracts or lack of financial liquidity. There is also a risk of incurring significant additional costs, in particular if the ORLEN Group's subsidiary companies were required to pay liquidated damages, find other trading partners or complete any previously subcontracted work or manufacture any required products. Some categories of the ORLEN Group's customers, in particular low-paid retail energy consumers, may be protected against litigation for late payments by the decisions of regulatory authorities; therefore, the amount of overdue liabilities of the ORLEN Group may increase. In addition, although the ORLEN Group maintains insurance policies to cover the risks associated with its business operations, such policies are subject to certain customary exclusions and limitations such that the ORLEN Group's insurance coverage may not be sufficient to cover all types of loss in all circumstances.

Such developments could adversely affect the ORLEN Group's financial condition and, consequently, the Issuer's ability to make payments under the Notes, as well as the value of the Notes.

Industrial action or adverse relations with employees could disrupt the ORLEN Group's business operations

The ORLEN Group's employees are parties to national or industry collective bargaining arrangements and benefit from applicable internal laws, regulations and customs regarding employee rights and benefits.

If the ORLEN Group is unable to negotiate acceptable labour agreements or maintain satisfactory employee relations, the consequences could include work stoppages, strikes or other industrial action or labour difficulties (including higher labour costs) that could have a material adverse effect on the business, financial results, financial condition and prospects of the ORLEN Group and, consequently, on the value of the Notes, and on the ability of the Issuer to make payments under the Notes.

Risks of increased competition in the electricity market

The ORLEN Group is exposed to significant and increasing competition in the electricity and energy markets in Poland. External revenue generated by the ORLEN Group from the sale of energy as in the year ended 31 December 2022 amounted to PLN 27,044 million.

Given the ongoing development of the retail energy market in Poland, the increasing activity of energy sellers and a growing number of customers who change their energy supplier, the Issuer's subsidiary, Energa S.A. (**Energa**), is exposed to the risk of losing existing retail customers and the risk of a decrease in generated margins. Moreover, the dynamic development of renewable energy sources and the accelerating implementation of new technologies impact competition on the wholesale market, which has a direct impact on the profitability of energy sources the proceeds of which are generated on the basis of that market.

The ORLEN Group faces risks associated with the actions of competitors and the entry of new entities into the market. The ongoing liberalisation of the energy market in Poland, changing legal requirements and restrictions with regard to competition, the changing value and volatility of the market and the number and size of current and potential competitors all constitute factors affecting competition.

The ORLEN Group cannot anticipate all of the various risks and opportunities that may arise from the ongoing liberalisation of the Polish energy market. The complete implementation of the liberalisation process is intended to eliminate regulated retail tariffs, which is expected to further increase competition. The ongoing changes to the Polish energy market could adversely impact the operations, financial condition and results of operations of the ORLEN Group.

The ORLEN Group faces risks relating to the level of its industrial air emissions

EU laws in terms of climate standards and industrial air emissions are tightened on a constant basis. Since 1 January 2016, much stricter emission standards have been imposed, and further restrictions were introduced in October 2018 as a result of the entry into force of the provisions of the Commission Decision of 9 October 2014 establishing conclusions on best available techniques (BAT) for oil and gas refining under Directive 2010/75/EU of the European Parliament and of the Council on industrial emissions (integrated pollution prevention and control) (Recast).

In February 2023, the ORLEN Group announced an update of its 2030 Strategy, which also includes carbon neutrality elements – reduction in CO_2 from its current refining, petrochemical and upstream assets by 25 per cent. and emissions from power generation by 40 per cent. per MWh by 2030 with the aim to achieve carbon neutrality by 2050. Further projects designed to ensure the ORLEN Group's compliance with the applicable emission limits are in progress.

The Płock municipal area is subject to a more intensive air emissions (incl. SO2, NOx and other air pollutants) monitoring regime and, if the relevant emission limits are breached in the municipal area, some additional restrictions (including, in particular, stricter emissions standards) could be imposed by regional authorities.

Failure to meet the industrial air emission standards could have a material adverse effect on the business, financial results, financial condition and prospects of the ORLEN Group and, consequently, on the value of the Notes, and on the ability of the Issuer to make payments under the Notes. Moreover, failure to meet the industrial emission standards could lead to the imposition of a fine or an administrative penalty in accordance with provisions of the Act of 27 April 2001 – the Environmental Protection Law, which could have a negative impact on the ORLEN Group's financial condition. Furthermore, should the information regarding the failure to meet the industrial emission standards or of the fines or administrative penalties become public, it could harm the ORLEN Group's reputation, as environmental protection and impact on human health are becoming increasingly important factors for customers, both globally and in Poland.

The renewable energy projects that the ORLEN Group plans to implement may fail to generate the expected economic benefits

The ORLEN Group plans to implement various renewable energy projects. The economic viability of the renewable energy projects that the ORLEN Group plans to implement relies heavily on the outcome of renewable energy auctions and application of other support mechanisms. Such auctions are organised by public authorities and their results are uncertain. The support mechanisms are subject to periodic reviews and assessments (as a rule, every third year) and are generally subject to modification.

If the ORLEN Group's renewable energy projects do not qualify for auctions, their qualification for auctions expires (and is not renewed), and the economic viability of the ORLEN Group's renewable energy projects that do not win their respective auctions could be threatened. The same could occur if other renewable energy support mechanisms (such as investment support, must-take obligations and/or connection priority) do not (or cease to) apply to the ORLEN Group's projects and/or the level of support derived from them by the ORLEN Group is materially reduced. The Issuer cannot exclude that the various individually negotiated support systems available to the renewable energy projects will be questioned and classified as unlawful state aid. Some financial institutions may consider it necessary for mechanisms limiting the market risk of the projects to be introduced in order to provide financing. Failure to obtain an adequate level of support or the lack thereof may, in some circumstances, hinder obtaining the expected debt financing.

The uncertainty of the legal regime surrounding the renewable energy projects, including changes reducing the support system to certain installations and introducing various limitations, could adversely affect the results achieved by the ORLEN Group in this area, and make its existing and future investments in renewable sources less feasible. In such cases, the ORLEN Group's involvement in renewable energy projects could have a material adverse effect on the ORLEN Group's business, financial results, financial condition and prospects and, consequently, on the value of the Notes and on the ability of the Issuer to make payments under the Notes.

Introduction of renewable fuel technologies or hybrid, hydrogen and electric motors competitive with the products offered by the ORLEN Group could adversely affect the demand for the ORLEN Group's products.

Many companies are investigating ways to develop technologies to produce high-quality fuel using renewable feedstock. In addition, world-leading technology and automotive companies, such as Apple, Google and Tesla, as well as mainstream automotive manufacturers, are also conducting extensive research into new, disruptive technologies, such as the electrification and automation of motor vehicles and ground-breaking battery technologies, which will have a significant impact on the broadly understood fuel and energy sector. At the same time, vehicles powered by hybrid systems and electric motor are increasingly gaining market shares, and their use does not require any petroleum products or a very limited amount of such products. Hybrid and hydrogen vehicles include both an electric engine and a gasoline or diesel powered engine, both of which are smaller than if they were the sole source of power, and make use of regenerative braking. "Plug in" hybrids that can be charged from domestic electrical outlets are now readily available. The relative economy of these vehicles depends on how the electricity used is generated and how much it costs. A rapid introduction or diffusion of new renewable fuel production technologies or new vehicles powered by hybrid systems and electric motors may have a material adverse effect on the supply of and demand for oil and gas and, consequently, reduce the Issuer's revenues and its ability to make payments under the Notes. In the future, regulators may impose stricter fuel efficiency standards which could lead to further decreases in demand for the conventional petroleum-based fuels that the ORLEN Group currently produces, distils, sells and distributes. For example, several cities in Poland have begun the implementation of programmes that seek to incentivise the use of more environmentally friendly vehicles by offering subsidies or tax breaks or by directly banning the use of vehicles using conventional petroleum-based fuels beyond a certain year. The roll-out of these and similar schemes across the Issuer's key markets would reduce demand for vehicles with diesel and gasoline engines, which would, in turn, lower demand for the products sold by the ORLEN Group's business segments and potentially require the ORLEN Group to make significant capital investments at its refineries to configure them for an alternative product slate. Legislative changes could also be accompanied by, or serve to accelerate, a shift in consumer preference towards alternative fuels due to increased environmental awareness and the improved competitiveness of "green" technologies. The lower demand for the products of the ORLEN Group could also lead to financial difficulties if the Issuer was unable to introduce the necessary changes or to successfully market and sell alternative products. Moreover, the introduction of such changes would require significant effort from the ORLEN Group, as fuels currently remain its main area of business. As the ORLEN Group is universally associated with fuels, potential customers of its alternative products might not change their perception of the Issuer easily.

The ORLEN Group may not keep pace with technological changes

Technologies used by the industries in which the ORLEN Group operates, including in the energy and fuel retail sales sector, develop rapidly and may continue to do so in the future. This includes, among other things, the rapid development of the electro mobility or e-commerce segment. In order to remain competitive and expand its business, the ORLEN Group must keep pace with technological advances. If the ORLEN Group is unable to update its technologies quickly and regularly to exploit industry trends, it may be subject to stronger pressure from competitors. Keeping pace with technological trends requires the development of adequate strategies and efficient implementation of many complex projects. There is a risk that the ORLEN Group's integration processes will disrupt the implementation of this aim.

The ORLEN Group's access to the latest technologies might also be limited by, among others, market participants or the lack of cooperation with potential technology providers. The ORLEN Group could also miss out on valuable opportunities for expanding its business in existing or new markets due to insufficient integration of new technologies into its business. Many companies are engaged in research to develop high-quality production technologies using renewable raw materials, among others.

Rapid technological advances and the introduction or wide adoption of new technologies could require substantial and unforeseen investments connected with modernisation or adoption of such new technologies by the ORLEN Group. In addition, considering that significant numbers of the manufacturing assets of the ORLEN Group have long asset life cycles, breakthrough technological changes may lead to market changes which will limit the ORLEN Group's forecasted operating profitability. It cannot be ruled out that, due to the occurrence of unforeseen technological changes, the value of some assets will be impaired.

All of the above may have a material adverse effect on the Issuer's ability to make payments under the Notes and on the value of the Notes.

The ORLEN Group may face significant competition from other regional players

The ORLEN Group is facing increasing competitive pressures across all areas of its business, from both local and global entities. The ORLEN Group's market position is potentially threatened by competition from other regional refineries and wholesale distributors, as well as other power generators and suppliers. Wholesale volumes of fuels are imported into the markets where the ORLEN Group operates mainly from Slovakia, Austria, Hungary, Russia, Scandinavia and Germany. Products imported from those countries may put pressure on the prices of the ORLEN Group's products. The ORLEN Group's retail competitors include international and regional oil companies, and power companies and entities with a large number of customers that render services in, among others, trading in electricity, including entities with greater financial resources than the ORLEN Group. Worldwide and regional refining capacity expansions may also result in refining production capability exceeding the demand for refined products, which would have an adverse effect on refining and petrochemical margins. In particular, the planned expansion, construction of new refineries or petrochemical plants by competitors, including opening of Dangote refinery in Nigeria, may reduce the supply of available crude oil for refining and petrochemical production, and also increase competition in respect of the sale of refined products. This may ultimately lead to a reduction in refining and petrochemical margins for the ORLEN Group.

In the upstream supply of hydrocarbons segment, the ORLEN Group competes mainly with local Canadian companies operating in this sector and companies operating in Norway and Lithuania.

In the market of crude oil refining, the ORLEN Group, which is currently operating five major production complexes in Poland, Lithuania and the Czech Republic, is a regional leader competing with other players present in Central and Eastern Europe (such as TOTAL's Mitteldeutschland refinery in Leuna/Spergau, PCK's refinery in Schwedt, Slovnaft's refinery located near Bratislava, and MOL's Danube refinery in Százhalombatta).

Competition and innovation in petroleum products and lubricants are likely to translate into rises in product prices, which may not be accepted by the ORLEN Group's customers and as a result, the ORLEN Group may be pressured to reduce its margins. The ORLEN Group's financial condition and operating performance may be adversely affected by its competitors developing or acquiring intellectual property rights to technologies, or by a lack of progress in the ORLEN Group's innovation efforts relative to the rest of the industry.

The ORLEN Group is also present in the segment of petrochemical products where it directly competes with other producers of petrochemical feedstock, basic petrochemicals and more advanced derivative products. Other players are mostly located in Western Europe and include, among others, Lyondell Basell, INEOS and SABIC on the polyethylene market; Lyondell Basell, Borealis, Total Petrochemicals and SABIC on the polypropylene market; Indorama, BP Chembel NV/INEOS and Polief on the PTA market and Inovyn, Kem One, Vynova and Vinnolit on the PVC market; however, depending on the product, the competitors may also include other local companies.

The ORLEN Group also faces competition risk in the power generation and electricity trading markets. Entities with more cost-efficient generation capacities may be able to offer electricity to the Issuer's and its subsidiaries' existing or prospective customers on more favourable terms, which may adversely affect the Issuer's revenue and financial results. This applies to both retail customers (households) and other electricity customers, particularly the largest (strategic) ones. Imports of electricity from abroad may also pose a risk to the competitive position of the ORLEN Group since it puts pressure on the margins of domestic producers and, thus, on wholesale margins. In the electricity market, the ORLEN Group faces competition from other players active on the national market, such as PGE, Tauron, Enea and Polenergia, and also from major players active in the neighbouring markets (e.g. E.ON, RWE, EdP). Also, due to the ORLEN Group's strategic decision to develop renewable power generation capacities, the ORLEN Group will be increasingly competing with other RES players, especially in the area of construction of offshore wind farms on the Baltic Sea, such as Ørsted, Equinor, EdP and Polenergia.

In the retail segment, the ORLEN Group competes directly with other major fuel retailers such as BP, Circle K, Shell, the MOL Group and its subsidiaries, and the OMV Group. However, ORLEN Group's further plans to expand within the non-fuel retail segment, in which it acquired RUCH S.A. ("**RUCH**") and its subsidiaries, and aims to be increasingly competitive with convenience retailers such as Żabka and others.

The ORLEN Group also faces competition with respect to natural gas exploration and production markets. In order to conduct its activities in this area, the ORLEN Group needs to acquire new concessions (prospecting, exploration and production concessions), for which it competes with other entities, especially those operating globally, with strong market positions and greater financial resources than the ORLEN Group. This applies in particular to exploration and production operations abroad with to which ORLEN Group competes with major global entities operating in oil and gas segments.

Any increase in competition could have a material adverse effect on the ORLEN Group's operations, financial results, financial condition and prospects, and consequently on the Issuer's ability to make payments under the Notes and on the value of the Notes.

The ORLEN Group may fail to implement a sustainable development strategy and to adjust to the European Green Deal Policy

The transition to a low-carbon economy and working towards global targets for reducing the impact of climate change require that threats to sustainable development be factored into the risk management approach. In recent years, EU laws have evolved to require businesses to disclose information on their sustainability performance. Examples include the green deal policy implemented by the European Commission in December 2019 (the **European Green Deal Policy**) and the Fit for 55 package, which commits the EU to becoming climate-neutral by 2050 whilst promising to help companies to become world leaders in clean products and green technologies. In February 2023, the ORLEN Group announced an update of its 2030 Strategy, which also includes carbon neutrality elements – reduction in CO2 from its current refining, petrochemical and upstream assets by 25 per cent. and emissions from power generation by 40 per cent. per MWh by 2030 with the aim to achieve carbon neutrality by 2050. Further projects designed to ensure the ORLEN Group's compliance with the applicable emission limits are also in progress. The emission-neutrality strategy announced by the Issuer is based on five pillars: energy efficiency in production, zero- and low-emission power generation, alternative fuels, green financing and circular economy.

The need to take into account the impact of sustainability trends, as well as opportunities and risks resulting from the necessity to follow the principles of sustainable development, may have a bearing on the ORLEN Group's business activity and financial results in the long term, as they may require a focus on sustainability efforts. Adapting the business operations of the ORLEN Group to the new requirements of the European Green Deal Policy will require significant capital expenditures, and there is a risk that the ORLEN Group will not achieve its long-term objectives and fail to fully adopt the new low-emission strategy.

If changes related to a sustainable development strategy are not effectively introduced, these trends may adversely affect the ORLEN Group's financial condition, and consequently the Issuer's ability to make payments under the Notes as well as the value of the Notes.

Risk related to access to and costs of external financing, including downgrade or withdrawal of credit rating

The Issuer and other subsidiary companies within the ORLEN Group are parties to a number of financing agreements with complex legal structures. There is a risk that in the future it may be difficult to secure new financing in the amounts and on the terms preferred by the ORLEN Group. This could be caused by instability on the financial and capital markets in Poland or abroad, further tightening of the environmental policies by banks and institutional investors (resulting in limited financing for new projects based on fossil fuels or related to the refining and petrochemical business), deterioration of the overall economic conditions in Poland or abroad, or other reasons difficult to predict as at the date of this Offering Circular. Such circumstances could result in limited availability of financing for the ORLEN Group or in higher cost of such financing (due to increased interest rates, commission fees, etc.). Higher borrowing costs, in particular due to higher interest rate levels, may have a negative impact on the ORLEN Group's financial results.

Although, as at the date of this Offering Circular, Poland is undergoing a transformation as a result of which coal assets will be separated from state-owned energy companies and consolidated in a separate entity called the National Energy Security Agency ("**NABE**"), the Issuer cannot exclude the possibility that certain financial institutions may refuse to provide financing to the ORLEN Group, which currently holds some coal assets in Poland (mainly through Energa S.A. and its subsidiaries). The carve out process will require the State Treasury of the Republic of Poland to acquire shares in companies holding all assets connected with generation of energy in power plants fuelled by hard coal and lignite, including the related service companies and lignite mines from the Energa S.A., Enea S.A., Tauron Polska Energia S.A. and PGE Polska Grupa Energetyczna S.A. Assets related to hard coal mining will not become a part of the entity operating coal-based energy generation units. The district heating assets in connection with their planned upgrades to low and zero-carbon sources will not be the subject of the carve-out. As of the date of this Offering Circular the aforementioned process is still on-going and is expected to be completed in 2023.

If the above-described process of separation of coal assets is not completed successfully and financial institutions decide to phase out support for the coal sector and projects based on fossil fuels, this may, potentially significantly, limit the scope of financial resources available to the Issuer.

The risks specified above could reduce the Issuer's liquidity and adversely affect the ORLEN Group's performance, operations and financial condition.

The ORLEN Group faces risks associated with entering new business areas and investments

The ORLEN Group has targeted various investments in the past and intends to continue this strategy. Growth through acquisitions and investments in strategic projects (including biofuels initiatives and investments in small nuclear reactor technology) entails risks inherent in identifying suitable opportunities and assessing the value, strengths and weaknesses of the acquisition or investment targets, as well as challenges in managing the increased scope, geographic diversity and complexity of the expanded operations, and integrating the acquired businesses into the ORLEN Group's operations. Assumptions made by the ORLEN Group when deciding to acquire or invest in certain businesses may not materialise.

The ORLEN Group conducts due diligence, in principle with the assistance of outside consultants, by evaluating a number of important business, financial, tax, accounting, environmental and legal issues in determining whether or not to proceed with a new project or make a new investment. Nevertheless, when conducting due diligence and making an assessment regarding a project or an investment, the ORLEN Group can only rely on resources available to it at the time, including information provided by the target of the investment where relevant and, in some circumstances, third party investigations. In some cases, information cannot be verified by reference to the underlying sources to the same extent as the ORLEN Group could for information produced from its own internal sources. As a result, prior to acquisition by the ORLEN Group, target companies may have incurred contractual, financial, regulatory, environmental or other obligations and liabilities that may impact the ORLEN Group in the future and that are not adequately reflected in the historical financial statements of such companies or otherwise known to the ORLEN Group or discovered by it during the due diligence process or with respect to which the ORLEN Group does not have adequate indemnities from the seller.

Any failure by the ORLEN Group to identify relevant facts through the due diligence process may cause it to make inappropriate business decisions and may expose it to significant liabilities which the ORLEN Group may not have been aware of.

The ongoing acquisition processes could result in the ORLEN Group incurring additional debt and liabilities, as well as in the ORLEN Group's ineffective use of its cash resources to finance such processes. The relevant competent authorities or courts may also challenge certain acquisitions of entities identified by the ORLEN Group. In addition, any such processes involve a potential risk of the failure to achieve the assumed rate of return on investment and synergies, which may adversely affect the business of the ORLEN Group, its financial condition, results of operations or prospects.

Furthermore, the ORLEN Group's ability to complete acquisitions will depend on, and may be limited by, the availability of suitable acquisition targets and restrictions contained in the ORLEN Group's debt instruments and other existing and future financing arrangements. The ORLEN Group's ability to complete acquisitions may also be limited by its ability to secure financing for such acquisitions as well as by regulatory constraints within the countries in which the ORLEN Group operates due to anti-trust laws or political decisions.

The integration of such acquired assets, companies or businesses, and their operations, technologies and employees, may expose the ORLEN Group to operating difficulties and expenditures associated with the retention of key employees, legal contingencies and risks related to the acquired business, and the maintenance and integration of procedures, controls and quality standards. Such growth may also significantly increase costs, including the cost of compliance arising from exposure to additional activities and jurisdictions. As a result of these or other factors, the ORLEN Group may not be able to achieve the anticipated benefits from any acquisition or investment, and the consideration paid for an acquisition or investment may also affect the ORLEN Group's financial results.

The ORLEN Group also cannot provide assurance that any future acquisitions will be successfully identified and completed or that, if acquisitions are completed, the acquired companies will generate sufficient revenue to offset the associated costs or other harmful effects on the ORLEN Group's business. Strategic acquisitions and investments could also divert management's time and focus from operating the ORLEN Group's business. The financing of acquisitions or investments in other companies may require the ORLEN Group to use a substantial portion of its available cash or raise debt, which would increase the ORLEN Group's interest expenses. Moreover, acquisitions may result in write-offs and restructuring charges as well as the creation of goodwill and other intangible assets that are subject to an impairment test, which could result in future impairment charges.

If the ORLEN Group is not successful in meeting the challenges associated with any significant acquisitions which it may make, or in managing its growth successfully, this could have a material and adverse effect on the ORLEN Group's business, results of operations or financial condition.

Such a situation could materially and adversely affect the ORLEN Group's operations, performance, financial condition and prospects, and consequently the Issuer's ability to make payments under the Notes and the value of the Notes.

Risk factors related to the SMR projects

In December 2021, ORLEN and Synthos Green Energy signed an investment agreement for a project to build and commercialise small SMR-type nuclear reactors. Synthos Green Energy and ORLEN have formed a joint venture, Orlen Synthos Green Energy (OSGE), and together plan to build a fleet of BWRX-300 SMR reactors in Poland, the first of which is expected to be operational by 2030. The joint venture will develop and deploy small and micromodule reactors (SMR and MMR, respectively), explore potential reactor sites and, once the nuclear power plants are operational, commercialise electricity generated by SMR/MMR technology in Poland. In March 2023, the European Commission approved, under the EU Merger Regulation, the creation of a joint venture by ORLEN and Synthos Green Energy.

The SMR projects are associated with numerous risks. SMR is a relatively new technology compared to traditional nuclear power plants, and BWRX-300 reactors have never been commercialized before. There is a risk associated with introducing new technical solutions that can lead to technological issues, costs, and construction delays.

The SMR is a new technology that can also encounter unforeseen technical problems. Therefore, there is a risk of defects in the design, execution or in the materials themselves, which can lead to construction delays and additional costs. Prudent project governance, strict safety procedures and rigorous supervision are to be implemented to minimise such risks.

The construction of an SMR requires compliance with stringent regulatory standards and obtaining the necessary permits. This process can be time-consuming, and fluctuating regulations and political changes can impact the construction schedule and project costs. Furthermore, there is a risk that regulatory change due to the prevailing attitude to nuclear power, the costs relating to construction, or insurance related to the nuclear industry, may change adversely over time and may impact the completion of the SMR projects. Proper management of this risk, effective communication with regulatory bodies, and taking actions to maintain the necessary licenses and permits are essential to ensure the success of SMR-related venture.

The absence of a well-established market for SMRs poses a significant challenge. If the necessary export licenses or authorizations cannot be obtained and maintained, it could have a detrimental effect on the ability to compete and market SMR technology successfully. Difficulties in securing and maintaining the required export licenses or permits can hinder effective competition and the introduction of SMR technology to the market. The procedures and administrative requirements involved in securing these licenses can be both time-consuming and expensive, and any setbacks in this process may result in construction delays and obstruct the entry of the product into the market.

The construction of SMRs also entails challenges related to public opinion and social acceptance. Concerns and anxieties regarding safety, environmental impacts, and nuclear waste management can lead to opposition from the local community or difficulties in gaining social support.

Occurrence of any of the factors specified above could materially and adversely affect the ORLEN Group's operations, performance, financial condition and prospects, and consequently the Issuer's ability to make payments under the Notes and the value of the Notes.

Risk factors related to the offshore energy projects

The ORLEN Group is engaged in several offshore energy projects, including the Baltic Power offshore wind farm, which is a key project for the ORLEN Group and Northland Power, supporting transition towards a clean, low-carbon economy.

The construction of offshore projects, which involves activities carried out at sea or in water areas, entails specific risks for companies engaging in such ventures. Constructing offshore projects requires specialized equipment, tools, and technology. Performing work at sea is more complex than on land due to challenging environmental conditions, water depths, waves, and different types of seabed. Transporting materials, equipment, and personnel to offshore construction sites poses logistical challenges. Special procedures and technical solutions are necessary, which can lead to increased costs and risk of failures.

The ORLEN Group must also obtain various permits, licenses, and approvals from relevant regulatory authorities when conducting offshore energy projects, including the Baltic Power offshore wind farm. This process can be complicated, time-consuming, and costly.

Moreover, the offshore construction is susceptible to unpredictable weather conditions, such as strong winds, storms, waves, or hurricanes. These extreme conditions can cause construction delays, increased costs, and pose risks to personnel and equipment. Companies operating such projects must comply with safety and environmental regulations and minimize adverse impacts on ecosystems.

Occurrence of any of the factors specified above could materially and adversely affect the ORLEN Group's operations, performance, financial condition and prospects, and consequently the Issuer's ability to make payments under the Notes and the value of the Notes.

Cyclical nature of the petrochemical industry

The ORLEN Group's key petrochemical products include ethylene, propylene, polyethylene, polypropylene, terephthalic acid, benzene, butadiene, acetone, phenol, glycols, toluene, orthoxylene, PVC, PVC granules, ammonium nitrate, caustic soda, and soda lye. Prices of petrochemical products are subject to regular fluctuations, are cyclical and are attributable to shifts in global production capacity and demand trends. In the history of the petrochemical industry, periods of low supply, causing prices and margins to rise, have alternated with periods of significant capacity additions, leading to oversupply and subdued prices and margins. This cyclicality results from the global economic environment, global policies and social and political unrest in the regions from which feedstock are sourced, while the reasons for the periods of cyclicality are hard to predict. No assurance can be given that future demand for petrochemical products will be sufficient to fully utilise the ORLEN Group's existing and planned capacities.

Depending on its extent, any excess capacity may reduce prices and margins. Any unforeseen capacity additions within the industry may adversely affect overall market conditions. The reduction of prices and margins may also be caused by an unforeseen decrease in demand driven by structural and regulatory implications. Future movements in the prices of petrochemical products cannot be predicted and may have an adverse effect on the prospects, financial condition or performance of the ORLEN Group and, consequently, on the Issuer's ability to make payments under the Notes and on the value of the Notes.

Risk of disrupting the operations of the ORLEN Group, including its supplies, due to lack of political, social and economic stability

The ORLEN Group sources oil from various sources, including from national oil companies and international crude oil brokers. Any lack of political, social or economic stability in the countries from which the ORLEN

Group buys crude oil and in the countries through which oil is transported to the countries in which the ORLEN Group operates (so-called transit countries) or the countries of origin of the counterparties supplying crude oil to the ORLEN Group may cause a decrease in the supply of crude oil to the ORLEN Group. Countries such as Venezuela, Russia, Libya and Iran were, in various degrees, politically unstable in the past and in the last eight years were subject to events resulting in the disruption of the global supply chain. The instability in those regions may be the result of many factors, including a change of government or military regime, sanctions, social unrest or acts of terror. The unstable political situation therein may adversely affect the global oil markets and, consequently, global oil prices. In addition, the EU and US sanctions limiting the supply of crude oil are an example of the disruption of supply that has impacted or currently impacts the ORLEN Group. Any future events or other armed conflicts similar to those mentioned above or any political instability in a region may limit access to alternative supplies and aggravate the global oil balance and potentially impact the business of the ORLEN Group, its financial condition, results of operations or prospects.

In February 2023, Transneft (a Russian oil pipeline operator) suspended the supplies of Russian oil to the ORLEN Group. Taking into account the ORLEN Group's significant import of crude oil from Russia in the past, the situation in Ukraine and the sanctions imposed on Russia in relation therewith may adversely affect the ORLEN Group's business. At the end of January 2023, long term contract with Rosneft for crude oil delivery to Płock expired. In February 2023, Tatneft suspended crude oil deliveries to Plock and the Issuer terminated this contract in April 2023. Currently, Russian crude oil is processed only in our Czech refineries based on long-term contract with Rosneft binding until mid-2025. In ORLEN Group, approximately 90 per cent. of processed crude oil is obtained from non-Russian sources. The ORLEN Group has carried out a detailed analysis of oil sales made in Ukraine and Russia. In 2022, the share of the Group's revenue from sales in both of these countries was less than 2 per cent. (due to low sales volumes).

Risk of growing competition on the gas market and the risk of losing clients

The ongoing process of the liberalisation of the Polish gas market, with a planned deregulation of household gas prices by 2027, is intensifying competitive pressure in the gas trading segment. Competitors seek to increase gas fuel sales by offering competitive prices of fuel or dual fuel (gas and electricity) bundles. Moreover, the activity of large energy companies on the Polish natural gas market is increasing.

Competition in the gas trading segment in Poland may also intensify when the natural gas supply security regime is changed, which will transfer the obligation to maintain mandatory stocks of natural gas from its importers to a third party and tie this obligation to supplies to end-users. Currently, gas importers competing with the ORLEN Group may fulfil the obligation under the Act on Emergency Stocks on their own or under what is known as a ticketing service - entrusting its execution on a commercial basis to the ORLEN Group or to another entity that meets the statutory requirements. Trading companies may also make use of the capacity of foreign gas storage facilities in the EU or EEA, which entails the need to ensure that mandatory natural gas stocks can be supplied at any time. The rationale for the proposed change in the security of the supply regime is based upon, among other things, concerns raised by the European Commission. At the same time, in accordance with the current legislation, the Government Strategic Reserves Agency ("**RARS**") may temporarily provide the service of creating and maintaining mandatory stocks as a ticketing service.

The expected de-tariffication of the gas trading market in the household segment by 2027, coupled with the possible liberalisation of the provisions of the Act on Emergency Stocks, may bring a further intensification of competitive pressure, increase the risk of losing customers and market share, as well as cause a deterioration of financial performance, which could have a material impact on the operations of the ORLEN Group as well as its financial position, results of operations and/or development prospects, and, consequently, on the Issuer's ability to make payments under the Notes and on the value of the Notes.

Seasonality risk

The ORLEN Group activities comprise, among others, offering customers natural gas, oil, petroleum products, heat and electricity, as well as gas distribution and storage services. The volume of sales and distribution of natural gas and the volume of sales of cogenerated heat and electricity are subject to seasonal fluctuations with a peak of sales in the heating season. Above-average air temperatures result in lower sales and consequently lead to lower financial results for the ORLEN Group.

According to the ORLEN Group's data, natural gas consumption in the industrial and construction sector is relatively constant throughout the year. For households, an increase in consumption is observed from January to March and from October to December (the heating season). A similar trend can be observed in the heat plants and combined heat and power plants segments, where gas consumption depends on the temperature and, consequently, the demand for heat.

Sales volumes may also be adversely affected by such factors as the economic downturn in the markets where the ORLEN Group operates, continuously high prices of gaseous fuel, deterioration in the financial situation of key customers, and, in the long term, structural changes in the demand for energy in connection with the ongoing process of energy transition towards a low- and zero-carbon economy.

All of the above-mentioned factors could adversely affect the ORLEN Group's business, financial condition, results of operations or prospects, and, consequently, the Issuer's ability to make payments under the Notes and on the value of the Notes.

RISKS RELATED TO THE ORLEN GROUP'S OPERATIONS

Risk associated with the ongoing consolidation of the ORLEN Group in connection with the merger with Grupa LOTOS and PGNiG

On 1 August 2022, the registry court recorded the merger of ORLEN with Grupa LOTOS S.A. (**Grupa LOTOS**) and on 2 November 2022, the registry court recorded the merger of ORLEN with Polskie Górnictwo Naftowe i Gazownictwo S.A. (**PGNiG**).

The merger process poses a huge organisational challenge for the ORLEN Group, and means extending the current business of the ORLEN Group to new areas and business lines. In the course of the consolidation of the ORLEN Group with Grupa LOTOS and PGNiG, certain unexpected difficulties or delays may occur that may prevent the ORLEN Group from achieving the expected benefits or may cause the achieved benefits to be much smaller than previously expected and the costs associated with the integration of the companies to be higher. Such difficulties may result specifically from the need to bring the existing operations of Grupa LOTOS or PGNiG and of their subsidiaries to the standards needed to meet the requirements of the ORLEN Group, and to adapt the existing operational activities of the ORLEN Group to the new structure of the ORLEN Group, resulting from it being extended by Grupa LOTOS and PGNiG. Specifically, there may exist differences in operational and personnel approach as well in the integration of products and services currently offered by ORLEN, Grupa LOTOS, PGNiG and acquired subsidiaries.

The consolidation process also involves the need to integrate the complex IT systems of the combined organisational structures. The ORLEN Group makes every effort to ensure that the integration of IT systems is implemented smoothly and results in the most favourable outcome possible.

Moreover, as of the date of this Offering Circular, the accounting settlement of the merger has not been completed, and the process of fair value measurement of the acquired net assets is in progress. Therefore, the audited consolidated financial statements of the Group for the financial year ended 31 December 2022 and the interim consolidated financial statement for three months ended 31 March 2023 present provisional values of all identifiable assets and liabilities that correspond to their book values as at the date of the combination. The ORLEN Group expects to complete the accounting settlement of the transaction within 12 months from the respective merger date, i.e. by 1 August 2023 (with respect to merger with Grupa LOTOS) and by 2 November 2023 (with respect to merger with PGNiG).

The ORLEN Group's objective is to conduct the consolidation of ORLEN, Grupa LOTOS and PGNiG in the most efficient manner possible that does not adversely affect its operations and does not involve extra time and costs. The ORLEN Group cannot rule out, however, that the actions taken to consolidate the three large corporate groups will prove to be inefficient or less efficient than expected, which could have an adverse effect on the operations of the ORLEN Group, its financial condition, financial results or prospects.

Risk related to mergers and acquisitions conducted or completed by ORLEN

The completed acquisition processes, as well as other potential acquisitions that may take place in the future, could result in the ORLEN Group incurring additional debt and liabilities, as well as higher interest expenses, or impairment or amortisation charges with respect to its goodwill and other intangible assets, or use by the ORLEN Group of its cash resources to finance such processes.

The relevant mergers and acquisitions transactions, including the mergers with Grupa LOTOS and PGNiG, are also subject to increased scrutiny from ORLEN's shareholders and investors, the media and governmental entities, as well as political and non-governmental organisations which could adversely affect ORLEN's reputation.

The relevant competent authorities or courts may also challenge acquisitions of certain entities by the ORLEN Group, including the mergers with PGNiG and Grupa LOTOS, as well as related transactions, including the implementation of remedies imposed by the European Commission in relation to the merger with Grupa LOTOS.

In addition, any such processes involve a potential risk of failure to achieve the assumed rate of return on investment and synergies and risks related to valuations and assumptions of the purposes of such transactions.

Any of the events specified above could have an adverse effect on the operations of the ORLEN Group, its reputation, financial condition, financial results or prospects.

Risk associated with the ORLEN Group's IT systems and cyber attacks

As the ORLEN Group's operations involve the use of complex and advanced IT systems in many business areas, to an extent typical of similar corporate organisations, there is a range of risk factors associated with the operation of IT systems on a corporate scale. The IT systems used by the Issuer and the ORLEN Group are protected in line with global Information and Communications Technology security best practices. However, no assurance can be given that the IT systems will at all times operate properly and the risks related to their security cannot be fully eliminated. Such risks stem from potential incidents threatening the continuity of operation of IT systems and the confidentiality, availability or integrity of data processed in the IT systems and are related mainly to potential system failures.

Incidents in the oil sector and other industries have shown that parties who are able to circumvent barriers aimed at securing industrial control systems are capable and willing to perform attacks or carry out various frauds that destroy, disrupt or otherwise compromise operations. Although the ORLEN Group has security barriers, policies and risk management processes in place that are designed to protect its information systems and digital infrastructure against a range of cyber security threats, there can be no assurance that such attacks will not occur, and any such attacks would have an adverse impact on the ORLEN Group's operations.

Any materialisation of the risks described above may have a material adverse effect on the Issuer's and the ORLEN Group's operations, financial condition and performance and, consequently, on the Issuer's ability to make payments under the Notes and on the value of the Notes.

The ORLEN Group may fail to implement the carbon neutrality strategy

On 28 November 2018, the European Commission presented a European long-term strategic vision for a prosperous, modern, competitive and climate-neutral economy by 2050. The strategy shows how the European Union can lead the transition to climate neutrality by investing in feasible technological solutions, empowering citizens and realigning policies within the key areas of industry, finance and research. The pursuit of the carbon neutrality strategy may affect Poland's entire economic structure. In addition to financial issues related to its implementation, there are other material factors that may additionally complicate pro-climate initiatives. These include political considerations, legal regulations, infrastructure issues, supply chains, technologies and conflicting economic interests.

In February 2023, the ORLEN Group announced an update of its 2030 Strategy, which also includes carbon neutrality elements – reduction in CO2 from its current refining, petrochemical and upstream assets by 25 per cent. and emissions from power generation by 40 per cent. per MWh by 2030 with the aim to achieve carbon neutrality by 2050. Further projects designed to ensure the ORLEN Group's compliance with the applicable emission limits are also in progress.

Implementation by the ORLEN Group of solutions designed to advance its strategic goal of carbon neutrality may require significant new investments, as well as day-to-day operating expenses. In addition, the energy transition strategy may require continuous technological progress and innovation in the ORLEN Group's refining business, as well as energy generation and trading. Ineffective implementation of the carbon neutrality strategy could adversely affect the ORLEN Group's operations and financial results. In addition, failure to deliver the carbon neutrality strategy or to achieve the results envisaged in the strategy could undermine the Issuer's credibility on the financial market, and thus adversely affect the Issuer's ability to raise new financing and its cost.

These risks may adversely affect the Issuer's ability to make payments under the Notes and the value of the Notes.

The ORLEN Group's counterparty credit risk

In the course of trading, the ORLEN Group sells its products and services on a deferred-payment basis, which may pose a risk of default by trading partners on payments due for products and services supplied by the ORLEN Group. Trade receivables are monitored on a regular basis and properly secured. Nevertheless, as at 31 December 2022, the value of receivables overdue for more than 90 days owed for supplies and services (on gross value basis) provided by the ORLEN Group amounted to PLN 858 million. If any past due receivables occur, sales are suspended in line with relevant procedures in place, and debt recovery is initiated. The ORLEN Group has adopted a strategy and policy of managing trade credit, but there is a risk that such strategy and policy may prove unsuccessful, especially taking into account the integration of Grupa LOTOS and PGNiG.

Failure by trading partners to pay receivables on time may have a material adverse effect on the operations, financial results, financial condition and prospects of the ORLEN Group and, consequently, on the Issuer's ability to make payments under the Notes and on the value of the Notes.

Risk related to failure and damage of technical infrastructure facilities

The ORLEN Group is exposed to the risk of failure involving the units, equipment and other infrastructure facilities it uses in its operations. Industrial plant failures may occur as a result of infrastructure wear and tear, operating errors, acts of vandalism, adverse weather conditions, natural disasters, terrorist attacks and other events of force majeure. The ORLEN Group systematically inspects the condition of technical infrastructure and carries out the required repairs and maintenance as necessary.

Due to the type of feedstock processed and the ORLEN Group's business profile, in extreme cases plant failures may result in fires, explosions or other accidents posing a threat to human life and health. Potential plant failures may also have a negative impact on the natural environment, including any potential failures of offshore oil infrastructure.

Infrastructure failures not only cause disruptions to the continuity of production or supply of oil, natural gas, liquid fuels and electricity and, consequently, lower revenue, but also entail the need to incur additional expenditures, including costs related to infrastructure repair or compensation for damages. Such factors may have a material adverse effect on the operations, financial results, financial condition, and growth prospects of the ORLEN Group.

The ORLEN Group's infrastructure may require significant capital and maintenance expenditures

Investments in asset replacement and modernisation, as well as investments in new assets, require substantial expenditure. In 2022, the ORLEN Group spent PLN 19,622 million on capital expenditures (together with borrowing costs).

The ORLEN Group's operations require that the ORLEN Group's assets be properly inspected, repaired, operated and upgraded. These activities should ensure an optimum lifetime of plant and equipment and the required availability of key assets, while minimising the related costs. Some of the currently used assets may, due to unforeseen regulatory, market or technological changes, be excluded from operation earlier than expected or the forecast outlays on their modernisation and replacement may change.

Pursuant to the ORLEN Group's Strategy (as updated in February 2023), the ORLEN Group's transformation into a multi-utility enterprise assumes the completion of several development investments, mostly in areas such as renewable and gas energy, efficient low-emission refining and petrochemical production, and an integrated retail offering. Business diversification efforts will be driven by maximised profits from the ORLEN Group's existing core business, which is to be transformed based on new technologies, in line with the emerging environmental and consumer trends. Delivery of the strategy will further diversify the ORLEN Group's revenue sources, in line with its long-term objective of net zero carbon emissions by 2050.

In line with its strategy, the ORLEN Group will actively manage its business portfolio on a capex budget totalling PLN 320 billion in 2023-2030, including PLN 70 billion for new green energy initiatives, PLN 65 billion for conventional power and networks projects and PLN 60 billion for refining projects.

Timely implementation of such projects and disciplined budgets are crucial to their profitability. No assurance can be given that there will be no delays in completing individual stages of repair or upgrade works or increases in financial outlays on such works. Such circumstances could have a material adverse effect on the ORLEN Group's operations, performance, financial condition or growth prospects.

The Issuer's current and past investments with partners and in joint ventures may expose the ORLEN Group to financial, regulatory, performance and reputational risks

Certain of the ORLEN Group's major projects and operations are conducted through partnerships, joint ventures and similar arrangements. Many of the joint venture projects are long-term arrangements and the interests of the different consortium members may diverge over the life of the project, resulting in competing business strategies and priorities. In addition, the joint venture partners may take actions diverging from agreed instructions or requests or contrary to the Issuer's policies and objectives.

The Issuer is also exposed to the risk of the Issuer's joint venture partners failing to comply with agreed investment commitments. Many of these projects are capital intensive and require significant investments from the partners to fund initial project costs and any cost overruns. If one of the Issuer's partners is unable, or refuses, to fund its proportion of such investments, the Issuer may be unable to complete the project on time and on budget, if at all.

In addition, the contractual provisions relating to the governance of the Issuer's joint venture arrangements may require it to obtain the consent of one or more partners to approve certain key decisions, and/or may limit the Issuer's ability to block or veto key decisions where the Issuer is in disagreement with its partners. For example, the consent of the Issuer's joint venture partners may be required for the payment of distributions or for the sale of the Issuer's investment. This could prevent the Issuer from managing its investment in the manner that it would prefer and may hinder or prevent it from realizing the benefits of its investment. These governance arrangements can ultimately cause the joint venture to become deadlocked if the shareholders have a fundamental disagreement over a key matter, and any such deadlock could act to the overall detriment of the joint venture and, by extension, the Issuer's operations. These governance risks are amplified in those joint ventures where the Issuer has partnered with several companies, given that there is greater potential for differences of opinion to arise, increasing the likelihood of dispute and deadlock.

Such risk has materialised in the past operations of the ORLEN Group, specifically in such scope that in 2016 an arbitration court (an ad hoc tribunal according to the UNCITRAL rules, venue: London) resolved a dispute between the ORLEN Group and Basell Europe Holdings B.V. concerning the interpretation of certain provisions of agreements governing the rules of cooperation between the shareholders of Basell Orlen Polyolefins (ORLEN holds 50 per cent. of the shares in the share capital of that company), a polymer production company, ruling in favour of Basell Europe Holding B.V.

There can be no assurance that the Issuer will be successful in the management of its joint venture interests or that it will be able to maximise the value of investments made through its joint ventures. The occurrence of any of the foregoing or other risks could have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

Risks related to the prospecting for, recognition and exploration of hydrocarbons

The ORLEN Group conducts its prospecting business and, with the assistance of professional third-party advisers, carries out relevant studies and analyses to establish the size, availability and quality of hydrocarbon deposits. In addition, prior to deciding on the location and commencement of drilling for each exploratory borehole, the relevant geological analyses, and with respect to production boreholes, reservoir engineering analyses and simulations of exhausted areas are carried out.

The ORLEN Group maintains procedures concerning deciding on the location of the exploratory boreholes and the use of the services and knowledge of third-party advisers; however, no assurance can be given that the assessment of the parameters of hydrocarbon resources are and will be correct and that the actual size, availability and quality of the hydrocarbon resources will not differ from the assessments. The estimates of the parameters of hydrocarbon resources are the outcome of a process of the averaging of available data and its results may be imprecise. The accuracy of such estimates depends on the quality of the available data and the assessment and interpretation of such data based on engineering and geological knowledge and any assumptions. The current risk management method includes, among others, the determination of parameters and the execution of parameter distribution maps that decide on deposits, i.e. the area and the bed thickness, porosity and hydrocarbon saturation. Estimates are also prepared after a new borehole in a deposit is drilled or after events that impact the size of the reserves in a deposit. However, it cannot be ruled out that once a borehole is drilled it may occur that the results of the geological and seismic analyses were not fully accurate and, for example, the resources are smaller than anticipated, they are not as easily accessible as expected or the quality is lower than expected. There is also the risk that during the exploration of consecutive boreholes at a discovered deposit, the estimates concerning the resources in such deposit and the characteristics thereof may be lower due to unfavourable deposit parameters. In view of the above, the estimates made by the ORLEN Group companies or their third-party advisers of hydrocarbon deposits should not be considered as a confirmation of parameters of the available resources of that feedstock or the profitability of its production.

Exploration works also require significant capital expenditures, which heavily depend on prices of energy and materials, including prices of steel and components such as casing pipes and production tubing. Any increase of prices of energy or materials may increase costs of exploration works and impact profitability of exploration projects.

Incorrect assumptions concerning the size, availability or quality of hydrocarbon deposits, including the resources in the deposit that is proposed to be exploited, may result in greater production costs and lower than expected feedstock production volumes and may, consequently, materially adversely affect the business of the ORLEN Group, its financial condition or development prospects. Any incorrect assumptions concerning exploration projects' costs or profitability may have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

Risk related to conducting extraction activities, including from under the seabed

During extraction of crude oil and natural gas the ORLEN Group may face geological and deposit or technical issues which could adversely affect production levels from a given deposit. In addition, extraction levels may be adversely affected by weather conditions, including storms and other incidents. Specifically, the adverse impact of weather conditions applies to offshore deposits exploited by companies in the ORLEN Group. The exploitation of such deposits is also significantly hindered due to technical reasons, specifically considering that the product is extracted from the seabed. Consequently, such events could adversely affect a significant part of the ORLEN Group's activities in this area.

Moreover, if the actual resources in any of the deposits of the ORLEN Group prove to be lower than expected, the Group would need to analyse the profitability of the commercial production of feedstocks from such deposits. In addition, some of the material concessions and the deposits covered thereby that are held by the ORLEN Group are at an early stage of development and no feedstock is produced from them. Such early stages (meaning exploration or development of a deposit) often involve greater risk of high outlays with no proportional degree of certainty of return on such investment.

Following the completion of the production stage at any given deposit, the Group companies are required to remove the production infrastructure at such deposit. Consequently, the ORLEN Group is subject to the risk of increased costs of the removal of production infrastructure.

Despite creating provisions to cover the costs of the removal of production infrastructure in the amount and on the terms determined under the respective regulations, the Group cannot guarantee that the amount of the created provisions will be sufficient to cover all of the expenses that the Group will have to incur in the future in connection with the removal of production infrastructure. There is a risk that the actions planned by the Group may prove insufficient, specifically in view of any factors which are not dependent on the Group, such as any change in applicable laws or the technical parameters of the deposits where the infrastructure is situated.

In addition, the ORLEN Group operates on the Norwegian continental shelf where there is no requirement to create provisions against the coverage of the removal costs, and such costs are secured by a guarantee of ORLEN covering all obligations of a subsidiary operating in Norway in connection with all of its operations offshore and onshore (including with respect to employees). Under Norwegian law, the ORLEN Group, as a licence, is responsible for the removal costs pro rata to its share in the licence. Based on the terms of the cooperation agreements concerning mining usufruct rights to a given licence regarding any failure to make payment, the remaining licences are, in principle, liable on a pro rata basis, and in the case of non-payment, are liable on a joint and several basis. Therefore, if one or more of the remaining licences fails to cover the share in costs allotted thereto, the ORLEN Group may be required to cover its pro rata share of the removal costs allotted to such licence. If the ORLEN Group decides to sell its share in the licence, the ORLEN Group, as the entity selling the share in the licence, will be liable to cover the financial obligations of the buyer with respect to all other licences and with respect to the Norwegian state on account of the cost of the removal of the production infrastructure. The liability of the transferor of the share in the licence is limited to the net amount (excluding tax) of the removal costs, subject to the relevant share in the licence and covering all of the liabilities that were not excluded under the purchase agreement of the licence at the time of the transfer of the share in the licence to the buyer.

If any of the above-mentioned risks materialise, they may have a material adverse effect on the operations of the ORLEN Group, its results, financial situation or development prospects.

The ORLEN Group may fail to implement its strategy of transformation into a multi-utility enterprise

The ORLEN Group's strategy to transform into a "multi-utility powerhouse" by 2030 has been charted around renewable energy and advanced petrochemicals. Business diversification efforts will be driven by maximised profits from the ORLEN Group's existing core business, to be transformed based on new technologies, in line with the emerging environmental and consumer trends. The new strategy of the ORLEN Group was announced in November 2020, and updated in the February 2023.

The strategy assumes, among other things, significant investments in all key segments of the ORLEN Group's business, including the modern power segment, with a view to building a wide portfolio of assets in renewable and low-carbon power generation (with the option of their future conversion to hydrogen). As a result, in 2030 the ORLEN Group is expected to have more than 9 GW of installed RES capacities. The strategy's main objective is for the ORLEN Group to become a leader of energy transition in Poland and the region. The new strategy's paramount goal is sustainable development of the ORLEN Group. Over the next decade, the ORLEN Group plans to spend over PLN 120 billion on sustainable development projects, spanning RES, decarbonisation, recycling, biofuels, electric mobility and the hydrogen economy. As part of the strategy, the ORLEN Group also envisages significant expansion of a comprehensive offering for its retail customers to better meet their needs for fuels, energy and convenience shopping based on existing and new digital technologies. Over the period covered by the strategy, the ORLEN Group plans to spend a total of PLN 320 billion on investment projects.

There is a risk that the strategy, as currently defined, will not deliver the expected results, including economic or environmental benefits, within the strategic time frame or at all. Moreover, the delivery of such results or benefits depends on a number of external factors beyond the Issuer's control. Failure by the ORLEN Group to deliver its strategic vision may have an adverse effect on the ORLEN Group's operations, financial condition and performance and, consequently, on the Issuer's ability to make payments under the Notes, and may also have an adverse effect on the value of the Notes.

The ORLEN Group is exposed to risks in connection with projects under development

As at the date of this Offering Circular, the ORLEN Group has a significant number of capital expenditure projects under development or in the planning stages which make up a complex and capital-intensive plan of capital expenditures where failure to complete or a delay in the completion of any single investment could affect the completion of other projects. The ORLEN Group may also pursue various investments during the term of any Notes issued under the Programme from time to time.

Each of these projects entails a number of risks during construction, such as the risk of investment cost overrun, the risk of delayed or incomplete start-up, the risk of any default by any appointed contractor or subcontractor or their ability to comply with their contractual obligations, shortages or increases in the costs of equipment, breakdown or failure of equipment, processes or technology, difficulties in connecting any related facilities, timely availability of the required feedstock at the time of commencement of commercial operations, start-up or commissioning problems, problems with effective integration of operations, increased operating costs, exposure to unanticipated liabilities, changes in taxes or duties, difficulties in achieving projected efficiencies, synergies and cost savings, and changes in market conditions. Moreover, there is a risk of the ORLEN Group's contractors being adversely affected by the war in Ukraine, which could cause delays or increased operating costs in relation to any projects currently under development. If any of these risks materialise, the overall profitability of the relevant project would be materially adversely affected. If any new project fails to achieve the expected levels of performance or profitability, this could have a material and adverse effect on the ORLEN Group's business, results of operations or financial condition.

The ORLEN Group's credit and rating risk

In running its business, the ORLEN Group relies on external financing in the form of credit facilities and debt securities. The Issuer may also instruct banks to issue guarantees or letters of credit for the benefit of third parties. There is a risk that the ORLEN Group's subsidiary companies will not be able to meet their liabilities under credit facility agreements, notes or recourse claims related to payments made to third parties. If any material conditions of financing are not met (which includes failure to meet the required levels of financial ratios and credit rating, or to pay liabilities when due), creditors may demand acceleration of debt and may commence enforcement of their claims or seek to satisfy their claims against assets over which security has been established. It also cannot be excluded that, if liabilities are not settled, the creditors may exercise their right to apply to the court for the debtor to be declared bankrupt.

The guarantees and sureties granted within the Group to third parties as at 31 March 2023 and as at 31 December 2022 amounted to PLN 26,891 million and PLN 31,632 million, respectively. As at 31 March 2023, they were mainly related to securing the liabilities of PGNiG Supply&Trading GmbH and PGNiG Upstream Norway AS arising from operational activities in the total amount of PLN 10,281 million and securing the ORLEN Group subsidiaries' future liabilities due to the issuance of eurobonds in the total amount of PLN 11,380 million, as well as timely payment of liabilities by related parties.

The Issuer has also received investment grade credit ratings, confirming that its debt securities are a sound investment. However, the credit rating agencies may at any time downgrade their ratings or announce an intention to do so. They may also altogether withdraw their ratings, which may have the same consequences as a downgrade. Any downgrade of the Issuer's credit ratings could increase the cost of external financing, limit its access to capital markets, and adversely affect the ability of the ORLEN Group's subsidiary companies to sell their products or enter into business transactions, especially long-term transactions.

Moreover, as the Issuer's subsidiary, Energa, has an independent credit rating, some of the financial liabilities of Energa and its subsidiaries depend on the rating assigned to Energa. Since Energa is a subsidiary of the Issuer, any downgrade of the Issuer's rating could negatively impact Energa's rating. In addition, there is also a risk of a downgrade of Energa's rating due to factors attributable to Energa itself. This could in turn lead to a breach of contractual clauses relating to Energa's rating and, in extreme cases, the need to refinance Energa's debt. The ORLEN Group's failure to service its financial liabilities and maintain its current credit ratings could adversely affect the Issuer's asset position and liquidity, as well as its ability to make payments under the Notes.

Risk related to court and regulatory proceedings

In the ordinary course of business, the ORLEN Group is subject to numerous civil, administrative and arbitration proceedings (see: *Description of the Issuer – Legal and arbitration proceedings*). The audited consolidated financial statements of the ORLEN Group for the financial years ended 31 December 2021 and 31 December 2022, each of which are incorporated by reference into this Offering Circular, show accrued provisions for liabilities relating to particular proceedings, calculated based on the advice of the ORLEN Group's internal and external legal counsel. As of 31 December 2022, there were recorded provisions in the total amount of PLN 990 million for the risk of unfavourable decisions of pending administrative or court and tax proceedings. As of 31 March 2023, the provisions for the risk of unfavourable decisions of pending administrative or court and tax proceedings amounted to PLN 1,044 million.

However, provisions have not been recorded in respect of all legal, regulatory and administrative proceedings to which the ORLEN Group is, or may become, a party. In particular, the ORLEN Group has not recorded provisions in cases in which the outcome is unquantifiable or in which the ORLEN Group currently expects to receive a ruling in its favour. No assurance may be given with respect to the adequacy of provisions to cover all amounts payable by the ORLEN Group in connection with such proceedings.

The ORLEN Group may also be exposed to various contractual or regulatory irregularities which are not classified as litigation disputes. For instance, PERN S.A., a Polish state-owned crude oil pipeline system operator, has informed the ORLEN Group about differences in the quantity of the operating stock of a certain type of crude oil (REBCO-type (Russian Export Blend Crude Oil)) in connection with an inventory carried out by PERN S.A. of the Issuer's crude oil stocks supplied by the tank farm in Adamów. PERN S.A. has also indicated another shortage in the amount of the ORLEN Group's crude oil supply delivered by sea through the PERN Manipulation Base in Gdańsk, and PERN S.A. has made a unilateral adjustment of the Issuer's REBCO crude oil inventory balance. The Issuer does not agree with PERN S.A's position in relation to the adjustment to its REBCO crude oil inventory balance because in its opinion the adjustment made by PERN S.A. remains unfounded, unproven and inconsistent with the agreements binding the Issuer and PERN S.A., and the existing methodology used for calculating the quantity of REBCO-type crude oil and crude oil delivered by sea through the PERN Manipulation Base in Gdańsk and submitted by PERN S.A. to the Issuer is correct and has not been called into question before on previous inventories or otherwise. On 1 October 2021, PERN S.A. initiated court proceedings in which it demands ORLEN to be ordered to pay PLN 156 million with interest and lump-sum compensation for recovery costs, which ORLEN previously deducted from PERN S.A's remuneration. PERN S.A. questions the effectiveness of the deductions made by ORLEN. ORLEN disagrees with the position of PERN S.A. presented in the lawsuit and intends to defend its position in the course of legal proceedings. Due to the loss by PERN of a further (in relation to the loss covered by the debit note of 24 July 2020) 1,334 tonnes net of REBCO crude oil owned by ORLEN, which PERN S.A. was obliged to store and was not confirmed in the balance according to the records as at 31 December 2021, on 21 January 2022, PERN S.A. received a request for payment along with a debit note for the disclosed further oil loss in the system. PERN S.A. did not make the payment resulting from the debit note, and therefore ORLEN set off a claim for compensation for another loss in the amount of PLN 2.6 million against PERN's claims for invoices issued for the transport of the raw material. As at 31 December 2022, PERN made another one-sided adjustment in the inventory records of crude oil belonging to ORLEN in the amount of 1,921 tonnes net. As a consequence, a loss of 146 tonnes of REBCO oil was disclosed, which is the difference between the total volume of loss covered by the debit notes of 24 July 2020 and 21 January 2022 and the REBCO-type oil loss reported as at 31 December 2022. ORLEN will take further legal steps to secure claims arising from the loss disclosed by PERN at the end of 2022. On 1 August 2022, ORLEN merged with Grupa Lotos, and therefore assumed all rights and obligations of Grupa Lotos, including rights and claims related to the agreements concluded between PERN and Grupa Lotos. In March 2020 PERN informed Grupa Lotos that as a result of alleged measurement differences arising from the methodology of crude oil volume settlements using GOST and ASTM standards, the level of operating stocks of REBCO crude oil belonging to Grupa Lotos (currently ORLEN) decreased, causing a decrease in REBCO's operating stocks. The loss indicated by PERN as of 20 November 2019 was to amount to 18,270 net metric tons of REBCO. On 29 December 2022, ORLEN issued a debit note to PERN for PLN 31.5 million for compensation for the loss by PERN of 18,270 net metric tons of (in PLN million) REBCO belonging to Grupa Lotos (currently ORLEN), which PERN was obliged to store. PERN has not made the payment, therefore the amount PLN 31.5 million was set-off from PERN's receivables for remuneration for services provided by PERN to ORLEN on the basis of statements on set-off submitted on 7 February 2023, 16 February 2023, 27 February 2023 and 3 March 2023.

Any failure to meet applicable regulatory or environmental requirements in the countries in which the ORLEN Group operates may also result in significant fines and/or litigation being commenced against the ORLEN Group.

Although at the date of this Offering Circular the ORLEN Group does not expect any court or regulatory proceedings to which it is party to have a material adverse effect on its financial condition or performance, there can be no assurance that the outcome of any pending or future proceedings will not have material adverse effects on the ORLEN Group's financial condition or performance, which could, in turn, have a material adverse effect on the Issuer's ability to make payments under the Notes and on the value of the Notes.

The main shareholder in the Issuer is the State Treasury, which may exert politically motivated influence on the ORLEN Group, in particular in relation to its dividends policy, investment projects and strategy

The State Treasury holds 49.9 per cent. of the shares in the Issuer's share capital, which authorises it to exercise 49.9 per cent. of the overall number of votes at the General Meeting of the Issuer. In addition, pursuant to the Articles of Association, the voting rights of the minority shareholders are restricted in such a way that none of the shareholders (other than the State Treasury) may exercise more than 10 per cent. of the overall number of votes at the General Meeting of the Company. In addition, one member of the Management Board and one member of the Supervisory Board may be appointed by the State Treasury until the sale of its entire shareholding in the Issuer.

The State Treasury has a decisive impact on the affairs of the Issuer, including on the development of company policy and strategy, the directions of its development and partly on the appointment of the members of the Supervisory Board and the Management Board. As a result of the above, some decisions of the governing bodies the ORLEN Group may be in line with the current policies of the Polish government. It cannot be predicted if the policies and actions of the majority shareholder will be in line with the interests of the other stakeholders of the Issuer or the interests of the Issuer.

For example, the State Treasury has a significant impact on the Issuer's decision to pay dividends, which could weaken the ORLEN Group's financial condition. The Issuer's dividend policy assumes payment of an annual dividend equivalent to 40% of the adjusted free cash flow (i.e., cash flow from operating activities minus cash flow from investing activities) generated by the ORLEN Group in the previous fiscal year, however, no less than the base dividend, the level of which has been set at PLN 4.00 per share for 2022 and will gradually increase by PLN 0.15 each year until it reaches PLN 5.20 per share in 2030. On 21 June 2023, the general meeting of the Issuer adopted a resolution on payment of dividends in the amount of PLN 6.38 billion i.e. PLN 5.5 per share.

Moreover, any politically biased actions or lack of stability in terms of the corporate governance of the ORLEN Group may affect the execution of the ORLEN Group's projects and may adversely affect the business of the ORLEN Group, its financial condition, results of operations or prospects. Additionally, in accordance with § 2(5) of the Articles of Association, the ORLEN Group, as part of the scope of its business, performs certain tasks to ensure energy security in the Republic of Poland that may not be in line with the interests of the other stakeholders of the Issuer or the interests of the ORLEN Group, which may additionally adversely affect the ORLEN Group's financial condition, results of operations or prospects and, consequently, the value of the Notes and the ability of the Issuer to make payments under the Notes.

Risk related to deterioration of the ORLEN Group's business reputation

The ORLEN Group's reputation is key to its business given the impact it has on its customer relationships, ability to win partners for commercial projects, ability to secure public administration licences, relationships with contractors, ability to negotiate favourable terms of business with suppliers, and its image as an employer. The ORLEN Group's commercial brands and the names of its subsidiary companies are well established, recognised and perceived by its customers and the communities in which it operates. There can be no assurance that certain actions undertaken by the Issuer will not adversely affect the reputation and perception of the ORLEN Group.

There are a number of different events which could affect the ORLEN Group's reputation, most of which are beyond the ORLEN Group's control. As the Polish State Treasury is the main shareholder of the Issuer, the ORLEN Group is subject to strong media scrutiny. For example, there has recently been negative publicity relating to certain key senior management of the ORLEN Group . While the ORLEN Group believes such allegations are unfounded, the fact that they have been widely reported in the press could negatively impact the reputation of the ORLEN Group. In addition, the actions taken by the Issuer to create a "multi-utility powerhouse" may be perceived negatively by society and, consequently, result in negative press in the mass media, which could also adversely affect the reputation of the ORLEN Group.

Any damage to the ORLEN Group's reputation caused by court, regulatory or enforcement actions, matters affecting the ORLEN Group's financial reporting in jurisdictions where it operates, or by negative publicity could have a material adverse effect on the operations, financial results, financial condition and prospects of the ORLEN Group and, consequently, on the Issuer's ability to make payments under the Notes and on the value of the Notes.

Risk of insufficient insurance coverage

The business conducted by the ORLEN Group is subject to various risks related to failures and other events of an extraordinary nature that are independent of the ORLEN Group. A significant part of the operations of the Group, including the manufacture of chemical products and the transportation of products, involves the risk of damage to individuals (including the risk of loss of health or life) and significant property damage. In the case of the failure of any specific equipment or installations, the ORLEN Group may be unable to conduct production and sales, and may also incur the costs of the repair of infrastructure and become exposed to claims of recipients or injured parties as a result of accidents, damage, disasters, etc. The ORLEN Group holds insurance policies that correspond to market standards and practices and cover the most important assets and risks of the ORLEN Group's operations. The policies were executed following a relevant risk assessment and only contain market standard insurance coverage exclusions. Accordingly, the policies do not fully cover all of the risks, and any insurance policy disbursements might not cover the entire value of a loss. The insufficient insurance cover for certain risks results from, among other things, the unavailability of particular insurance coverage due to policies adopted by insurance companies (e.g. potential claims resulting from environmental pollution in certain cases). Additionally, there are certain risk areas faced by the ORLEN Group for which no insurance policies have been taken out or for which existing policies that have been taken out pertain only to selected group companies or for which existing policies insure only the fragment of the potential risk area that the risk assessment found most important. Such risks include, but are not limited to, a risk of employee claims, a risk of environmental pollution or a risk of losses due to military operations. In the case of events that are not covered by insurance, the consequences of their occurrence will have to be covered from the own funds of specific companies or from external financing. The lack of or insufficient insurance coverage may result in the disruption of the business conducted by the ORLEN Group or even its temporary or complete suspension (e.g. in the case of the destruction of material elements that are necessary for the businesses of specific ORLEN Group entities to function).

In Ukraine, the ORLEN Group operates through Exalo Drilling Ukraine LLC and holds an 85 per cent. interest in the Ukrainian company, Karpatgazvydobuvannya, whose activities have been suspended due to Russia's invasion of Ukraine, and a 36.38 per cent. interest in PSA Dewon, with its registered office in Kyiv. ORLEN insured the investment in Karpatgazvydobuvannya to cover the value of the direct investment, and holds third-party liability insurance for Exalo Drilling Ukraine LLC. The property insurance agreements do not cover any property located in Ukraine and do not include political risk insurance of the drilling equipment. The existing drilling equipment agreements cover the down-hole drilling equipment located in Ukraine, but do not include claims caused as a result of military action. ORLEN does not hold insurance of the assets held by PSA Dewon. The occurrence of any events with no insurance coverage or with partial insurance coverage or damages that are not fully covered by paid out damages could adversely affect the operations of both capital groups, their financial condition, results of operations or prospects.

In the event the insurance coverage of the ORLEN Group is not sufficient, it may have a material adverse effect on the ORLEN Group's financial condition or performance, which could, in turn, have a material adverse effect on the Issuer's ability to make payments under the Notes and on the value of the Notes.

Risks associated with acquiring new deposits and compensating for the decline in production from existing deposits

The ORLEN Group seeks to maintain and increase recoverable hydrocarbon reserves. In the face of dynamic changes in the macroeconomic environment (market, regulatory and political), there is a significant risk associated with appropriate planning of activities related to the acquisition of new deposits (regarding transactions, in particular pertaining to the Norwegian Continental Shelf), as well as the maintenance of production levels from deposits already held (increasing the production capacity of production fields and prospecting for new hydrocarbon deposits). Fluctuations in hydrocarbon prices complicate, on the one hand, planning tasks related to potential acquisitions and exploration/production work, and, on the other hand, hinder the achievement of targeted performance indicators and strategic objectives.

In addition, due to Russia's invasion of Ukraine and the sanctions imposed on and by Russia as retaliatory measures, it may not be possible to acquire new fields and maintain production on fields located within Russian territory or in the zone affected by hostilities. As a consequence, there may be increased competition for new licences on the Norwegian Continental Shelf, as well as in other prospective upstream areas considered potentially safe.

Ukraine and Libya are examples of circumstances that have arisen that rendered upstream operations impossible due to the geopolitical situation. In both cases, "force majeure" provisions had to be applied and operations suspended.

As part of the acquisitions of new upstream assets, including new deposits, analytical activities are planned and carried out with regard to, *inter alia*, the macroeconomic environment, including, above all, the market and regulatory environment, and taking into account political aspects, and the results serve as the basis for decisions as to whether to proceed with such transaction. Typically, the transaction process for the acquisition of a new upstream asset, including a new field, takes up to one year.

The ORLEN Group is currently witnessing dynamic changes in market conditions (such as rapidly changing prices) linked to simultaneous changes in the regulatory environment (e.g. EU agreements on increased imports of natural gas from Egypt or Azerbaijan), but also to changes in the political environment (e.g. attempts to reach agreement on lifting US sanctions on Iran that restrict access to upstream markets in that country).

Consequently, there is increased uncertainty regarding the fact that the results of the analytical work carried out in the course of the transaction process, even if updated on an ongoing basis, might not yield accurate results and conclusions, and therefore investment decisions might be taken on the basis of such inaccurate analyses. Future investment and operational activities involving the acquired assets, which are planned during the transaction process, are thus subject to analogous risks.

The above circumstances may adversely affect the ORLEN Group's financial condition or performance, which could, in turn, have a material adverse effect on the Issuer's ability to make payments under the Notes and on the value of the Notes.

Risk of disruption to gas supply

The ORLEN Group trades in and distributes gas, and is a key supplier of this fuel to households and businesses in Poland. The ORLEN Group obtains gas from a variety of sources, which include its own extraction operations in Poland and abroad and import contracts. For a significant portion of pipeline-supplied natural gas, as well as LNG, the ORLEN Group had commercial agreements in place with suppliers from Russia (the contract is currently not being performed – supplies under the Yamal contract with Gazprom have been halted), Qatar and the USA, supplemented as necessary by contracts concluded on the spot markets. The inability to control the entire supply chain, including the decisions and actions of counterparties, or random factors such as infrastructure failures of the ORLEN Group's counterparties (e.g. gas pipelines or LNG terminals), delays in the implementation of investment projects of the ORLEN Group's counterparties aimed at increasing the capacity of gas supply to the ORLEN Group, imposed sanctions, weather conditions, the availability of offshore services and armed conflicts expose the ORLEN Group to the risk of disruptions in the continuity of gas supplies. Delays or cancellation of supplies may cause difficulties in making sales and result in failure to meet the terms of contracts with customers. This, in turn, may have an adverse effect on financial condition or performance of the ORLEN Group, which could, in turn, have a material adverse effect on the Issuer's ability to make payments under the Notes and on the value of the Notes.

In the year ended 31 December 2022, the purchases of gas imported into Poland by the ORLEN Group (if including PGNiG in the ORLEN Group in the whole 2022) totalled 152.9 TWh, of which the volume of gas imported from the eastern direction amounted to 24 per cent.

Following Russia's invasion of Ukraine, European Union countries and the United States, among others, imposed a number of sanctions on Russia. As a result of the sanctions imposed on Russia, Russia has, in retaliation, expressed an expectation that payments for natural gas supplied to countries "*unfriendly to Russian*" (including Poland) from 1 April 2022 onwards will be made in accordance with the requirements of Decree No. 172 of the President of the Russian Federation "*on a special procedure for the fulfilment of obligations of foreign buyers towards Russian natural gas suppliers*", i.e. in Russian rubles using settlement accounts in Russia. The ORLEN Group continued to make settlements under the existing terms of the commercial contracts. Therefore, Gazprom has completely suspended the ORLEN Group's orders and refuses to perform the agreement. The supplier has also stopped deliveries to a number of other customers from countries such as Bulgaria, Finland, Denmark and the Netherlands.

All of the above factors may have an adverse effect on financial condition or performance of the ORLEN Group, which could, in turn, have a material adverse effect on the Issuer's ability to make payments under the Notes and on the value of the Notes.

Risk of take-or-pay clauses in gas supply contracts

The ORLEN Group is a party to long-term contracts for the supply of gaseous fuel to Poland that contain a so-called take-or-pay clause (i.e. an obligation to take delivery of specified quantities of gaseous fuel and to pay for it, even if the obligation to take delivery is not fulfilled). The performance of such contracts in the volumes specified in the relevant take-or-pay clauses optimises purchases of gas volumes under the concluded long-term contracts and volumes from spot gas supplies, including LNG supplies. If the ORLEN Group's market share decreases, there is a risk that the ORLEN Group may have to explore new opportunities to utilise the surplus gas from its import portfolio (which may not be feasible) or to pay a fee to the supplier for uncollected volumes, which, as a consequence, may have an adverse effect on the ORLEN Group's business, financial position, results of operations or development prospects.

Gazprom has suspended the supply of gaseous fuel to Poland and a number of other customers from countries such as Bulgaria, Finland, Denmark and the Netherlands (see "*Risk of disruption to gas supply*"). As a consequence of the withholding of supplies, the ORLEN Group remains in dispute with Gazprom regarding the stoppage of orders and the resulting contractual consequences (especially settlement-related), as well as being exposed to significant costs related to the need to contract replacement volumes of gaseous fuel. The dispute also covers compensation claims and obligations under the take-or-pay clause in view of the supplier's halting of the performance of the ORLEN Group's orders.

All of the above factors may have an adverse effect on financial condition or performance of the ORLEN Group, which could, in turn, have a material adverse effect on the Issuer's ability to make payments under the Notes and on the value of the Notes.

Risks associated with gas storage

The ORLEN Group is the sole owner of gas storage infrastructure in Poland. The total capacity of the seven high-methane gas storage facilities is 3.2 billion cubic metres. Underground gas storage facilities play an important role as stabilisers of the transmission system, and are used to accumulate fuel reserves which are used in times of increased demand during the heating season. Storage infrastructure is critical to ensuring the country's energy security and is exposed to risks associated with damage to this infrastructure as a result of human error, technical failure or natural disasters.

Any damage to the storage infrastructure may result in serious disruptions to operations, environmental pollution and the need to incur financial outlays to rectify the failures and damage or their consequences for the environment, which may have an adverse effect on financial condition or performance of the ORLEN Group, which could, in turn, have a material adverse effect on the Issuer's ability to make payments under the Notes and on the value of the Notes.

RISK FACTORS RELATED TO THE REGULATORY AND LEGAL ENVIRONMENT

The ORLEN Group is exposed to risks associated with changes in existing laws and regulations

The industries in which the ORLEN Group operates are highly regulated. Frequent legislative changes and inconsistent case law have been, and remain, a characteristic of the Polish legal environment. The process of adapting Polish domestic law to meet the requirements of EU law, and the impact of European case law on the resolution of individual cases, is administratively difficult for companies to keep up with and constitutes a cause for uncertainty in their day-to-day operations, as it requires fast adaptation and amendments to long-term business plans. It is impossible to predict what impacts current and future legislative changes in Poland and in the other jurisdictions in which the ORLEN Group operates will have on the ORLEN Group's operations.

This is particularly the case in relation to laws and regulations governing such areas as environmental protection, the electricity and power capacity markets, distribution business, support schemes for certain electricity generation sources, the securities market, labour relations, personal data protection, social insurance, and the civil law system in general. Frequent legislative changes at the EU and national level are characteristic of the legal environment of the power industry.

There is a risk that changes in regulations or their interpretation in the future might be unfavourable or disadvantageous when applied in the context of the ORLEN Group's business and operations. Such changes may have an adverse effect on the ORLEN Group's assets and the Issuer's ability to make payments under the Notes.

Limitations resulting from the antitrust laws or their unfavourable interpretation by public authorities may curtail the ORLEN Group's growth potential and thus adversely affect its business

Given the scale and scope of the ORLEN Group's business and its position in the relevant markets, the ORLEN Group is subject to certain restrictions related to the prohibition on abusing a dominant position under the Polish and EU antitrust laws. If any breaches of that prohibition are identified, the antitrust authorities, i.e. the President of the Polish Office of Competition and Consumer Protection or the European Commission, may order that certain actions be taken or impose sanctions in the form of financial penalties.

Limitations resulting from antitrust laws or their unfavourable interpretation by public authorities may curtail the ORLEN Group's growth potential and thus adversely affect the business of the ORLEN Group, its financial condition, results of operations or prospects, and may have an adverse effect on the ORLEN Group's assets and the Issuer's ability to make payments under the Notes.

The energy tariffs policy may negatively affect the ORLEN Group's revenues

Energa, one of the largest energy producers in Poland, is a member of the Group. Energy companies' revenues within the scope of the distribution of electricity and the production and distribution of heat are to a significant extent determined by tariffs. In the case of electricity trading, the revenues are only partially based on tariffs. According to Polish law, energy tariffs should cover reasonable operation costs, provide a reasonable return on capital and protect customers from unjustified price increases. Licenced energy utilities are required to submit their proposed tariff packages for approval to the President of the Energy Regulatory Office. However, the law provides for the option of an exemption from the obligation to present tariffs for approval. Such exemption applies to, *inter alia*, undertakings manufacturing electricity in cogeneration and Closed Distribution Systems.

Currently, the obligation to submit tariffs for approval to the President of the Energy Regulatory Office applies to energy companies operating in the electricity distribution (so-called DSO: Distribution System Operators) and transmission sectors and to those selling electricity directly to retail customers (so-called tariff group G). The tariff obligation applies also to entities involved in the generation and distribution of heat.

Tariffs are approved by way of an administrative decision issued by the President of the Energy Regulatory Office in a process over which the ORLEN Group has limited control. Decisions are issued for a calendar year. Energy companies independently set tariffs and submit them to the President of the Energy Regulatory Office for approval. The President of the Energy Regulatory Office will approve a tariff or refuse to approve it if the tariff is found to be inconsistent with the rules and regulations referred to in the Energy Law. If the decision is not issued by the end of the calendar year, the previous decision will remain in force until a new one is issued. Tariffs for the sale of electricity for tariff G and for the distribution of electricity are approved separately.

A tariff is a set of prices and tariff rates and the conditions for their application, prepared by an energy company and introduced as obligatory for the customers specified therein in accordance with the procedure set out in the Energy Law. In the course of the administrative proceedings conducted for the approval of a tariff, the President of the Energy Regulatory Office examines the submitted application in order to verify whether the tariff prepared by the company meets the requirements set out in the Energy Law. In particular, the costs planned by the enterprise for the tariff validity period, which constitute the basis for calculation of prices and fee rates, are examined and evaluated. If the conducted cost verification shows that the company overestimated its forecasts, then the Energy Regulatory Office president has the right to refuse to approve the tariff, and he exercises this right in justified cases, following the principle of balancing the interests of energy companies and consumers.

The President of the Energy Regulatory Office may regulate prices in accordance with applicable laws and other external factors (for example, market prices), over which energy companies have no control, and also in order to protect customers. The ORLEN Group cannot exclude that the procedure of approval or non-approval of tariffs by the President of the Energy Regulatory Office will be delayed. The ORLEN Group also faces a risk of changes in the regulatory policy affecting the ORLEN Group's electricity distribution business, as exemplified by the need to incur capital expenditures on network expansion and upgrades in connection with quality regulatory requirements.

The above factors may have a material adverse effect on the financial condition and prospects of the ORLEN Group and, consequently, on the Issuer's ability to make payments under the Notes and on the value of the Notes.

Risks related to the administrative pricing of natural gas, including the need to apply natural gas tariffs approved by the President of the Energy Regulatory Office

Trading in natural gas on the exchange-listed gas market is not subject to administrative price controls (known as tariffs). This is due to the progressive liberalisation of the gas market in Poland, as part of which there has been a gradual release of controls of gas prices charged to customers. Some of the ORLEN Group's activities have already been included in the de-tariffing process. Sales of gaseous fuel to business-profile end-users are no longer subject to the obligation to submit tariffs for approval to the President of the Energy Regulatory Office. Currently, sales made in Poland to the largest customers take place on a market basis, whether based on the POLPX market or through bilateral OTC contracts based on market price indices. Due to the fact that the sales structure is not fully covered by the purchase structure (e.g. through own production) and the fact that prices on individual markets may vary, there is a risk of an inaccurate estimation of costs and revenues, which may adversely affect the ORLEN Group's financial performance.

Significant segments of the ORLEN Group's business are subject to tariff obligations. These include, in particular, the sale of gaseous fuel to household customers, and the distribution and storage of gaseous fuel. The operation of heating and electricity distribution activity is also subject to tariff obligations. The Ministry of Climate and Environment has announced that tariffs will be maintained for the sale of gaseous fuel to certain groups of customers until 2027.

A key factor affecting operations in the segment of gas sales to individual customers is the dependence of the ORLEN Group's revenue on, among other things, the obligation to apply tariffs approved by the President of the Energy Regulatory Office. The level of tariffs determines the ability to generate revenues that cover justified costs, together with a return on deployed capital. In the current environment, a significant amount of this revenue is dependent on the selling prices of gaseous fuel and is subject to administrative control. An inaccurate estimate of the demand for gas translating into the volume of forecasted purchases and changes in the prices of natural gas purchased on the POLPX market, which cannot be accurately forecasted, may adversely affect the ORLEN Group's financial performance in the segment of gas sales to end-users.

As regards the activity of Polska Spółka Gazownictwa sp. z o.o., which is part of the ORLEN Group, the risk related to multi-year tariffs, i.e. the possibility to shape the level of the distribution tariff in the long term, remains relevant. The materialisation of this risk may result in tariff rates being set at a level that does not provide the expected return on capital invested in the distribution of gaseous fuels, and the approval of each subsequent tariff may become difficult, which may adversely affect the ORLEN Group's business, its financial position, results of operations or development prospects. As a safeguard against the materialisation of this risk, efforts are being made to implement legal changes obliging the President of the Energy Regulatory Office to establish a multi-year tariff regulation model, to develop a regulatory and tariff model and to reach an agreement with the Energy Regulatory Office in this area.

In addition, in December 2022, the EU agreed on a temporary mechanism to limit excessive gas prices, which will be automatically applied if the month-ahead price on the Title Transfer Facility (**TTF**) exceeds EUR 180/MWh for three working days and the month-ahead TTF price is EUR 35 higher than the reference price for LNG on global markets for the same three working days.

Moreover, in accordance with the Act of 15 December 2022 on special protection of certain customers of gaseous fuels in 2023, due to the situation in the gas market, in 2023, PGNiG Obrót Detaliczny sp. z o.o. (**PGNiG OD**) will be obliged to apply a maximum price for gaseous fuels of PLN 200.17/MWh net for customers entitled to tariff protection (including households). Moreover, in 2023, PGNiG OD will apply to customers entitled to the tariff protection the subscription fee rates at the same level as in 2022, i.e. the subscription fee rates from Tariff No. 11. Tariff No. 12 is also the basis for calculating the amount of compensation due to PGNiG OD as a result of the sale of gaseous fuels at a price lower than the cost of their purchase. Even though there are delays with certain installments of compensations due to PGNiG OD at Zarządca Rozliczeń S.A. (the entity administering compensation payments), the ORLEN Group estimates the liquidity risk of Zarządca Rozliczeń S.A. as low.

The above mechanisms as well as any further regulatory changes to the natural gas market may adversely affect the ORLEN Group's business, its financial position, results of operations or development prospects.

The operations and revenues of the ORLEN Group are dependent on government permissions and decisions, and may be exposed to risks associated with state intervention

The oil and gas and petrochemical industries as well as electricity production, distribution and sales are subject to regulations and intervention by state authorities, in particular, in respect of: concessions and licences for exploration, prospecting, production and distribution of liquid fuels and natural gas; restrictions on production and exports; environmental issues; and controlling the methods of developing and vacating land and installations. A substantial part of the ORLEN Group's activities requires a licence, a concession or another form of permit. Any such licence, concession or permit may be suspended, revoked or may not be renewed by the competent authorities if regulatory requirements are violated. Revocation, amendment or non-renewal of a licence, concession or permit for any reason may have a material adverse effect on the operations of the ORLEN Group or its financial position, as the ORLEN Group will not be able to carry out all or part of its current activities. Political relations between the governments of the countries in which the ORLEN Group operates also have a significant impact on the licences and permits granted to the ORLEN Group.

Any cancellation or limitation of a licence, reduction of energy prices or imposition of additional requirements on ORLEN Group companies could prevent, limit, increase the cost of or otherwise significantly affect the operations of the Issuer and those of the ORLEN Group's subsidiary companies.

The Issuer is obliged to achieve the National Indicative Target (NIT) and the National Reduction Target (NRT) for bio-components

The Polish Act on Bio-components and Liquid Biofuels of 25 August 2006 (the **Act on Bio-components and Biofuels**) includes a requirement to achieve the National Indicative Target (the **NIT**), i.e. to ensure the required minimum share of bio-components in the total volume of liquid fuels and biofuels, both sold on the market and used for the operator's own needs. Definitions of the Act on Bio-components and Biofuels specify the legal transactions which trigger the obligation to achieve the NIT as well as entities subject to that obligation.

The Act on Bio-components and Biofuels has been amended several times. In Poland, the process of achieving the NIT in 2019 was governed by the Act Amending the Act on Bio-components and Liquid Biofuels and Certain Other Acts of 24 November 2017, which entered into force on 1 January 2018. The purpose of the amendment was to facilitate the achievement of the NIT by fuel companies and to modify the structure of its achievement. In 2022, the NIT baseline value is 8.8 per cent., with the aim to raise up to 9.1 per cent. in 2024. Also, according to the Act on Bio-components and Biofuels, the entities that can document the use of at least 70 per cent. of biofuel components produced in compliance with certain requirements are eligible to reduce their NIT. In 2021, the reduction coefficient was 0.82 per cent., while the NIT was 5.773 per cent. (based on the energy value, after taking into account the reduction coefficient and a 15 per cent. "buy-out" price). The ORLEN Group is also required to achieve the National Reduction Target (**NRT**), i.e. the obligation to reduce GHG emissions by 6 per cent, annually. As of the date of the Offering Circular, a new Act on Bio-components and Liquid Biofuels adopting the provisions of the second iteration of Renewable Energy Directive has been published and is expected to come into force before the end of 2022. Following the merger of ORLEN and Grupa LOTOS, ORLEN will also be responsible for NIT & NRT currently assigned to Grupa LOTOS until the requirements are fulfilled. If the NIT and NRT objectives are not achieved in a given year, penalties and substitutive fees may be imposed.

The prices of bio-components are set on the basis of exchange-quoted prices, which are subject to significant fluctuations. As bio-components are made from agricultural raw materials, their prices can be affected by factors such as the yield volumes in a given year, weather conditions, droughts, and floods, as well as market demand driven by relevant targets and legal regulations enacted in Poland and other countries, etc. Risk related to the volatility of bio-component prices is hedged by means of appropriate formulas used for fuel sales.

A penalty may be imposed on the Issuer if it fails to meet the indicative targets. Such penalty is calculated based on the formula set out in the Act on Bio-components and Biofuels; however, it may not exceed 15 per cent. of the revenue derived from the licenced activities.

Failure to fulfil the obligations imposed on the ORLEN Group under the NIT regulations defining the target use of bio-components and biofuels may potentially have an adverse effect on the ORLEN Group's profitability and financial condition and, consequently, on the Issuer's ability to make payments under the Notes and on the value of the Notes.

Changes in environmental and other legislation could require the ORLEN Group to incur significant expenditures

The ORLEN Group's upstream operations and those related to the processing of natural resources as well as production of electricity from conventional sources have a material impact on the environment. Therefore, such operations are subject to detailed legal regulations. These laws and regulations govern, among other things, the generation, storage, handling, use, disposal and transportation of hazardous materials, the emission and discharge of hazardous materials, groundwater use and contamination and the health and safety of the ORLEN Group's employees and the communities in which it operates.

Compliance with these obligations can result in significant expenditures. If the ORLEN Group fails to comply with applicable laws and regulations, it could be subject to fines or the partial or total shutdown of related operations. The ORLEN Group has, from time to time, shut down certain facilities in order to modernise them and ensure compliance with applicable laws and regulations. In addition, a stricter interpretation of existing laws and regulations, any changes in these laws and regulations or the enactment of new laws and regulations may impose new obligations on the ORLEN Group or otherwise adversely affect the ORLEN Group's business, financial position and results of operations.

Environmental regulations are also subject to frequent changes, which mostly involve the introduction of additional requirements and restrictions on business activity, or an increase in operating costs. Such additional requirements and conditions require the ORLEN Group to incur expenditures necessary to bring its operations into compliance with the new regulations. They may also force the ORLEN Group to scale down its operations within certain areas or to abandon them altogether.

The ORLEN Group may also (i) incur significant costs associated with the investigation, clean-up and restoration of contaminated land, water or ecosystems, as well as claims for damage to property, and (ii) face claims of death or injury to persons resulting from exposure to hazardous materials or adverse impacts on natural resources and properties of others resulting from its operations (including potentially from the transportation of hazardous substances and products, feedstock or chemical pollution).

Moreover, concerns regarding chemicals and plastics, including their safe use and potential impact on the environment, reflect a growing trend in societal demands for increasing levels of product safety, environmental protection and recycling. These concerns have led to more restrictive regulations and could lead to new regulations. They could also manifest themselves in shareholder proposals, delays or failures in obtaining or retaining regulatory approvals, increased costs related to complying with more restrictive regulations, delayed product launches, lack of market acceptance, lower sales volumes or discontinuance of chemicals or plastics products, continued pressure for more stringent regulatory intervention and increased litigation.

Such circumstances may have an adverse effect on the ORLEN Group's asset position and the Issuer's ability to make payments under the Notes.

The ORLEN Group is exposed to risks associated with changes in the tax legislation and interpretation of tax laws

Changes in the tax regime and amendments of tax laws designed to align Polish law with the requirements of EU law have a critical bearing on the ORLEN Group's operations. Moreover, many of the tax laws currently in force are not sufficiently precise or uniformly interpreted, which may result in different interpretations of the same economic events adopted by the ORLEN Group, tax authorities and entities cooperating with the Issuer. The operations of subsidiary companies within the ORLEN Group and the related disclosures in tax returns may be challenged by tax authorities as being non-compliant with tax laws. There is a risk of changes in tax laws and adoption by tax authorities of tax rulings different from those underlying the calculation of tax liabilities by the ORLEN Group's subsidiary companies.

Such circumstances may have an adverse effect on the ORLEN Group's asset position and the Issuer's ability to make payments under the Notes.

The Issuer stores and processes significant amounts of personal data; therefore, it is exposed to potential breach of personal data protection regulations

As part of its day-to-day operations, the ORLEN Group stores and processes personal data of its customers on a large scale. The storage and processing of personal data by the ORLEN Group must comply with the laws governing personal data protection. As of May 2018, following the entry into force of Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (the **GDPR**), the obligations related to storage and processing of personal data have been substantially expanded. In the case of any breaches of personal data protection laws, the ORLEN Group's subsidiary companies may be subject to administrative sanctions, and members of their governing bodies may face criminal penalties. A breach of personal data protection laws may also result in data subjects pursuing compensation claims against the ORLEN Group's subsidiary companies for violating the GDPR, as well as claims for infringing their personal rights. Furthermore, any breaches of personal data protection laws may have an adverse effect on the reputation of the ORLEN Group.

Any events of the type described above may have a material adverse effect on the ORLEN Group's operations, financial condition and performance.

RISK FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH NOTES ISSUED UNDER THE PROGRAMME

Risks related to the structure of a particular issue of Notes

A range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features, distinguishing between factors which may occur in relation to any Notes and those which might occur in relation to certain types of Exempt Notes:

Risks applicable to all Notes

If the Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return.

An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

If in the case of any particular Tranche of Notes the Final Terms specify that the Notes are redeemable at the Issuer's option in certain circumstances, the Issuer may choose to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. In such circumstances, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate.

If the Notes include a feature to convert the interest basis from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Notes concerned.

Fixed/Floating Rate Notes are Notes which bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Such a feature to convert the interest basis, and any conversion of the interest basis, may affect the secondary market in, and the market value of, such Notes as the change of interest basis may result in a lower interest return for Noteholders. Where the Notes convert from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. Where the Notes convert from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on those Notes and could affect the market value of an investment in the relevant Notes, which may result in a lower interest return for Noteholders.

Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates.

The market values of securities issued at a substantial discount (such as Zero Coupon Notes) or premium to their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for more conventional interest-bearing securities. Generally, the longer the remaining term of such securities, the greater the price volatility as compared to more conventional interest-bearing securities with comparable maturities. As a result of such volatility, an investor might receive a lower return than expected on such securities.

Certain benchmark rates, including EURIBOR and WIBOR, may be discontinued or reformed in the future.

The Euro Interbank Offered Rate (**EURIBOR**), the Warsaw Interbank Offered Rate (**WIBOR**) and other interest rates or other types of rates and indices which are deemed to be benchmarks are the subject of ongoing national and international regulatory discussions and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented.

Subject to certain transitional provisions, Regulation (EU) 2016/1011 (the **EU Benchmarks Regulation**) applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the United Kingdom as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the **UK Benchmarks Regulation**). The EU Benchmarks Regulation or the UK Benchmarks Regulation, as applicable, could have a material impact on any Notes linked to EURIBOR, WIBOR or another benchmark rate or index, in particular, if the methodology or other terms of the benchmark are changed in order to comply with the terms of the EU Benchmark Regulation or UK Benchmark Regulation, and such changes could (amongst other things) have the effect of reducing or increasing the rate or level, or affecting the volatility of the published rate or level, of the benchmark.

More broadly, any of the international, national or other proposals for reform, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or contribute to certain "benchmarks," trigger changes in the rules or methodologies used in certain "benchmarks" or lead to the discontinuance or unavailability of quotes of certain "benchmarks."

As an example of such benchmark reforms, on 21 September 2017, the European Central Bank announced that it would be part of a new working group tasked with the identification and adoption of a "risk-free overnight rate" which can serve as a basis for an alternative to current benchmarks used in a variety of financial instruments and contracts in the euro area. On 13 September 2018, the working group on euro risk-free rates recommended a new euro short-term rate (**€STR**) as the new risk-free rate for the euro area. The €STR was published for the first time on 2 October 2019. Although EURIBOR has subsequently been reformed in order to comply with the terms of the EU Benchmarks Regulation, it remains uncertain as to how long it will continue in its current form, or whether it will be further reformed or replaced with €STR or an alternative benchmark.

Another example of such benchmark reforms will be the approaching transition from WIBOR to WIRON. On 1 December 2022, GPW Benchmark, the administrator of benchmarks (including WIBOR), published the regulations for WIRON, which will replace WIBOR, long present in Poland. This completed the formal process of creating a new index. The impending end of WIBOR has also initiated a discussion among market participants as they need to prepare for the scenario that WIBOR will cease to exist. As a result of the approaching discontinuation of WIBOR, the Polish Financial Supervision Authority (the "**PFSA**") created the Polish National Working Group for benchmark reform (*Narodowa Grupa Robocza*) (the "**NGR**"). The NGR is formed of a diverse group of market participants representing relevant sectors as well as representatives of the PFSA, the National Bank of Poland, the Ministry of Finance, the Bank Guarantee Fund, Warsaw Stock Exchange and GPW Benchmark. The activities of the NGR are overseen and coordinated by a steering committee composed of representatives of the PFSA, National Bank of Poland, Ministry of Finance, Bank Guarantee Fund, Polish Development Fund, GPW Benchmark and ING Bank Śląski, representing the banking sector. The NGR published the roadmap for WIBOR transition which sets out key developments, deliverables and targets that are expected to be achieved with relation to benchmark reform in Poland. According to the roadmap, new bonds linked to WIRON or new fixed interest rate bonds (including bank bonds, corporate bonds, and municipal bonds) should be issued in 2024 and the Polish market should be ready for a cessation of WIBOR by 2025. As the roadmap is solely a non-binding step plan, the actual milestones may occur on different dates depending on market readiness and the actual progress of the work. Therefore, it remains uncertain as to how long WIBOR will continue in its current form.

The elimination of EURIBOR, WIBOR or any other benchmark, or changes in the manner of administration of any benchmark, could require or result in an adjustment to the interest calculation provisions of the Conditions (as further described in Condition 5.2(m) (*Benchmark Replacement (Independent Adviser)*)), or result in adverse consequences to holders of any Notes linked to such benchmark (including Floating Rate Notes whose interest rates are linked to EURIBOR, WIBOR or any other such benchmark that is subject to reform). Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of alternative reference rates and as to potential changes to such benchmark may adversely affect such benchmark during the term of the relevant Notes, the return on the relevant Notes and the trading market for securities (including the Notes) based on the same benchmark.

The Conditions provide for certain fallback arrangements in the event that a published benchmark (including any page on which such benchmark may be published (or any other successor service)) becomes unavailable or a Benchmark Event or a Benchmark Transition Event (each as defined in the Conditions), as applicable, otherwise occurs. Such an event may be deemed to have occurred prior to the issue date for a Series of Notes. Such fallback arrangements include the possibility that the rate of interest could be set by reference to a successor rate or an alternative rate and that such successor rate or alternative reference rate should be adjusted in accordance with the recommendation of a relevant governmental body or in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark, although the application of such adjustments to the Notes may not achieve this objective. Any such changes may result in the Notes performing differently (which may include payment of a lower interest rate) than if the original benchmark continued to apply. In certain circumstances, the ultimate fallback of interest for a particular Interest Period may result in the rate of interest for the last preceding Interest Period being used.

This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page. In addition, due to the uncertainty concerning the availability of successor rates and alternative reference rates and the involvement of an Independent Adviser (as defined in the Conditions) in certain circumstances, the relevant fallback provisions may not operate as intended at the relevant time.

Any such consequences could have a material adverse effect on the value of and return on any such Notes.

Investors should consult their own independent advisers and make their own assessment about the potential risks arising from the possible cessation or reform of certain reference rates in making any investment decision with respect to any Notes linked to or referencing a benchmark.

The market continues to develop in relation to risk-free rates (including overnight rates) as reference rates for Floating Rate Notes.

The use of risk-free rates – including those such as the Sterling Overnight Index Average (**SONIA**), the Secured Overnight Financing Rate (**SOFR**) and €STR, as reference rates continues to develop. This relates not only to the substance of the calculation and the development and adoption of market infrastructure for the issuance and trading of bonds referencing such rates, but also how widely such rates and methodologies might be adopted.

The market or a significant part thereof may adopt an application of risk-free rates that differs significantly from that set out in the Conditions and used in relation to Notes that reference risk-free rates issued under this Programme. The Issuer may in the future also issue Notes referencing SONIA, the SONIA Compounded Index, SOFR, the SOFR Compounded Index or €STR that differ materially in terms of interest determination when compared with any previous Notes issued by it under this Programme. The development of risk-free rates for the Eurobond markets could result in reduced liquidity or increased volatility, or could otherwise affect the market price of any Notes that reference a risk-free rate issued under this Programme from time to time.

In addition, the manner of adoption or application of risk-free rates in the Eurobond markets may differ materially compared with the application and adoption of risk-free rates in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of such reference rates in the bond, loan and derivatives markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Notes referencing such risk-free rates.

In particular, investors should be aware that several different methodologies have been used in risk-free rate notes issued to date. No assurance can be given that any particular methodology, including the compounding formula in the Conditions, will gain widespread market acceptance. In addition, market participants and relevant working groups are still exploring alternative reference rates based on risk-free rates, including various ways to produce term versions of certain risk-free rates (which seek to measure the market's forward expectation of an average of these reference rates over a designated term, as they are overnight rates) or different measures of such risk-free rates. If the relevant risk-free rates do not prove to be widely used in securities like the Notes, the trading price of such Notes linked to such risk-free rates may be lower than those of Notes referencing indices that are more widely used.

Investors should consider these matters when making their investment decision with respect to any Notes which reference SONIA, SOFR, €STR or any related indices.

Risk-free rates may differ from EURIBOR, WIBOR and other inter-bank offered rates in a number of material respects and have a limited history.

Risk-free rates may differ from EURIBOR, WIBOR and other inter-bank offered rates in a number of material respects. These include (without limitation) being backward-looking, in most cases, calculated on a compounded or weighted average basis, risk-free, overnight rates and, in the case of SOFR, secured, whereas such interbank offered rates are generally expressed on the basis of a forward-looking term, are unsecured and include a risk-element based on interbank lending. As such, investors should be aware that risk-free rates may behave materially differently to interbank offered rates as interest reference rates for the Notes. Furthermore, SOFR is a secured rate that represents overnight secured funding transactions, and therefore will perform differently over time to an unsecured rate. For example, since the initial publication of SOFR on 3 April 2018, daily changes in SOFR have, on occasion, been more volatile than daily changes in comparable benchmarks or other market rates.

Risk-free rates offered as alternatives to interbank offered rates also have a limited history. For that reason, future performance of such rates may be difficult to predict based on their limited historical performance. The level of such rates during the term of the Notes may bear little or no relation to historical levels. Prior observed patterns, if any, in the behaviour of market variables and their relation to such rates such as correlations, may change in the future. Investors should not rely on historical performance data as an indicator of the future performance of such risk-free rates nor should they rely on any hypothetical data.

Furthermore, interest on Notes which reference a backward-looking risk-free rate is only capable of being determined immediately prior to the relevant Interest Payment Date. It may be difficult for investors in Notes which reference such risk-free rates reliably to estimate the amount of interest which will be payable on such Notes, and some investors may be unable or unwilling to trade such Notes without changes to their IT systems, both of which could adversely impact the liquidity of such Notes. Further, in contrast to Notes linked to interbank offered rates, if Notes referencing backwards-looking rates become due and payable as a result of an Event of Default or are otherwise redeemed early on a date which is not an Interest Payment Date, the final Rate of Interest Rate payable in respect of such Notes will be determined by reference to a shortened period ending immediately prior to the date on which the Notes become due and payable or are scheduled for redemption.

The administrator of SONIA, SOFR or €STR or any related indices may make changes that could change the value of SONIA, SOFR or €STR or any related index, or discontinue SONIA, SOFR or €STR or any related index

The Bank of England, the Federal Reserve, Bank of New York or the European Central Bank (or their successors) as administrators of SONIA (and the SONIA Compounded Index), SOFR (and the SOFR Compounded Index) or €STR, respectively, may make methodological or other changes that could change the value of these risk-free rates and/or indices, including changes related to the method by which such risk-free rate is calculated, eligibility criteria applicable to the transactions used to calculate SONIA, SOFR or €STR, or timing related to the publication of SONIA, SOFR or €STR or any related indices. In addition, the administrator may alter, discontinue or suspend calculation or dissemination of SONIA, SOFR or €STR or any related index (in which case a fallback method of determining the interest rate on the Notes will apply). The administrator has no obligation to consider the interests of Noteholders when calculating, adjusting, converting, revising or discontinuing any such risk-free rate.

The application of the net proceeds of Green Bonds (or an amount equal thereto) as described in "Use of Proceeds" might not meet investor expectations or be (or remain) suitable for an investor's investment criteria.

Notes may be issued as Green Bonds (as defined below). The applicable Final Terms relating to any specific Tranche of Notes may provide that it will be the Issuer's intention to apply an amount equal to the net proceeds from an offer of those Notes (such Notes being **Green Bonds**) specifically for eligible projects and activities that are in keeping with the Green Finance Framework (as further described in the section of this Offering Circular entitled "*Green Finance Framework*" (**Eligible Projects**)). Prospective investors should consider the information set out in the section "*Use of Proceeds*" and determine for themselves the relevance of such information for the purpose of any investment in such Notes together with any other investigation such investor deems necessary.

In particular, no assurance is given by the Issuer, the Group or any of the Dealers that the use of such proceeds for any Eligible Projects will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Eligible Projects. In addition, the Green Finance Framework can be amended by the Issuer from time to time.

No assurance can be given that Eligible Projects will meet investor expectations or requirements regarding such "green", "sustainable", "social" or similar labels (including Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (the **EU Sustainable Finance Taxonomy**) or Regulation (EU) 2020/852 as it forms part of domestic law in the United Kingdom by virtue of the EUWA). Each prospective investor should take into account the factors described in the Issuer's Green Finance Framework and the relevant information contained in this Offering Circular and seek advice from their independent financial adviser or other professional adviser regarding its purchase of Notes issued as Green Bonds before deciding to invest. The Issuer's Green Finance Framework may be subject to review and change and may be amended, updated, supplemented, replaced and/or withdrawn from time to time and any subsequent version(s) may differ from any description given in this Offering Circular. The Issuer's Green Finance Framework does not form part of, nor is incorporated by reference, in this Offering Circular.

While it is the intention of the Issuer to allocate an amount equal to the net proceeds of any Notes issued as Green Bonds for Eligible Projects, there is no contractual obligation to do so. There can be no assurance that any such Eligible Projects will be available or capable of being implemented in the manner and timeframe anticipated and, accordingly, that the Issuer will be able to use the proceeds for such Eligible Projects as intended. In addition, there can be no assurance that Eligible Projects will be completed as expected or achieve the impacts or outcomes (environmental, social or otherwise) originally expected or anticipated. None of a failure by the Issuer to allocate the proceeds of any Notes issued as Green Bonds or a failure of a third party to issue (or to withdraw) an opinion or certification in connection with an issue of Green Bonds or the failure of the Notes issued as Green Bonds to meet investors' expectations requirements regarding any "green", "sustainable", "social" or similar labels will constitute an Event of Default or breach of contract with respect to any of the Notes issued as Green Bonds.

The net proceeds of the issue of any Green Bonds which, from time to time, are not allocated as funding for Eligible Projects are intended by the Issuer to be held pending allocation any such unallocated amounts will be invested in accordance with Issuer's liquidity guidelines, for the repayment of indebtedness, other capital management purposes or for the financing of green activities.

The Issuer does not undertake to ensure that there are at any time sufficient Eligible Projects to allow for allocation of a sum equal to the net proceeds of the issue of such Green Bonds in full.

No assurance of suitability or reliability of any Second Party Opinion or any other opinion or certification of any third party relating to any Green Bonds

The Second Party Opinion which provides an opinion on certain environmental and related considerations is a statement of opinion, not a statement of fact. No representation or assurance is given as to the suitability or reliability of the Second Party Opinion or any opinion or certification of any third party made available in connection with an issue of Notes issued as Green Bonds. The Second Party Opinion and any other such opinion or certification is not intended to address any credit, market or other aspects of any investment in any Note, including without limitation market price, marketability, investor preference or suitability of any security or any other factors that may affect the value of such Notes. Any such opinion or certification is not a recommendation to buy, sell or hold any such Notes and is current only as of the date it was issued.

The criteria and/or considerations that formed the basis of the Second Party Opinion and any other such opinion or certification may change at any time and the Second Party Opinion may be amended, updated, supplemented, replaced and/or withdrawn. As at the date of this Offering Circular, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein. The Second Party Opinion and any other such opinion or certification does not form part of, nor is incorporated by reference in, this Offering Circular.

In light of the continuing development of legal, regulatory and market conventions, no assurance is or can be given by the Issuer, the Group or the Dealers to investors that any projects or uses the subject of, or related to, any Eligible Projects will meet any or all investor expectations regarding such "green", "sustainable", "social" or other equivalently-labelled performance objectives or that any adverse environmental, social and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, any Eligible Projects. In addition, no assurance can be given by the Issuer, the Group, the Dealers or any other person to investors that any Green Bonds will comply with any future standards or requirements regarding any "green", "social", "sustainable" or other equivalently-labelled performance objectives and, accordingly, the status of any Green Bonds as being "green", "social" or "sustainable" (or equivalent) could be withdrawn at any time.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any report, assessment, opinion (including the Second Party Opinion (as discussed in "*Green Finance Framework*" below), which for the avoidance of doubt, is not incorporated in, and does not form part of this Offering Circular) or certification of any third party (including the Second Party Opinion provider, whether or not solicited by the Issuer) which may be made available in connection with the issue of any Green Bonds and in particular with any Eligible Projects to fulfil any environmental, social and governance (**ESG**) and/or other criteria. For the avoidance of doubt, any such report, assessment, opinion or certification is not, nor shall be deemed to be, incorporated in and/or form part of this Offering Circular. Any such report, assessment, opinion or certification is not, nor should be deemed to be, a recommendation by the Issuer, the Group, any of the Dealers or any other person to buy, sell or hold any such Green Bonds or that any Eligible Projects fulfil any ESG and/or other criteria. Any such report, assessment, opinion or certification is only current as of the date that report, assessment, opinion or certification was initially issued. Prospective investors must determine for themselves the relevance of any such report, assessment, opinion or certification and/or the information contained therein and/or the provider of such report, assessment, opinion or certification for the purpose of any investment in such Green Bonds. Currently, the providers of such reports, assessments, opinions and certifications are not subject to any specific oversight or regulatory or other regime.

No assurance that Green Bonds will be admitted to trading on any dedicated "green", "sustainable", "social" (or similar) segment of any stock exchange or market, or that any admission obtained will be maintained

Application has been made to Euronext Dublin for Notes (which may include Green Bonds) issued under the Programme to be admitted to the Official List and to trading on the Euronext Dublin Regulated Market, and application may also be made to the WSE for Notes (which may include Green Bonds) to be listed and admitted to trading on the regulated market of the WSE. However, in the event that any Green Bonds are listed or admitted to trading on any dedicated ESG or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated) or included in an ESG bond index, no representation or assurance is given by the Issuer, the Group, any of the Dealers or any other person that such listing, admission, or inclusion satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or assets or uses, the subject of or related to, any Eligible Projects. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. No representation or assurance is given or made by the Issuer, the Group any of the Dealers or any other person that any such listing or admission to trading will be obtained in respect of any such Notes or, if obtained, that any such listing or admission to trading will be maintained during the life of the Notes.

If any of the risks outlined in this risk factor materialise this have a material adverse effect on the value of such Notes and also potentially the value of any other Notes which are intended to finance or re-finance Eligible Projects and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for or towards a particular purpose.

None of the Dealers or the Agents will verify or monitor the proposed use of proceeds of Notes issued under the Programme.

Green Bonds are not linked to the performance of the Eligible Projects, do not benefit from any arrangements to enhance the performance of the Notes or any contractual rights derived solely from the intended use of proceeds of such Notes

The performance of Green Bonds is not linked to the performance of the relevant Eligible Projects or the performance of the Issuer in respect of any environmental or similar targets. There will be no segregation of assets and liabilities in respect of the Green Bonds and the relevant Eligible Projects. Consequently, neither payments of principal and/or interest on Green Bonds nor any rights of Noteholders will depend on the performance of the relevant Eligible Projects or the performance of the Issuer in respect of any such environmental or similar targets. Holders of any Green Bonds will have no preferential rights or priority against the assets of any Eligible Project nor benefit from any arrangements to enhance the performance of the Notes.

Risks applicable to certain types of Exempt Notes

There are particular risks associated with an investment in certain types of Exempt Notes, such as Index Linked Notes and Dual Currency Notes. In particular, an investor might receive less interest than expected or no interest in respect of such Notes and may lose some or all of the principal amount invested by it.

The Issuer may issue Notes with principal or interest determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a **Relevant Factor**). In addition, the Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

(i) the market price of such Notes may be volatile;

(ii) they may receive no interest;

(iii) payment of principal or interest may occur at a different time or in a different currency than expected;

(iv) they may lose all or a substantial portion of their principal;

(v) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;

(vi) if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable likely will be magnified; and

(vii) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

The historical experience of an index or other Relevant Factor should not be viewed as an indication of the future performance of such Relevant Factor during the term of any Notes. Accordingly, each potential investor should consult its own financial and legal advisers about the risk entailed by an investment in any Notes linked to a Relevant Factor and the suitability of such Notes in light of its particular circumstances.

Where Notes are issued on a partly paid basis, an investor who fails to pay any subsequent instalment of the issue price could lose all of his investment.

The Issuer may issue Notes where the issue price is payable in more than one instalment. Any failure by an investor to pay any subsequent instalment of the issue price in respect of his Notes could result in such investor losing all of his investment.

Notes which are issued with variable interest rates or which are structured to include a multiplier or other leverage factor are likely to have more volatile market values than more standard securities.

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features. As a result of such volatility, an investor might receive less interest than expected in respect of such Notes and/or may lose all or a substantial part of the principal amount invested by it.

Inverse Floating Rate Notes will have more volatile market values than conventional Floating Rate Notes.

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate. The market values of those Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes and accordingly, may reduce the value of an investor's investment.

Risks related to Notes generally

Set out below is a description of material risks relating to the Notes generally:

The conditions of the Notes contain provisions which may permit their modification without the consent of all investors.

The conditions of the Notes contain provisions for calling meetings (including by way of conference call or by use of a videoconference platform) of Noteholders to consider and vote upon matters affecting their interests generally, or to pass resolutions in writing or through the use of electronic consents. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting or, as the case may be, did not sign the written resolution or give their consent electronically, and including those Noteholders who voted in a manner contrary to the majority.

Investors who hold less than the minimum Specified Denomination may be unable to sell their Notes and may be adversely affected if definitive Notes are subsequently required to be issued.

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed or issued) and would need to purchase a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination.

If such Notes in definitive form are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Risks related to the market generally

Set out below is a description of material market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell his Notes.

Notes may have no established trading market when issued, and one may never develop. If a market for the Notes does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities.

If an investor holds Notes which are not denominated in the investor's home currency, he will be exposed to movements in exchange rates adversely affecting the value of his holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes.

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Credit ratings assigned to the Issuer or any Notes may not reflect all the risks associated with an investment in those Notes.

One or more independent credit rating agencies may assign credit ratings to the Issuer or the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes in the EEA, unless such ratings are issued by a credit rating agency established in the EEA and registered under the CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by third country non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant third country rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). The list of registered and certified rating agencies published by ESMA on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

Investors regulated in the UK are subject to similar restrictions under the UK CRA Regulation. As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in certain circumstances. In the case of third country ratings, for a certain limited period of time, transitional relief accommodates continued use, for regulatory purposes in the UK, of existing pre-2021 ratings, provided the relevant conditions are satisfied.

If the status of the rating agency rating the Notes changes for the purposes of the CRA Regulation or the UK CRA Regulation, the relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Notes may have a different regulatory treatment, which may impact the value of the Notes and their liquidity in the secondary market. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Offering Circular.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Presentation of Financial Information

Unless otherwise indicated, the financial information in this Offering Circular relating to the Issuer has been derived from the audited consolidated financial statements of the Group for the financial years ended 31 December 2021 and 31 December 2022 and the interim consolidated financial statement for three months ended 31 March 2023 (together, the **Financial Statements**).

The Group's financial year ends on 31 December of each year, and references in this Offering Circular to any specific year are to the 12-month period ended on 31 December of such year. The Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted in the EU (**IFRS**).

Certain Defined Terms and Conventions

Capitalised terms which are used but not defined in any particular section of this Offering Circular will have the meaning attributed to them in "*Terms and Conditions of the Notes*" or any other section of this Offering Circular. In addition, the following terms as used in this Offering Circular have the meanings defined below:

In this Offering Circular, all references to:

- *U.S. dollars*, *USD, U.S.$* and *$* refer to United States dollars;
- *CZK* refer to Czech koruna;
- *CAD* refer to Canadian dollars;
- *PLN* refer to Polish zloty;
- *NOK* refer to Norwegian krone; and
- *EUR, euro* and *€* refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

References to a **billion** are to a thousand million.

References to the **Issuer, ORLEN** are to ORLEN S.A. References to **ORLEN Group** or **Group** are to ORLEN S.A. and its Subsidiaries, except where it is clear from the context that the term means ORLEN S.A.

Certain figures and percentages included in this Offering Circular have been subject to rounding adjustments; accordingly, figures shown in the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

The language of the Offering Circular is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

Exchange Rate Information

The functional currency of ORLEN and the presentation currency of the Financial Statements is PLN. For consolidation purposes, the translation into PLN of financial statements of the Issuer's subsidiaries or associated entities with a functional currency other than PLN is based on:

- at the spot exchange rate as at the end of the reporting period – for particular assets and liabilities;
- at the average exchange rate for the reporting period (arithmetic average of daily average exchange rates published by the National Bank of Poland (**NBP**) in a given period) – for items of the statement of profit or loss and other comprehensive income and the statement of cash flows.

The following table sets out exchange rates of the Issuer's main currencies and annual average exchange rates relative to PLN as at and for the years ended 31 December 2020 and 2021, and as at and for the three months ended 31 March 2023.

	March 31, 2023	December 31, 2022	December 31, 2021
Exchange rate at the end of the period			
PLN/EUR	4.6755	4.6899	4.5994
PLN/USD	4.2934	4.4018	4.0600
PLN/CZK	0.1987	0.1942	0.1850
PLN/CAD	3.1676	3.2486	3.1920
PLN/NOK	0.4117	0.4461	-
	January 1, 2023 – March 31, 2023	**January 1, 2022 – December 31, 2022**	**January 1, 2021 – December 31, 2021**
Period average exchange rate			
PLN/EUR	4.7111	4.6855	4.5660
PLN/USD	4.3887	4.4569	3.8615
PLN/CZK	0.1980	0.1908	0.1780
PLN/CAD	3.2473	3.4233	3.0800
PLN/NOK	0.4295	0.4640	-

The exchange rates above were derived from the official data presented by the NBP.

The rates above may differ from the actual rates used in the preparation of the Financial Statements and other financial information appearing in this Offering Circular. ORLEN's inclusion of the exchange rates is not meant to suggest that the EUR, USD, CZK or CAD amounts actually represent such PLN amounts or that such amounts could have been converted into PLN amounts at the rates indicated or at any other rate.

Alternative Performance Measures/Non-IFRS Measures

The Offering Circular includes certain data which ORLEN considers to constitute alternative performance measures (**APMs**) for the purposes of ESMA Guidelines on Alternative Performance Measures.

These APMs are not defined by, or presented in accordance with, IFRS. The APMs are not measurements of ORLEN's operating performance under IFRS and should not be considered as alternatives to any measures of performance under IFRS.

In this Offering Circular "**EBITDA**" means net profit/(loss) for the reporting period before taking into account the impact of the income tax, effects of financing activities and depreciation and amortization costs.

ORLEN presents EBITDA because it believes it assists investors and analysts in comparing ORLEN's performance across reporting periods on a consistent basis by excluding items that ORLEN does not believe are indicative of its core operating performance.

ORLEN presents EBITDA as it believes it will be useful to investors and analysts in reviewing ORLEN's performance and comparing its results to other multi-energy groups. However, investors are cautioned not to place undue reliance on this information and should note that such measure may differ materially from similarly titled financial measures reported by other companies, including ORLEN's direct competitors. Investors are encouraged to evaluate any adjustments to IFRS measures themselves and the reasons ORLEN considers them appropriate for supplemental analysis. Because of these limitations, as well as further limitations discussed above, the non-IFRS measures presented should not be considered in isolation or as a substitute for performance measures calculated in accordance with IFRS. ORLEN compensates for these limitations by relying primarily on its results in accordance with IFRS and using non-IFRS measures only supplementally. A reconciliation of EBITDA to its respective most directly comparable IFRS measures is included in the Financial Statements incorporated by reference in this Offering Circular.

In this Offering Circular, unless the contrary intention appears, a reference to a law or a provision of a law is a reference to that law or provision as extended, amended or re-enacted.

SUITABILITY OF INVESTMENT

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

(i) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;

(ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

(iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

(iv) understands thoroughly the terms of the Notes and is familiar with the behaviour of any relevant indices and financial markets;

(v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks; and

(vi) is aware that markets such as Poland are subject to rapid change and can face greater risks than more developed markets, including in some cases significant political, economic and legal risks.

Generally, investment in markets such as Poland is only suitable for sophisticated investors who fully appreciate the significance of the risks involved and potential investors in the Notes should consult with their own legal and financial advisors before making any investment in the Notes.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS

Some statements in this Offering Circular may be deemed to be forward looking statements. Forward looking statements include statements concerning the plans, objectives, goals, strategies, future operations and performance and the assumptions underlying these forward looking statements. When used in this Offering Circular, the words "anticipates", "estimates", "expects", "believes", "intends", "plans", "aims", 'seeks", "may", "will", "could", 'should", "predicts", "is expected to" and any similar expressions generally identify forward looking statements. These forward looking statements are contained in the sections entitled "*Risk Factors*" and "*Description of the Issuer*" and other sections of this Offering Circular. These forward looking statements have been based on the current view of the Issuer's management with respect to the Group's future events and financial performance. Although the Issuer believes that the expectations, estimates and projections reflected in its forward looking statements are reasonable as of the date of this Offering Circular, if one or more of the risks or uncertainties materialise, including those identified below or which the Issuer has otherwise identified in this Offering Circular, or if any of the Issuer's underlying assumptions prove to be incomplete or inaccurate, the Group's actual results of operation may vary from those expected, estimated or predicted.

The risks and uncertainties referred to above include:

- the Group's ability to integrate its newly-acquired operations and any future expansion of its business;
- the Group's ability to realise the benefits that the Group expects from existing and future investments in the Group's existing operations and pending expansion and development projects;
- the Group's ability to obtain requisite governmental or regulatory approvals to undertake planned or proposed terminal development projects;
- the Group's ability to obtain external financing or maintain sufficient capital to fund the Group's existing and future operations;
- changes in political, social, legal or economic conditions in the markets in which the Group and its customers operate;
- changes in the competitive environment in which the Group's and the Group's customers operate;
- failure to comply with regulations applicable to the Group's business;
- fluctuations in the currency exchange rates in the markets in which the Group operates; and changes in tax requirements (including tax rate changes, new tax laws and revised tax law interpretations).

Any forward looking statements contained in this Offering Circular speak only as at the date of this Offering Circular. Without prejudice to any requirements under applicable laws and regulations, the Issuer expressly disclaims any obligation or undertaking to disseminate after the date of this Offering Circular any updates or revisions to any forward looking statements contained in it to reflect any change in expectations or any change in events, conditions or circumstances on which any such forward looking statement is based.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published shall be incorporated in, and form part of, this Offering Circular:

(a) the audited consolidated financial statements and the notes thereto of the Group for the financial year ended 31 December 2022 (which can be viewed online at

https://www.orlen.pl/content/dam/internet/orlen/pl/en/investor-relations/stocks-and-bonds/bonds/emtn-programme-2021/documents/Consolidated%20Financial%20Statements%20of%20ORLEN%20Group%202022.pdf.coredownload.pdf)

and the auditor's report thereto (which can be viewed online at

https://www.orlen.pl/content/dam/internet/orlen/pl/en/investor-relations/stocks-and-bonds/bonds/emtn-programme-2021/documents/Auditors%20report%202022.pdf.coredownload.pdf);

(b) the audited consolidated financial statements and the notes thereto of the Group for the financial year ended 31 December 2021 (which can be viewed online at

https://www.orlen.pl/content/dam/internet/orlen/pl/en/investor-relations/reports-and-publications/teleconferences/presentations/Consolidated-Financial_Statements-of-ORLEN-Group-2021.pdf.coredownload.pdf)

and the auditor's report thereto (which can be viewed online at

https://www.orlen.pl/content/dam/internet/orlen/pl/en/investor-relations/stocks-and-bonds/bonds/emtn-programme-2021/documents/Auditors-report-2021.pdf.coredownload.pdf);

(c) the reviewed interim condensed consolidated financial statements and the notes thereto of the Group as at and for the three month period ended 31 March 2023 (which can be viewed online at

https://www.orlen.pl/content/dam/internet/orlen/pl/en/investor-relations/stocks-and-bonds/bonds/emtn-programme-2021/documents/Consolidated%20Financial%20Statements%20of%20ORLEN%20Group%201Q2023.pdf.coredownload.pdf)

and the auditor's review report thereto (which can be viewed online at

https://www.orlen.pl/content/dam/internet/orlen/pl/en/investor-relations/stocks-and-bonds/bonds/emtn-programme-2021/documents/Auditors%20report%20Q12023.pdf.coredownload.pdf);

(d) the Terms and Conditions of the Notes set out on pages 101 to 149 inclusive of the offering circular relating to the Programme dated 27 May 2022 and can be viewed online at:

https://www.orlen.pl/content/dam/internet/orlen/pl/en/investor-relations/stocks-and-bonds/bonds/emtn-programme-2021/documents/pkn-prospectus-update-may-2022.pdf.coredownload.pdf).

(e) the Terms and Conditions of the Notes set out on pages 84 to 118 inclusive of the offering circular relating to the Programme dated 13 May 2021 and can be viewed online at:

https://www.orlen.pl/content/dam/internet/orlen/pl/en/investor-relations/stocks-and-bonds/bonds/emtn-programme-2021/documents/PKN%20ORLEN%20Final%20Base%20Prospectus%20Approved%20by%20CBI.pdf.coredownload.pdf).

Following the publication of this Offering Circular a supplement may be prepared by the Issuer and approved by the Central Bank of Ireland in accordance with Article 23 of the Prospectus Regulation. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Offering Circular or in a document which is incorporated by reference in this Offering Circular. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Offering Circular.

Any non-incorporated parts of a document referred to herein (which, for the avoidance of doubt, means any parts not listed in the cross-reference list above) are either deemed not relevant for an investor or are otherwise covered elsewhere in this Offering Circular.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Offering Circular shall not form part of this Offering Circular.

The Issuer will, in the event of any significant new factor, material mistake or material inaccuracy relating to information included in this Offering Circular which may affect the assessment of any Notes, prepare a supplement to this Offering Circular or publish a new Offering Circular for use in connection with any subsequent issue of Notes.

FINAL TERMS AND DRAWDOWN PROSPECTUSES

In this section the expression "necessary information" means, in relation to any Tranche of Notes, the necessary information which is material to an investor for making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and of the rights attaching to the Notes and the reasons for the issuance and its impact on the Issuer. In relation to the different types of Notes which may be issued under the Programme the Issuer has included in this Offering Circular all of the necessary information except for information relating to the Notes which is not known at the date of this Offering Circular and which can only be determined at the time of an individual issue of a Tranche of Notes.

Any information relating to the Notes which is not included in this Offering Circular and which is required in order to complete the necessary information in relation to a Tranche of Notes will be contained either in the relevant Final Terms or in a Drawdown Prospectus.

For a Tranche of Notes which is the subject of Final Terms, those Final Terms will, for the purposes of that Tranche only, complete this Offering Circular and must be read in conjunction with this Offering Circular. The terms and conditions applicable to any particular Tranche of Notes which is the subject of Final Terms are the Conditions described in the relevant Final Terms as amended or supplemented to the extent described in the relevant Final Terms.

The terms and conditions applicable to any particular Tranche of Notes which is the subject of a Drawdown Prospectus will be the Conditions as supplemented, amended and/or replaced to the extent described in the relevant Drawdown Prospectus. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Offering Circular to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise.

Each Drawdown Prospectus will be constituted either (1) by a single document containing the necessary information relating to the Issuer and the relevant Notes or (2) by a registration document (the **Registration Document**) containing the necessary information relating to the Issuer, a securities note (the **Securities Note**) containing the necessary information relating to the relevant Notes and, if necessary, a summary note.

FORM OF THE NOTES

The Notes of each Series will be in either bearer form, with or without interest coupons attached, or registered form, without interest coupons attached. Bearer Notes and Registered Notes will be issued outside the United States in reliance on Regulation S under the Securities Act (**Regulation S**).

Bearer Notes

Each Tranche of Bearer Notes will be in bearer form and will initially be issued in the form of a temporary global note (a **Temporary Bearer Global Note**) or, if so specified in the applicable Final Terms, a permanent global note (a **Permanent Bearer Global Note** and, together with a Temporary Bearer Global Note, each a **Bearer Global Note**) which, in either case, will:

(a) if the Bearer Global Notes are intended to be issued in new global note (**NGN**) form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the **Common Safekeeper**) for Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking S.A. (**Clearstream, Luxembourg**); and

(b) if the Bearer Global Notes are not intended to be issued in NGN Form, be delivered on or prior to the original issue date of the Tranche to a common depositary (the **Common Depositary**) for Euroclear and Clearstream, Luxembourg.

On 13 June 2006, the European Central Bank (the **ECB**) announced that Notes in NGN form are in compliance with the "standards for the use of EU securities settlement systems in ESCB credit operations" of the central banking system for the euro (the **Eurosystem**), **provided that** certain other criteria are fulfilled. At the same time the ECB also announced that arrangements for Notes in NGN form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2006 and that debt securities in global bearer form issued through Euroclear and Clearstream, Luxembourg after 31 December 2006 will only be eligible as collateral for Eurosystem operations if the NGN form is used.

Where the Bearer Global Notes issued in respect of any Tranche are in NGN form, the applicable Final Terms will also indicate whether such Bearer Global Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Bearer Global Notes are to be so held does not necessarily mean that the Bearer Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria. The Common Safekeeper for NGNs will either be Euroclear or Clearstream, Luxembourg or another entity approved by Euroclear and Clearstream, Luxembourg.

Whilst any Bearer Note is represented by a Temporary Bearer Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Bearer Global Note if the Temporary Bearer Global Note is not intended to be issued in NGN form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in the Temporary Bearer Global Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Principal Paying Agent.

On and after the date (the **Exchange Date**) which is 40 days after a Temporary Bearer Global Note is issued, interests in such Temporary Bearer Global Note will be exchangeable (free of charge) upon a request as described therein either for (i) interests in a Permanent Bearer Global Note of the same Series or (ii) for definitive Bearer Notes of the same Series with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Final Terms), in each case against certification of beneficial ownership as described above unless such certification has already been given, provided that purchasers in the United States and certain U.S. persons will not be able to receive definitive Bearer Notes. The holder of a Temporary Bearer Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Bearer Global Note for an interest in a Permanent Bearer Global Note or for definitive Bearer Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Bearer Global Note will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Permanent Bearer Global Note if the Permanent Bearer Global Note is not intended to be issued in NGN form) without any requirement for certification.

The applicable Final Terms will specify that a Permanent Bearer Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Bearer Notes with, where applicable, receipts, interest coupons and talons attached upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (i) an Event of Default has occurred and is continuing, (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available or (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Permanent Bearer Global Note in definitive form. The Issuer will promptly give notice to Noteholders in accordance with Condition 14 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) may give notice to the Principal Paying Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Principal Paying Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent.

The following legend will appear on all Bearer Notes (other than Temporary Bearer Global Notes), receipts and interest coupons relating to such Notes where TEFRA D is specified in the applicable Final Terms:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE."

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Bearer Notes, receipts or interest coupons and will not be entitled to capital gains treatment in respect of any gain on any sale, disposition, redemption or payment of principal in respect of Bearer Notes, receipts or interest coupons.

Notes which are represented by a Bearer Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

Registered Notes

The Registered Notes of each Tranche will initially be represented by a global note in registered form (a **Registered Global Note**).

Registered Global Notes will be deposited with a common depositary or, if the Registered Global Notes are to be held under the new safe-keeping structure (the **NSS**), a common safekeeper, as the case may be for Euroclear and Clearstream, Luxembourg, and registered in the name of the nominee for the Common Depositary of, Euroclear and Clearstream, Luxembourg or in the name of a nominee of the common safekeeper, as specified in the applicable Final Terms. Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Notes in fully registered form.

Where the Registered Global Notes issued in respect of any Tranche is intended to be held under the NSS, the applicable Final Terms will indicate whether or not such Registered Global Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Registered Global Notes are to be so held does not necessarily mean that the Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any time during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria. The common safekeeper for a Registered Global Note held under the NSS will either be Euroclear or Clearstream, Luxembourg or another entity approved by Euroclear and Clearstream, Luxembourg.

Payments of principal, interest and any other amount in respect of the Registered Global Notes will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 6.5) as the registered holder of the Registered Global Notes. None of the Issuer, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Registered Notes in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 6.5) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Registered Notes without receipts, interest coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (i) an Event of Default has occurred and is continuing, (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system is available or (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Registered Global Note in definitive form. The Issuer will promptly give notice to Noteholders in accordance with Condition 14 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg or any person acting on their behalf (acting on the instructions of any holder of an interest in such Registered Global Note) may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar.

No beneficial owner of an interest in a Registered Global Note will be able to transfer such interest, except in accordance with the applicable procedures of Euroclear and Clearstream, Luxembourg, in each case to the extent applicable.

General

Pursuant to the Agency Agreement (as defined under "*Terms and Conditions of the Notes*"), the Principal Paying Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes at a point after the Issue Date of the further Tranche, the Notes of such further Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until such time as the Tranches are consolidated and form a single Series, which shall not be prior to the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

A Note may be accelerated by the holder thereof in certain circumstances described in Condition 10. In such circumstances, where any Note is still represented by a Global Note and the Global Note (or any part thereof) has become due and repayable in accordance with the Conditions of such Notes and payment in full of the amount due has not been made in accordance with the provisions of the Global Note then from 8.00 p.m. (London time) on such day holders of interests in such Global Note credited to their accounts with Euroclear and/or Clearstream, Luxembourg as the case may be, will become entitled to proceed directly against the Issuer on the basis of statements of account provided by Euroclear and/or Clearstream, Luxembourg on and subject to the terms of a deed of covenant (the **Deed of Covenant**) dated 30 June 2023 and executed by the Issuer.

The Issuer may agree with any Dealer that Notes may be issued in a form not contemplated by the Conditions, in which event, other than where such Notes are Exempt Notes, a supplement to this Offering Circular or a new Offering Circular will be made available which will describe the effect of the agreement reached in relation to such Notes.

APPLICABLE FINAL TERMS

NOTES WITH A DENOMINATION OF €100,000 (OR ITS EQUIVALENT IN ANY OTHER CURRENCY) OR MORE, OTHER THAN EXEMPT NOTES

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme which are not Exempt Notes or the subject of a Drawdown Prospectus and which have a denomination of €100,000 (or its equivalent in any other currency) or more.

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or (ii) a customer within the meaning of Directive (EU) 2016/97/EU (as amended, the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.] [1]

[PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (**UK**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (**FSMA**) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of the domestic law of the UK by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of the domestic law of the UK by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.][2]

[[3]**MiFID II product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, **MiFID II**)][MiFID II]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

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[1] Legend to be included on front of the Final Terms if the Notes potentially constitute "packaged" products and no key information document will be prepared in the EEA or the issuer wishes to prohibit offers to EEA retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable".

[2] Legend to be included on the front of the Final Terms if the Notes potentially constitute "packaged" products and no key information document will be prepared in the UK or the issuer wishes to prohibit offers to UK retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable".

[3] Legend to be included on front of the Final Terms if following the ICMA 1 "all bonds to all professionals" target market approach.

[[4]**UK MiFIR product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (**COBS**), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of the domestic law of the UK by virtue of the [European Union (Withdrawal) Act 2018/EUWA] (**UK MiFIR**); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a **UK distributor**) should take into consideration the manufacturer['s/s'] target market assessment; however, a UK distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[**NOTIFICATION UNDER SECTION 309B(1)(c) OF THE SECURITIES AND FUTURES ACT 2001, AS MODIFIED OR AMENDED FROM TIME TO TIME** (the **SFA**) – [*Insert notice if classification of the Notes is not "prescribed capital markets products", pursuant to Section 309B of the SFA or Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products)*].][5]

Final Terms dated [●]

ORLEN S.A.

Legal entity identifier (LEI): 259400VVMM70CQREJT74

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

under the €5,000,000,000

Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 30 June 2023 [and the supplement[s] to it dated [*date*] [and [*date*]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (the **Offering Circular**). This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Offering Circular in order to obtain all the relevant information. The Offering Circular has been published on the website of Euronext Dublin at https://live.euronext.com/en/markets/dublin [[and]/[the Warsaw Stock Exchange (*Giełda Papierów Wartościowych w Warszawie S.A.*) (https://www.gpw.pl)]].

[*The following alternative language applies if the first Tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.*]

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the offering circular dated [13 May 2021 /27 May 2022] which are incorporated by reference in the Offering

[4] Legend to be included on front of the Final Terms if transaction involves one or more manufacturer(s) subject to UK MiFIR and if following the "ICMA 1" approach.
[5] Relevant Manager(s)/Dealer(s) to consider whether it / they have received the necessary product classification from the Issuer prior to the launch of the offer, pursuant to Section 309B of the SFA.

Circular dated 30 June 2023 (the **Offering Circular**). This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation. This document must be read in conjunction with the Offering Circular [as supplemented by the supplement[s] to it dated [*date*] [and [*date*]]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation in order to obtain all the relevant information. The Offering Circular has been published on the website of Euronext Dublin at https://live.euronext.com/en/markets/dublin [[and]/[the Warsaw Stock Exchange (*Giełda Papierów Wartościowych w Warszawie S.A.*) (www.gpw.pl)]].

[*Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote directions for completing the Final Terms.*]

[*If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination may need to be £100,000 or its equivalent in any other currency.*]

1.	Issuer		ORLEN S.A.
2.	(a)	Series Number:	[ ]
	(b)	Tranche Number:	[ ]
	(c)	Date on which the Notes will be consolidated and form a single Series:	[The Notes will be consolidated and form a single Series with [*identify earlier Tranches*] on [the Issue Date/the date that is 40 days after the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [ ] below, which is expected to occur on or about [*date*]][Not Applicable]
3.	Specified Currency or Currencies:		[ ]
4.	Aggregate Nominal Amount:		
	(a)	Series:	[ ]
	(b)	Tranche:	[ ]
5.	Issue Price:		[ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*if applicable*)]
6.	(a)	Specified Denominations:	[ ] *(N.B. Notes must have a minimum denomination of €100,000 (or equivalent))* *(Note – where Bearer multiple denominations above [€100,000] or equivalent are being used the following sample wording should be followed:* *"[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000].")*

	(b)	Calculation Amount (in relation to calculation of interest in global form see Conditions):	[ ]
			(*If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations*.)
7.	(a)	Issue Date:	[ ]
	(b)	Interest Commencement Date:	[*specify*/Issue Date/Not Applicable]
			(*N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.*)
8.	Maturity Date:		*Specify date or for Floating Rate Notes* – Interest Payment Date falling in or nearest to [*specify month and year*]]
9.	Interest Basis:		[[ ] per cent. Fixed Rate]
			[[[ ] month [EURIBOR/WIBOR/SONIA/SOFR/€STR/SONIA compounded Index/SOFR Compounded Index] +/- [ ] per cent. Floating Rate]
			[Zero coupon]
			(see paragraph [14]/[15]/[16]below)
10.	Redemption[/Payment] Basis:		Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [ ] per cent. of their nominal amount
11.	Change of Interest Basis:		[*Specify the date when any fixed to floating rate change occurs or cross refer to paragraphs 14 and 15 below and identify there*][Not Applicable]
12.	Put/Call Options:		[Issuer Call]
			[Investor Put]
			[Change of Control Put]
			[Issuer Residual Call]
			[(see paragraph [18]/[19]/[20]/[21] below)]
			[Not Applicable]

13.	[Date [Board] approval for issuance of Notes obtained:	[ ] [and [ ], respectively]] (*N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes*)

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14.	Fixed Rate Note Provisions		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a)	Rate(s) of Interest:	[ ] per cent. per annum payable in arrear on each Interest Payment Date
	(b)	Interest Payment Date(s):	[ ] in each year up to and including the Maturity Date (*Amend appropriately in the case of irregular coupons*)
	(c)	Fixed Coupon Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions):	[ ] per Calculation Amount
	(d)	Broken Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions):	[[ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]][Not Applicable]
	(e)	Day Count Fraction:	[30/360] [Actual/Actual (ICMA)/other]
	(f)	Determination Date(s):	[[ ] in each year][Not Applicable] (*Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon*)
15.	Floating Rate Note Provisions		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a)	Specified Period(s)/Specified Interest Payment Dates:	[ ] [, subject to adjustment in accordance with the Business Day Convention set out in (b) below/, not subject to adjustment, as the Business Day Convention in (b) below is specified to be Not Applicable]
	(b)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention][Not Applicable]
	(c)	Additional Business Centre(s):	[ ] [Not Applicable]

(d)	Manner in which the Rate of Interest and Interest Amount is to be determined:	[Screen Rate Determination/ISDA Determination]
(e)	Party responsible for calculating the Rate of Interest and Interest Amount (if not the Principal Paying Agent):	[ ] (the **Calculation Agent**)
(f)	Screen Rate Determination:	[Applicable/Not Applicable] *(If not applicable delete the remaining sub-paragraphs of this paragraph)*
•	Reference Rate:	[ ] month [EURIBOR/WIBOR/SONIA/SOFR/€STR/SONIA compounded Index/SOFR Compounded Index]
•	Observation Method:	[Lag / Observation Shift]
•	Lag Period:	[5 / [ ] TARGET Settlement Days/U.S. Government Securities Business Days/London Banking Days/Not Applicable]
•	Observation Shift Period:	[5 / [ ] TARGET Settlement Days/U.S. Government Securities Business Days/London Banking Days /Not Applicable] (*NB: A minimum of 5 should be specified for the Lag Period or Observation Shift Period, unless otherwise agreed with the Calculation Agent*)
•	D:	[360/365/[ ]] / [Not Applicable]
•	Index Determination	[Applicable/Not Applicable]
•	SONIA Compounded Index	[Applicable/Not Applicable]
•	SOFR Compounded Index	[Applicable/Not Applicable]
•	Relevant Decimal Place	[ ] [5] *(unless otherwise specified in the Final Terms, be the fifth decimal place*)
•	Relevant Number of Index Days	[ ] [5] (*unless otherwise specified in the Final Terms, the Relevant Number shall be 5*)
	[END OF OPTION]	
•	Interest Determination Date(s):	[The first Business Day in the relevant Interest Period]/ (*select where Interest Determination Date has the meaning specified in Condition 5.2(e), 5.2(f) or 5.2(g)[•]* [London Banking Days/U.S. Government Securities Business Days/TARGET Settlement Days] prior to the end of each Interest Payment Date]]

	• Relevant Screen Page:	[ ]
	• Relevant Time:	[ ]
	• Relevant Financial Centre:	[ ]
	• ISDA Determination:	[Applicable/Not Applicable] (*If not applicable delete the remaining sub-paragraphs of this paragraph*)
(g)	ISDA Definitions:	[2006 ISDA Definitions / 2021 ISDA Definitions]
	• Floating Rate Option:	[ ] (*The Floating Rate Option should be selected from one of: EUR-EURIBOR-Reuters (if 2006 ISDA Definitions apply) EUR-EURIBOR (if 2021 ISDA Definitions apply) / PLN-WIBOR-WIBO (if 2006 ISDA Definitions apply) / PLN-WIBOR (if 2021 ISDA Definitions apply) / EUR-EuroSTR / EUR-EuroSTR Compounded Index / GBP SONIA / GBP SONIA Compounded Index / USD-SOFR / USD-SOFR Compounded Index (each as defined in the ISDA Definitions). These are the options envisaged by the terms and conditions*)
	• Designated Maturity:	[ ] *(Designated Maturity will not be relevant where the Floating Rate Option is a risk free rate)*
	• Reset Date:	[ ] /[as specified in the ISDA Definitions]/[the first day of the relevant Interest Period, subject to adjustment in accordance with the Business Day Convention set out in [(v)] above and as specified in the ISDA Definitions]
	• Compounding:	[Applicable/Not Applicable] (*If not applicable delete the remaining sub-paragraphs of this paragraph*)
	• Compounding Method:	[Compounding with Lookback Lookback: [•] Applicable Business Days] [Compounding with Observation Period Shift Observation Period Shift: [•] Observation Period Shift Business Days Observation Period Shift Additional Business Days: [•] / [Not Applicable]] [Compounding with Lockout Lockout: [•] Lockout Period Business Days

		Lockout Period Business Days: [•]/[Applicable Business Days]]
•	Averaging:	[Applicable/Not Applicable]] (*If not applicable delete the remaining sub-paragraphs of this paragraph*)
•	[Averaging Method:	[Averaging with Lookback
		Lookback: [•] Applicable Business Days]
		[Averaging with Observation Period Shift
		Observation Period Shift: [•] Observation Period Shift Business days
		Observation Period Shift Additional Business Days: [•]/[Not Applicable]]
		[Averaging with Lockout
		Lockout: [•] Lockout Period Business Days
		Lockout Period Business Days: [●]/[Applicable Business Days]]
•	Index Provisions:	[Applicable/Not Applicable] (*If not applicable delete the remaining sub-paragraphs of this paragraph*)
•	Index Method:	Compounded Index Method with Observation Period Shift
		Observation Period Shift: [•] Observation Period Shift Business days
		Observation Period Shift Additional Business Days: [•] / [Not Applicable]
(h)	Linear Interpolation:	[Not Applicable/Applicable – the Rate of interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
(i)	Margin(s):	[+/-] [ ] per cent. per annum
(j)	Minimum Rate of Interest:	[ ] per cent. per annum
(k)	Maximum Rate of Interest:	[ ] per cent. per annum
(l)	Day Count Fraction:	[Actual/Actual (ISDA)][Actual/Actual]
		Actual/365 (Fixed)
		Actual/365 (Sterling)

		Actual/360
		[30/360][360/360][Bond Basis]
		[30E/360][Eurobond Basis]
		30E/360 (ISDA)]
16.	Zero Coupon Note Provisions	[Applicable/Not Applicable]
		(*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a) Accrual Yield:	[ ] per cent. per annum
	(b) Reference Price:	[ ]
	(c) Day Count Fraction in relation to Early Redemption Amounts:	[30/360]
		[Actual/360]
		[Actual/365]

PROVISIONS RELATING TO REDEMPTION

17.	Notice periods for Condition 7.2:	Minimum period: [30] days
		Maximum period: [60] days
18.	Issuer Call:	[Applicable/Not Applicable]
		(*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a) Optional Redemption Date(s):	[ ]
	(b) Optional Redemption Amount:	[[ ] per Calculation Amount]
		[*Set out appropriate variable details in this pro forma, for example reference obligation*]
	(c) If redeemable in part:	
	(i) Minimum Redemption Amount:	[ ] per Calculation Amount
	(ii) Maximum Redemption Amount:	[ ] per Calculation Amount
	(d) Notice periods:	Minimum period: [15] days
		Maximum period: [30] days
		(*N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information*

		through intermediaries, for example, clearing systems (*which require a minimum of 5 clearing system business days' notice for a call*) *and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent.*)
19.	Investor Put:	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a) Optional Redemption Date(s):	[ ]
	(b) Optional Redemption Amount:	[ ] per Calculation Amount (*NB: If the Optional Redemption Amount is other than a specified amount per Calculation Amount, the Notes will need to be Exempt Notes*)
	(c) Notice periods:	Minimum period: [15] days Maximum period: [30] days (*N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems* (*which require a minimum of 15 clearing system business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent.*)
20.	Change of Control Put:	[Applicable/Not Applicable]
21.	Issuer Residual Call:	[Applicable/Not Applicable]
22.	Final Redemption Amount:	[ ] per Calculation Amount
23.	Early Redemption Amount payable on redemption for taxation reasons or on event of default:	[ ] per Calculation Amount (*N.B. If the Final Redemption Amount is 100 per cent. of the nominal value (i.e. par), the Early Redemption Amount is likely to be par (but consider). If, however, the Final Redemption Amount is other than 100 per cent. of the nominal value, consideration should be given as to what the Early Redemption Amount should be.*)

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24.	Form of Notes:	
	(a) Form:	[Bearer Notes: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes upon an Exchange Event]

[Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]

[Permanent Global Note exchangeable for Definitive Notes upon an Exchange Event]

[Notes shall not be physically delivered in Belgium, except to a clearing system, a depository or other institution for the purpose of their immobilisation in accordance with article 4 of the Belgian Law of 14 December 2005]

(*N.B. The option for an issue of Notes to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]."* .)]

[Registered Notes:

[Global Note registered in the name of a nominee for a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg]

	(b) New Global Note:	[Yes][No]
25.	Additional Financial Centre(s):	[Not Applicable/*give details*] (*Note that this paragraph relates to the date of payment and not the end dates of Interest Periods for the purposes of calculating the amount of interest, to which sub-paragraphs 15(c) relates*)
26.	Talons for future Coupons to be attached to Definitive Notes:	[Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]

THIRD PARTY INFORMATION

[[*Relevant third party information*] has been extracted from [*specify source*]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of ORLEN Spółka Akcyjna:

By: ....

Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

(i)	Listing:	Application [has been/will be] made for the Notes to be admitted to the [Official List of Euronext Dublin]/[the Warsaw Stock Exchange (*Giełda Papierów Wartościowych w Warszawie S.A.*)]with effect from [ ].
(ii)	Admission to trading:	Application [has been/will be] made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market of [Euronext Dublin]/[the Warsaw Stock Exchange (*Giełda Papierów Wartościowych w Warszawie S.A.*)]with effect from [ ]. (*Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.*)
(iii)	Estimate of total expenses related to admission to trading:	[ ]

2. RATINGS

Ratings:	[The Notes to be issued [[have been]/[are expected to be]] rated]/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]: [*insert details*]] by [*insert the legal name of the relevant credit rating agency entity(ies) and associated defined terms*]. Each of [*defined terms*] is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**)] [*Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.*] *(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.*)

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

(Need to include a description of any interest, including a conflict of interest that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the statement below:)

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and [its/their] affiliates in the ordinary course of business – *Amend as appropriate if there are other interests*]

[(*When adding any other description, consideration should be given as to whether such matters described constitute 'significant new factors" and consequently trigger the need for a supplement to the Offering Circular under Article 23 of the Prospectus Regulation.*)]

4. REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS

(i)	Reasons for the offer:	[See "Use of Proceeds" in the Offering Circular/*Give details*] [The Issuer intends to issue the Notes as Green Bonds (as defined in the Offering Circular) and apply an amount equal to the net proceeds from this issue of Notes to eligible projects and activities that are in keeping with the Green Finance Framework (as defined and further described in the section of the Offering Circular entitled, "*Green Finance Framework*").] (*See "Use of Proceeds" wording in Offering Circular – if reasons for offer different from what is disclosed in the Offering Circular, give details*)
(ii)	Estimated net proceeds:	[ ]

5. YIELD (*Fixed Rate Notes only*)

Indication of yield:	[ ] The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

6. OPERATIONAL INFORMATION

(i)	ISIN:	[ ]
(ii)	Common Code:	[ ]
(iii)	CFI:	[[See/[[*include code*], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
(iv)	FISN	[[See/[[*include code*], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
(v)	Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s):	[Not Applicable/*give name(s) and number(s)*]
(vi)	Delivery:	Delivery [against/free of] payment

(vii)	Names and addresses of additional Paying Agent(s) (if any):	[ ]
(viii)	Relevant Benchmark[s]:	[[*specify benchmark*] is provided by [*administrator legal name*]][*repeat as necessary*]. As at the date hereof, [[*administrator legal name*][appears]/[does not appear]][*repeat as necessary*] in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (*Register of administrators and benchmarks*) of the EU Benchmarks Regulation]/[As far as the Issuer is aware, as at the date hereof, [*specify benchmark*] does not fall within the scope of the EU Benchmark Regulation]/ [As far as the Issuer is aware, the transitional provisions in Article 51 of Regulation (EU) 2016/1011, as amended apply, such that [*name of administrator*] is not currently required to obtain authorisation/registration (or, if located outside the European Union, recognition, endorsement or equivalence)]/ [Not Applicable]
(ix)	Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper[, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper] [*include this text for Registered Notes which are to be held under the NSS*] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]/ [No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] [Not Applicable]

7. DISTRIBUTION

(i)	Method of distribution:	[Syndicated/Non-syndicated]
(ii)	If syndicated, names of Managers:	[Not Applicable/*give names*]

(iii)	Stabilisation Manager(s) (if any):	[Not Applicable/*give name*]
(iv)	If non-syndicated, name of relevant Dealer:	[Not Applicable/*give name*]
(v)	U.S. Selling Restrictions:	[Reg. S Compliance Category 2; TEFRA D/TEFRA C/TEFRA not applicable]
(vi)	Prohibition of Sales to EEA Retail Investors:	[Applicable/Not Applicable] (*If the Notes clearly do not constitute "packaged" products or the Notes do constitute "packaged" products and a key information document will be prepared in the EEA, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.*)
(vii)	Prohibition of Sales to UK Retail Investors:	[Applicable/Not Applicable] (*If the Notes clearly do not constitute "packaged" products or the Notes do constitute "packaged" products and a key information document will be prepared in the UK, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.*)
(viii)	Prohibition of Sales to Belgian Consumers:	[Applicable/Not Applicable] (*N.B. advice should be obtained from Belgian counsel before disapplying this selling restriction*)]

APPLICABLE PRICING SUPPLEMENT

EXEMPT NOTES

Set out below is the form of Pricing Supplement which will be completed for each Tranche of Exempt Notes issued under the Programme and which have a denomination of €100,000 (or its equivalent in any other currency) or more.

[**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or (ii) or a customer within the meaning of Directive (EU) 2016/97 (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.][6]

[**PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (**UK**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of the domestic law of the UK by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (**FSMA**) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of the domestic law of the UK by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of the domestic law of the UK by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.][7]

[MiFID II/UK MiFIR product governance / target market – [*appropriate target market legend to be included*]]

[**NOTIFICATION UNDER SECTION 309B(1)(c) OF THE SECURITIES AND FUTURES ACT 2001, AS MODIFIED OR AMENDED FROM TIME TO TIME** (the **SFA**) – [*Insert notice if classification of the Notes is not "prescribed capital markets products", pursuant to Section 309B of the SFA or Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products)*].][8]

[6] Legend to be included on front of the Pricing Supplement if the Notes potentially constitute "packaged" products and no key information document will be prepared in the EEA or the issuer wishes to prohibit offers to EEA retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable".

[7] Legend to be included on the front of the Pricing Supplement if the Notes potentially constitute "packaged" products and no key information document will be prepared in the UK or the issuer wishes to prohibit offers to UK retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable".

[8] Relevant Manager(s)/Dealer(s) to consider whether it / they have received the necessary product classification from the Issuer prior to the launch of the offer, pursuant to Section 309B of the SFA.

NO PROSPECTUS IS REQUIRED IN ACCORDANCE WITH REGULATION (EU) 2017/1129 FOR THE ISSUE OF NOTES DESCRIBED BELOW

Pricing Supplement dated [•]

ORLEN S.A.

Legal entity identifier (LEI): 259400VVMM70CQREJT74

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

under the €5,000,000,000

Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

[Any person making or intending to make an offer of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to either of Article 3 of the Prospectus Regulation or section 85 of the FSMA or to supplement a prospectus pursuant to either of Article 23 of the Prospectus Regulation or Article 23 of the UK Prospectus Regulation, in each case, in relation to such offer.][9]

This document constitutes the Pricing Supplement for the Notes described herein. This document must be read in conjunction with the Offering Circular dated 30 June 2023 [as supplemented by the supplement[s] dated [*date[s]*]] (the **Offering Circular**). Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Offering Circular. Copies of the Offering Circular may be obtained from [*address*].

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Offering Circular [dated [*original date*] [and the supplement dated [*date*]] which are incorporated by reference in the Offering Circular].[10]

[*Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Pricing Supplement.*]

[*If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination may need to be £100,000 or its equivalent in any other currency.*]

1.	Issuer:		ORLEN S.A.
2.	(a)	Series Number:	[ ]
	(b)	Tranche Number:	[ ]

[9] Include relevant legend wording here for the [EEA][and][UK] if the "Prohibition of Sales" legend and related selling restriction for that regime are not included/not specified to be "Applicable" (because the Notes do not constitute "packaged" products, or a key information document will be prepared, under that regime).

[10] Only include this language where it is a fungible issue and the original Tranche was issued under an Offering Circular with a different date.

	(c)	Date on which the Notes will be consolidated and form a single Series:	The Notes will be consolidated and form a single Series with [*identify earlier Tranches*] on [the Issue Date/the date that is 40 days after the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [ ] below, which is expected to occur on or about [*date*]][Not Applicable]
3.	Specified Currency or Currencies:		[ ]
4.	Aggregate Nominal Amount:		
	(a)	Series:	[ ]
	(b)	Tranche:	[ ]
5.	Issue Price:		[ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*if applicable*)]
6.	(a)	Specified Denominations:	[ ] *(N.B. Notes must have a minimum denomination of €100,000 (or equivalent))*
	(b)	Calculation Amount (in relation to calculation of interest in global form see Conditions):	[ ] (*If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations*.)
7.	(a)	Issue Date:	[ ]
	(b)	Interest Commencement Date:	[*specify*/Issue Date/Not Applicable] (*N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.*)
8.	Maturity Date:		[*Specify date or for* *Floating Rate Notes* – Interest Payment Date falling in or nearest to [*specify month and year*]]
9.	Interest Basis:		[[ ] per cent. Fixed Rate] [[EURIBOR/WIBOR/SONIA/SOFR/€STR/SONIA compounded Index/SOFR Compounded Index] +/- [ ] per cent. Floating Rate] [Zero Coupon]

		[Index Linked Interest]
		[Dual Currency Interest]
		[*specify other*]
		(further particulars specified below)
10.	Redemption/Payment Basis:	[Redemption at par]
		[Index Linked Redemption]
		[Dual Currency Redemption]
		[Partly Paid]
		[Instalment]
		[*specify other*]
11.	Change of Interest Basis or Redemption/Payment Basis:	[*Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis*][Not Applicable]
12.	Put/Call Options:	[Issuer Call]
		[Investor Put]
		[Change of Control Put]
		[Issuer Residual Call]
		[(further particulars specified below)]
13.	[Date [Board] approval for issuance of Notes obtained:	[ ] [and [ ], respectively]]
		(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14.	Fixed Rate Note Provisions		[Applicable/Not Applicable]
			(*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a)	Rate(s) of Interest:	[ ] per cent. per annum payable in arrear on each Interest Payment Date
	(b)	Interest Payment Date(s):	[ ] in each year up to and including the Maturity Date
			(*Amend appropriately in the case of irregular coupons*)

	(c)	Fixed Coupon Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions):	[ ] per Calculation Amount
	(d)	Broken Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions):	[[ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]][Not Applicable]
	(e)	Day Count Fraction:	[30/360/Actual/Actual (ICMA)/*specify other*]
	(f)	Determination Date(s):	[[ ] in each year][Not Applicable] (*Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon*)
	(g)	Other terms relating to the method of calculating interest for Fixed Rate Notes which are Exempt Notes:	[None/*Give details*]
15.	Floating Rate Note Provisions		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a)	Specified Period(s)/Specified Interest Payment Dates:	[ ][, subject to adjustment in accordance with the Business Day Convention set out in (b) below/, not subject to any adjustment, as the Business Day Convention in (b) below is specified to be Not Applicable]
	(b)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/[*specify other*]] [Not Applicable]
	(c)	Additional Business Centre(s):	[ ] [Not Applicable]
	(d)	Manner in which the Rate of Interest and Interest Amount is to be determined:	[Screen Rate Determination/ISDA Determination/*specify other*]
	(e)	Party responsible for calculating the Rate of Interest and Interest Amount (if not the Principal Paying Agent):	[ ] (the **Calculation Agent**)
	(f)	Screen Rate Determination:	[Applicable/Not Applicable] (*If not applicable delete the remaining sub-paragraphs of this paragraph)*

•	Reference Rate:	[ ] month [EURIBOR/WIBOR/SONIA/SOFR/€STR/SONIA Compounded Index/SOFR Compounded Index]
•	Observation Method:	[Lag / Observation Shift]
•	Lag Period:	[5 / [ ] TARGET Settlement Days/U.S. Government Securities Business Days/London Banking Days/Not Applicable]
•	Observation Shift Period:	[5 / [ ] TARGET Settlement Days/U.S. Government Securities Business Days/London Banking Days /Not Applicable] (*NB: A minimum of 5 should be specified for the Lag Period or Observation Shift Period, unless otherwise agreed with the Calculation Agent*)
•	D:	[360/365/[ ]] / [Not Applicable]
•	Index Determination	[Applicable/Not Applicable]
•	SONIA Compounded Index	[Applicable/Not Applicable]
•	SOFR Compounded Index	[Applicable/Not Applicable]
•	Relevant Decimal Place	[ ] [5] *(unless otherwise specified in the Final Terms, it should be the fifth decimal place*)
•	Relevant Number of Index Days	[ ] [5] (*unless otherwise specified in the Final Terms, the Relevant Number shall be 5*)
	[END OF OPTION]	
•	Interest Determination Date(s):	[The first Business Day in the relevant Interest Period]/ (*select where Interest Determination Date has the meaning specified in Condition 5.2(e), 5.2(f) or 5.2(g) [•]* [London Banking Days/U.S. Government Securities Business Days/TARGET Settlement Days] prior to the end of each Interest Payment Date]]
•	Relevant Screen Page:	[ ]
•	Relevant Time:	[ ]
•	Relevant Financial Centre:	[ ]
(g)	ISDA Determination:	[Applicable/Not Applicable] (*If not applicable delete the remaining sub-paragraphs of this paragraph)* (*If applicable, <u>and "2021 ISDA Definitions" is selected below, note that "Administrator/Benchmark Event", "Generic Fallbacks" and "Calculation Agent Alternative</u>*

Rate Determination" are not workable in a notes context. Amendments will therefore, need to be made to the Conditions. Include appropriate items to disapply these ISDA provisions and/or to include bespoke replacement provisions in the Conditions)

•	ISDA Definitions:	[2006 ISDA Definitions / 2021 ISDA Definitions]
•	Floating Rate Option:	[ ] (*The Floating Rate Option should be selected from one of: EUR-EURIBOR-Reuters (if 2006 ISDA Definitions apply) EUR-EURIBOR (if 2021 ISDA Definitions apply) / PLN-WIBOR-WIBO (if 2006 ISDA Definitions apply) / PLN-WIBOR (if 2021 ISDA Definitions apply) / EUR-EuroSTR / EUR-EuroSTR Compounded Index / GBP SONIA / GBP SONIA Compounded Index / USD-SOFR / USD-SOFR Compounded Index (each as defined in the ISDA Definitions). These are the options envisaged by the terms and conditions*) (*If "2021 ISDA Definitions" is selected, ensure this is a Floating Rate Option included in the Floating Rate Matrix (as defined in the 2021 ISDA Definitions)*)
•	Designated Maturity:	[ ] *(Designated Maturity will not be relevant where the Floating Rate Option is a risk free rate)*
•	Reset Date:	[ ] /[as specified in the ISDA Definitions]/[the first day of the relevant Interest Period, subject to adjustment in accordance with the Business Day Convention set out in [(v)] above and as specified in the ISDA Definitions]
•	Compounding:	[Applicable/Not Applicable] (*If not applicable delete the remaining sub-paragraphs of this paragraph*)
•	Compounding Method:	[Compounding with Lookback Lookback: [•] Applicable Business Days] [Compounding with Observation Period Shift Observation Period Shift: [•] Observation Period Shift Business Days Observation Period Shift Additional Business Days: [•] / [Not Applicable]] [Compounding with Lockout Lockout: [•] Lockout Period Business Days

		Lockout Period Business Days: [•]/[Applicable Business Days]]
•	Averaging:	[Applicable/Not Applicable]] (*If not applicable delete the remaining sub-paragraphs of this paragraph*)
•	[Averaging Method:	[Averaging with Lookback Lookback: [•] Applicable Business Days] [Averaging with Observation Period Shift Observation Period Shift: [•] Observation Period Shift Business days Observation Period Shift Additional Business Days: [•]/[Not Applicable]] [Averaging with Lockout Lockout: [•] Lockout Period Business Days Lockout Period Business Days: [•]/[Applicable Business Days]]
•	Index Provisions:	[Applicable/Not Applicable] (*If not applicable delete the remaining sub-paragraphs of this paragraph*)
•	Index Method:	Compounded Index Method with Observation Period Shift Observation Period Shift: [•] Observation Period Shift Business days Observation Period Shift Additional Business Days: [•] / [Not Applicable]
(h)	Linear Interpolation:	[Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
(i)	Margin(s):	[+/-] [ ] per cent. per annum
(j)	Minimum Rate of Interest:	[ ] per cent. per annum
(k)	Maximum Rate of Interest:	[ ] per cent. per annum
(l)	Day Count Fraction:	[Actual/Actual (ISDA)][Actual/Actual] Actual/365 (Fixed) Actual/365 (Sterling)

			Actual/360 [30/360][360/360][Bond Basis] [30E/360][Eurobond Basis] 30E/360 (ISDA) [*Other*]
	(m)	Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes which are Exempt Notes, if different from those set out in the Conditions:	[ ]
16.	Zero Coupon Note Provisions		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a)	Accrual Yield:	[ ] per cent. per annum
	(b)	Reference Price:	[ ]
	(c)	Any other formula/basis of determining amount payable for Zero Coupon Notes which are Exempt Notes:	[ ]
	(d)	Day Count Fraction in relation to Early Redemption Amounts:	[30/360] [Actual/360] [Actual/365]
17.	Index Linked Interest Note		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a)	Index/Formula:	[*give or annex details*]
	(b)	Calculation Agent	[*give name*]
	(c)	Party responsible for calculating the Rate of Interest (if not the Calculation Agent) and Interest Amount (if not the Principal Paying Agent):	[ ]

	(d)	Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable:	[*need to include a description of market disruption or settlement disruption events and adjustment provisions*]
	(e)	Specified Period(s)/Specified Interest Payment Dates:	[ ]
	(f)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/*specify other*]
	(g)	Additional Business Centre(s):	[ ]
	(h)	Minimum Rate of Interest:	[ ] per cent. per annum
	(i)	Maximum Rate of Interest:	[ ] per cent. per annum
	(j)	Day Count Fraction:	[ ]
18.	Dual Currency Interest Note Provisions		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a)	Rate of Exchange/method of calculating Rate of Exchange:	[*give or annex details*]
	(b)	Party, if any, responsible for calculating the principal and/or interest due (if not the Principal Paying Agent):	[ ] (the **Calculation Agent**)
	(c)	Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable:	[*need to include a description of market disruption or settlement disruption events and adjustment provisions*]
	(d)	Person at whose option Specified Currency(ies) is/are payable:	[ ]

PROVISIONS RELATING TO REDEMPTION

19.	Notice periods for Condition 7.2:	Minimum period: [30] days Maximum period: [60] days
20.	Issuer Call:	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)

	(a)	Optional Redemption Date(s):	[ ]
	(b)	Optional Redemption Amount and method, if any, of calculation of such amount(s):	[[ ] per Calculation Amount / *specify other*/see Appendix]
	(c)	If redeemable in part:	
		(i) Minimum Redemption Amount:	per Calculation Amount
		(ii) Maximum Redemption Amount:	per Calculation Amount
	(d)	Notice periods:	Minimum period: [15] days Maximum period: [30] days (*N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems* (*which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent.*)
21.	Investor Put:		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a)	Optional Redemption Date(s):	[ ]
	(b)	Optional Redemption Amount and method, if any, of calculation of such amount(s):	[[ ] per Calculation Amount/*specify other*/see Appendix]
	(c)	Notice periods:	Minimum period: [15] days Maximum period: [30] days (*N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems* (*which require a minimum of 15 clearing system business days' notice for a put*) *and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent.*)
22.	Change of Control Put:		[Applicable/Not Applicable]
23.	Issuer Residual Call:		[Applicable/Not Applicable]

24.	Final Redemption Amount:	[[ ] per Calculation Amount/*specify other*/see Appendix]
25.	Early Redemption Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required):	[[ ] per Calculation Amount/*specify other*/see Appendix] (*N.B. If the Final Redemption Amount is 100 per cent. of the nominal value (i.e. par), the Early Redemption Amount is likely to be par (but consider). If, however, the Final Redemption Amount is other than 100 per cent. of the nominal value, consideration should be given as to what the Early Redemption Amount should be.*)

GENERAL PROVISIONS APPLICABLE TO THE NOTES

26.	Form of Notes:	
	(a) Form:	[Bearer Notes: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes upon an Exchange Event] [Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date] [Permanent Global Note exchangeable for Definitive Notes upon an Exchange Event] [Notes shall not be physically delivered in Belgium, except to a clearing system, a depository or other institution for the purpose of their immobilisation in accordance with article 4 of the Belgian Law of 14 December 2005]] [Registered Notes: [Global Note registered in the name of a nominee for a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg]
	(b) New Global Note:	[Yes][No]
27.	Additional Financial Centre(s):	[Not Applicable/*give details*] (*Note that this paragraph relates to the date of payment and not the end dates of Interest Periods for the purposes of calculating the amount of interest, to which sub-paragraphs 15(c) and 17(g) relate*)
28.	Talons for future Coupons to be attached to Definitive Notes:	[Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]

29.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment.	[Not Applicable/*give details*. *N.B. A new form of Temporary Global Note and/or Permanent Global Note may be required for Partly Paid issues*]
30.	Details relating to Instalment Notes:	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a) Instalment Amount(s):	[*give details*]
	(b) Instalment Date(s):	[*give details*]
31.	Other terms or special conditions:	[Not Applicable/*give details*]

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement. [[*Relevant third party information*] has been extracted from [*specify source*]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.

Signed on behalf of ORLEN Spółka Akcyjna

By: ....

Duly authorised

PART B – OTHER INFORMATION

1.	**LISTING**	[Application [has been made/will be made] by the Issuer (or on its behalf) for the Notes to be listed on [*specify market – note this must not be an EEA regulated market or the London Stock Exchange's main market*] with effect from [ ].] [Not Applicable]

2. RATINGS

Ratings:	[The Notes to be issued [[have been]/[are expected to be]] rated [*insert details*] by [*insert the legal name of the relevant credit rating agency entity(ies)*]. (*The above disclosure is only required if the ratings of the Notes are different to those stated in the Offering Circular*)

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for the fees [of [*insert relevant fee disclosure*]] payable to the [Managers named below/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business – *Amend as appropriate if there are other interests*]

4. [USE OF PROCEEDS]

[The Issuer intends to issue the Notes as [Green Bonds] (as defined in the Offering Circular) and apply an amount equal to the net proceeds from this issue of Notes to eligible projects and activities that are in keeping with the Green Finance Framework (as defined and further described in the section of the Offering Circular entitled, "*Green Finance Framework*").]/[*Specify other*]

5. OPERATIONAL INFORMATION

(i)	ISIN:	[ ]
(ii)	Common Code:	[ ]
(iii)	CFI:	[[See/[[*include code*], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
(iv)	FISN:	[[See/[[*include code*], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
(v)	Any clearing system(s) other than Euroclear and	[Not Applicable/*give name(s) and number(s)*]

	Clearstream, Luxembourg and the relevant identification number(s):	
(vi)	Delivery:	Delivery [against/free of] payment
(vii)	Names and addresses of additional Paying Agent(s) (if any):	[ ]
(viii)	Relevant Benchmark(s):	[[*specify benchmark*] is provided by [*administrator legal name*]][*repeat as necessary*]. As at the date hereof, [[*administrator legal name*][appears]/[does not appear]][*repeat as necessary*] in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (*Register of administrators and benchmarks*) of the EU Benchmarks Regulation]/[As far as the Issuer is aware, as at the date hereof, [*specify benchmark*] does not fall within the scope of the EU Benchmark Regulation]/ [As far as the Issuer is aware, the transitional provisions in Article 51 of Regulation (EU) 2016/1011, as amended apply, such that [*name of administrator*] is not currently required to obtain authorisation/registration (or, if located outside the European Union, recognition, endorsement or equivalence)]/ [Not Applicable]
(ix)	[Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper [, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper] [*include this text for Registered Notes which are to be held under the NSS*] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]/ [No. Whilst the designation is specified as "no" at the date of this Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper [, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper] [*include this text for Registered Notes*]. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]]

6. DISTRIBUTION

(i)	Method of distribution:	[Syndicated/Non-syndicated]
(ii)	If syndicated, names of Managers:	[Not Applicable/*give names*]
(iii)	Stabilisation Manager(s) (if any):	[Not Applicable/*give name*]
(iv)	If non-syndicated, name of relevant Dealer:	[Not Applicable/*give name*]
(v)	U.S. Selling Restrictions:	Reg. S Compliance Category 2; [TEFRA D/TEFRA C/TEFRA not applicable]
(vi)	Additional selling restrictions:	[Not Applicable/*give details*] (*Additional selling restrictions are only likely to be relevant for certain structured Notes, such as commodity-linked Notes*)
(vii)	Prohibition of Sales to EEA Retail Investors:	[Applicable/Not Applicable] (*If the Notes clearly do not constitute "packaged" products or the Notes do constitute "packaged" products and a key information document will be prepared in the EEA, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.*)
(viii)	Prohibition of Sales to UK Retail Investors:	[Applicable/Not Applicable] (*If the Notes clearly do not constitute "packaged" products or the Notes do constitute "packaged" products and a key information document will be prepared in the UK, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.*)
(ix)	Prohibition of Sales to Belgian Consumers:	[Applicable/Not Applicable] (*N.B. advice should be obtained from Belgian counsel before disapplying this selling restriction*)

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes which, as completed by the relevant Final Terms or as supplemented, amended or replaced by the relevant Drawdown Prospectus, will be incorporated by reference into each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions.

This Note is one of a Series (as defined below) of Notes issued by ORLEN S.A. (the **Issuer**) pursuant to the Agency Agreement (as defined below).

References herein to the **Notes** shall be references to the Notes of this Series and shall mean:

(a) in relation to any Notes represented by a global Note (a **Global Note**), units of each Specified Denomination in the Specified Currency;

(b) any Global Note;

(c) any definitive Notes in bearer form (**Bearer Notes**) issued in exchange for a Global Note in bearer form; and

(d) any definitive Notes in registered form (**Registered Notes**) (whether or not issued in exchange for a Global Note in registered form).

The Notes, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of an Agency Agreement (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) dated 30 June 2023 and made between the Issuer, Citibank, N.A., London Branch as issuing and principal paying agent and agent bank (the **Principal Paying Agent**, which expression shall include any successor principal paying agent) and the other paying agents named therein (together with the Principal Paying Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents), Citibank Europe Plc as registrar (the **Registrar**, which expression shall include any successor registrar) and the transfer agents named therein (the **Transfer Agents**, which expression shall include any additional or successor transfer agents). The Principal Paying Agent, the Calculation Agent (if any is specified in the applicable Final Terms), the Registrar and, the Paying Agents, and other Transfer Agents together referred to as the **Agents**.

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Note which supplement these Terms and Conditions (the **Conditions**) or, if this Note is a Note which is neither admitted to trading on (i) a regulated market in the European Economic Area or (ii) a UK regulated market as defined in Regulation (EU) No 600/2014 as it forms part of the domestic law of the UK by virtue of the European Union (Withdrawal) Act 2018, nor offered in (i) the European Economic Area or (ii) the United Kingdom in circumstances where a prospectus is required to be published under the Prospectus Regulation or the Financial Services and Markets Act 2000, as the case may be (an **Exempt Note**), the final terms (or the relevant provisions thereof) are set out in Part A of the Pricing Supplement and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purposes of this Note. References to the **applicable Final Terms** are, unless otherwise stated, to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note. Any reference in the Conditions to **applicable Final Terms** shall be deemed to include a reference to applicable Pricing Supplement where relevant. The expression **Prospectus Regulation** means Regulation (EU) 2017/1129.

Interest bearing definitive Bearer Notes have interest coupons (**Coupons**) and, in the case of Bearer Notes which, when issued in definitive form, have more than 27 interest payments remaining, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Exempt Notes in definitive bearer form which are repayable in instalments have receipts (**Receipts**) for the payment of the instalments of principal (other than the final instalment) attached on issue. Registered Notes and Global Notes do not have Receipts, Coupons or Talons attached on issue.

Any reference to **Noteholders** or **holders** in relation to any Notes shall mean (in the case of Bearer Notes) the holders of the Notes and (in the case of Registered Notes) the persons in whose name the Notes are registered and shall, in relation to any Notes represented by a Global Note, be construed as provided below. Any reference herein to **Receiptholders** shall mean the holders of the Receipts and any reference herein to **Couponholders** shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons.

As used herein, **Tranche** means Notes which are identical in all respects (including as to listing and admission to trading) and **Series** means a Tranche of Notes together with any further Tranche or Tranches of Notes which (a) are expressed to be consolidated and form a single series and (b) have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of interest thereon, the date from which interest starts to accrue and the Issue Date.

The Noteholders, the Receiptholders and the Couponholders are entitled to the benefit of the Deed of Covenant (such Deed of Covenant as modified and/or supplemented and/or restated from time to time, the **Deed of Covenant**) dated 30 June 2023 and made by the Issuer. The original of the Deed of Covenant is held by the common depositary for Euroclear (as defined below) and Clearstream, Luxembourg (as defined below).

Copies of the Agency Agreement and the Deed of Covenant are (i) available for inspection or collection during normal business hours at the specified office of each of the Paying Agents or (ii) may be provided by email to a Noteholder following their prior written request to any Paying Agent or the Issuer and provision of proof of holding and identity (in a form satisfactory to the relevant Paying Agent or the Issuer, as the case may be). If the Notes are to be admitted to trading on the regulated market of Euronext Dublin the applicable Final Terms will be published on the website of the Central Bank of Ireland. If this Note is an Exempt Note, the applicable Pricing Supplement will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Issuer and the relevant Agent as to its holding of such Notes and identity. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the Deed of Covenant and the applicable Final Terms which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

Words and expressions defined in the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

In the Conditions, **euro** means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

1. FORM, DENOMINATION AND TITLE

The Notes are in bearer form or in registered form as specified in the applicable Final Terms and, in the case of definitive Notes, serially numbered, in the currency (the **Specified Currency**) and the denominations (the **Specified Denomination(s)**) specified in the applicable Final Terms. Notes of one

Specified Denomination may not be exchanged for Notes of another Specified Denomination and Bearer Notes may not be exchanged for Registered Notes and *vice versa*.

Unless this Note is an Exempt Note, this Note may be a Fixed Rate Note, a Floating Rate Note or a Zero Coupon Note, or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

If this Note is an Exempt Note, this Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, a Dual Currency Interest Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Pricing Supplement.

If this Note is an Exempt Note, this Note may also be an Index Linked Redemption Note, an Instalment Note, a Dual Currency Redemption Note, a Partly Paid Note or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Pricing Supplement.

Definitive Bearer Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in the Conditions are not applicable.

Subject as set out below, title to the Bearer Notes, Receipts and Coupons will pass by delivery and title to the Registered Notes will pass upon registration of transfers in accordance with the provisions of the Agency Agreement. The Issuer and any Agent will (except as otherwise required by law) deem and treat the bearer of any Bearer Note, Receipt or Coupon and the registered holder of any Registered Note as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank SA/NV (**Euroclear**) and/or Clearstream Banking S.A. (**Clearstream, Luxembourg**), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and the Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuer and any Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions **Noteholder** and **holder of Notes** and related expressions shall be construed accordingly.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and/or Clearstream, Luxembourg, as the case may be. References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in Part B of the applicable Final Terms.

2. TRANSFERS OF REGISTERED NOTES

2.1 Transfers of interests in Registered Global Notes

Transfers of beneficial interests in Registered Global Notes will be effected by Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Notes in definitive form or for a beneficial interest in another Registered Global Note of the same Series, in each case only in the Specified Denomination(s) set out in the applicable Final Terms and only in accordance with the rules and operating procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Agency Agreement.

2.2 Transfers of Registered Notes in definitive form

Subject as provided in Condition 2.3 below, upon the terms and subject to the conditions set forth in the Agency Agreement, a Registered Note in definitive form may be transferred in whole or in part (in the Specified Denomination(s) set out in the applicable Final Terms). In order to effect any such transfer (a) the holder or holders must (i) surrender the Registered Note for registration of the transfer of the Registered Note (or the relevant part of the Registered Note) at the specified office of any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and (ii) complete and deposit such other certifications as may be required by the relevant Transfer Agent and (b) the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 7 to the Agency Agreement). Subject as provided above, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Registered Note in definitive form of a like aggregate nominal amount to the Registered Note (or the relevant part of the Registered Note) transferred. In the case of the transfer of part only of a Registered Note in definitive form, a new Registered Note in definitive form in respect of the balance of the Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

2.3 Registration of transfer upon partial redemption

In the event of a partial redemption of Notes under Condition 7, the Issuer shall not be required to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

2.4 Costs of registration

Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

3. STATUS OF THE NOTES

The Notes and any related Receipts and Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of the Issuer and rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.

4. NEGATIVE PLEDGE

4.1 Negative Pledge

So long as any of the Notes remains outstanding, the Issuer will not, and will ensure that none of its Material Subsidiaries will, create or have outstanding any mortgage, charge, lien, pledge or other security interest (each a **Security Interest**), other than a Permitted Security Interest, upon the whole or any part of the present or future undertaking, assets or revenues (including any uncalled capital) of the Issuer and/or any of its Material Subsidiaries, to secure any Relevant Indebtedness (as defined below), unless the Issuer, in the case of the creation of a Security Interest, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that:

(a) all amounts payable by it under the Notes, Receipts and Coupons are secured by the Security Interest equally and rateably with the Relevant Indebtedness; or

(b) such other Security Interest or other arrangement (whether or not it includes the giving of a Security Interest) is provided as is approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders.

4.2 Interpretation

For the purposes of these Conditions:

(a) **Material Subsidiary** means at any time a Subsidiary of the Issuer whose net assets or total assets represent more than 10 per cent. of the total consolidated net assets or total assets, as the case may be, of the Issuer and its Subsidiaries (the **Group**). For this purpose:

(i) the net assets and total assets of the Subsidiary of the Issuer will be determined from the Subsidiary's financial statements (unconsolidated if it has Subsidiaries) upon which the latest consolidated annual financial statements of the **Group** have been based;

(ii) if a Subsidiary of the Issuer becomes a member of the Group after the date on which the latest consolidated annual financial statements of the Group have been prepared, the net assets and total assets of that Subsidiary will be determined from its latest financial statements;

(iii) the net assets and total assets of the Group will be determined from its latest consolidated annual financial statements, adjusted (where appropriate) to reflect the net assets and total assets of any company or business subsequently acquired or disposed of; and

(iv) if a Material Subsidiary disposes of all or substantially all of its assets to another Subsidiary of the Issuer, it will immediately cease to be a Material Subsidiary and the other Subsidiary (if it is not already) will immediately become a Material Subsidiary; the subsequent financial statements of those Subsidiaries and the Group will not be used to determine whether those Subsidiaries are Material Subsidiaries or not.

A report by two Directors of the Issuer that in their opinion a Subsidiary of the Issuer is or is not, or was or was not, at any particular time or throughout any specified period, a Material Subsidiary of the Issuer shall (in the absence of manifest error) be conclusive and binding on all parties.

(b) **Permitted Security Interest** means a Security Interest which is created to secure or provide for the payment of Relevant Indebtedness in connection with any Project Financing provided that the assets or revenues subject to such Security Interest are (i) assets which are used or to be used in or in connection with the project to which such Project Financing relates, or (ii) revenues or claims which arise from the operation, failure to meet specifications, exploitation, sale or loss of, or damage to, such assets;

(c) **Project Financing** means any indebtedness incurred solely to finance a project or the restructuring or expansion of an existing project, in each case for the acquisition, construction, development or exploitation of any property pursuant to which the person or persons to whom such indebtedness is or may be owed by the relevant borrower (whether or not a member of the Group) (i) expressly agrees or agree that the principal source of repayment of such funds will be that property or assets or revenues generated by such project (or by such restructuring or expansion thereof) and (ii) has or have no or other recourse whatsoever to any member of the Group (or its assets and/or revenues) for the repayment of or a payment of any sum relating to such indebtedness;

(d) **Relevant Indebtedness** means (i) any indebtedness with an original maturity of more than one year which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other debt securities which for the time being are, or are intended to be or capable of being quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market, *and* (ii) any guarantee or indemnity in respect of any such indebtedness; and

(e) **Subsidiary** means an entity whose financial statements at any time are required by law or in accordance with generally accepted accounting principles to be fully consolidated with those of the Issuer.

5. INTEREST

5.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

If the Notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in the Conditions, **Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

(a) in the case of Fixed Rate Notes which are (i) represented by a Global Note or (ii) Registered Notes in definitive form, the aggregate outstanding nominal amount of (A) the Fixed Rate

Notes represented by such Global Note or (B) such Registered Notes (or, in each case, if they are Partly Paid Notes, the aggregate amount paid up); or

(b) in the case of Fixed Rate Notes which are Bearer Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction.

The resulting figure (including after application of any Fixed Coupon Amount or Broken Amount, as applicable, to the aggregate outstanding nominal amount of Fixed Rate Notes which are Registered Notes in definitive form or the Calculation Amount in the case of Fixed Rate Notes which are Bearer Notes in definitive form) shall be rounded to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

Where the Specified Denomination of a Fixed Rate Note which is a Bearer Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

Day Count Fraction means, in respect of the calculation of an amount of interest, in accordance with this Condition 5.1:

(i) if "Actual/Actual (ICMA)" is specified in the applicable Final Terms:

(A) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

(B) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

(1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(ii) if "30/360" is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

In these Conditions:

Determination Period means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

sub-unit means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

5.2 Interest on Floating Rate Notes

(a) Interest Payment Dates

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

(i) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or

(ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an **Interest Payment Date**) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period. In these Conditions, **Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date or the relevant payment date if the Notes become payable on a date other than an Interest Payment Date.

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

(A) in any case where Specified Periods are specified in accordance with Condition 5.2(a)(ii) above, the Floating Rate Convention, such Interest Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply *mutatis mutandis* or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or

(B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or

(C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

(D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Conditions, **Business Day** means:

(a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and each Additional Business Centre (other than the real time gross settlement system operated by the Eurosystem, or any successor system (**T2**)) specified in the applicable Final Terms;

(b) if T2 is specified as an Additional Business Centre in the applicable Final Terms, a day on which T2 is open; and

(c) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the T2 is open.

(b) **Rate of Interest**

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Final Terms.

(c) **Screen Rate Determination**

If Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be (other than in respect of Notes for which SONIA, SOFR and/or €STR or any related index is specified as the Reference Rate in the relevant Final Terms) determined by the Calculation Agent on the following basis:

(i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

(ii) if Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date, where:

(A) one rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and

(B) the other rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next longer than the length of the relevant Interest Period;

provided, however, that if no rate is available for a period of time next shorter or, as the case may be, next longer than the length of the relevant Interest Period, then the Calculation Agent shall calculate the Rate of Interest at such time and by reference to such sources as the Issuer determines appropriate, in consultation with an Independent Adviser appointed by the Issuer, and such Independent Adviser acting in good faith and in a commercially reasonable manner;

(iii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

(iv) if, in the case of (i) and (ii) above, such rate does not appear on that page or, in the case of (iii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Issuer or Independent Adviser appointed by the Issuer will:

(A) request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and

(B) determine the arithmetic mean of such quotations and provide such arithmetic mean to the Calculation Agent; and

(C) if fewer than two such quotations are provided as requested, the Issuer or Independent Adviser appointed by the Issuer will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Issuer or Independent Adviser appointed by the Issuer) quoted by major banks in the Principal Financial Centre of the Specified Currency, requested and selected by the Issuer, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; **provided, however, that** if the Issuer, Independent Adviser appointed by the Issuer or Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period.

(d) **ISDA Determination**

If ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where "ISDA Rate" in relation to any Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(i) if the Final Terms specify either "2006 ISDA Definitions" or "2021 ISDA Definitions" as the applicable ISDA Definitions:

(A) the Floating Rate Option is as specified in the relevant Final Terms;

(B) the Designated Maturity, if applicable, is a period specified in the relevant Final Terms; and

(C) the relevant Reset Date unless otherwise specified in the relevant Final Terms, has the meaning given to it in the ISDA Definitions;

(D) if Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the rate for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates based on the relevant Floating Rate Option, where:

(1) one rate shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and

(2) the other rate shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period

provided, however, that if there is no rate available for a period of time next shorter than the length of the relevant Interest Period or, as the case may be, next longer than the length of the relevant Interest Period, then the Calculation Agent shall calculate the Rate of Interest at such time and by reference to such sources as the Issuer, in consultation with an Independent Adviser appointed by the Issuer, and such Independent Adviser acting in good faith and in a commercially reasonable manner, determines appropriate;

(E) if the specified Floating Rate Option is an Overnight Floating Rate Option, Compounding is specified to be applicable in the relevant Final Terms and:

(1) if Compounding with Lookback is specified as the Compounding Method in the relevant Final Terms then (a) Compounding with Lookback is the Overnight Rate Compounding Method and (b) Lookback is the number of Applicable Business Days specified in the relevant Final Terms;

(2) if Compounding with Observation Period Shift is specified as the Compounding Method in the relevant Final Terms then (a) Compounding with Observation Period Shift is the Overnight Rate Compounding Method, (b) Observation Period Shift is the number of Observation Period Shift Business Days specified in the relevant Final Terms and (c) Observation Period Shift Additional Business Days, if applicable, are the days specified in the relevant Final Terms; or

(3) if Compounding with Lockout is specified as the Compounding Method in the relevant Final Terms then (a) Compounding with Lockout is the Overnight Rate Compounding Method, (b) Lockout Period Business Days specified in the relevant Final Terms, and (c) Lockout Period Business Days, if applicable, are the days specified in the relevant Final Terms;

(F) if the specified Floating Rate Option is an Overnight Floating Rate Option, Averaging is specified to be applicable in the relevant Final Terms and:

(1) if Averaging with Lookback is specified as the Averaging Method in the relevant Final Terms then (a) Averaging with Lookback is the Overnight Rate Averaging Method and (b) Lookback is the number of Applicable Business Days as specified in the relevant Final Terms;

(2) if Averaging with Observation Period Shift is specified as the Averaging Method in the relevant Final Terms then (a) Averaging with Observation Period Shift is the Overnight Rate Averaging Method, (b) Observation Period Shift is the number of Observation Period Shift Business specified in the relevant Final Terms and (c) Observation Period Shift Additional Business, if applicable, are the days specified in the relevant Final Terms; or

(3) if Averaging with Lockout is specified as the Averaging Method in the relevant Final Terms then (a) Averaging with Lockout is the Overnight Rate Averaging Method, (b) Lockout is the number of Lockout Period Business Days specified in the relevant Final Terms and (c) Lockout Period Business Days, if applicable, are the days specified in the relevant Final Terms; and

(G) If the specified Floating Rate Option is an Index Floating Rate Option and Index Provisions are specified to be applicable in the relevant Final Terms, the Compounded Index Method with Observation Period Shift shall be applicable and, (a) Observation Period Shift is the number of Observation Period Shift Business Days specified in the relevant Final Terms and (b) Observation Period Shift Additional Business Days, if applicable, are the days specified in the relevant Final Terms;

(ii) references in the ISDA Definitions to:

(A) **Confirmation** shall be references to the relevant Final Terms;

(B) **Calculation Period** shall be references to the relevant Interest Period;

(C) **Termination Date** shall be references to the Maturity Date;

(D) **Effective Date** shall be references to the Interest Commencement Date; and

(iii) if the Final Terms specify "2021 ISDA Definitions" as being applicable:

(A) **Administrator/Benchmark Event** shall be disapplied; and

(B) if the Temporary Non-Publication Fallback in respect of any specified Floating Rate Option is specified to be "Temporary Non-Publication Fallback – Alternative Rate" in the Floating Rate Matrix of the 2021 ISDA Definitions the reference to "Calculation Agent Alternative Rate Determination" in the definition of "Temporary Non-Publication Fallback – Alternative Rate" shall be replaced by "Temporary Non-Publication Fallback – Previous Day's Rate".

(iv) Unless otherwise defined capitalised terms used in this Condition 5.2(d) shall have the meaning ascribed to them in the ISDA Definitions.

(e) **Interest – Floating Rate Notes referencing SONIA (Screen Rate Determination)**

(i) This Condition 5.2(e) is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable, Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, and the "Reference Rate" is specified in the relevant Final Terms as being "SONIA".

(ii) Where "SONIA" is specified as the Reference Rate in the Final Terms, the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily SONIA plus or minus (as specified in the relevant Final Terms) the Margin, all as determined by the Calculation Agent.

(iii) For the purposes of this Condition 5.2(e):

Compounded Daily SONIA, with respect to an Interest Period, will be calculated by the Calculation Agent on each Interest Determination Date in accordance with the following formula, and the resulting percentage will be rounded, if necessary, to the fourth decimal place, with 0.00005 being rounded upwards:

$$\left[\prod_{i=1}^{d_o}\left(1+\frac{SONIA_i\ x\ n_i}{D}\right)-1\right]x\ \frac{D}{d}$$

d means the number of calendar days in:

(i) (where "Lag" is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or

(ii) where "Observation Shift" is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period;

D is the number specified in the relevant Final Terms (or, if no such number is specified, 365);

do means the number of London Banking Days in:

(i) where "Lag" is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or

(ii) where "Observation Shift" is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period;

i means a series of whole numbers from one to do, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in:

(i) where "Lag" is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or

(ii) where "Observation Shift" is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period;

to, and including, the last London Banking Day in such period;

Interest Determination Date means, in respect of any Interest Period, the date falling p London Banking Days prior to the Interest Payment Date for such Interest Period (or the date falling p London Banking Days prior to such earlier date, if any, on which the Notes are due and payable);

London Banking Day or **LBD** means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

ni for any London Banking Day "i", in the relevant Interest Period or Observation Period (as applicable) is the number of calendar days from, and including, such London Banking Day "i" up to, but excluding, the following London Banking Day;

Observation Period means, in respect of an Interest Period, the period from, and including, the date falling "p" London Banking Days prior to the first day of such Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and ending on, but excluding, the date which is p London Banking Days prior to the Interest Payment Date for such Interest Period (or the date falling p London Banking Days prior to such earlier date, if any, on which the Notes become due and payable);

p for any Interest Period or Observation Period (as applicable), means the number of London Banking Days specified as the "Lag Period" or the "Observation Shift Period" (as applicable) in the relevant Final Terms or if no such period is specified, five London Banking Days;

SONIA Reference Rate means, in respect of any London Banking Day, a reference rate equal to the daily Sterling Overnight Index Average (**SONIA**) rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page (or if the Relevant Screen Page is unavailable, as otherwise is published by such authorised distributors) on the London Banking Day immediately following such London Banking Day; and

SONIAi means the SONIA Reference Rate for:

(i) where "Lag" is specified as the Observation Method in the relevant Final Terms, the London Banking Day falling "p" London Banking Days prior to the relevant London Banking Day "i"; or

(ii) where "Observation Shift" is specified as the Observation Method in the relevant Final Terms; the relevant London Banking Day "i";

For the avoidance of doubt, the formula for the calculation of Compounded Daily SONIA only compounds the SONIA Reference Rate in respect of any London Banking Day. The SONIA Reference Rate applied to a day that is a non-London Banking Day will be taken by applying the SONIA Reference Rate for the previous London Banking Day but without compounding.

(iii) If, in respect of any London Banking Day in the relevant Interest Period or Observation Period (as applicable), the Calculation Bank determines that the SONIA Reference Rate is not available on the Relevant Screen Page and has not otherwise been published by the relevant authorised distributors, such SONIA Reference Rate shall, subject to Condition 5.2(n) (*Benchmark Replacement (Independent Adviser))*, be:

(A) The sum of (a) the Bank of England's Bank Rate (the **Bank Rate**) prevailing at close of business on the relevant London Banking Day; and (b) the mean of the spread of the SONIA Reference Rate to the Bank Rate over the previous five London Banking Days on which a SONIA Reference Rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate; or

(B) if the Bank Rate is not published by the Bank of England at close of business on the relevant London Banking Day, (a) the SONIA Reference Rate published on the

Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding London Banking Day on which the SONIA Reference Rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) or (b) if this is more recent, the latest determined rate under (A).

(iv) Subject to Condition 5.2(n) (*Benchmark Replacement (Independent Adviser))*, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition 5.2(e), the Rate of Interest shall be (A) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period) or (B) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to the Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin applicable to the first Interest Period).

(f) **Interest – Floating Rate Notes referencing SOFR (Screen Rate Determination)**

(i) This Condition 5.2(f) is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable, Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined and the "Reference Rate" is specified in the relevant Final Terms as being "SOFR".

(ii) Where "SOFR" is specified as the Reference Rate in the Final Terms, the Rate of Interest for each Interest Period will, subject as provided below, be the Benchmark plus or minus (as specified in the relevant Final Terms) the Margin, all as determined by the Calculation Agent on each Interest Determination Date.

(iii) For the purposes of this Condition 5.2(f):

Benchmark means Compounded SOFR, which is a compounded average of daily SOFR, as determined for each Interest Period in accordance with the specific formula and other provisions set out in this Condition 5.2(f).

Daily SOFR rates will not be published in respect of any day that is not a U.S. Government Securities Business Day, such as a Saturday, Sunday or holiday. For this reason, in determining Compounded SOFR in accordance with the specific formula and other provisions set forth herein, the daily SOFR rate for any U.S. Government Securities Business Day that immediately precedes one or more days that are not U.S. Government Securities Business Days will be multiplied by the number of calendar days from and including such U.S. Government Securities Business Day to, but excluding, the following U.S. Government Securities Business Day.

If the Issuer determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred in respect of Compounded SOFR (or the daily SOFR used in the calculation hereof) prior to the relevant SOFR Determination Time, then the provisions under Condition 5.2(f)*(iv) below will apply.*

Compounded SOFR with respect to any Interest Period, means the rate of return of a daily compound interest investment computed in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 being rounded upwards to 0.00001):

$$\left[\prod_{i=1}^{d_o}\left(1+\frac{SOFR_i \; x \; n_i}{D}\right)-1\right] x \; \frac{D}{d}$$

d is the number of calendar days in:

(i) where "Lag" is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or

(ii) where "Observation Shift" is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period.

D is the number specified in the relevant Final Terms (or, if no such number is specified, 360);

d_o is the number of U.S. Government Securities Business Days in:

(i) where "Lag" is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or

(ii) where "Observation Shift" is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period.

i is a series of whole numbers from one to d_o, each representing the relevant U.S. Government Securities Business Day in chronological order from, and including, the first U.S. Government Securities Business Day in:

(i) where "Lag" is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or

(ii) where "Observation Shift" is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period,

to and including the last US Government Securities Business Day in such period;

Interest Determination Date means, in respect of any Interest Period, the date falling "p" U.S. Government Securities Business Days prior to the Interest Payment Date for such Interest Period (or the date falling "p" U.S. Government Securities Business Days prior to such earlier date, if any, on which the Notes are due and payable);

ni for any U.S. Government Securities Business Day "i" in the relevant Interest Period or Observation Period (as applicable), is the number of calendar days from, and including, such U.S. Government Securities Business Day "i" to, but excluding, the following U.S. Government Securities Business Day ("**i+1**");

Observation Period in respect of an Interest Period means the period from, and including, the date falling "p" U.S. Government Securities Business Days preceding the first day in such Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) to, but excluding, the date falling "p" U.S. Government Securities Business Days preceding the Interest Payment Date for such Interest Period (or the date falling "p" U.S. Government Securities Business Days prior to such earlier date, if any, on which the Notes become due and payable);

p for any Interest Period or Observation Period (as applicable) means the number of U.S. Government Securities Business Days specified as the "Lag Period" or the "Observation Shift Period" (as applicable) in the relevant Final Terms, or if no such period is specified, five U.S. Government Securities Business Days;

SOFR with respect to any U.S. Government Securities Business Day, means:

(i) the Secured Overnight Financing Rate published for such U.S. Government Securities Business Day as such rate appears on the SOFR Administrator's Website at 3:00 p.m. (New York time) on the immediately following U.S. Government Securities Business Day (the "SOFR Determination Time"); or

(ii) Subject to Condition 5.2(f)(iv) below, if the rate specified in (i) above does not so appear, the Secured Overnight Financing Rate as published in respect of the first preceding U.S. Government Securities Business Day for which the Secured Overnight Financing Rate was published on the SOFR Administrator's Website;

SOFR Administrator means the Federal Reserve Bank of New York (or a successor administrator of the Secured Overnight Financing Rate);

SOFR Administrator's Website means the website of the Federal Reserve Bank of New York, or any successor source;

SOFRi means the SOFR for:

(i) where "Lag" is specified as the Observation Method in the applicable Final Terms, the U.S. Government Securities Business Day falling "p" U.S. Government Securities Business Days prior to the relevant U.S. Government Securities Business Day "i"; or

(ii) where "Observation Shift" is specified as the Observation Method in the relevant Final Terms, the relevant U.S. Government Securities Business Day "i"; and

U.S. Government Securities Business Day means any day except for a Saturday, a Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

(iv) If the Issuer determines on or prior to the relevant Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the then-current Benchmark, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Notes in respect of all determinations on such date and for all determinations on all subsequent dates. In connection with the implementation of a Benchmark Replacement, the Issuer will have the right to make Benchmark Replacement Conforming Changes from time to time, without any requirement for the consent or approval of the Noteholders.

Any determination, decision or election that may be made by the Issuer pursuant to this section, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection:

(i) will be conclusive and binding absent manifest error;

(ii) will be made in the sole discretion of the Issuer; and

(iii) notwithstanding anything to the contrary in the documentation relating to the Notes, shall become effective without consent from the holders of the Notes or any other party.

Benchmark means, initially, Compounded SOFR, as such term is defined above; provided that if the Issuer determines on or prior to the Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to Compounded SOFR (or the published daily SOFR used in the calculation thereof) or the then-current Benchmark, then "Benchmark" shall mean the applicable Benchmark Replacement.

Benchmark Replacement means the first alternative set forth in the order below that can be determined by the Issuer as of the Benchmark Replacement Date:

(i) the sum of: (A) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark and (B) the Benchmark Replacement Adjustment;

(ii) the sum of: (A) the ISDA Fallback Rate and (B) the Benchmark Replacement Adjustment; or

(iii) the sum of: (A) the alternate rate of interest that has been selected by the Issuer as the replacement for the then-current Benchmark giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark for U.S. dollar-denominated floating rate notes at such time and (B) the Benchmark Replacement Adjustment;

Benchmark Replacement Adjustment means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

(i) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;

(ii) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or

(iii) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated floating rate notes at such time;

Benchmark Replacement Conforming Changes means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the timing and frequency of determining rates and making payments of interest, rounding of amounts or tenors, and other administrative matters) that the Issuer decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer determines is reasonably necessary);

Benchmark Replacement Date means the earliest to occur of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

(i) in the case of clause (i) or (ii) of the definition of "Benchmark Transition Event," the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark (or such component); or

(ii) in the case of clause (iii) of the definition of "Benchmark Transition Event," the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event that gives rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination;

Benchmark Transition Event means the occurrence of one or more of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

(i) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the Benchmark (or such component), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or

(ii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component), the central bank for the currency of the Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark (or such component) has ceased or will cease to provide the Benchmark (or such component) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or

(iii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative;

ISDA Fallback Adjustment means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the 2006 ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark;

ISDA Fallback Rate means the rate that would apply for derivatives transactions referencing the 2006 ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

Reference Time with respect to any determination of the Benchmark means (i) if the Benchmark is Compounded SOFR, the SOFR Determination Time, and (ii) if the Benchmark is not Compounded SOFR, the time determined by the Issuer after giving effect to the Benchmark Replacement Conforming Changes;

Relevant Governmental Body means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto; and

Unadjusted Benchmark Replacement means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

(v) Any Benchmark Replacement, Benchmark Replacement Adjustment and the specific terms of any Benchmark Replacement Conforming Changes, determined under Condition 5.2(f)(iv) above will be notified promptly by the Issuer to the Fiscal Agent, the Calculation Agent, the Paying Agents and, in accordance with Condition 20 (*Notices*), the Noteholders. Such notice shall be irrevocable and shall specify the effective date on which such changes take effect.

No later than notifying the Fiscal Agent of the same, the Issuer shall deliver to the Fiscal Agent a certificate signed by two authorised signatories of the Issuer:

(A) confirming (x) that a Benchmark Transition Event has occurred, (y) the relevant Benchmark Replacement and, (z) where applicable, any Benchmark Replacement Adjustment and/or the specific terms of any relevant Benchmark Replacement Conforming Changes, in each case as determined in accordance with the provisions of this Condition 5.2(f); and

(B) certifying that the relevant Benchmark Replacement Conforming Changes are necessary to ensure the proper operation of such Benchmark Replacement and/or Benchmark Replacement Adjustment.

(vi) If the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition 5.2(f), the Rate of Interest shall be (A) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period) or (B) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to the Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin applicable to the first Interest Period).

(g) **Interest – Floating Rate Notes referencing €STR (Screen Rate Determination)**

(i) This Condition 5.2(g) is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable, Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, and the "Reference Rate" is specified in the relevant Final Terms as being "€STR".

(ii) Where "€STR" is specified as the Reference Rate in the Final Terms, the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily €STR plus or minus (as specified in the relevant Final Terms) the Margin, all as determined by the Calculation Agent on each Interest Determination Date.

(iii) For the purposes of this Condition 5.2(g):

Compounded Daily €STR means, with respect to any Interest Period, the rate of return of a daily compound interest investment (with the daily euro short-term rate as reference rate for the calculation of interest) as calculated by the Calculation Agent as at the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded if necessary to the nearest fifth decimal place, with 0.000005 being rounded upwards):

$$\left[\prod_{i=1}^{d_o}\left(1+\frac{€\mathrm{STR}_i \times n_i}{\mathrm{D}}\right)-1\right]\times\frac{\mathrm{D}}{d}$$

where:

d means the number of calendar days in:

(i) where "Lag" is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or

(ii) where "Observation Shift" is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period;

D means the number specified as such in the relevant Final Terms (or, if no such number is specified, 360);

d_o means the number of TARGET Settlement Days in:

(i) where "Lag" is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or

(ii) where "Observation Shift" is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period;

the **€STR reference rate**, in respect of any TARGET Settlement Day, is a reference rate equal to the daily euro short-term rate (**€STR**) for such TARGET Settlement Day as provided by the European Central Bank as the administrator of €STR (or any successor administrator of such rate) on the website of the European Central Bank (or, if no longer published on its website, as otherwise published by it or provided by it to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors) on the TARGET Settlement Day immediately following such TARGET Settlement Day (in each case, at the time specified by, or determined in accordance with, the applicable methodology, policies or guidelines, of the European Central Bank or the successor administrator of such rate);

$€STR_i$ means the €STR reference rate for:

(i) where "*Lag*" is specified as the Observation Method in the relevant Final Terms, the TARGET Settlement Day falling "*p*" TARGET Settlement Days prior to the relevant TARGET Settlement Day "*i*"; or

(ii) where "*Observation Shift*" is specified as the Observation Method in the relevant Final Terms, the relevant TARGET Settlement Day "*i*".

i is a series of whole numbers from one to "d_o", each representing the relevant TARGET Settlement Day in chronological order from, and including, the first TARGET Settlement Day in:

(i) where "*Lag*" is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or

(ii) where "*Observation Shift*" is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period;

to, and including, the last TARGET Settlement Day in such period;

Interest Determination Date means, in respect of any Interest Period, the date falling "p" TARGET Settlement Days prior to the Interest Payment Date for such Interest Period (or the date falling "p" TARGET Settlement Days prior to such earlier date, if any, on which the Notes are due and payable);

$\mathbf{n_i}$ for any TARGET Settlement Day "*i*" in the relevant Interest Period or Observation Period (as applicable), means the number of calendar days from (and including) such TARGET Settlement Day "*i*" up to (but excluding) the following TARGET Settlement Day;

Observation Period means, in respect of any Interest Period, the period from (and including) the date falling "*p*" TARGET Settlement Days prior to the first day of the relevant Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) to (but excluding) the date falling "*p*" TARGET Settlement Days prior to (A) (in the case of an Interest Period) the Interest Payment Date for such Interest Period or (B) such earlier date, if any, on which the Notes become due and payable; and

p for any latest Interest Period or Observation Period (as applicable), means the number of TARGET Settlement Days specified as the "Lag Period" or the "Observation Shift Period" (as applicable) in the relevant Final Terms or, if no such period is specified, five TARGET Settlement Days.

(iv) Subject to Condition 5.2(n) (*Benchmark Replacement (Independent Adviser)*), if, where any Rate of Interest is to be calculated pursuant to Condition 5.2(g)(ii) above, in respect of any TARGET Settlement Day in respect of which an applicable €STR reference rate is required to be determined, such €STR reference rate is not made available on the Relevant Screen Page and has not otherwise been published by the relevant authorised distributors, then the €STR reference rate in respect of such TARGET Settlement Day shall be the €STR reference rate for the first preceding TARGET Settlement Day in respect of which €STR reference rate was published by the European Central Bank on its website, as determined by the Calculation Agent.

(v) Subject to Condition 5.2(n) (*Benchmark Replacement (Independent Adviser)*), if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition 5.2(g)(ii), the Rate of Interest shall be (A) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period) or (B) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to the Notes for the first Interest

Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin applicable to the first Interest Period).

(h) **Interest – SONIA Compounded Index and SOFR Compounded Index (Screen Rate Determination)**

This Condition 5.2(h) is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable, Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, and "Index Determination" is specified in the relevant Final Terms as being applicable.

Where "Index Determination" is specified in the relevant Final Terms as being applicable, the Rate of Interest for each Interest Period will be the compounded daily reference rate for the relevant Interest Period, calculated in accordance with the following formula:

$$\frac{(Compounded\ Index\ End}{Compounded\ Index\ Start} - 1)\ X\ \frac{Numerator}{d}$$

and rounded to the Relevant Decimal Place, plus or minus the Margin (if any), all as determined and calculated by the Calculation Agent, where:

Compounded Index means either the SONIA Compounded Index or the SOFR Compounded Index, as specified in the relevant Final Terms;

Compounded Index End means the relevant Compounded Index value on the End date;

Compounded Index Start means the relevant Compounded Index value on the Start date;

d is the number of calendar days from (and including) the day on which the relevant Compounded Index Start is determined to (but excluding) the day on which the relevant Compounded Index End is determined;

End means the day falling the Relevant Number of Index Days prior to the Interest Payment Date for such Interest Period, or such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Interest Period);

Index Days means, in the case of the SONIA Compounded Index, London Banking Days, and, in the case of the SOFR Compounded Index, U.S. Government Securities Business Days;

Numerator means, in the case of the SONIA Compounded Index, 365 and, in the case of the SOFR Compounded Index , 360;

Relevant Decimal Place shall, unless otherwise specified in the Final Terms, be the fifth decimal place rounded up or down, if necessary (with 0.000005 or, as the case may be, 0.00000005 being rounded upwards); and

Relevant Number is as specified in the applicable Final Terms, but, unless otherwise specified shall be five.

SONIA Compounded Index means the Compounded SONIA rate as published at 10:00 (London time) by the Bank of England (or a successor administrator of SONIA) on the Bank of England's Interactive Statistical Database, or any successor source;

SOFR Compounded Index means the Compounded Daily SOFR rate as published at 15:00 (New York time) by Federal Reserve Bank of New York (or a successor administrator of SOFR) on the website of the Federal Reserve Bank of New York, or any successor source; and

Start means the day falling the Relevant Number of Index Days prior to the first day of the relevant Interest Period.

If, with respect to any Interest Period, the relevant rate is not published for the relevant Compounded Index either on the relevant Start or End date, then the Calculation Agent shall calculate the rate of interest for that Interest Period as if Index Determination was not specified in the applicable Final Terms and as if Compounded Daily SONIA or Compounded Daily SOFR had been specified instead in the Final Terms, and in each case "Observation Shift" had been specified as the Observation Method in the relevant Final Terms, and where the Observation Period shall be deemed to be the same as the Relevant Number specified in the Final Terms and where, in the case of Compounded Daily SONIA, the Relevant Screen Page will be determined by the Issuer. For the avoidance of doubt, if (i) (in the case of SONIA Compounded Index) a Benchmark Event has occurred in respect of SONIA, the provisions of Condition 5.2(n) (*Benchmark Discontinuation (Independent Adviser)*) shall apply, and (ii) (in the case of SOFR Compounded Index) a Benchmark Transition Event and its related Benchmark Replacement Date has occurred in respect of SOFR, the provisions of Condition 5.2(f)(iv) shall apply.

(i) **Minimum Rate of Interest and/or Maximum Rate of Interest**

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(j) **Determination of Rate of Interest and calculation of Interest Amounts**

The Principal Paying Agent or the Calculation Agent, as applicable, will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Principal Paying Agent or the Calculation Agent, as applicable, will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

(i) in the case of Floating Rate Notes which are (i) represented by a Global Note or (ii) Registered Notes in definitive form, the aggregate outstanding nominal amount of (A) the Notes represented by such Global Note or (B) such Registered Notes (or, in each case, if they are Partly Paid Notes, the aggregate amount paid up); or

(ii) in the case of Floating Rate Notes which are Bearer Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note which is a Bearer Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 5.2:

(i) if "Actual/Actual (ISDA)" or "Actual/Actual" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

(ii) if "Actual/365 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;

(iii) if "Actual/365 (Sterling)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

(iv) if "Actual/360" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;

(v) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360\ x\ (Y_2 - Y_1)] + [30\ x\ (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

$\mathbf{Y_1}$ is the year, expressed as a number, in which the first day of the Interest Period falls;

$\mathbf{Y_2}$ is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

$\mathbf{M_1}$ is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

$\mathbf{M_2}$ is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

$\mathbf{D_1}$ is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D1 will be 30; and

$\mathbf{D_2}$ is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

(vi) if "30E/360" or "Eurobond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360\ x\ (Y_2 - Y_1)] + [30\ x\ (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

Y_1 is the year, expressed as a number, in which the first day of the Interest Period falls;

Y_2 is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

M_1 is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

M_2 is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

D_1 is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D1 will be 30; and

D_2 is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D2 will be 30;

(vii) if "30E/360 (ISDA)" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360\ x\ (Y_2 - Y_1)] + [30\ x\ (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

Y_1 is the year, expressed as a number, in which the first day of the Interest Period falls;

Y_2 is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

M_1 is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

M_2 is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

D_1 is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

D_2 is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30.

(k) **Linear Interpolation**

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Principal Paying Agent or the Calculation Agent, as applicable, by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Final Terms) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Final Terms), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Principal Paying Agent or the Calculation Agent, as applicable, shall calculate such rate at such time and by reference to such sources as an independent adviser acting in good faith and in a commercially reasonable manner, appointed by the Issuer, determines appropriate.

Designated Maturity means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate.

(l) **Notification of Rate of Interest and Interest Amounts**

The Principal Paying Agent or the Calculation Agent, as applicable, will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes are for the time being listed (by no later than the first day of each Interest Period) and notice thereof to be published in accordance with Condition 14 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will promptly be notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 14. For the purposes of this paragraph, the expression **London Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(m) **Certificates to be final**

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5.2 by the Principal Paying Agent or the Calculation Agent, as applicable, shall (in the absence of fraud, gross negligence, wilful default, bad faith or manifest error) be binding on the Issuer, the Principal Paying Agent, the other Agents and all Noteholders, Receiptholders and Couponholders and (in the absence of fraud, gross negligence, wilful default or bad faith) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the Principal Paying Agent or the Calculation Agent, as applicable, in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(n) **Benchmark Replacement (Independent Adviser)**

(i) Independent Adviser

Other than in the case of a U.S. dollar-denominated floating rate Note for which an Original Reference Rate is specified in the relevant Final Terms as being "SOFR" or "SOFR Compounded Index", if a Benchmark Event occurs in relation to an Original Reference Rate at any time when these Conditions provide for any remaining Rate of Interest (or any component part thereof) to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint and consult with an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 5.2(n)(ii) and, in either case, an Adjustment Spread, if any (in accordance with Condition 5.2(n)(iii) and any Benchmark Amendments (in accordance with Condition 5.2(n)(iv)).

An Independent Adviser appointed pursuant to this Condition 5.2(n) shall act in good faith and in a commercially reasonable manner and (in the absence of bad faith or fraud) shall have no liability whatsoever to the Issuer, the Agents, any other party specified in the applicable Final Terms as being responsible for calculating the Rate of Interest, the Noteholders, the Receiptholders or the Couponholders for any determination made by it pursuant to this Condition 5.2(n).

(ii) Successor Rate or Alternative Rate

If the Independent Adviser acting in good faith and in a commercially reasonable manner and following consultation with the Issuer determines that:

(a) there is a Successor Rate, then such Successor Rate (as adjusted by the applicable Adjustment Spread as provided in Condition 5.2(n)(iii))shall subsequently be used in place of the Original Reference Rate to determine the relevant Rate(s) of Interest (or the relevant component part(s) thereof) for all relevant future payments of interest on the Notes (subject to the further operation of this Condition 5.2(n)); or

(b) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate (as adjusted by the applicable Adjustment Spread as provided in Condition 5.2(n)(ii)) shall subsequently be used in place of the Original Reference Rate to determine the relevant Rate(s) of Interest (or the relevant component part(s) thereof) for all relevant future payments of interest on the Notes (subject to the further operation of this Condition 5.2(n)).

(iii) Adjustment Spread

If a Successor Rate or Alternative Rate is determined in accordance with Condition 5.2(n)(ii), the Independent Adviser, acting in good faith and in a commercially reasonable manner, shall determine an Adjustment Spread (which may be expressed as a specified quantum, or a formula or methodology for determining the applicable Adjustment Spread (and for the avoidance of doubt an Adjustment Spread may be positive, negative or zero)), which Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be) for each subsequent determination of a relevant Rate of Interest (or a relevant component part thereof) by reference to such Successor Rate or Alternative Rate (as applicable).

(iv) Benchmark Amendments

If any Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread is determined in accordance with this Condition 5.2(n) and the Independent Adviser acting in good faith and in a commercially reasonable manner and following consultation with the Issuer determines (A) that amendments to these Conditions (including, without limitation, amendments to the definitions of Day Count Fraction, Business Day or Relevant Screen Page) and/or the Agency Agreement (as applicable) are necessary to follow market practice or to ensure the proper operation of such Successor Rate or Alternative Rate and/or (in either case) the applicable Adjustment Spread (such amendments, the **Benchmark Amendments**) and (B) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 5.2(n)(v), without any requirement for the consent or approval of Noteholders, Receiptholders or Couponholders, vary these Conditions and/or the Agency Agreement (as applicable) to give effect to such Benchmark Amendments with effect from the date specified in such notice provided that the Agents shall not be obliged so to concur if in the sole opinion of the Agent, doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to it in these Conditions or the Agency Agreement (including, for the avoidance of doubt, any supplemental trust deed or supplemental agency agreement) in any way.

(v) Notices, etc.

The Issuer will notify the Principal Paying Agent, any other party specified in the applicable Final Terms as being responsible for calculating the Rate of Interest, the Paying Agents and, in accordance with Condition 14, the Noteholders promptly (and, in any case, no later than 5 Business Days prior to the relevant Interest Determination Date relating to the next succeeding Interest Period) of any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments determined under this Condition 5.2(n). Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any. The Successor Rate or Alternative Rate and the applicable Adjustment Spread and the Benchmark Amendments (if any) will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the applicable Adjustment Spread and the Benchmark Amendments (if any)) be binding on the Issuer, the Principal Paying Agent, any other party specified in the applicable Final Terms as being responsible for calculating the Rate of Interest, the Paying Agents and the Noteholders, Receiptholders and Couponholders.

(vi) Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer under the provisions of this Condition 5.2(n), the Original Reference Rate and the fallback provisions provided for in Condition 5.2(n)(ii) will continue to apply unless and until a Benchmark Event has occurred.

(vii) Fallbacks

If, following the occurrence of a Benchmark Event and in relation to the determination of the Rate of Interest on the relevant Interest Determination Date, no Successor Rate or Alternative Rate (as applicable) or (in either case) applicable Adjustment Spread is determined and notified to the Principal Paying Agent or any other party specified in the applicable Final Terms as being responsible for calculating the Rate of Interest (as applicable), in each case pursuant to this Condition 5.2(n), the Original Reference Rate will continue to apply for the purposes of determining such Rate of Interest on such Interest Determination Date, with the effect that the fallback provisions provided for in Condition 5.2(n)(ii) will (if applicable) continue to apply to such determination.

For the avoidance of doubt, this Condition 5.2(n) shall apply to the determination of the Rate of Interest on the relevant Interest Determination Date only, and the Rate of Interest applicable to any subsequent Interest Period(s) is subject to the subsequent operation of, and to adjustment as provided in, this Condition 5.2(n).

(viii) Definitions

As used in this Condition 5.2(n)(ii):

Adjustment Spread means either (A) a spread (which may be positive, negative or zero), or (B) a formula or methodology for calculating a spread, in either case, which is to be applied to the relevant Successor Rate or Alternative Rate (as applicable) and is the spread, formula or methodology which:

(a) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or

(b) in the case of an Alternative Rate or (where (a) above does not apply) in the case of a Successor Rate, the Independent Adviser determines is recognised or acknowledged as being in customary market usage in international debt capital markets transactions which reference the

Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or

(c) (if the Independent Adviser determines that neither (a) nor (b) above applies) the Independent Adviser determines to be appropriate, having regard to the objective, so far as is reasonably practicable in the circumstances, of reducing or eliminating any economic prejudice or benefit (as the case may be) to Noteholders, Receiptholders and Couponholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be);

Alternative Rate means an alternative to the Original Reference Rate which the Independent Adviser determines in accordance with Condition 5.2(n)(ii) above has replaced the Original Reference Rate in customary market usage in the international debt capital markets for the purposes of determining floating rates of interest (or the relevant component part thereof) for debt securities with a commensurate interest period and in the same Specified Currency as the Notes, or if the Independent Adviser determines that there is no such rate, such other rate as the Independent Adviser determines in its sole discretion is most comparable to the Original Reference Rate;

Benchmark Amendments has the meaning given to it in Condition5.2(n)(iv) above;

Benchmark Event means, with respect to an Original Reference Rate:

(a) the Original Reference Rate ceasing to be published for at least five Business Days or ceasing to exist or be administered; or

(b) the later of (A) the making of a public statement by the administrator of the Original Reference Rate that it will, on or before a specified date, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate) and (B) the date falling six months prior to the specified date referred to in (b)(A); or

(c) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been permanently or indefinitely discontinued; or

(d) the later of (A) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate will, on or before a specified date, be permanently or indefinitely discontinued and (B) the date falling six months prior to the specified date referred to in (d)(A); or

(e) the later of (A) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case on or before a specified date and (B) the date falling six months prior to the specified date referred to in (e)(A); or

(f) it has or will prior to the next Interest Determination Date become unlawful for the Issuer, the Principal Paying Agent, any other party specified in the applicable Final Terms as being responsible for calculating the Rate of Interest or any Paying Agent to calculate any payments due to be made to any Noteholder, Receiptholder or Couponholder using the Original Reference Rate; or

(g) the making of a public statement by the supervisor of the administrator of such Original Reference Rate announcing that such Original Reference Rate is no longer representative of its underlying market or may no longer be used;

Independent Adviser means an independent financial institution of international repute or an independent financial adviser with appropriate expertise in the international debt capital markets appointed by the Issuer, at its own expense, under this 5.2(n);

Original Reference Rate means the originally specified Reference Rate in the applicable Final Terms used to determine the relevant Rate of Interest (or any component part thereof) in respect of any Interest Period(s) (provided that if, following one or more Benchmark Events, such originally specified Reference Rate (or any Successor Rate or Alternative Rate which has replaced it) has been replaced by a (or a further) Successor Rate or Alternative Rate and a Benchmark Event subsequently occurs in respect of such Successor Rate or Alternative Rate, the term "Original Reference Rate" shall include any such Successor Rate or Alternative Rate);

Relevant Nominating Body means, in respect of an Original Reference Rate:

(a) the central bank for the currency to which the Original Reference Rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the Original Reference Rate; or

(b) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (A) the central bank for the currency to which the Original Reference Rate relates, (B) any central bank or other supervisory authority which is responsible for supervising the administrator of the Original Reference Rate, (C) a group of the aforementioned central banks or other supervisory authorities or (D) the Financial Stability Board or any part thereof; and

Successor Rate means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

Notwithstanding any other provisions of this Condition 5.2(n), if in the Calculation Agent's opinion there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 5.2(n), the Calculation Agent shall promptly notify the Issuer thereof and the Issuer shall direct the Calculation Agent in writing as to which alternative course of action to adopt. If the Calculation Agent is not promptly provided with such direction, or is otherwise unable to make such calculation or determinations for any reason, it shall notify the Issuer thereof and the Calculation Agent shall be under no obligation to make such calculation or determination and shall not incur any liability for not doing so.

5.3 Exempt Notes

In the case of Exempt Notes which are also Floating Rate Notes where the Screen Rate Determination applies to the calculation of interest, if the Reference Rate from time to time is specified as being other than EURIBOR or WIBOR, the Rate of Interest in respect of such Exempt Notes will be determined as provided in the applicable Pricing Supplement.

The rate or amount of interest payable in respect of Exempt Notes which are not also Fixed Rate Notes or Floating Rate Notes shall be determined in the manner specified in the applicable Pricing Supplement, provided that where such Notes are Index Linked Interest Notes the provisions of Condition 5.2 shall, save to the extent amended in the applicable Pricing Supplement, apply as if the references therein to Floating Rate Notes and to the Principal Paying Agent were references to Index Linked Interest Notes and the Calculation Agent, respectively, and provided further that the

Calculation Agent will notify the Principal Paying Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid up nominal amount of such Notes and otherwise as specified in the applicable Pricing Supplement.

5.4 Accrual of interest

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

(a) the date on which all amounts due in respect of such Note have been paid; and

(b) five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Principal Paying Agent or the Registrar, as the case may be, and notice to that effect has been given to the Noteholders in accordance with Condition 14.

6. PAYMENTS

6.1 Method of payment

Subject as provided below:

(a) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); and

(b) payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 8) any law implementing an intergovernmental approach thereto.

6.2 Presentation of definitive Bearer Notes, Receipts and Coupons

Payments of principal in respect of definitive Bearer Notes will (subject as provided below) be made in the manner provided in Condition 6.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Bearer Notes, and payments of interest in respect of definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)).

Fixed Rate Notes in definitive bearer form (other than Long Maturity Notes (as defined below)) and save as provided in Condition 6.4 should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 8) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 9) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note or Long Maturity Note in definitive bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A **Long Maturity Note** is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Bearer Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Bearer Note.

6.3 Payments in respect of Bearer Global Notes

Payments of principal and interest (if any) in respect of Notes represented by any Global Note in bearer form will (subject as provided below) be made in the manner specified above in relation to definitive Bearer Notes or otherwise in the manner specified in the relevant Global Note, where applicable against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made, distinguishing between any payment of principal and any payment of interest, will be made either on such Global Note by the Paying Agent to which it was presented or in the records of Euroclear and Clearstream, Luxembourg, as applicable.

6.4 Specific provisions in relation to payments in respect of certain types of Exempt Notes

Payments of instalments of principal (if any) in respect of Exempt Notes that are definitive Bearer Notes, other than the final instalment, will (subject as provided below) be made in the manner provided in Condition 6.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in Condition 6.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Bearer Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the definitive Bearer Note to which it appertains. Receipts presented without the definitive Bearer Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any definitive Bearer Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Upon the date on which any Dual Currency Note or Index Linked Note in definitive bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof.

6.5 Payments in respect of Registered Notes

Payments of principal (other than instalments of principal prior to the final instalment) in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Note appearing in the register of holders of the Registered Notes maintained by the Registrar (the **Register**) (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. For these purposes, **Designated Account** means the account (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) maintained by a holder with a Designated Bank and identified as such in the Register and **Designated Bank** means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively) and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest and payments of instalments of principal (other than the final instalment) in respect of each Registered Note (whether or not in global form) will be made by transfer on the due date to the Designated Account of the holder (or the first named of joint holders) of the Registered Note appearing in the Register (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date (the **Record Date**). Payment of the interest due in respect of each Registered Note on redemption and the final instalment of principal will be made in the same manner as payment of the principal amount of such Registered Note.

No commissions or expenses shall be charged to the holders by the Registrar in respect of any payments of principal or interest in respect of Registered Notes.

None of the Issuer or the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

6.6 General provisions applicable to payments

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Bearer Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

(a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Bearer Notes in the manner provided above when due;

(b) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and

(c) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

6.7 Payment Day

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 9) is:

(a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits):

    (i) in the case of Notes in definitive form only, in the relevant place of presentation; and

    (ii) in each Additional Financial Centre (other than T2) specified in the applicable Final Terms;

(b) if T2 is specified as an Additional Financial Centre in the applicable Final Terms, a day on which the T2 is open; and

(c) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the T2 is open.

6.8 Interpretation of principal and interest

Any reference in the Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

(a) any additional amounts which may be payable with respect to principal under Condition 8;

(b) the Final Redemption Amount of the Notes;

(c) the Early Redemption Amount of the Notes;

(d) the Optional Redemption Amount(s) (if any) of the Notes;

(e) the Change of Control Redemption Amount (if any) of the Notes;

(f) in relation to Exempt Notes redeemable in instalments, the Instalment Amounts; and

(g) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 8.

7. REDEMPTION AND PURCHASE

7.1 Redemption at maturity

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its Final Redemption Amount specified in the applicable Final Terms in the relevant Specified Currency on the Maturity Date specified in the applicable Final Terms.

7.2 Redemption for tax reasons

Subject to Condition 7.6, the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note), on giving not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the Principal Paying Agent and, in accordance with Condition 14, the Noteholders (which notice shall be irrevocable), if:

(a) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 8) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes; and

(b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Principal Paying Agent to make available at its specified office to the Noteholders (i) a certificate signed by two Directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (ii) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment. The Principal Paying Agent shall have no obligation to monitor or ascertain whether any certificates and/or opinions required by this Condition 7.2 have been produced and shall incur no liability for assisting in the publication of any notice of redemption or for making any payments required pursuant to this Condition 7.2 in the event such certificates and/or opinions have not been received by it. The Principal Paying Agent shall not (i) be required to review, check or analyse any certificates and/or opinions provided to it, (ii) be responsible for the contents of any such certificates and/or opinions or (iii) incur any liability in the event the content of such certifications and/or opinions are inaccurate or incorrect.

Notes redeemed pursuant to this Condition 7.2 will be redeemed at their Early Redemption Amount referred to in Condition 7.6 below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

7.3 Redemption at the option of the Issuer (Issuer Call)

If Issuer Call is specified as being applicable in the applicable Final Terms, the Issuer may, having given not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the Noteholders in accordance with Condition 14 (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all or (if redemption in part is specified as being applicable in the applicable Final Terms) some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. If redemption in part is specified as being applicable in the applicable Final Terms, any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms.

In the case of a partial redemption of Notes, the Notes to be redeemed (**Redeemed Notes**) will (i) in the case of Redeemed Notes represented by definitive Notes, be selected individually by lot, not more than 30 days prior to the date fixed for redemption and (ii) in the case of Redeemed Notes represented by a Global Note, be selected in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 14 not less than 15 days prior to the date fixed for redemption.

7.4 Redemption at the option of the Noteholders

(a) Redemption at the option of the Noteholders other than a Change of Control Put (**Investor Put**)

If Investor Put is specified as being applicable in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 14 not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms, the Issuer will, upon the expiry of such notice, redeem such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

To exercise the right to require redemption of this Note the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or, as the case may be, the Registrar (a **Put Notice**) and in which the holder must specify a bank account to which payment is to be made under this Condition and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2.2. If this Note is in definitive bearer form, the Put Notice must be accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control.

If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Principal Paying Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear, Clearstream, Luxembourg or any common depositary or common safekeeper, as the case may be for them to the Principal Paying Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time.

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg by a holder of any Note pursuant to this Condition 7.4(a) shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and is continuing, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 7.4(a) and instead to declare such Note forthwith due and payable pursuant to Condition 10.

(b) Change of Control Put

If Change of Control Put is specified as being applicable in the applicable Final Terms, upon the occurrence of a Change of Control Put Event (as defined below) while this Note remains outstanding, the holder of each Note will have the option (the **Change of Control Put Option**) (unless, prior to the giving of the Change of Control Put Event Notice (as defined below), the Issuer gives notice of its intention to redeem the Notes (i) under Condition 7.2 or (ii) pursuant to the provisions of Condition 7.4(a) above) to require the Issuer to redeem or, at the Issuer's option, to purchase (or procure the purchase of) that Note on the Change of Control Redemption Date (as defined below) at:

(i) 101 per cent. of its principal amount together with (or, where purchased, together with an amount equal to) accrued interest (if applicable) to but excluding the Change of Control Redemption Date if the Notes carry a Non-Investment Grade Rating or no credit rating on the Relevant Announcement Date (each as defined below); or

(ii) their principal amount, together with interest accrued up to, but excluding, the Change of Control Redemption Date if the Notes carry an Investment Grade Rating (as defined below) at the Relevant Announcement Date,

provided that if, at the Relevant Announcement Date, the Notes carry a credit rating from more than one Rating Agency at least one of which is an Investment Grade Rating, then sub-paragraph (ii) above will apply.

A **Change of Control Put Event** shall be deemed to occur if:

(A) a Change of Control occurs;

(B) on the date (the **Relevant Announcement Date**) that is the earlier of (1) the date of the first public announcement of the relevant Change of Control and (2) the date of the earliest

Relevant Potential Change of Control Announcement (as defined below) (if any), the Notes carry from any Rating Agency (as defined below):

(1) an investment grade credit rating (Baa3/BBB-, or equivalent, or higher) (an **Investment Grade Rating**), and such rating from any Rating Agency is within the Change of Control Period either downgraded to a non-investment grade credit rating (Ba1/BB+, or equivalent, or lower) (a **Non-Investment Grade Rating**) or withdrawn and is not within the Change of Control Period subsequently (in the case of a downgrade) upgraded to an investment grade credit rating by such Rating Agency or (in the case of a withdrawal) replaced by, or reinstated to, an investment grade credit rating from any other Rating Agency, or such Rating Agency, as the case may be; or

(2) a Non-Investment Grade Rating from any Rating Agency; or

(3) no credit rating and a Negative Rating Event also occurs;

provided that if, at the time of the occurrence of the Change of Control, the Notes carry a credit rating from more than one Rating Agency, at least one of which is investment grade, then sub-paragraph (1) will apply; and

(C) in making the relevant decision(s) referred to above, the relevant Rating Agency announces publicly or confirms in writing to the Issuer that such decision(s) resulted, in whole or in part, from the occurrence of the Change of Control or the Relevant Potential Change of Control Announcement.

For the purposes of this Condition 7.4(b):

A **Change of Control** shall be deemed to have occurred at each time (whether or not approved by the Management Board of the Issuer) that any person or persons acting in concert or any person or persons acting on behalf of any such person(s) at any time directly and indirectly (the **Relevant Person(s)**) other than the State Treasury of Poland (directly or indirectly) come(s) to own or acquire(s) (A) more than 50 per cent. of the issued ordinary share capital of the Issuer; or (B) such number of the shares in the capital of the Issuer carrying more than 50 per cent. of the voting rights at a general meeting of the Issuer, provided that a Change of Control shall be deemed not to have occurred if all or substantially all of the shareholders of the Relevant Person(s) are, or immediately prior to the event which would otherwise have constituted a Change of Control were, the shareholders of the Issuer with the same (or substantially the same) pro rata interest in the share capital of the Relevant Person(s) as such shareholders have, or as the case may be, had in the share capital of the Issuer;

Change of Control Period means the period commencing on the Relevant Announcement Date and ending 90 days after the Change of Control (or such longer period for which the Notes are under consideration (such consideration having been announced publicly within the period ending 90 days after the Change of Control) for rating review or, as the case may be, rating by a Rating Agency, such period not to exceed 60 days after the public announcement of such consideration);

a **Negative Rating Event** shall be deemed to have occurred if at such time as there is no rating assigned to the Notes by a Rating Agency (i) the Issuer does not, either prior to, or not later than 21 days after, the occurrence of the Change of Control seek, and thereafter use all reasonable endeavours to obtain, a rating of the Notes, or any other unsecured and unsubordinated debt of the Issuer (and, having not sought, and used all reasonable efforts, to obtain a rating, a Negative Rating Event shall be deemed to have occurred if such rating is not obtained by the end of the Change of Control Period) or (ii) if the Issuer does so seek and use such endeavours, it is unable, as a result of the occurrence of such Change of Control, to obtain such a rating of at least investment grade by the end of the Change of Control Period;

Rating Agency means any of the following: (i) S&P Global Ratings Europe Limited; (ii) Moody's Investors Service Ltd., Inc.; (iii) Fitch Ratings Ltd.; or (iv) any other rating agency of equivalent international standing specified from time to time by the Issuer and its respective successors or affiliates; and

Relevant Potential Change of Control Announcement means any public announcement or statement by the Issuer, any actual or potential bidder or any adviser acting on behalf of any actual or potential bidder relating to any potential Change of Control where within 180 days following the date of such announcement or statement, a Change of Control occurs.

Promptly upon the Issuer becoming aware that a Change of Control Put Event has occurred, the Issuer shall give notice (a **Change of Control Put Event Notice**) to the Noteholders in accordance with Condition 14 specifying the nature of the Change of Control Put Event and the circumstances giving rise to it and the procedure for exercising the Change of Control Put Option contained in this Condition 7.4(b).

To exercise the Change of Control Put Option to require the Issuer to redeem or, as the case may be, purchase or procure the purchase of a Note under this Condition 7.4(b), the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar falling within the period (the **Change of Control Put Period**) of 45 days after the Change of Control Put Event Notice is given, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from the specified office of any Paying Agent or, as the case may be, the Registrar (a **Change of Control Put Option Notice**) and in which the holder must specify a bank account (or, if payment is to be made by cheque, an address) to which payment is to be made under this Condition 7.4(b) and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2.2. If this Note is in definitive bearer form, the Change of Control Put Option Notice must be accompanied by this Note together with all Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons) maturing after the date (the **Change of Control Redemption Date**) which is the seventh day after the last day of the Change of Control Put Period, failing which an amount will be deducted from the payment to be made by the Issuer on redemption or, as the case may be, purchase of the Notes corresponding to the aggregate amount payable in respect of such missing Coupons.

If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the Change of Control Put Option to require the Issuer to redeem or, as the case may be, purchase or procure the purchase of a Note under this Condition 7.4(b), the holder of this Note must, within the Change of Control Put Period, give notice to the Principal Paying Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear, Clearstream, Luxembourg or any common depositary or common safekeeper, as the case may be, for them to the Principal Paying Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg, as the case may be, from time to time and, if this Note is represented by a Global Note and presentation of such Global Note is required by the Principal Paying Agent, at the same time present or procure the presentation of the relevant global Note to the Principal Paying Agent for notation accordingly.

The Paying Agent to whom such Change of Control Put Option Notice and Note has been so delivered or, as applicable, the Principal Paying Agent, shall deliver a duly completed non-transferable receipt to the relevant holder in respect of the Note so delivered. Payment in respect of any Note so delivered shall be made, if the holder duly specifies a bank account in the Change of Control Put Option Notice to which payment is to be made on the Change of Control Redemption Date, by transfer to that bank account (or, if an address is specified for payment by cheque, by cheque sent by first class post to such address) and, in every other case, on or after the Change of Control Redemption Date, in each case against presentation and surrender or (as the case may be) endorsement of such receipt at any specified office of any Paying Agent, subject in any such case as provided in Condition 6.

A Change of Control Put Option Notice, once given, shall be irrevocable except where, prior to the Change of Control Redemption Date, an Event of Default has occurred and is continuing, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 7.4(b) and instead to declare such Note forthwith due and payable pursuant to Condition 10.

7.5 Issuer Residual Call

If Issuer Residual Call is specified as being applicable in the applicable Final Terms and, at any time, the outstanding aggregate nominal amount of the Notes is 20 per cent. or less of the aggregate nominal amount of the Series issued, the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if the Note is not a Floating Rate Note) or on any Interest Payment Date (if the Note is a Floating Rate Note), on giving not less than 30 and not more than 60 days" notice to the Noteholders in accordance with Condition 14 (which notice shall be irrevocable and shall specify the date fixed for redemption), at 100 per cent. of their nominal amount together, if appropriate, with interest accrued to (but excluding) the date of redemption.

7.6 Early Redemption Amounts

For the purpose of Condition 7.2 above and Condition 10:

(a) each Note (other than a Zero Coupon Note) will be redeemed at its Early Redemption Amount; and

(b) each Zero Coupon Note will be redeemed at its Early Redemption Amount calculated in accordance with the following formula:

Early Redemption Amount = RP x $(1 + AY)^{y}$

where:

RP means the Reference Price;

AY means the Accrual Yield expressed as a decimal; and

y is the Day Count Fraction specified in the applicable Final Terms which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the -actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365).

7.7 Specific redemption provisions applicable to certain types of Exempt Notes

The Final Redemption Amount, any Optional Redemption Amount and the Early Redemption Amount in respect of Index Linked Redemption Notes and Dual Currency Redemption Notes may be specified in, or determined in the manner specified in, the applicable Pricing Supplement. For the purposes of Condition 7.2, Index Linked Interest Notes and Dual Currency Interest Notes may be redeemed only on an Interest Payment Date.

Instalment Notes will be redeemed in the Instalment Amounts and on the Instalment Dates specified in the applicable Pricing Supplement. In the case of early redemption, the Early Redemption Amount of Instalment Notes will be determined in the manner specified in the applicable Pricing Supplement.

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the applicable Pricing Supplement.

7.8 Purchases

The Issuer or any Subsidiary of the Issuer may at any time purchase Notes (provided that, in the case of definitive Bearer Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Notes may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent and/or the Registrar for cancellation.

7.9 Cancellation

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and any Notes purchased and cancelled pursuant to Condition 7.8 above (together with all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent and cannot be reissued or resold.

7.10 Late payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 7.1, 7.2, 7.3 or 7.4 above or upon its becoming due and repayable as provided in Condition 10 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 7.6(b) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

(a) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and

(b) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Principal Paying Agent or the Registrar and notice to that effect has been given to the Noteholders in accordance with Condition 14.

8. TAXATION

All payments of principal and interest in respect of the Notes, Receipts and Coupons by or on behalf of the Issuer will be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges (**Taxes**) of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal and/or interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

(a) presented for payment in the Republic of Poland;

(b) the holder of which is liable for such Taxes in respect of such Note, Receipt or Coupon by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Note, Receipt or Coupon; or

(c) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 6.7).

As used herein:

(i) **Tax Jurisdiction** means the Republic of Poland or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which payments made by the Issuer of principal and interest on the Notes become generally subject; and

(ii) the **Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Principal Paying Agent or the Registrar, as the case may be, on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 14.

9. PRESCRIPTION

The Notes (whether in bearer or registered form), Receipts and Coupons will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 8) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 6.2 or any Talon which would be void pursuant to Condition 6.2.

10. EVENTS OF DEFAULT

If any one or more of the following events (each an **Event of Default**) shall occur and be continuing:

(a) if default is made in the payment in the Specified Currency of any principal or interest due in respect of the Notes or any of them and the default continues for a period of seven days in the case of principal and 14 days in the case of interest; or

(b) if the Issuer fails to perform or observe any of its other obligations under these Conditions and (except in any case where the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days next following the service by a Noteholder on the Issuer of notice requiring the same to be remedied; or

(c) if (i) any other present or future indebtedness of the Issuer or any Material Subsidiary for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity by reason of any default (howsoever described), or (ii) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period, or (iii) the Issuer or any Material Subsidiary fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised within any applicable grace period provided, however, that no Event of Default shall have occurred if the aggregate amount of such indebtedness (or its equivalent) or guarantee or indemnity which is not paid when due (after the expiration of any applicable grace period) or is due and payable prior to its stated maturity date is equal to or less than €125,000,000 (or its equivalent in another currency); or

(d) if a distress, attachment, execution or other legal process is levied, enforced or sued out on or against the whole or a substantial part of the undertaking or assets of the Issuer or any Material Subsidiary and is not discharged within 90 days provided that the relevant process relates to an amount owed, asset with a value or obligation with an economic value which is in excess of €125,000,000 (or its equivalent in another currency); or

(e) if any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed over the whole or any part of the undertaking, assets and revenues of the Issuer or any Material Subsidiary becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person) and is not discharged within 30 days provided that the asset to which the encumbrance relates exceeds €125,000,000 (or its equivalent in another currency); or

(f) if proceedings are initiated against the Issuer or a Material Subsidiary under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator or other similar official, in relation to the Issuer or a Material Subsidiary or, as the case may be, in relation to the whole or a substantial part of the undertaking or assets of the Issuer or a Material Subsidiary, or an encumbrancer takes possession of the whole or a substantial part of the undertaking or assets of the Issuer or a Material Subsidiary, and in any case (other than the appointment of an administrator) is not discharged within 90 days; or

(g) if an order is made or an effective resolution passed for the winding-up or dissolution of the Issuer or any Material Subsidiary, or the Issuer ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the purpose of and followed by a solvent reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by an Extraordinary Resolution of the Noteholders, or (ii) in the case of a Material Subsidiary, whereby the undertaking and assets of the Material Subsidiary are transferred to or otherwise vested in the Issuer or a Material Subsidiary; or

(h) if any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under the Conditions, (ii) to ensure that those obligations are legally binding and enforceable, and (iii) to make the Conditions admissible in evidence in the courts of the Republic of Poland is not taken, fulfilled or done; or

(i) if any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in paragraphs (d) to (h) above,

then any holder of a Note may, by written notice to the Issuer at the specified office of the Principal Paying Agent, effective upon the date of receipt thereof by the Principal Paying Agent, declare any Note held by it to be forthwith due and payable whereupon the same shall become forthwith due and payable at its Early Redemption Amount, together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

11. REPLACEMENT OF NOTES, RECEIPTS, COUPONS AND TALONS

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent (in the case of Bearer Notes, Receipts or Coupons) or the Registrar (in the case of Registered Notes) upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

12. AGENTS

The initial Agents are set out above. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the applicable Final Terms.

The Issuer is entitled to vary or terminate the appointment of any Agent and/or appoint additional or other Agents and/or approve any change in the specified office through which any Agent acts, provided that:

(a) there will at all times be a Principal Paying Agent and a Registrar; and

(b) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent (in the case of Bearer Notes) and a Transfer Agent (in the case of Registered Notes) with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority; and

(c) there will at all times be a Paying Agent in a jurisdiction within Europe, other than the jurisdiction in which the Issuer is incorporated.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 6.6. Notice of any variation, termination, appointment or change in Paying Agents will be given to the Noteholders promptly by the Issuer in accordance with Condition 14.

In acting under the Agency Agreement, the Agents act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with, any Noteholder, Receiptholder or

Couponholder. The Agency Agreement contains provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent.

13. EXCHANGE OF TALONS

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of any Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 9.

14. NOTICES

All notices regarding the Bearer Notes will be deemed to be validly given if published in a leading English language daily newspaper of general circulation in London or such other English language daily newspaper with general circulation in Europe as the Issuer may decide. It is expected that publication will normally be made in the *Financial Times*. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Bearer Notes are for the time being listed or by which they have been admitted to trading including publication on the website of the relevant stock exchange or relevant authority if required by those rules. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

All notices regarding the Registered Notes will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Registered Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published on the website of the relevant stock exchange or relevant authority and/or in a daily newspaper of general circulation in the place or places required by those rules.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) or such websites or such mailing the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published on the website of the relevant stock exchange or relevant authority and/or in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on the second day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes). Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Principal Paying Agent or the Registrar through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Principal Paying Agent, the Registrar and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

15. MEETINGS OF NOTEHOLDERS AND MODIFICATION

The Agency Agreement contains provisions for convening meetings of the Noteholders (including by way of conference call or by use of a videoconference platform) to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Receipts, the Coupons or any of the provisions of the Agency Agreement. Such a meeting may be convened by the Issuer and shall be convened by the Issuer if required in writing by Noteholders holding not less than ten per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes, the Receipts or the Coupons (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes, altering the currency of payment of the Notes, the Receipts or the Coupons or amending the Deed of Covenant in certain respects), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding.

Any such meeting of the Noteholders may be convened at a physical location, or such other method (which may include, without limitation, a conference call or video conference) as the Principal Paying Agent may determine in accordance with the provisions of the Agency Agreement.

The Agency Agreement provides that (i) a resolution passed at a meeting duly convened and held in accordance with the Agency Agreement by a majority consisting of not less than three-fourths of the votes cast on such resolution, (ii) a resolution in writing signed by or on behalf of the holders of not less than three-fourths in nominal amount of the Notes for the time being outstanding or (iii) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Principal Paying Agent) by or on behalf of the holders of not less than three-fourths in nominal amount of the Notes for the time being outstanding, shall, in each case, be effective as an Extraordinary Resolution of the Noteholders. An Extraordinary Resolution passed by the Noteholders will be binding on all the Noteholders, whether or not they are present at any meeting, and whether or not they voted on the resolution, and on all Receiptholders and Couponholders.

The Principal Paying Agent and the Issuer may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to any modification of the Notes, the Receipts, the Coupons, the Deed of Covenant or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law.

Any such modification shall be binding on the Noteholders, the Receiptholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 14 as soon as practicable thereafter.

In addition, the Issuer may, without the consent of the Noteholders, Receiptholders or Couponholders, amend these Conditions to give effect to any Benchmark Amendments in the circumstances and as otherwise set out in Condition 5.2(n).

16. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders, the Receiptholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon, the date from which interest starts to accrue and the Issue Date and so that the same shall be consolidated and form a single Series with the outstanding Notes.

17. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

18. CURRENCY INDEMNITY

If any sum due from the Issuer in respect of the Notes or the Coupons or any order or judgment given or made in relation thereto has to be converted from the currency (the "**first currency**") in which the same is payable under these Conditions or such order or judgment into another currency (the "**second currency**") for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Principal Paying Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

19. GOVERNING LAW AND SUBMISSION TO JURISDICTION

19.1 Governing law

The Agency Agreement, the Deed of Covenant, the Notes, the Receipts and the Coupons and any non-contractual obligations arising out of or in connection with the Agency Agreement, the Deed of Covenant, the Notes, the Receipts and the Coupons are governed by, and construed in accordance with, English law.

19.2 Submission to jurisdiction

(a) The English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Notes, the Receipts and/or the Coupons, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Notes, the Receipts and/or the Coupons (a **Dispute**) and accordingly each of the Issuer and any Noteholders, Receiptholders or Couponholders in relation to any Dispute submits to the exclusive jurisdiction of the English courts.

(b) For the purposes of this Condition 19.2, the Issuer waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.

19.3 Appointment of Process Agent

The Issuer irrevocably appoints London Central Services Ltd at 4 Old Park Lane, London W1K 1QW as its agent for service of process in any proceedings before the English courts in relation to any Dispute and agrees that, in the event of London Central Services Ltd being unable or unwilling for any reason so to act, it will immediately appoint another person as its agent for service of process in England in respect of any Dispute. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing herein shall affect the right to serve process in any other manner permitted by law.

19.4 Other documents

The Issuer has in the Agency Agreement and the Deed of Covenant submitted to the jurisdiction of the English courts and appointed an agent for service of process in terms substantially similar to those set out above.

USE OF PROCEEDS

The net proceeds from each issue of Notes (or an amount equivalent to such net proceeds) will be applied by the Issuer for (i) its general corporate purposes, which include making a profit or (ii) any other purpose stated in the applicable Final Terms such as, without limitation, financing and/or refinancing, in whole or in part, the Eligible Projects (as defined above and as further described in the section of this Offering Circular entitled "*Green Finance Framework*")). If, in respect of an issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

Where the "Reasons for the Offer" in Part B of the applicable Final Terms for any Tranche of Notes indicate that such Notes are intended to be issued as Green Bonds, the allocation of an amount equal to the net proceeds from such issue of Notes will be to finance and/or refinance, in whole or in part, the Eligible Projects in accordance with the Green Finance Framework (as further described in the section of this Offering Circular entitled "*Green Finance Framework*").

Pending the allocation or reallocation of such amount to financing and/or refinancing the relevant Eligible Projects, any such unallocated amounts will be invested in accordance with Issuer's liquidity guidelines, for the repayment of indebtedness, other capital management purposes or for the financing of green activities.

More information regarding reporting in respect of the Green Bonds can be found in the section of this Offering Circular entitled "*Green Finance Framework*".

GREEN FINANCE FRAMEWORK

The Issuer has established its green finance framework (the **Green Finance Framework**). Under the Green Finance Framework, the Issuer may issue Green Bonds to finance and/or refinance Eligible Projects. The Issuer may, in the future, update the Green Finance Framework in line with developments in corporate strategy, technology and market. Any updates to the Green Finance Framework will be approved by the Issuer's Management Board.

The Issuer engaged an independent party to provide the second party opinion dated May 2021 (the **Second Party Opinion**) from V.E., an external environmental, social and corporate governance research and analysis provider, which confirms the alignment of the Green Finance Framework with the International Capital Market Association's Green Bond Principles, 2021 and the Loan Market Association's Green Loan Principles, 2021. V.E. has confirmed that the Issuer's climate transition strategy has adopted a majority of the recommended disclosures on the four key elements of the ICMA Climate Transition Finance Handbook, 2020. V.E., as an approved third-party verifier, has been appointed to confirm the Green Bonds" conformance with the criteria of the Climate Bonds Initiative Standard.

Eligible Projects will be selected by the Issuer's Investment Committee, comprising Managing Directors responsible for Finance, Controlling, Strategy and Innovations, Development and Technology, IT, M&A, Property Investments, Procurement, Production as well as the Issuer's Strategy Committee, comprising the Strategy Director and all members of the Issuer's Management Board excluding the CEO. These committees will verify the compliance of the selected Eligible Projects with the eligibility criteria at least on an annual basis.

Each of the Green Finance Framework, the Second Party Opinion, any updates to the Green Finance Framework and any public reporting by or on behalf of the Issuer in respect of the application of an amount equal to the net proceeds of any such Green Bonds will be available on the Issuer's website at https://www.orlen.pl/en/sustainability/green-finance for further information.

None of the Green Finance Framework, the Second Party Opinion nor any of the reports, verification assessments, opinions or contents of any of the websites referenced in this “Green Finance Framework” section and/or the “Use of Proceeds” section are, of shell be deemed to, constitute a part of, nor are incorporated into, this Offering Circular.

In the ordinary course of its activities, the Issuer will continue to fund other projects, loans, investments and expenditure which are not considered Eligible Projects.

DESCRIPTION OF THE ISSUER

History and general introduction

The ORLEN Group is one of the largest multi-energy groups in Central and Eastern Europe (**CEE**), with main markets including Poland, Czechia, Germany, Lithuania and Slovakia. The ORLEN Group also has operations in Malta, Sweden, Hungary, Cyprus, Estonia, Switzerland, the United Kingdom, the United Arab Emirates, Libya, Pakistan, the Netherlands, Belgium, Austria, France, Croatia, Ireland, Colombia, Tanzania, Mozambique, Ukraine, Latvia, and China.

ORLEN was established on 7 September 1999 as a result of the merger of Petrochemia Płock S.A. (**Petrochemia Płock**), a producer of refining and petrochemical products in Poland, and Centrala Produktów Naftowych CPN S.A. (**CPN**), a distributor of motor fuels in Poland. Prior to the merger, Petrochemia Płock and CPN were owned by the Polish State Treasury, Nafta Polska S.A. (**Nafta Polska**) and employees of the merged companies. ORLEN's shares were listed on the Warsaw Stock Exchange on 26 November 1999. On 12 April 2000, ORLEN changed its name from Polski Koncern Naftowy S.A. to Polski Koncern Naftowy ORLEN S.A. On 21 June 2023, the general meeting of the Issuer adopted a resolution on the amendment of the Issuer's articles of association concerning the change of the Issuer's name to ORLEN S.A.

According to the CEE TOP 500 report published by Coface in October 2022, the ORLEN Group is one of the largest corporations in the CEE in terms of revenue. For 2022, the ORLEN Group reported revenue of PLN 278,509 million. In line with the ORLEN Group's 2030 Strategy (as defined below) updated in February 2023, the ORLEN Group's ambition is to be an active leader of energy transition in Poland and Central Europe.

In 2022, ORLEN completed its mergers with PGNiG (in November 2022) and with Grupa LOTOS (in August 2022), which marked the establishment of Central Europe's largest energy group, ranking among the top 150 companies in the world by revenue and serving more than 100 million customers. In 2023, ORLEN successfully finalized implementation of the merger remedies agreed with the European Commission as a condition for its acquisition of Grupa LOTOS, including finalising a series of transactions with Saudi Aramco, of which an integral part was an agreement on crude oil supplies to the entire combined ORLEN Group. ORLEN, Saudi Aramco and its subsidiary, SABIC, also signed a memorandum of understanding to cooperate on a petrochemical project in Gdańsk. Some of the merger remedies were implemented in the retail segment. The ORLEN Group acquired and began to rebrand 79 fuel stations in Hungary, previously branded as Lukoil. The Group aims to purchase an additional 103 fuel stations located in Slovakia and Hungary by mid-2024. In the fourth quarter of 2022, the ORLEN Group started the process of rebranding and integrating LOTOS service stations into its network.

One of the main reasons why the ORLEN Group decided to acquire PGNiG and Grupa LOTOS was to increase its production potential and strengthen its position on the domestic market. This will give the ORLEN Group greater control over the production and distribution of fuels in Poland, allowing it to compete more effectively with other players in the market. Furthermore, the acquisition of Grupa LOTOS will give the ORLEN Group access to the oil ports of Gdansk and Gdynia, which in turn will increase the group's export capabilities.

The acquisition of PGNiG and Grupa LOTOS is an important step in the ORLEN's Group development strategy, which focuses on sustainable development, including the development of green technologies. Both entities acquired by the ORLEN Group already have experience in the production of alternative fuels, which will allow the group to accelerate its work on the development of new green solutions in the energy and automotive sectors.

The ORLEN Group's core business consists of electricity generation, distribution and trading, crude oil processing, production of fuels, petrochemicals and chemicals, the wholesale and retail sale of the ORLEN Group's fuel products, as well as storage, marketing and distribution of gaseous and liquid fuels. The ORLEN Group is also engaged in exploration, appraisal, production and import of hydrocarbons. The ORLEN Group is one of Poland's largest electricity distributors, operating an electricity grid with a total length of 195 thousand kilometres, covering approximately one-fourth of the territory of Poland.

As at 31 December 2022, the ORLEN Group managed 3,097 fuel stations: 2,545 own-brand stations and 552 stations operated under franchise agreements. As at 31 December 2022, the ORLEN Group had a network of 600 alternative fuel points such as electric vehicle charging stations (598) and two hydrogen refuelling stations.

The business of the ORLEN Group's subsidiary companies also includes services: crude oil, gas and fuel storage, transport, maintenance and repair, laboratory, security, design, administrative, courier, press distribution, insurance, financial and media (newspapers and website) services.

In 2022, the segments with the largest contribution to the ORLEN Group's consolidated EBITDA (as defined above) were refining and upstream, accounting for approximately 42.9 and 13.7 per cent. of the ORLEN Group's EBITDA, respectively.

A significant portion of the ORLEN Group's fuel output is sold through its own retail network located in Poland, Germany, the Czech Republic, Slovakia and Lithuania. The ORLEN Group's retail network is supported by wholesale and logistics infrastructure consisting of above-ground and underground storage tanks and long-distance pipelines.

Basic information on the Issuer

ORLEN S.A. is registered in the register of entrepreneurs of the National Court Register under KRS 0000028860. The registered office of ORLEN is at ul. Chemików 7, 09-411 Płock, Poland, and its telephone number is +48 (24) 365 00 00. On 21 June 2023, the general meeting of the Issuer adopted a resolution on the amendment of the Issuer's articles of association concerning the change of the Issuer's name from Polski Koncern Naftowy ORLEN S.A. to ORLEN S.A. The resolution entered into force on the date of its adoption and is expected to be evidenced in the relevant registers on or around 3 July 2023. Based on this the Issuer is using the new name ORLEN S.A.

The Legal Entity Identifier (LEI) of the Issuer is 259400VVMM70CQREJT74. The website of the Issuer is https://www.orlen.pl. This website and any other websites referenced in this Offering Circular are for information purposes only and do not form part of the Offering Circular, with the exception of hyperlinks to the electronic addresses where information incorporated by reference is available.

As at the date of this Offering Circular, the share capital of the Issuer is PLN 1,451,177,561.25, which comprises 1,160,942,049 ordinary shares with a nominal value of PLN 1.25 each. As at the date of this Offering Circular, the State Treasury owns 49.9 per cent. of the shares in the Issuer and has the ability to exert a significant influence on it. For the shareholding structure in the Issuer, please see "*Description of the ORLEN Group – Shareholders*" below.

The ORLEN Group's 2030 Strategy

On 30 November 2020, the ORLEN Group adopted a new strategy for the period until 2030 (the **2030 Strategy**). The 2030 Strategy lays out a path of the ORLEN Group's planned transformation with the aim of becoming a multi-energy group and leader of energy transformation in the region. The development of the ORLEN Group will be based on a diversified portfolio of ORLEN's current and future operations, the development of which will drive the ORLEN Group's transformation until 2030. The 2030 Strategy is consistent with global trends in the development of renewable energy and production of advanced petrochemicals with a simultaneous transformation of current activities, during which innovation and the use of new technologies will be in line with the ORLEN Group's long-term objective of achieving carbon neutrality by 2050. The 2030 Strategy may be subject of biannual review by the ORLEN Group, including an update that took place on February 2023. The update of ORLEN Group's strategy was published after the completion of mergers with Energa Group, Grupa LOTOS and PGNiG. The mergers resulted in the creation of a European, multi-energy conglomerate with diversified revenue streams aiming to be a leader in the energy transition in the region. The updated strategy calls for maximising value in segments and business areas where the ORLEN Group currently holds a strong strategic position while investing heavily in new growth areas (such as renewable energy). The updated strategy sets more ambitious "green" targets in terms of decarbonisation or installed RES capacity in line with global trends and to achieve ORLEN Group's goal of carbon neutrality by 2050.

In accordance with the 2030 Strategy, by 2030 the ORLEN Group aims to become:

- one of the leading groups in Europe in multi-utility sector, operating across the entire value chain, with cumulative EBITDA between 2023 and 2030 exceeding PLN 400 billion;
- an electricity generation company with more than 9 GW of installed renewable energy capacity;
- a provider of integrated services to customers, meeting their fuel, energy and procurement needs through existing and new sales channels and digital technologies;
- a socially responsible entity, through investments in sustainable development, energy transition, decarbonisation, recycling and social initiatives; and
- a stable source of value creation as a result of a responsible financial policy, focused on maximizing return on investment while maintaining a stable balance sheet.

In accordance with the 2030 Strategy, the ORLEN Group plans to spend a total of PLN 320 billion on investments between 2023 and 2030. The ORLEN Group's development will be based on a diversified portfolio of investments in current and future areas of ORLEN's operations and focus on:

- maximising value in segments and business areas where the ORLEN Group currently holds a strong strategic position: refining, gas power, conventional power, gas distribution, fuel retail and oil production. The share of the total investment in these strategic directions is expected to be about 35 per cent. The main investment directions in this strategic area include:
    - refining: reducing emissions through carbon capture, utilisation and storage technology ("**CCUS**") and energy efficiency projects;
    - gas power generation: expansion of CCGT units in order to balance the Polish electricity system and replace carbon-intensive coal-fired power plants and CHP plants;
    - gas distribution network: extension of gas source connections (including biogas plants and biomethane plants).
- strategic development: the largest portion of total investments will be allocated to segments that suit ORLEN's strategic growth plans. Approximately PLN 180-200 billion is expected to be allocated in new, promising areas related primarily to renewable energy and advanced petrochemicals. The main investment directions in this strategic area include:
    - petrochemicals: increasing the share of advanced and specialty products in the product portfolio, thanks to projects with international partners, in particular, increasing the share of olefins;
    - renewable energy: investments in onshore wind power, photovoltaics and hydropower;
    - biogas: expansion of biogas and biomethane plant portfolio;
    - electromobility: expansion of the network of EV charging points in Poland, the Czech Republic and Germany up to 10,000 points.
- investing in the future: areas of development in which the ORLEN Group will take a strategic position to prepare for market challenges identified as having a significant impact beyond 2030: new mobility, hydrogen technologies, CCUS, small modular reactors ("**SMRs**"), and recycling. The main investment directions in this strategic area include:

- hydrogen technologies: construction of production and distribution assets for renewable hydrogen;
- synthetic fuels: construction of synthetic fuel production assets;
- SMRs: construction of small nuclear reactors with a total capacity of 300 MW.

Strategic development goals for operating segments

New Energy

The key area of the ORLEN Group's development in the coming decade will be new energy, based mainly on renewable energy sources. By 2030, the ORLEN Group intends to achieve the level of over 9.0 GW of installed capacity in renewable sources (calculated according to the ORLEN Group's shares in the relevant projects), including offshore and onshore wind power and solar photovoltaic projects, both in Poland and abroad. In addition, the ORLEN Group aims to become a significant biogas producer in Central Europe by 2030, producing 1 billion cubic metres of biogas annually.

Petrochemicals

Expansion of the existing portfolio and entry into new business areas will help entrench the ORLEN Group's position as a leading petrochemical producer in the CEE. The ORLEN Group also aims to maximise petrochemical yields (e.g. from cracking and fluid catalytic cracking ("**FCC**")). The ORLEN Group aims to increase its capacities in olefins and other base products. It also plans to solidify its position in polymers by extending the value chain and entry into compounding and concentrates. Concurrently, the share of speciality high-margin products (such as phenol and aromatic derivatives) in the ORLEN Group's portfolio is expected to grow from 16 per cent. to approximately 25 per cent. Recycling and biomaterials are planned to be new branches of the petrochemical segment. By 2030, the ORLEN Group aims to expand its recycling capacity (mainly in plastics) up to 0.3 million tonnes, while implementing advanced closed-loop technologies.

Refining

Refining is expected to remain an important segment of the ORLEN Group's operations until 2030. Its transformation is expected to be driven by energy efficiency improvements, increased crude conversion rates. Increased production of biofuels and hydrogen fuels is also expected to be an important element. In the next decade, the ORLEN Group aims to become one of the leading biofuel producers in the region, including advanced second-generation biofuels, with an annual production capacity of 3 million tonnes.

Retail

The 2030 Strategy assumes dynamic development of the Retail segment, based on the further growth of the sales network and significant expansion of the ORLEN Group's product offering. By 2030, the ORLEN Group expects to have at least 3.5 thousand stations operating in the region under the Polish ORLEN brand. The ORLEN Group aims to support electromobility development by deploying at least 10,000 electric vehicle (**EV**) fast chargers. The ORLEN Group's broad, integrated offering of non-fuel products and services is expected to attract new customer groups.

Upstream

In view of the need to ensure Poland's energy security, the strategy assumes the maintaining of exploration and stable levels of gas production in Poland, as well as investment in increased production in Norway. Implementation of the strategy is expected to increase the volume of gas production from 8 billion cubic metres to 12 billion cubic metres by 2030.

Gas trading

The ORLEN Group aims to ensure security of natural gas supply to Poland, including LNG and pipeline supplies, through a diversified supply portfolio. The ORLEN Group also expects to maximise returns from other activities, such as strengthening the trading function in order to optimise trading margins.

Conventional power generation and grids

The ORLEN Group aims to support the stability of electricity and gas supply in Poland by investment in generation sources and grid modernisation and expansion. In order to decarbonise power and heat generation, while ensuring continuity of energy supply, the ORLEN Group aims to develop CCGT units balancing the Polish electricity system and replacing carbon-intensive coal-fired power plants and combined heat and power plants. In joint-venture partnerships, the ORLEN Group aims to develop and operate SMRs, another potential source of zero-carbon electricity and heat. In order to enable the energy transition, the Group expects to modernise and expand its electricity and gas distribution network.

Sustainable development of the ORLEN Group

The 2030 Strategy incorporates a commitment to the ORLEN Group's long-term objective of achieving a net zero carbon footprint by 2050. The ORLEN Group's 2030 CO_2 reduction targets are 25 per cent. fewer emissions from its existing refining, petrochemical and upstream assets and 40 per cent. per MWh in the Energy segment. The ORLEN Group also aims to reduce its net carbon intensity ("**NCI**"), i.e. the emission intensity of sold energy products measured as gCO2e/MJ for all emission ranges, by 15 per cent.

Within the 2030 Strategy timeframe, the ORLEN Group aims to allocate PLN 120 billion to green investments, including on:

- development of renewable energy sources capacities;
- expansion of biofuels and biomaterials capacity;
- electromobility;
- development in the recycling area; and
- development in the hydrogen area.

Significant investment in R&D and digitalisation

The pursuit of the ORLEN Group's strategic objectives will also require changes within the organisation. The ORLEN Group intends to spend approximately PLN 3 billion by 2030 (approximately 3 per cent. of its development capex budget) on research, development and innovation, as a key area of its necessary transformation. The ORLEN Group will put in place a new management model, tailored to the scale of its operations and taking into account the ongoing acquisition processes. The ORLEN Group aims to be an organisation relying on knowledge and versatile competences, investing in talent and human capital.

Further growth from stable financial foundations

The 2030 Strategy is also designed to ensure the ORLEN Group's financial foundations are stable. The ORLEN Group's value is expected to be built by profitable investment projects, sustainable funding sources and a robust balance sheet. Having capped its net debt/EBITDA ratio to a maximum of 2.5x, the ORLEN Group aims to align CAPEX plans with its current financing capabilities. It is expected to rely on a balanced mix of funding sources with current cash flows supported by an additional debt capacity. The ORLEN Group also plans to resort to alternative funding sources, such as project finance, European Union (**EU**) funding for innovation and energy transition projects, and engaging with external partners who would co-fund selected projects. It is expected that projects aligned directly with the ORLEN Group's carbon neutrality goal will be partly financed through green and sustainable bonds issued on the European debt capital markets.

Principal activities

The ORLEN Group is a multi-energy group. The principal operations of the companies in the ORLEN Group include:

- hydrocarbons exploration, appraisal and production, and natural gas imports;
- production in the Energy segment, including production of electricity and heat, and in the refinery and petrochemical segments, including processing of crude oil and production of refinery, petrochemical and chemical products and semi-finished products;
- trading: distribution and sale of electricity and heat, trading in electricity, wholesale and retail sale of fuels, petrochemicals, chemicals and other products; and
- services: storage of crude oil and fuels, transport, maintenance, laboratory, security, design, administrative, insurance and financial services.

The current segment structure has been applied by the ORLEN Group since the first half of 2020, when the decision was made to divide the Downstream segment into three operating segments: Refining, Petrochemical and Energy. Therefore, the ORLEN Group's operations are divided into six main operating segments:

- the Refining segment, which includes processing and wholesale of refinery products, production and sale of oil, and supporting production;
- the Petrochemicals segment, which includes the production and wholesale of petrochemicals, production and sale of chemicals and supporting production;
- the Energy segment, which includes production, distribution and sale of electricity and heat and trading in electricity;
- the Retail segment, which includes mainly activity carried out at petrol stations and activity of the RUCH S.A. and its subsidiaries ("**RUCH Group**"), which is part of the ORLEN Group;
- the Upstream segment, which includes activity related to exploration and extraction of mineral resources conducted through the ORLEN Upstream Group, LOTOS Upstream Group and LOTOS Petrobaltic Group, and
- the Gas segment, which is a new operating segment established as a result of the merger with PGNiG in the fourth quarter of 2022, and includes exploration and production, distribution and sales of natural gas,

which are supported by the ORLEN Group's Corporate Functions organisational division, including activities related to management, administration and other activities not allocated to separate operating segments such as reconciling items.

Upstream segment

The Upstream segment comprises the ORLEN Group's activities related to exploration and extraction of mineral resources, including oil and natural gas. At the end of 2022, the ORLEN Group’s proven and probable (2P) reserves of crude oil and gas amounted to approximately 1,280 million boe, with average hydrocarbon production of approximately 191 thousand boe/day in the fourth quarter of 2022.

In 2022, total sales in the Upstream segment reached 838 thousand tonnes, an increase of 28 per cent. as compared to 2021, mainly as a result of the merger with Grupa LOTOS and PGNiG, i.e. a partial integration of results, and as a result of the development of more hydrocarbon fields and the launch of electricity production from the extracted natural gas. In addition, the above factors and the favourable macroeconomic situation boosted Upstream segment sales revenue by 240.6 per cent. as compared to 2021.

The table below present sales of the ORLEN Group's Upstream segment in 2021-2022:

	Year ended 31 December	
	2022	2021
	Value	Value
Sale	*PLN million*	*PLN million*
Crude oil.......................................	539	81
Natural gas	1,344	339
NGL	608	371
LNG	28	-
Other..	198	6
Excluded from scope of IFRS 15 ..	1	1
Total	**2,718**	**798**

Source: the Issuer

The increase in the ORLEN Group's sales volumes in the Upstream segment is mainly due to consolidation of former Grupa LOTOS entities and PGNiG.

The main products offered on the market in Poland include crude oil and high-methane and nitrogenous natural gas. A portion of the produced nitrogenous gas is further processed into high-methane gas at plants in Odolanów and Grodzisk Wielkopolski, where LNG, gas and liquid helium and liquid nitrogen, among others, are also obtained. In addition, sulphur and a propane-butane mixture are obtained as a result of the crude oil purification process to achieve commercial parameters.

On the Norwegian market, in 2022, oil and gas were sold directly from the fields to Shell International Trading and Shipping Company Ltd. (from the Skarv Unit, Vilje, Vale, Skogul, Kvitebjørn, Valemon, Ærfugl Nord and Gina Krog fields), Equinor AS (from the Alve, Marulk and Ormen Lange fields) and TOTSA Total Oil Trading S.A. (from the Morvin field). In addition, natural gas from the Heimdal and Sleipner fields was sold to customers in the United Kingdom, Germany and the Netherlands.

In Canada, in 2022, the ORLEN Group's sales amounted to 625 thousand tonnes, having slightly increased year on year.

Poland

Operations of ORLEN Upstream sp. z o.o. and its subsidiaries

In 2022, the activities of ORLEN Upstream sp. z o.o. (**ORLEN Upstream**) included the extraction and exploration of hydrocarbon deposits and the generation of electricity (from extracted nitrogenous natural gas in the Edge project).

In Poland, as of the end of 2022, ORLEN Upstream and its subsidiaries held independently and with its partner PGNiG S.A. (which merged with ORLEN in November 2022) 12 exploration and appraisal licences with a total area of nearly 8.1 thousand km^2 located within six provinces and having 2P (proven and probable) reserves of 7.4 million boe. ORLEN Upstream and its subsidiaries hold a 100 per cent. interest in seven concessions, 49 per cent. interest in three concessions and a 49 per cent. interest in a portion of two concessions within a separate concession area.

ORLEN Upstream's current domestic gas production is carried out independently (exploitation of the Bystrowice field and production of natural gas from the Bajerze and Tuchola fields) and in cooperation with former PGNiG entities (exploitation of deposits in the Płotki project). The share of production attributable to the ORLEN Group reached an annual average level of 1.3 thousand boe per day (boe/d) in 2022 in Poland (including natural gas used for generation of electricity).

The main exploration works in Poland were conducted in three oil provinces in 2022.

In 2022, in the Kraków Oil Province, work was performed under two projects:

- the Miocene Project: optimisation work was carried out on the Bystrowice field. In addition, analysis of resources and the possibility of extracting gas from the Pruchnik-OU1 was conducted.
- the Carpathian Project: analysis of seismic and well data continued. In addition, the administrative process related to the extension of the exploration and appraisal stage on concession block 435 was completed.

In the second quarter of 2022, due to the lack of an economic rationale for continuing exploration work, the decision was made to resign from the Skołyszyn concession.

In 2022, in the Gdańsk Oil Province, the Edge Project works on commencement of the exploitation of the Bajerze and Tuchola fields based on the generation of electricity from nitrogenous natural gas were finalised. Activities related to the synchronisation of mining and electricity infrastructure were being implemented. In the first quarter of 2022, the productivity of both facilities reached the target levels. As part of exploration works, the drilling of the Rosochatka-OU1 well (concession commitment in the Bysław-Wudzyń area) was carried out and a non-commercial accumulation of natural gas with hydrogen sulphide content was discovered. Following completion of the interpretation of the Koczała-Miastko 3D seismic data (Brda-Rzeczenica and Tuchola N licence areas), a decision was made to continue analysis through combined reprocessing of the acquired geological information and data from an archival Rzeczenica 3D seismic image, which was completed. Moreover, in 2022, documentation work related to legal and concession requirements for owned exploration and production areas was carried out. The ORLEN Upstream team also analysed technical and economic assumptions in terms of the prospectivity of conducting future exploration work in the Edge project.

In the Poznań Oil Province, work was ongoing on two projects:

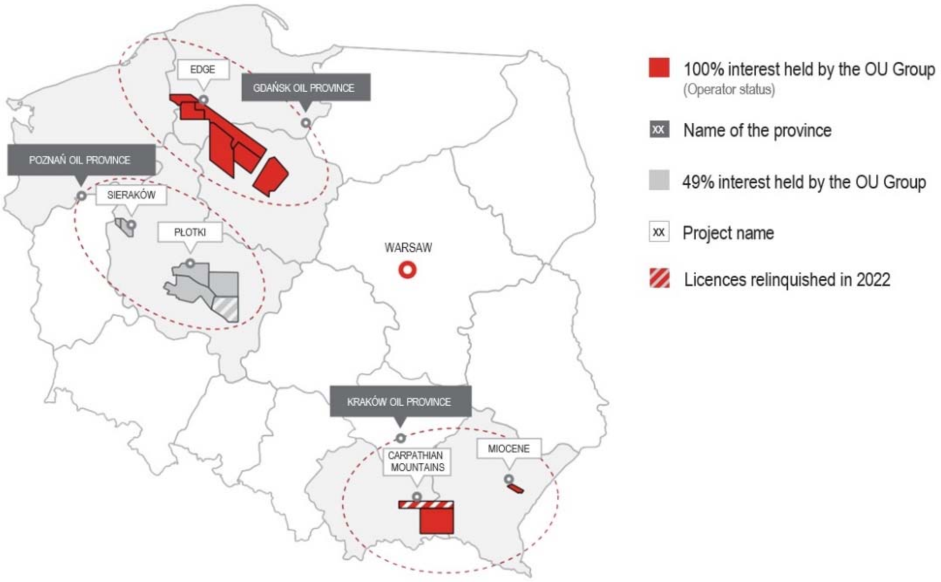
- As part of the Płotki Project, the drilling of the Miłosław-7H appraisal well at the Miłosław E deposit continued and completed in the first half of 2022. After performing a production test and updating technical and economic assumptions, a decision was made to proceed with the well.

  In the second half of 2022, the Rogusko-1K exploration well was drilled and the presence of hydrocarbons was confirmed. Preliminary economic analysis, following a production test and update of a structural map, indicated the commercial nature of the discovery. In 2022, works continued on the development of discoveries from previous years, i.e. Chwalęcin-1K and Grodzewo-1 deposits, and investment activities were carried out to increase the degree of saturation of the currently operated Karmin and Winna Góra fields. In addition, during 2022, documentation work related to legal and licensing requirements for owned exploration and production areas was carried out, and technical and economic assumptions were analysed for future investment tasks planned for implementation at the Płotki project.

  Moreover, in June 2022, an application for expiration of the Jarocin-Grabina concession for hydrocarbon exploration and prospecting and production was filed.

- Under the Sieraków Project, in 2022, the development of the Sieraków deposit commenced, which will be made available through the Sieraków-2H well. In 2022, a contractor was selected to update the technical and legal documentation, develop a functional-utility programme and obtain an environmental decision.

The chart below presents upstream assets of the ORLEN Upstream group in Poland:



Source: the Issuer

Exploration and production projects of former Grupa LOTOS entities

Exploration and production activities within the former Grupa LOTOS in Poland are carried out by two entities, LOTOS Petrobaltic S.A. and LOTOS Upstream Sp. z o.o., as well as their subsidiaries and jointly controlled entities. The main area of activity is the Polish Baltic Sea zone, where exploration and production activities are carried out under seven licences, including three offshore concessions for oil and gas exploration and production in the Łeba, Rozewie and Gotland areas, and four offshore concessions for hydrocarbon production from the B3, B8, B4 and B6 fields.

In 2022, the average daily production of the former Grupa LOTOS entities amounted to 5.8 thousand boe/day, which accounted for 35.4 per cent. of the total production volume of former Grupa LOTOS. Production was from the B3 and B8 fields located in the Baltic Sea.

As of the end of 2022, the hydrocarbon reserves of former Grupa LOTOS entities in Poland amounted to 31.0 million boe in the proven and probable ("**2P**") reserves category (including: 28.4 million boe of crude oil and 2.6 million boe of natural gas), which accounted for 35 per cent. of the total 2P reserves of former Grupa LOTOS.

Simultaneously with its exploration and production activities, LOTOS Petrobaltic continued development initiatives throughout 2022 aimed at diversification of the business focus and revenue sources. These initiatives included, but were not limited to, the entry into the Offshore Wind Power (OWE) market, the possibility of launching carbon dioxide geosequestration projects, hydrogen production and the possibility of constructing wind turbines powering the production centre.

The key assets of former Grupa LOTOS entities under their licences in Poland include:

- B3 production field – in 2022 the average production of oil and co-produced natural gas was 2.1 thousand boe/day. As of the end of 2022, the remaining recoverable reserves in the 2P category of the B3 field stood at 5.6 million boe. Exploitation according to the current licence term is expected to continue until 2031.

- B8 production field – in 2022 the average production of crude oil and co-produced natural gas was 3.6 thousand boe/day. As of the end of 2022, the remaining recoverable reserves in the 2P category of the B8 field stood at 25.4 million boe. Exploitation according to the current licence term is expected to continue until 2036.

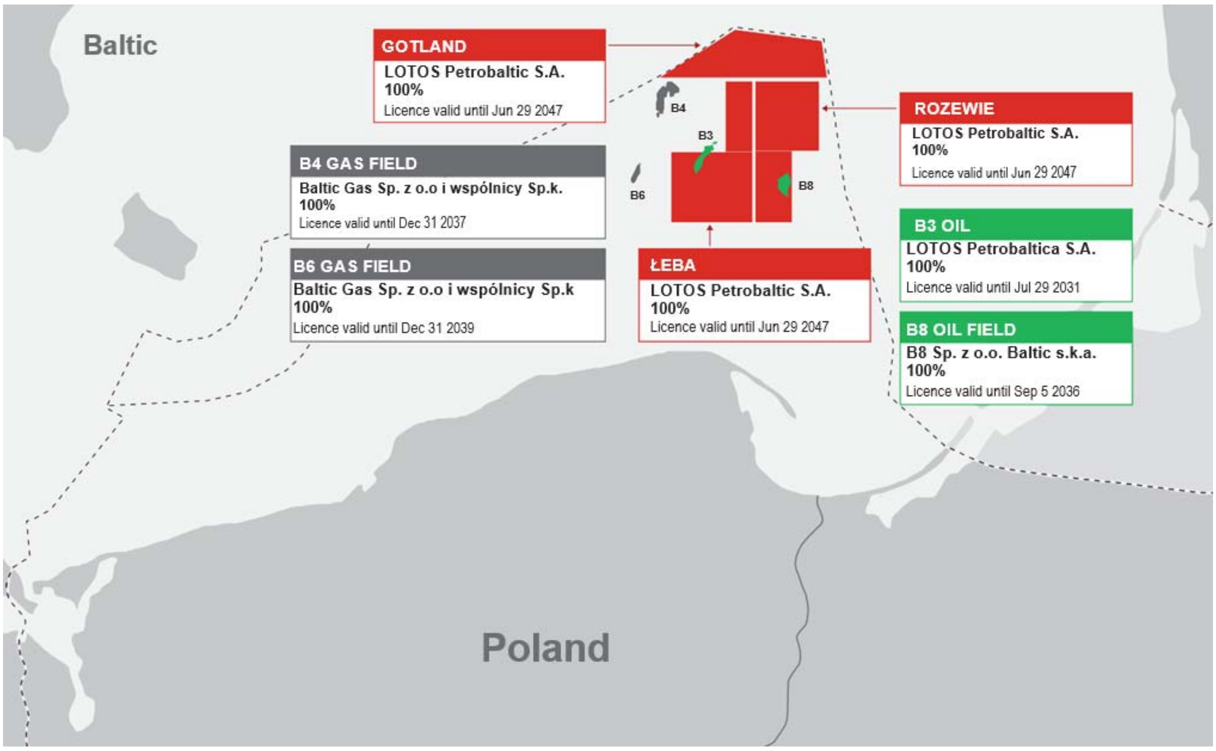
- B4 and B6 gas fields – being prepared for development. The project is implemented through special purpose vehicles Baltic Gas Sp. z o.o. and Baltic Gas Sp. z o.o. i wspólnicy Sp. k., in cooperation with its partner, CalEnergy Resources Poland Sp. z o.o. LOTOS Upstream's share in the project is 51 per cent. The recoverable resources of the B4 and B6 fields in the 2C category (contingent) recoverable reserves are estimated at 4.8 billion cubic metres of gas (100 per cent. share). The project is currently at the final investment decision preparation stage.

In 2022, under the offshore concessions, LOTOS Petrobaltic carried out a project involving the integration of all geological data obtained to date from both drilled wells and laboratory studies and seismic data. As part of the concession commitments, analytical and interpretative work on the development of a regional structural and tectonic model of the offshore part of the Baltic Basin was completed. Within the framework of this model, interpretation of major seismic horizons, amplitude analysis of processed seismic data along with the use of new algorithms for attribute calculations were performed. In order to optimise the future locations of the exploration wells, additional work was performed: paleostructural analysis, fault integrity analysis and construction of a spatial petrophysical model. The exploration work carried out focused on, in addition to the analysis of traditional structural and structural-tectonic reservoir traps, the discovery of potential lithological reservoir objects that may indicate the presence of large accumulations of hydrocarbons.

In the second half of 2022, a drill exploration of the B101-1 well under the Łeba concession was launched to a maximum depth of 2,300 metres. The main objective of the project is discovery of hydrocarbons deposit in the main reservoir level and analysis of hydrocarbon saturation of the drilled lithostratigraphic profile. An additional objective set for this well is to study the depth and lithologic formation of the ceiling parts of Precambrian formations.

In addition, in 2022 LOTOS Petrobaltic completed cooperation with the Institute of Geological Sciences of the Polish Academy of Sciences on the analysis of oil systems of the Baltic shelf. The purpose of the analysis was to obtain a regional assessment of potential in two areas with different geological characteristics in order to reduce exploration risk, with an extension to the entire Baltic Basin, up to the borders of Lithuania, Latvia, Estonia and Sweden. The results of the analyses and modelling performed indicate that the hydrocarbon generation potential from the existing sources in the Baltic Basin area is larger than the volume of discovered and documented hydrocarbons, as well as the volumes of mapped prospects.

The chart below presents upstream concessions of former Grupa LOTOS entities in Poland:



Exploration and production projects of former PGNiG entities

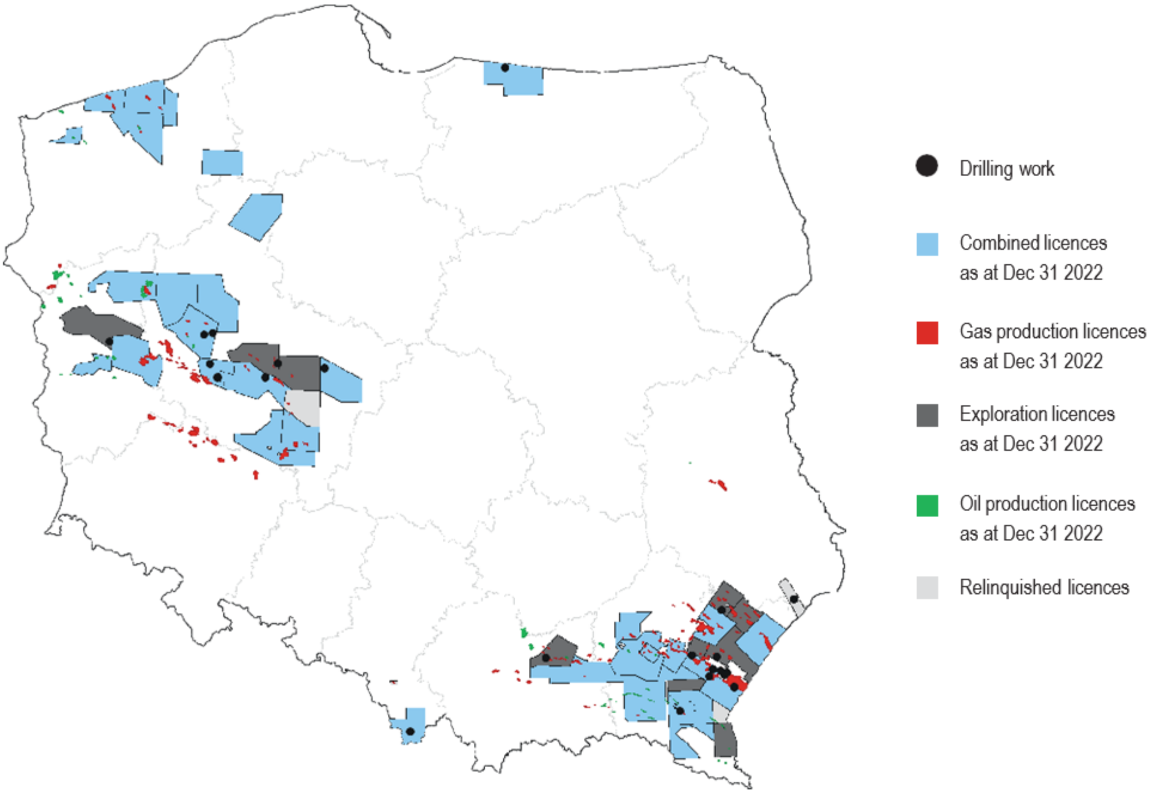
Exploration and production activities in Poland are carried out by the PGNiG Branch Complex, which is part of ORLEN Group, as well as EXALO Drilling and Geofizyka Toruń. The ORLEN PGNiG Geology and Hydrocarbon Production Branch serves as a competence centre for exploration geology, geological works, investments in well mining facilities and hydrocarbons production. It oversees the production of crude oil and gas, underground waste storage and underground storage of gas for production purposes. The PGNiG ORLEN Branch Complex in Poland comprises three main branches located in Sanok, Zielona Góra and Odolanów.

The state of recoverable reserves belonging to the former PGNiG Group as of 31 December 2022, including reserves covered by geological and prospecting documentation as well as resource clearance documentation submitted to the Ministry of Climate and Environment, pending the minister's approval, amounted to 15.2 million tonnes of crude oil (111.78 million boe) and 90.5 billion cubic metres of high-methane gas (583.34 million boe).

As of 31 December 2022, ORLEN held 200 licences concerning production and storage activities, including: 188 production licences, three underground storage licences and nine underground gas storage licences. In 2022, three investment decisions were obtained in connection with the transition to the production phase from the Dargosław, Koźminiec and Turkowo fields. As of 31 December 2022, ORLEN held 43 licences relating to exploration and appraisal of hydrocarbons: ten for exploration and appraisal of oil and natural gas deposits and 33 combined licences (for exploration, appraisal and production).

In 2022, four licences were relinquished (three for exploration, appraisal and production and one for exploration and appraisal). The proceedings related to the acquisition of a new Kłodawa licence area, due to corporate changes, was not completed by the concession authority. In 2022, a total of 48 proceedings were ongoing at the Ministry of Climate and Environment related to obtaining, amending, and relinquishing licences and approving or accepting geological work projects.

The chart below presents exploration and extraction projects of former PGNiG entities in Poland:



In 2022, exploration and appraisal of oil and gas fields in the Carpathian Mountains, Carpathian Foothills, Przedsudecka Monocline and Polish Lowlands continued both independently and in cooperation with partners. Out of the 15 boreholes drilled in 2022, the target depth was reached by 12, including: one test well, three exploration wells, four appraisal wells, and four production wells.

As at the end of 2022, formation test results were obtained from 14 wells (two test, three exploration, three appraisal and six production wells). The 12 wells with known formation test results included nine positive wells (including three exploration wells, one appraisal well and five production wells) and five dry wells (including two test wells, two appraisal wells and one production well) that did not yield an industrial flow of hydrocarbons.

In 2022, workovers, formation tests and decommissioning operations were also performed on wells drilled in previous years, including on: two test wells (including one abandoned well: Kamień Pomorski-8K, and one well with completed workover phase: Kramarzówka-3), six exploration wells (including four abandoned wells, one well with completed formation test, and one well undergoing test production), as well as two appraisal wells (abandoned wells).

In 2022, at the Zielona Góra Branch two new fields: Kamień Mały (Kamień Mały-1K, Kamień Mały-11K, and Kamień Mały-12K wells) and Koźminiec (Koźminiec-1 well), and one well on the Paproć field (Paproć-66H well) were brought on stream. In total, five wells were tied in in the Zielona Góra area.

At the Sanok Branch, six new wells on the Przemyśl field (Przemyśl-291K, Przemyśl-292K, Przemyśl-316K, Przemyśl-318K, Przemyśl-308K, Przemyśl-299K), one well Tarnów-82K on the Tarnów field and one new well on the Rogoźnica field (wells: Rogoźnica-5K, Rogoźnica-4K, Rogoźnica-3K) commenced operations. A total of 10 wells commenced operations in 2022 in the Sanok area.

In 2022, due to the expiration of the licence, production from the Jeżowe NW, Kromolice, Stężyca, Roszków, Wola Jasienicka, and Dominikowice-Kobylanka-Kryg-Libusza-Lipinki fields was terminated.

Canada

The ORLEN Group is engaged in upstream operations in Canada through its subsidiary, ORLEN Upstream Canada Ltd. (**OUC**). In Alberta, Canada, the ORLEN Group is a recognised operator with exploration and production assets with total gross area of approximately 352,800 acres (approximately 1,400 km^2), net area of 231,100 acres (approximately 900 km^2, based on share in the projects) and total 2P resources of 158.0 million boe.

OUC's main upstream assets are in the Kakwa, Ferrier and Lochend areas located in Alberta, Canada. These assets primarily comprise unconventional "tight oil" and "tight gas" hydrocarbon fields where production is carried out using horizontal wells and multi-sectional hydraulic fracturing technology. Such projects are located mainly in the Montney (Kakwa area) and Cardium (Ferrier and Lochend areas) geological formations, which are considered some of the best unconventional oil and gas formations in North America.

In the Kakwa area, OUC produces gas with oil condensate, in the Ferrier area gas with high amounts of liquid hydrocarbons (so-called NGL) and oil, and in the Lochend area, oil with gas. The high production of condensate, which, unlike other hydrocarbon feedstocks, is in high demand in the local market, has a positive impact on the company's results. The considerable diversity of hydrocarbons produced in different regions allows flexible adaptation to changing market trends. Assets in the Kakwa region are characterised by very high productivity, while assets in the Ferrier and Lochend regions are characterised by low costs of drilling and exploitation, with relatively high production levels. In addition to these key assets, the company also owns a number of smaller mining assets and concessions located in various areas of the province of Alberta and the province of New Brunswick, among others.

The characteristics of its producing assets in Canada, i.e. unconventional fields with diverse hydrocarbon compositions, with short project cycles, high production profiles in the first months of production and short payback periods, allows the ORLEN Group to quickly and efficiently respond to the changing macroeconomic environment, including favourable conditions for oil and gas producers throughout 2022. Therefore, the ORLEN Group decided in 2022 to accelerate and significantly increase the drilling programme in Canada.

OUC's 2022 investment programme was focused on further drilling work in the key producing areas in the company's portfolio, namely, Ferrier, Kakwa and Lochend located in the Province of Alberta:

- within the Ferrier area, drilling of 11 wells (9 net) began. In addition, 10 wells (7.00 net) were fractured and tied in;
- in the Kakwa area, drilling of one well (0.8 net) began, while fracturing was performed on three (2.25 net), which were later brought on stream;
- drilling of two wells (1.50 net) commenced in the Lochend area, of which four wells (3.5 net) were fractured and brought on stream.

Fracturing and production launch activities at the locations covered by the 2022 drilling programme, in addition to the planned development of additional sections, are included in the ORLEN Group's 2023 investment project budget.

In 2022, in addition to drilling and fracturing treatments, tasks were carried out to optimise production and reduce operating costs by, among other things, the installation of dedicated downhole reinforcements and various activities aimed at increasing production volumes from existing wells in the Kakwa, Ferrier and Lochend areas.

In the Ferrier area, the field infrastructure was upgraded by, among others, adapting the facilities to process larger volumes of gas and replacing the gas compressor with a more powerful compressor. The measures taken are aimed at increasing the capacity of the plant, which will make it possible to transmit higher production volumes from new production wells and to reduce production costs for some of the wells that were previously connected to other companies' infrastructure.

In the Kakwa area, OUC implemented the so-called "deep cut", thanks to which it was possible to increase the overall level of production and the share of the liquid fraction in extraction, which had a positive impact on the realised operating margin.

In all areas, pro-environmental measures were continued to reduce greenhouse gas emissions and meet all environmental requirements introduced by the Canadian federal government and the Alberta provincial administration, including through flaring restrictions, countering methane emissions, regular inspection and adjustment of infrastructure, and upgrading equipment affecting emissions.

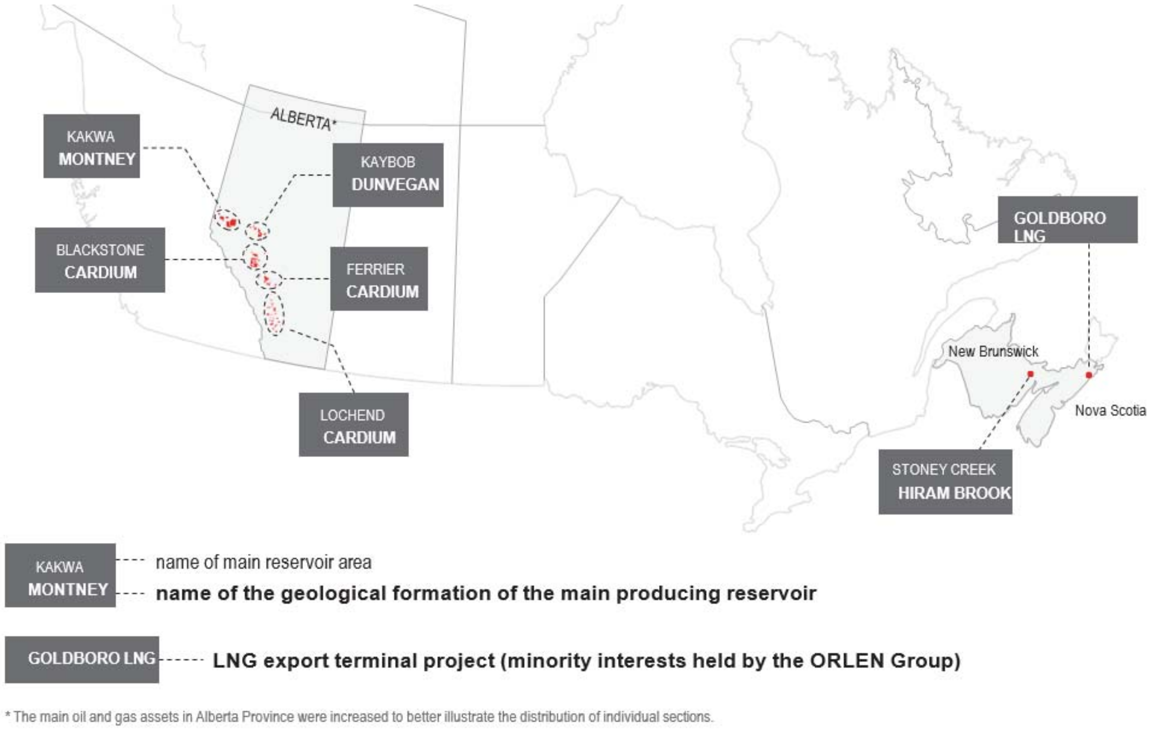
In 2022, the average output was 15.6 thousand boe/d, of which 50 per cent. was liquid hydrocarbons (crude oil and NGL, including condensate extracted in Kakwa area, which has the highest share in revenues and profits from extraction).

Good deposit properties of the assets and their location in a well-surveyed area minimise the operational risks of the projects. The West Canadian upstream market is very mature and characterised by high data availability, relatively well-developed operational solutions and cost optimisations due to a very large number of wells, geological surveys, the presence of many operators engaged in production and service activities and the established transparency of industry regulations. On the other hand, the oversupplied local market is facing infrastructure constraints, which at times adversely affect Canadian hydrocarbon prices. Gradual elimination of pipeline capacity constraints and step-by-step expansion into new sales markets are expected within the next few years.

Seeking to achieve operational synergies and focus its investment projects on the most profitable areas, OUC is monitoring the local market. During the year, selected assets located in OUC's key business areas underwent a detailed technical and economic analysis. Implementing the ORLEN Group's 2030 Strategy, OUC carried out two small transactions in the Ferrier area involving the sale of an undeveloped area and a transaction to exchange secondary assets for sections with rights to produce from the Cardium Formation, which have been systematically subject to development since entering the Canadian market.

OUC holds a 2.3 per cent. interest in Toronto Stock Exchange-listed integrated Pieridae Energy, which currently owns conventional gas-producing assets (with average production of 36.4 thousand boe/d in the first quarter of 2023 and 2P reserves of 209 million boe at the end of March 2023), as well as interests in six gas processing plants and approximately 3,800 km of pipelines in the Province of Alberta. Pieridae is also the operator of a project to build a stationary LNG export terminal to be located in Goldboro, on the east coast of Canada in the Province of Nova Scotia. The final investment decision has not been made yet, although the project is well advanced from a formal and design point of view and is supported by a strong macroeconomic rationale (low gas prices on the local market, high gas prices and growing demand for gas in Europe). Pieridae is currently considering installing a smaller floating LNG terminal at the same location.

The chart below presents upstream assets of the ORLEN Group in Canada:



Source: the Issuer

Norway

Exploration and production activities of former Grupa LOTOS

Exploration and production activities in Norway are carried out through LOTOS Exploration & Production Norge AS (**LOTOS Norge**), with its registered seat in Stavanger.

As at 31 December 2022, LOTOS Norge held shares in 35 licences covering exploration, appraisal and production of hydrocarbons on the Norwegian Continental Shelf, as compared to shares in 30 licences as at 31 December 2021.

Four new licences were awarded to the company in the 2021 Awards in Predefined Areas (APA) licensing round: PL 1 135 (30 per cent. interest, operator: PGNiG with a 70 per cent. interest), PL 1 142 and PL 1 143 (17.94 per cent. interest, operator: AkerBP with a 73.01 per cent. interest) and PL 1144 (30 per cent. interest, operator: AkerBP with a 40 per cent. interest). Three concessions are located in the area of the NOAKA project, where LOTOS Norge cooperates with Aker BP. One concession, operated by LOTOS Norge with a former PGNiG group company, is located in a part of the North Sea where the ORLEN Group has not actively explored and produced hydrocarbons yet. In addition, in the fourth quarter of 2022, LOTOS Norge acquired a new concession PL 822S (LOTOS Norge share: 12.3 per cent., Aker BP's (the operator's) share: 87.7 per cent.), located in the area of the NOAKA project.

LOTOS Norge is also developing its portfolio of concessions in Norway. In January 2023, as a result of the outcome of the APA 2022 (Awards in Predefined Areas) concession round in Norway, LOTOS Norge was offered a 20 per cent. share in concession PL1 175. The remaining shares are held by operator, i.e. Aker BP (50 per cent. share) and DNO Norge (30 per cent. share). The concession is located in the area of NOAKA project. Including the new concession, LOTOS Norge's portfolio in Norway covers 36 licences.

In 2022, LOTOS Norge, in a consortium with other partners, produced natural gas and condensate from fields located in the Heimdal and Sleipner areas, as well as crude oil from the Yme field. The average production volume in 2022 was 10.0 thousand boe/day, which accounted for 62 per cent. of the total production volume of the former Grupa LOTOS.

As at 31 December 2022, LOTOS Norge's remaining 2P recoverable reserves were estimated at 56.0 million boe as (including: 37.1 million boe of crude oil and 19.0 million boe of natural gas), which accounted for 63 per cent. of the former Grupa LOTOS total 2P reserves. The significant increase in 2P reserves compared to the balance at the end of 2021 (by 33.0 million boe) was caused by the reclassification to 2P reserves of the recoverable reserves of the NOA/Fulla and Trell/Trine fields, in connection with a decision to develop fields in these areas in 2022.

In 2022, simultaneously with the ongoing production of hydrocarbons, LOTOS Norge carried out works on the development of new fields in Norway, including Yggdrasil (formerly NOAKA) and Tyrving (formerly Trell/Trine) field development projects.

In 2023, the Issuer aims to consolidate the Norwegian exploration and production assets of LOTOS Norge and PGNiG Upstream Norway. The planned consolidation process will make it possible to meet regulatory requirements and benefit from business synergies. The combined entity will be one of the eight largest players on the Norwegian Shelf.

LOTOS Norge's key assets in Norway include:

- fields in the Heimdal area, i.e. Atla (20 per cent. share), Skirne (30 per cent. share), Vale (25.8 per cent. share) and Heimdal (5 per cent. share). The remaining 2P reserves attributable to LOTOS Norge's shares are estimated at 0.2 million boe as of the end of 2022. LOTOS Norge's average production volume from the Heimdal area in 2022 amounted to 1.7 thousand boe/day. The Heimdal area deposits are currently in the final stage of production, prior to decommissioning;

- fields in the Sleipner area, i.e. Sleipner Vest, Sleipner East with the related Gungne and Loke fields (15 per cent. share). The remaining 2P reserves of the Sleipner area fields were estimated at 8.2 million boe attributable to LOTOS Norge's shares as of the end of 2022. LOTOS Norge's average production volume from the Sleipner area in 2022 amounted to 5.3 thousand boe/day. The Sleipner fields are in a mature production phase. Production is planned until 2032, with potential extension until 2040;

- the Utgard field (17.36 per cent. share), exploited using Sleipner area infrastructure. As at 31 December 2022, the remaining 2P reserves of the Utgard deposit attributable to LOTOS Norge's share were from the Utgard field and in 2022 amounted to 1.2 thousand boe/day. The production from the Utgard field is on a strong downward trend due to the unreliability of production wells;

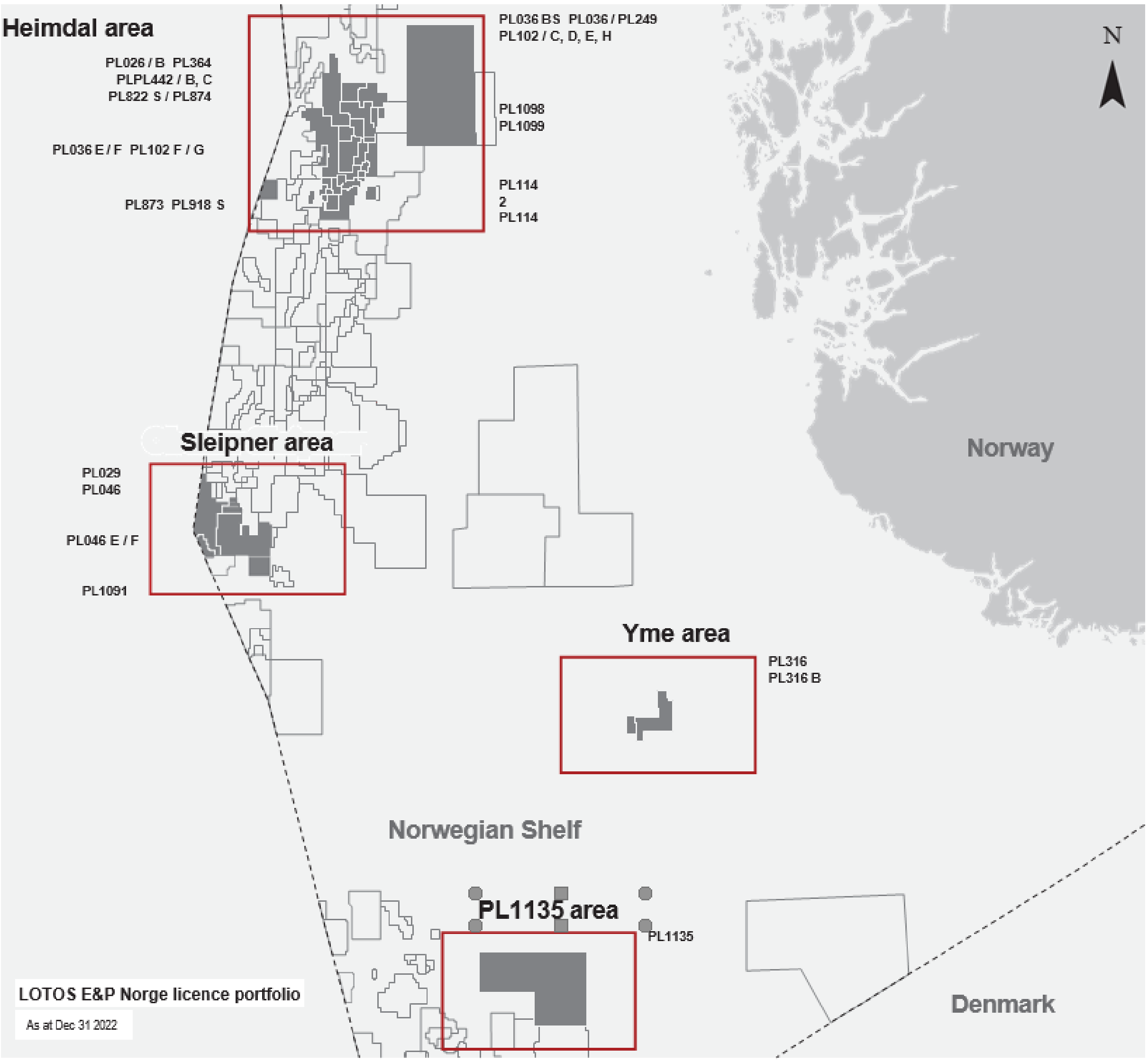
- Yme field (20 per cent. share). As of the end of 2022, the remaining 2P reserves of the Yme field were estimated at 9.4 million boe attributable to LOTOS Norge's share. Compared with the end of 2021, 2P reserves in the Yme field decreased by approximately 2.4 mboe for LOTOS Norge's interest as the reservoir water volumes proved higher than estimated and a decision was made to shorten the production period. LOTOS Norge's average production from the Yme field in 2022 amounted to 1.8 thousand boe/day. The field commenced production in October 2021. In 2022, drilling of additional production and injection wells was completed, which is expected to allow the deposit to achieve full production capacity. The planned target production level of the Yme field is about 5 thousand boe/day attributable to LOTOS Norge's share;

- new Yggdrasil project (formerly NOAKA). The project covers the development of fields in the North of Alvheim area (Frigg Gamma Delta, Langfjellet, Rind and Froy), Fulla and Lille-Frigg, as well as the Krafla and Askja fields. LOTOS Norge's effective share in the eight concessions located in the North of Alvheim/Fulla area amounted to 12.3 per cent. as at 31 December 2022. In December 2022, the field development plan for the NOAKA area was submitted for approval by the Norwegian authorities. The Yggdrasil project is one of the largest ongoing investments on the Norwegian Shelf with a value of about NOK 115 billion and a resource potential of the entire NOAKA area amounting to more than 500 million boe (for 100 per cent. Of the shares). The 2P reserves attributable to LOTOS Norge's share are estimated at 35.2 million boe. Commencement of production is planned for 2027;

- new Tyrving project (formerly Trell/Trine). As the end of 2022, LOTOS Norge's share amounted to 11.9 per cent. The project relates to the development of discovered fields in the Heimdal area and is currently at the stage of preparation of the implementation phase. In August 2022, the development plan for the Trell/Trine deposits was submitted to the Norwegian authorities for approval. As of 31 December 2022, the 2P reserves attributable to LOTOS Norge's share were estimated at 2.6 million boe. The production is scheduled to commence in 2025.

Moreover, LOTOS Norge, in the framework of its concessions, also holds shares in gas infrastructure in the Heimdal (5 per cent.) and Sleipner (15 per cent.) areas, which are centres for processing and transportation of gas and condensate (so-called gas hubs). The Sleipner area is a key hub for Norway's gas exports to Central Europe and the UK.

The chart below presents upstream assets of LOTOS Norge in Norway:



Exploration and production activities of the former PGNiG group

Exploration

The ORLEN Group also operates on the Norwegian Continental Shelf through PGNiG Upstream Norway AS (**PGNiG UN**), and holds interests in production and exploration and production licences located in the Norwegian Sea and North Sea. Together with its partners, it is engaged in the production of hydrocarbons from the Skarv, Ærfugl, Ærfugl Nord, Morvin, Vilje, Vale, Gina Krog, Skogul, Kvitebjørn, Valemon, Duva, Ormen Lange, Marulk and Alve fields. In addition, the company is participating in the development of the third phase of the Ormen Lange field and in the development of six more fields: Tommeliten Alpha, Fenris, Alve Nord, Verdande, Andvare and Ørn.

In addition, PGNiG UN holds shares in the Tambar Øst field, where exploitation has been temporarily suspended, and the Nyhymana gas terminal. Exploration projects and activities aimed at ensuring stable, predictable and long-term gas supplies to Poland are being carried out under the remaining concessions. These include a project concerning the development of infrastructure between Norway and Poland (the Baltic Pipe project) and possible acquisitions of gas fields in Norway.

In 2022, PGNiG UN produced 886 thousand tonnes of crude oil (including other fraction oil equivalents per tonne) and 34.55 TWh of natural gas from its producing fields. Production from the fields was higher than the year before due to the acquisition of INEOS E&P Norge in 2021 and a change in the production strategy at the Skarv and Gina Krog fields, which allowed for an increase gas production.

In 2022, development of five new fields commenced. Aker BP is the operator of three of them (Alve Nord, Ørn and Fenris). In addition, WintershallDEA is the partner at the Alve Nord field, and Equinor is the partner at the Ørn field. The estimated total reserves of these fields, attributable to PGNiG UN, are estimated at 77 TWh of natural gas and 19.9 million boe of crude oil and gas condensate. PGNiG UN's capital commitment to the development of these fields is expected to reach PLN 1.3 billion. Production is expected to start in 2027.

Equinor is the operator of the other two fields, the development of which began in 2022 (Verdande and Andvare). The estimated total reserves of these fields, attributable to PGNiG UN, are about 2.2 TWh of natural gas and 0.6 million boe of crude oil and gas condensate.

In August 2022, the purchase of a stake in the Ørn gas field in the Norwegian Sea from Wellesley Petroleum was completed. It is expected to provide the ORLEN Group with an additional output of 3.3 TWh of natural gas per year starting from 2027.

The Ørn field is located about 20 km from the Skarv field, in which PGNiG UN also holds shares. This enables the use of the existing production infrastructure, including the Skarv FPSO floating production and storage unit, reducing the time and cost of production start-up. The operator of the Ørn deposit is Aker BP, which holds 30 per cent. of the shares. The other partner is Equinor Energy, also holding 30 per cent. of the shares. At the end of 2022 the proven reserves amounted to 290 million boe.

In 2022, documented reserves decreased slightly, from 309 mboe to 290 mboe at year-end, which was attributable to hydrocarbon production in 2022 (26.2 mboe) and suspension of further activities on the Fogelberg field. On the other hand, there was an increase as a result of an upward revision of resources in other fields and the acquisition of interests in the Ørn field.

In January 2022, the next APA 2021 (Awards in Predefined Areas) licensing round was settled, as a result of which PGNiG UN was awarded shares in four exploration licences:

- PL941B (expansion of concession area 941) located near the Skarv deposit. The operator of the concession is Aker BP holding 80 per cent. Of the shares, with the remaining shares held by PGNiG UN. The consortium has two years to make a drill-or-drop decision;

- PL1055C, an extension of concessions PL1055 and PL1055B, located near the Ormen Lange deposit. The concession is operated by PGNiG UN (60 per cent. of the shares) and the sole partner is Shell (40 per cent. of shares). All the three licences - PL1055/PL1055B/PL1055C - are part of the Tomcat project;
- PL1135, in which PGNiG UN obtained 70 per cent. of the shares, located in the North Sea about 45 km east of the King Lear field. PGNiG UN will act as operator, while LOTOS Norge will be the sole partner. The consortium has two years to make a drill-or-drop decision;
- PL1136, in which PGNiG UN obtained 50 per cent. of the shares, located in the south-eastern part of the North Sea. PGNiG UN acts as the operator, with Equinor as the sole partner (50 per cent. of the shares). The partners have one year to decide whether to drill an exploration well.

All four licenced areas are located near existing production infrastructure and gas pipelines, which facilitates and speeds up the development process. The concessions are also located in close proximity to other fields with PGNiG UN shares (Skarv, Ormen Lange and King Lear). If commercialisation potential is discovered, proximity to existing fields would allow PGNiG UN to benefit from synergies related to the use of existing infrastructure of the Skarv, Ormen Lange and King Lear fields.

In January 2023, the next concession round, APA 2022 (Awards in Predefined Areas), was settled, under which PGNiG UN was offered shares in three exploration licences:

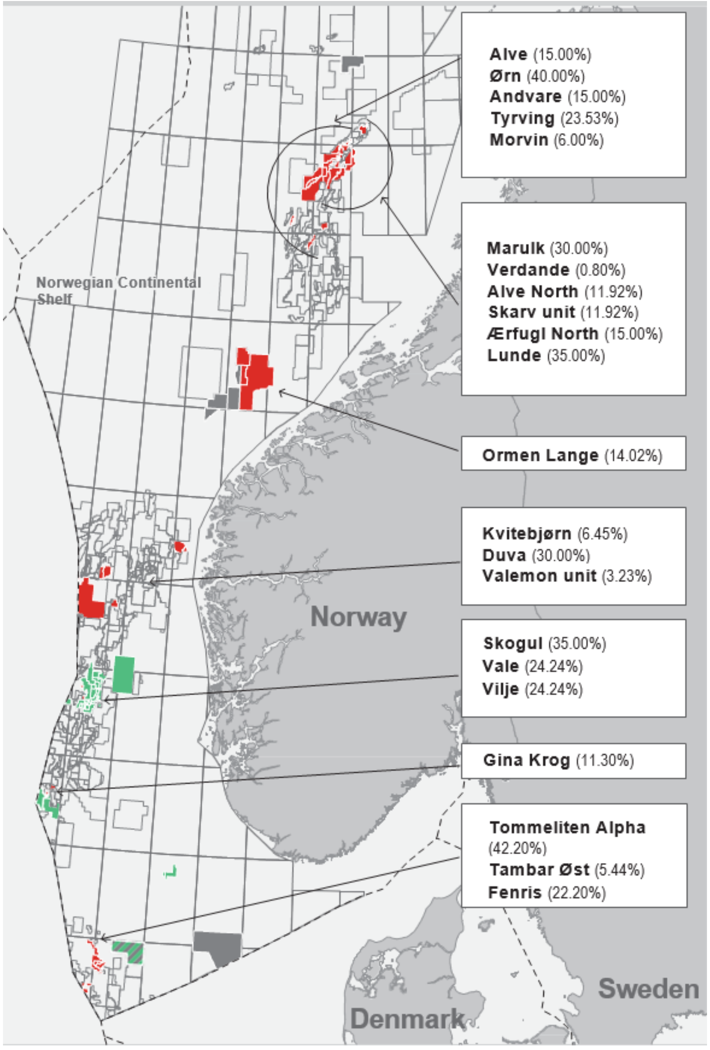
- PL1172, in which PGNiG UN obtained 30 per cent. of the shares. Aker BP is the operator, and DNO Norge is the third partner, with shares of 40 per cent. and 30 per cent., respectively;
- PL1190, in which PGNiG UN obtained 20 per cent. of the shares. Harbor Energy is the operator and holds 50 per cent. of shares, and Lime Petroleum is the third partner with a 30 per cent. share;
- PL1193, in which PGNiG UN received 20 per cent. of the shares. The concession is located adjacent to the Skarv field, and AkerBP (80 per cent.) became the operator.

In 2022, PGNiG UN also participated in the drilling of five exploration wells. Under the PL941 concession, in which PGNiG UN holds 20 per cent. of the shares, two exploration wells were drilled and the Newt deposit was discovered. The discovered deposit is located 14 km northeast of the Skarv production area and preliminary estimates of its recoverable reserves are between 11 and 36 million boe.

In addition, the company has drilled four other exploration wells: a second well under the PL941 concession and wells in the PL209, PL1017 and PL1064 concessions. These wells have not confirmed the commercial discovery of hydrocarbons.

As of 31 December 2022, PGNiG UN held interests in 62 exploration and production licences on the Norwegian Continental Shelf, including eight operator licences. At the beginning of 2023, as a result of the award of additional licences under APA 2022 round, the number of licences held increased to 65.

The chart below presents the exploration licences of PGNiG UN in Norway as at 31 December 2022:



Production

The Skarv and Ærfugl fields entered production in December 2012 and 2020, respectively. Both fields are tied back to the Skarv FPSO floating platform, which has a long assumed service life. The platform is an attractive production and transportation hub for further discoveries in the region.

The Gina Krog field is an oil and gas field brought on stream in June 2017. Production is carried out using 14 wells. The field was developed based on the construction of a new offshore rig and use of a 850 thousand bbl floating vessel to store crude oil. From the vessel, crude is transported by tankers (with intermediate reloading at sea). Raw natural gas is transmitted to the Sleipner platform, from which it is pumped to the Gassled pipelines. Condensate and NGL are shipped to processing plants in Kårstø, Norway. Given the high gas prices, at the beginning of the fourth quarter of 2021 a decision was made to halt gas injection into the field and increase gas production, which has helped optimise the project's profitability.

The Vilje field is located in the central part of the North Sea, close to the Alvheim and Heimdal facilities. The field is developed with three subsea wells linked by pipeline to the Alvheim FPSO vessel.

The Vale field is a gas and condensate field discovered in the North Sea in 1991. Despite production stoppages in 2018-2020, increased output is expected in the coming years due to investments as part of the Heimdal platform.

The Morvin field, discovered in 2001, is located in the Norwegian Sea. Hydrocarbons are produced through two subsea templates. The field is tied back to the Åsgard B platform.

Skogul is an oil field situated in the North Sea near the Vilje field. The development plan covered drilling one well connected to the subsea facilities of the Vilje field, and then using the existing infrastructure, including the Alvheim FPSO platform. Production commenced in the first quarter of 2020.

The Kvitebjørn field was discovered in 1994 and the decision to develop the asset was made in 2000. Production started in 2004. The development involved construction of a dedicated rig with a permanent drilling unit. This allows more wells to be drilled as part of further development of the field.

The Valemon field was discovered in 1985 and the investment decision was approved in 2011. Production commenced in 2015. The development consisted of erecting an unmanned platform with a simplified separation system. Pre-separated oil and gas are transported to the Kvitebjorn platform.

Duva is an oil and gas field located in the northern part of the North Sea. It was discovered in 2016, the investment decision was made in 2019, and production started in August 2021. The development concept is based on a subsea template with three oil wells and one gas well, tied back to the Gjøa platform. Oil is transported from the Gjøa platform through Troll Oil Pipeline II to the Mongstad terminal, while gas is carried via a pipeline that is a part of the Far North Liquids and Associated Gas System (FLAGS) to the UK St Fergus terminal.

Ærfugl Nord is a condensate and gas field discovered in 2012. The field development decision was made in 2018, and production started in November 2021. The development is based on one well tied back through the Ærfugl gas pipeline to the Skarv FPSO. The condensate output is shipped by tankers directly from the Skarv FPSO, while gas is transferred to the Kårstø terminal.

Ormen Lange is the second largest gas field in Norway, located in the southern part of the Norwegian Sea. The field was discovered in 1997 and the decision to develop the asset was made in 2004. Production started in September 2007. The field development was divided into phases. In 2021, the third development phase was launched, consisting in the installation of compressor units on the seabed to enable more efficient recovery of the field's reserves in the future. Extracted hydrocarbons are transported to the Nyhamna terminal, where they are separated into gas and condensate.

Marulk is a gas field located in the Norwegian Sea. The deposit was discovered in 1992, the investment decision was made in 2010, and production started in 2012. The field was developed with a subsea template tied back to the Norne FPSO, from which oil is taken by tankers and gas is shipped to the Kårstø terminal.

Alve is a gas and oil field discovered in 1990. The investment decision was made in 2007, and production started in 2009. The development concept is based on three wells connected to a subsea template, as in the case of the Marulk field, tied back to the Norne FPSO.

Tambar Øst is an oil field located in the southern part of the North Sea, about 2 km away from the Tambar field. It was discovered, developed and commenced production in 2007. The development concept is based on one well drilled from the subsea template of the Tambar project. Production from the field was temporarily discontinued, but is currently expected to resume in 2024.

Deposits in the phase of development or selection of development concept

Tommeliten Alpha is a gas and condensate discovery located in the North Sea in the immediate vicinity of the Ekofisk field. Its reserves are likely to prove higher than confirmed to date, while the PL044 licence offers considerable potential for further exploration work. According to the current schedule, the first oil is expected in 2024.

Fenris (previously called King Lear) is a gas and condensate discovery located in the North Sea. In 2021, a field development concept was selected, which will involve a tie-back to the Valhall platform. In 2022, the final investment decision was made, and production is expected to be launched in 2027.

Alve Nord was discovered in 2011. In 2022, the project operator, Aker BP, prepared the development concept, and the final investment decision was made at the end of the year. The launch of production is expected in 2027.

Ørn was discovered in 2019. The field is located approximately 20 km from the Skarv field. At the end of 2022, the final investment decision was made, and production is expected to start in 2027.

Verdande (previously called Alve Nord East/Cape Vulture) is a deposit located within the PL127DS, PL128 and PL128D licence areas. PGNiG UN holds interests only in the PL127DS licence. In 2022, the licences were unitised, as a result of which PGNiG UN acquired a 0.83 per cent. interest in the project. At the end of 2022, the final investment decision was made, and production is expected to be launched in 2025.

Exploration and appraisal

Lunde is an oil discovery located in the immediate vicinity of the Skarv FPSO. The field was proven using the exploration well drilled in 2019 and operated by PGNiG UN. The operatorship was transferred to Aker BP for the duration of the development phase. At present, work is under way to select the development concept. The final investment decision is planned for 2023.

Warka is an oil project located in the immediate vicinity of the Skarv FPSO. The deposit was proven through an exploration well drilled in 2020 by ConocoPhilips. According to preliminary calculations, the recoverable reserves of the Warka field within the PL1009/1009B licence areas are approximately 50-189 mboe. Currently, there are plans to drill an appraisal well to confirm the commercial nature of the discovery.

Egyptian Vulture is a discovery made in 2021 in the vicinity of the Tyrihans deposit. Currently, the possibility of its commercial development is being investigated.

Lithuania

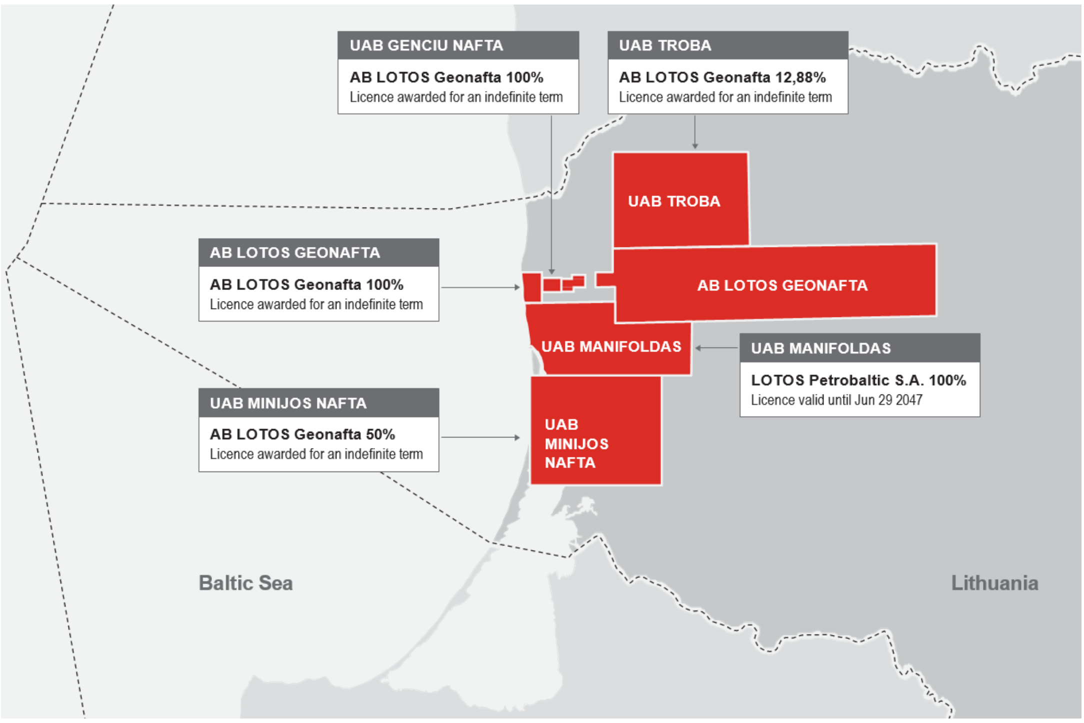
The exploration and production activities of Grupa LOTOS in Lithuania are carried out through AB LOTOS Geonafta, based in Gargždai. The company has the following subsidiaries:

- UAB Genciu Nafta (fully controlled by AB LOTOS Geonafta);
- UAB Manifoldas (fully controlled by AB LOTOS Geonafta); and
- UAB Minijos Nafta (50 per cent. controlled by AB LOTOS Geonafta).

In 2022, the average production volume in Lithuania amounted to 471 boe/day, which accounted for about 3 per cent. of the total production volume of the former Grupa LOTOS.

Production was carried out at onshore oil fields located within the concession blocks: Girkaliai, Genciai, Kretinga, Nausodis, Klaipeda and Gargždai. AB LOTOS Geonafta group's remaining recoverable reserves in the 2P category were estimated at 1.3 million boe as of the end of 2022 (100 per cent. of oil), which accounted for 1 per cent. of the former Grupa LOTOS's total 2P reserves.

The chart below presents the exploitation and exploration activities of the ORLEN Group in Lithuania as at 31 December 2022:



Operations in other countries

Pakistan

ORLEN, through its Operator Branch, is conducting exploration works in Pakistan in accordance with an agreement for the exploration and production of hydrocarbons in the Kirthar licence area. Exploration is carried out jointly with Pakistan Petroleum Ltd. (**PPL**). The ORLEN Group holds 70 per cent. of shares with the remaining shares held by PPL. In addition, ORLEN holds a 25 per cent. non-operator interest in the Musakhel exploration licence. The remaining shareholders are (i) PPL as operator with a 37.2 per cent. stake, and (ii) Oil and Gas Development Company Limited and Government Holding Private Limited with shares of 35.3 per cent. and 2.5 cent., respectively.

As of the end of 2022, the ORLEN Group's nitrogen-rich gas reserves in Pakistan measured as a high-methane gas equivalent amounted to approximately 66 TWh (38.73 million boe), including about 49 TWh (28.84 million boe) at the Rehman field and about 17 TWh (9.88 million boe) at the Rizq field.

Production from the Rehman and Rizq deposits is carried out through facilities at the Rehman deposit. In 2022, production from the Rehman and Rizq fields attributable to the ORLEN Group's shares, carried out through 11 wells, amounted to about 3.4 TWh of high-methane gas equivalents. As part of the development of the Rehman and Rizq fields, the Rehman-8 borehole was being drilled, but further work was discontinued for technical reasons. In addition, the Rizq-4 well was drilled and tied in. In 2022, approximately 5.4 km was drilled in the Rehman-8, Rizq-4 and Rayyan-1 wells.

As part of continued exploration activities in the Kirthar licence area, in 2022 the Pakistan Branch, together with the Geology and Hydrocarbon Production Branch, commenced drilling the Rayyan-1 exploration well and reprocessing of 2D seismic data in the potential Rafat field. In the Musakhel licence area, in 2022 work was performed to acquire a 2D seismic image with seismic lines totalling 685 km in length.

United Arab Emirates (UAE)

ORLEN's Ras Al Khaimah Branch in the UAE (**UAE Branch**) has been operating since January 2019 under an agreement signed between PGNiG and the Ras Al Khaimah Petroleum Authority. The agreement concerns exploration and production of hydrocarbons on Block 5, covering an area of 619 km^2 in the Emirate of Ras Al

Khaimah. ORLEN is the operator of the licence and holds a 90 per cent. share, with 10 per cent. of shares held by local partner RAK Gas.

The licence covers three two-year exploration periods, plus a 30-year production period. During the first exploration period, UAE Branch conducted acquisition, processing and interpretation of 3D seismic data covering a significant portion of Block 5 (approximately 340 km^2 in area). In April 2021, the second exploration period began, with the drilling of the first exploration well in accordance with the licence commitments. In December 2022, the drilling of the Oryx-1 well began with EXALO Drilling as a contractor for drilling works.

In addition, since November 2022, an additional 3D seismic programme has been implemented in Block 5 and adjacent Block 6. The project is being carried out in cooperation with the Ras Al Khaimah Petroleum Authority, with Geofizyka Toruń as the contractor. The purpose of the programme is to appraise additional exploration structures to plan further drilling work in the Block 5 licence area.

Ukraine

In 2021, PGNiG signed an agreement with ERU Management Services to purchase a controlling 85 per cent. stake in the Ukrainian company Karpatgazvydobuvannya, the sole owner of the Byblivska concession located in Western Ukraine near the border with Poland. Karpatgazvydobuvannya holds a licence for hydrocarbon exploration and production in the western part of the Lviv Oblast. In terms of geological structure, the area is similar to the structures of the Przemyśl field – the largest natural gas deposit in Poland – which PGNiG has been exploiting for more than 60 years. The area's attractiveness and potential are indicated by preliminary analyses of geological and geophysical data. As of the date of the Offering Circular, due to ongoing war, the operations in Ukraine were suspended.

Libya

Due to the deterioration of the security situation in Libya, PGNiG Upstream North Africa (**PGNiG UNA**) indicated the occurrence of an event of force majeure to the National Oil Corporation in August 2014. Nonetheless, PGNiG UNA conducted a series of geological analyses that confirmed the geological prospectivity and high resource potential of the CA113 licence area. Various scenarios have also been developed for the development of the field in order to transfer hydrocarbons to the European transmission system.

On 4 December 2022, the Libyan Government of National Unity announced a decision to lift the state of force majeure in Libya for oil and gas exploration activities and requested international companies which concluded agreements with the National Oil Corporation to resume work in Libya. PGNiG UNA has taken intensive steps aimed at resuming the exploration works in 2023, with the aim of creating at least two exploration wells in 2023-2024, and conducting 500 km^2 of 3D seismic analysis and further interpretive and analytical works, including updating information on hydrocarbon reserves. Based on the results, further decisions will be made on the strategy of exploration and appraisal work in the CA113 licence area and the update of field development scenarios.

Service operations

Within the Upstream segment, the ORLEN Group also provides certain services related to exploration and extraction through Geofizyka Toruń and EXALO Drilling.

Geofizyka Toruń is a provider of innovative geophysical, geotechnical, geological and hydrogeological solutions for the study of geological structures for the multi-utility and renewable energy sources sectors in Poland and abroad.

In 2022, the company carried out tasks in the following services:

- seismic data acquisition in Poland, Albania, Croatia, Georgia, Colombia, Mozambique, Germany, Turkey, Hungary and the United Arab Emirates;
- seismic data processing and interpretation for contractors in Poland, Australia, the Netherlands, Colombia, Germany, Norway, Pakistan, Rwanda, Switzerland, Ukraine and Hungary;
- borehole geophysics in Poland and interpretation of borehole geophysics measurements for contractors from Poland, Norway and Ukraine;
- geotechnical, geological and hydrogeological surveys and engineering geophysics in Poland, onshore and in the Baltic Sea.

EXALO Drilling provides drilling and service works both for the ORLEN Group and for third parties. The company is one of Europe's leading onshore drilling companies, offering a full range of professional well services.

Logistics assets

Sea logistics services in the Baltic Sea region are provided by the Miliana Shipholding Group. These services include receipt and storage of crude oil in the production area, transport of crude oil from the fields to the port, rescue assistance for platforms, transport of personnel, equipment and materials as part of current processes and work on the platforms, as well as specialised work related to the replacement of infrastructure on the operated fields.

Crude oil and associated natural gas are produced from the B3 field by entities of the former LOTOS Petrobaltic Group, using the Baltic Beta rig and the PG-1 unmanned drilling rig. All crude oil is transported by tankers to port and sold to ORLEN S.A. Natural gas is transmitted via a subsea 80 km pipeline to the CHP plant in Władysławowo, owned by Energobaltic Sp. z o.o. (a wholly - owned subsidiary of LOTOS Petrobaltic).

In the B8 field, crude oil is produced by the LOTOS Petrobaltic Group, using the Petrobaltic production platform and the LOTOS Petrobaltic drilling rig. All crude oil is transported by tankers to port and sold to ORLEN S.A. Natural gas is transported via a subsea pipeline to Energobaltic's CHP plant in Władysławowo.

In 2022, the Petro Giant drilling rig continued workover activities on the B3 field in the Baltic Sea (B3-6 subsea production well and B3-14A production well in the PG-1 unmanned platform area), and at the end of December commenced drilling of B101-1 – the first exploration well in the B101 structure (Łeba licence). The ongoing programme of well workovers in the B3 field an exploration work is designed to maximise recovery rates and enhance production.

In 2022, the fleet of vessels serving the B3 and B8 fields was expanded to include a new anchor handling tug/ supply vessel (AHTS). Purchased through a Miliana Group company, it was placed in service in May 2022.

LOTOS Norge holds interests in licences covering the production infrastructure in the Heimdal and Sleipner fields, including: the Heimdal gas and condensate processing and transport hub (operated by Equinor, with LOTOS Norge holding a 5 per cent. interest), and the Sleipner gas and condensate processing and transport hub (operated by Equinor, with LOTOS Norge holding a 15 per cent. interest).

Gas produced from the Heimdal and the Sleipner fields is injected into the Gassled pipeline system, and then delivered to off-take points in the UK and continental Europe (the Netherlands, Germany).

Condensate from the Heimdal field is injected into the Forties Pipeline System (FPS), and then delivered to an off-take point at the Kinneil Terminal/Hound Point in Scotland, where it is processed into final products, i.e. Forties Blend crude oil and gas fractions. Condensate from the Sleipner field is transported via a pipeline to an off-take point in Karsto (Norway), where it is processed into final products, i.e. Gudrun Blend light crude and liquid fractions (NGL).

Production from the Yme field will be carried out using the leased Maersk Inspirer platform. The produced crude oil is loaded onto a tanker and transported to various off-take points, depending on the oil parameters and market conditions.

Crude oil from the Lithuanian fields is produced using onshore production infrastructure. Since 2022, it has been transported from the fields to the Klaipeda terminal in Lithuania (until 2022, it was transported to a marine terminal in Liepāja, Latvia). From the Klaipeda terminal, oil is carried by tankers to Gdańsk, where it is processed by the Gdańsk refinery. All associated natural gas is flared.

In 2022, the ORLEN's PGNiG Branch Complex continued its sales policy by supplying crude oil and gas to the largest fuel sector players in Poland and abroad.

In Poland, crude oil is carried by rail, road transport and pipelines. Rail transport is used to supply the feedstock to the ORLEN Południe refinery in Trzebinia and to the Gdańsk refinery, while the ORLEN Południe refinery in Jedlicze is supplied with oil using road transport. Crude is delivered via the PERN pipeline to TOTSA TOTAL ENERGIES TRADING S.A.

The infrastructure also includes two underground nitrogen-rich gas storage facilities (Daszewo UGSF and Bonikowo UGSF), with a total working capacity of 250 mcm, the main role of which is to regulate the operation of the nitrogen-rich gas system and store gas from nitrogen-rich gas production facilities.

As part of the ORLEN Group's operations in Norway, in 2022 crude oil and natural gas were transmitted via a gas pipeline mainly to Germany, where they were received by the ORLEN Group company PGNiG Supply & Trading.

Refining

The Refining segment comprises processing and wholesale of refinery products, production and sale of oil, and supporting production.

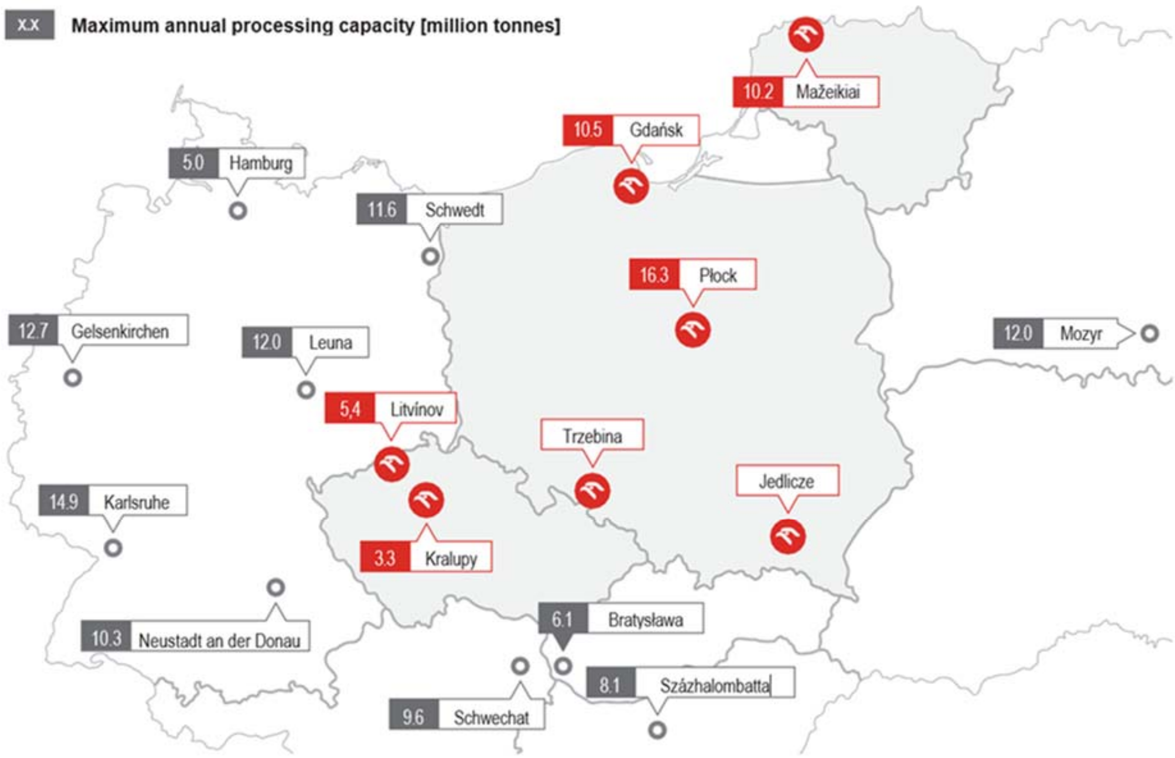
Competition in the CEE

The largest competitors of the ORLEN Group in CEE in the Refining segment include:

- Mitteldeutschland refinery in Leuna/Spergau, located in south-eastern Germany, about 150 km from the Polish-German border, the most advanced German refinery;
- PCK refinery in Schwedt, located north-east of Berlin, about 20 km from the Polish-German border;
- Bayernoil refinery, whose headquarters is located in Neustadt an der Donau, Bavaria;
- MiRO refinery, one of the largest in Germany and one of the most modern refineries in Europe, located in Karlsruhe, Baden-Württemberg;
- Ruhr Oel refinery, one of Germany's largest refineries with integrated petrochemical assets, located in Gelsenkirchen in the Ruhr region;
- Holborn Europa Raffinerie refinery, in Northern Germany, in Hamburg;
- Schwechat Refinery, located in Austria, near Vienna;
- Slovnaft refinery, an integrated refining and petrochemical group, with a leading position in the Slovak Republic, located near Bratislava;
- Danube refinery, one of the largest refineries in CEE owned by MOL, located in Százhalombatta, Hungary; and
- Mozyr refinery, a leading refinery in Belarus, located close to the Ukrainian border.

Main production assets of the ORLEN Group in the Refining segment

The chart below presents the production assets of the ORLEN Group and main competitors in Central and Eastern Europe.

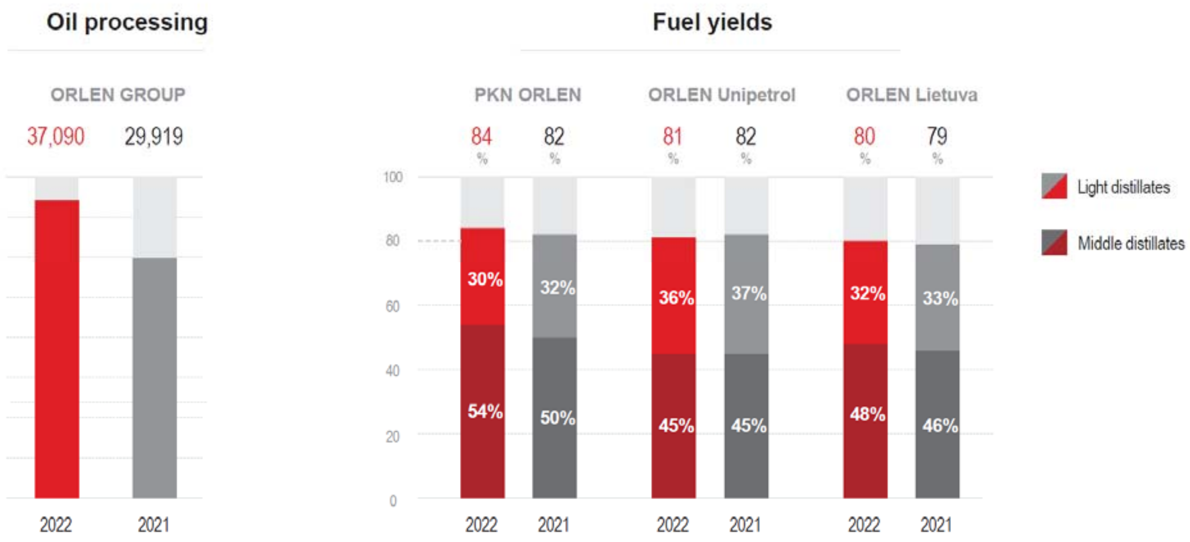


Source: the Issuer

As of 31 December 2022, the total production capacities of the ORLEN Group's refineries amounted to 45 million tonnes, including:

- ORLEN's refinery in Płock, which is one of the most advanced integrated production facilities in CEE, with a production capacity of 16.3 million tonnes/year;
- ORLEN's refinery in Gdańsk, owned by ORLEN and Saudi Aramco following ORLEN's merger with Grupa Lotos. The refinery's total capacity is about 10.5 million tonnes/year and is distributed between the two owners according to their share in the ownership structure. The Gdańsk refinery specialises mainly in fuel and asphalt production;
- other Polish refineries operating under ORLEN Południe and located in Trzebinia and Jedlicze, which manufacture biofuel-components, base oils, and heating oils, as well as regenerate spent oils;
- the ORLEN Lietuva refinery in Mazeikai, which has a production capacity of 10.2 million tonnes/year and is the only such facility in the Baltic States (Lithuania, Latvia and Estonia); and
- the ORLEN Unipetrol Group, which operates refineries in Kralupy and Litvinov, with a combined production capacity of 8.7 million tonnes/year.

The chart below presents the basic operating parameters of the Refining segment:



Source: the Issuer

In 2022, the ORLEN Group's crude oil processing amounted to 37.1 million tonnes, a 24.0 per cent. increase as compared to 2021, including:

- 44.9 per cent. increase in Poland mainly due to the acquisition of Grupa LOTOS in August 2022 and the absence of the Hydrocracking, PX/PTA and Olefins plant shutdowns as compared to 2021.
- 4.8 per cent. increase in the Czech Republic due to the improving macroeconomic situation (higher margins) and higher fuel demand following the lifting of restrictions resulting from the COVID-19 pandemic.
- 3.6 per cent. increase in Lithuania mainly due to improved macroeconomic conditions and higher fuel demand following the lifting of restrictions resulting from the COVID-19 pandemic.

Sales in the Refining segment

In 2022, total sales of the ORLEN Group in the Refining segment reached 30,458 thousand tonnes and were 24.9 per cent. higher as compared to 2021.

The table below presents the ORLEN Group's sales in the Refining segment for the years ended 31 December 2022 and 2021:

	Year ended 31 December			
	2022		2021	
	Value *(PLN million)*	Volume *(thousand tons)*	Value *(PLN million)*	Volume *(thousand tons)*
TOTAL	**131,477**	**30,458**	**56,967**	**24,389**
Light distillates[1]	24,560	5,264	13,379	4,756
Medium distillates[2]	91,490	16,485	34,556	12,350
Heavy fractions[3]	10,817	4,322	6,180	3,589
Other[4]	4,610	4,387	2,852	3,694

Source: the Issuer
[1] Gasoline, LPG
[2] Diesel oil, light fuel oil, aviation fuel
[3] Heavy fuel oil, bitumen, oils

[4] *Other, includes chiefly brine and salt separated*

The table below presents the volume of the ORLEN Group's sales in the Refining segment divided by particular markets:

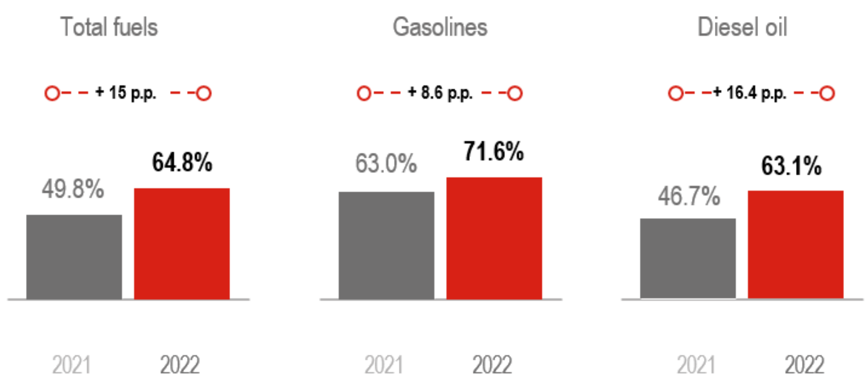
	Year ended 31 December	
	2022	2021
	Volume (*thousand tonnes*)	
TOTAL	**30,458**	**24,389**
Poland	18,101	12,845
Baltic States and Ukraine	7,676	7,538
Czech Republic	4,681	4,006

Source: the Issuer

Market shares

In 2022, the ORLEN Group carried out wholesale of refinery products on the territory of Poland, the Czech Republic, Germany, Slovakia, Hungary, Austria, Lithuania, Latvia, Estonia and Ukraine and by sea to transhipment terminals in Western Europe. The ORLEN Group's home markets include Poland, Lithuania and the Czech Republic. The ORLEN Group has an extensive portfolio of refining products, including gasolines, diesel oil, aviation fuel, light and heavy heating oil, bitumen, engine oils and a wide range of non-fuel products and intermediates. The following charts present the market shares of the ORLEN Group in the fuel markets in Poland, the Czech Republic and the Baltic States, respectively, in 2021 and 2022 (in the estimation of management based on publically available information):

Market share in the fuel market in Poland

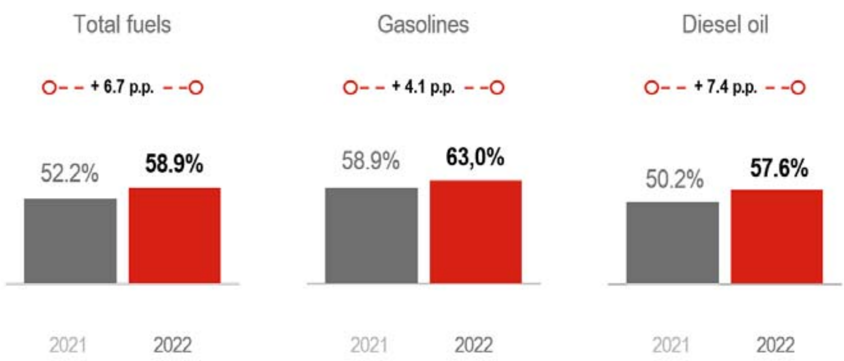


Source: the Issuer

A 15.0 percentage points increase in the fuel market share, to 64.8 per cent., was mainly a result of increased sales following the acquisition of Grupa LOTOS. Without the effect of the merger, the market shares would be close to those recorded in 2021 or slightly higher (for middle distillates).

The ORLEN Group continues to be the main supplier for major foreign fuel companies operating in Poland in retail fuel distribution sector (BP, Shell and Amic). From the second half of the 2022 supplies were provide also to Circle K.

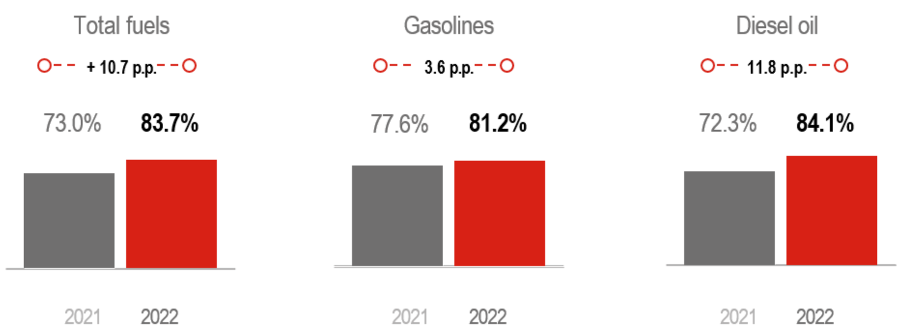
Market share in the fuel market in the Czech Republic



Source: the Issuer

In the Czech Republic, the total market share was 58.9 per cent., including 63.0 per cent. of the gasoline market and 57.6 per cent. of the diesel oil market, which is largely in line with the market shares held in 2019. The ORLEN Group successfully recovered market shares lost as a result of the COVID-19 pandemic, with the principal driver of this process being the significant growth of demand after the outbreak of the war in Ukraine. With limited supply on the market due to the shortage of products in the region and logistical constraints, the ORLEN Group managed to acquire a number of new customers and to regain some former customers.

Market share in the fuel market in the Baltic States



Source: the Issuer

In 2022, the ORLEN Group consolidated its dominant position in each of the three Baltic states by expanding its market share by approximately 10.7 percentage points year on year, to 83.7 per cent. The combined fuel market shares in Lithuania, Latvia and Estonia rose by 8.9 percentage points, 10.1 percentage points and 15.7 percentage points, respectively, as demand recovered after the COVID-19 restrictions were lifted. In addition, starting from the third quarter of 2022, there was an increase in spot purchases from customers re-exporting fuels to Ukraine.

Petrochemicals

The Petrochemicals segment comprises the production and wholesale of petrochemicals, production and sale of chemicals and supporting production.

Competition in the CEE

The largest competitors of the ORLEN Group in CEE in the Petrochemical segment include:

- Ineos Olefins & Polymers Europe – with an annual production capacity of (i) approximately 2,190 thousand tonnes of polyethylene, (ii) approximately 750 thousand tonnes of polypropylene and (iii) 120 thousand tonnes of monopropylene glicol (**MPG**) and assets in Belgium, France, Germany, Italy, Norway and the United Kingdom;
- Sabic – with an annual production capacity of approximately 1,850 thousand tonnes of polyethylene, 1,100 thousand tonnes of polypropylene and assets in Germany, the Netherlands and United Kingdom;
- Lyondell Basell Industries − the largest polyethylene manufacturer, with an annual production capacity of approximately 2,000 tonnes of polyethylene, 2,400 thousand tonnes of polypropylene and 160 thousand tonnes of MPG, and assets in Germany, France and the Netherlands;
- Borealis – with an annual production capacity of approximately 1,970 thousand tonnes of polypropylene, approximately 1,770 thousand tonnes of polyethylene and assets in Belgium, Germany, Austria and Finland;
- Total Petrochemicals – with an annual production capacity of approximately 1,220 thousand tonnes of polypropylene, approximately 1,060 tonnes of polyethylene and assets in Belgium and France;
- Indorama – Europe's largest PTA manufacturer, with a nominal production capacity of approximately 1,750 thousand tonnes per year and assets in Portugal, Spain and the Netherlands; and
- Inovyn – a company formed following the merger of Ineos Chlor and Solvay; its annual production capacity is approximately 2,255 thousand tonnes of PVC;
- Dow Deutschland – with an annual production capacity of approximately 290 thousand tonnes of MPG and assets located in Germany.

Main production assets of the ORLEN Group in the Petrochemicals segment

In the Petrochemicals segment, the key unit (Olefins) has a maximum production capacity of about 700 thousand tonnes of ethylene and about 380 thousand tonnes of propylene. Monomers manufactured at ORLEN are used as feedstock for the polymer units at Basell Orlen Polyolefins and the PVC unit at ANWIL. ORLEN also operates a modern PX/PTA complex with an annual capacity of around 690 thousand tonnes of terephthalic acid. As part of its petrochemicals development programme, ORLEN intends to expand the Olefins complex by 2025. Furthermore, at the start of January 2023, ORLEN concluded an agreement to acquire a portion of Basell ORLEN Polyolefins' LDPE assets, with a combined annual capacity of 100 thousand tonnes.

The ORLEN Unipetrol Group also owns petrochemical assets with combined production capacities of approximately 600 thousand tonnes/year of polymers, including 320 thousand tonnes of polyethylene and approximately 280 thousand tonnes of polypropylene. From 2022, a new Polyethylene 3 unit is in use, with an annual capacity of approximately 270 thousand tonnes, allowing Unipetrol to increase the use of the Olefins unit and further integrate the petrochemical and refining operations. In 2022, ORLEN Unipetrol launched an installation at its Litvinov plant for the production of the liquid hydrocarbon dicyclopentadiene ("**DCPD**"), which is used in, among others, the automotive, construction, electrical engineering, pharmaceutical and medical industries. Thanks to the investment, ORLEN Unipetrol has become one of the four largest producers of this product in Europe with a production capacity of 26 thousand tonnes of DCPD per year. The DCPD is produced in Litvinov based on technology developed by ORLEN Unipetrol and the University of Chemistry and Technology in Prague. The technological process was developed as part of a project to find a method to isolate hydrocarbons that are secondary products in petrochemical installations and may have commercial use. The DCPD will be used in, among others, further production of polymeric materials, resins and chemical materials used in the manufacture of wind turbine propellers, colored asphalts, adhesives, dyes and pigments or special lenses. DCPD is also used in the automotive industry (car frames), construction (sanitary products for kitchens and bathrooms), electrical engineering (fibre optic cables), as well as the pharmaceutical and medical industries.

ANWIL is the only manufacturer of polyvinyl chloride (**PVC**) in Poland, and one of the major manufacturers of fertilisers and sodium hydroxide in Poland. Annual production capacity is around 1.0 million tonnes/year of nitrogen fertilisers, approximately 0.4 million tonnes/year of PVC and granulates, and approximately 0.2 million tonnes/year of sodium hydroxide. The planned construction of a third nitrogen fertiliser unit will increase Anwil's annual production capacity to approximately 1.5 million tonnes from 2023 onwards.

Basell Orlen Polyolefins in Płock operates facilities with a total production capacity of 800 thousand tonnes (320 thousand tonnes of polyethylene and 480 thousand tonnes of polypropylene). Its products are marketed both in Poland and in foreign markets. At the beginning of 2023, Basell Orlen Polyolefins sold part of the production and business area responsible for the production of low-density polyethylene (LDPE) to ORLEN. After the transaction, Basell ORLEN Polyolefins will focus on the development of PP technology, used to produce polypropylene, and HDPE, used in the production of high-density polyethylene.

Sales in the Petrochemicals segment

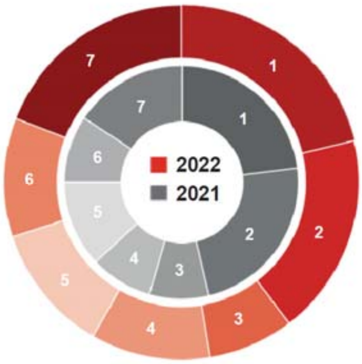
In 2022, total sales of the ORLEN Group in the Petrochemicals segment reached 5,013 thousand tonnes and were higher compared to 2021, mainly due to increased sales of olefins, polyolefins, PVC and PTA as a result of the absence of the olefins and PX/PTA plant maintenance shutdowns from the previous year.

The table below presents the ORLEN Group's sales in the Petrochemicals segment for the years ended 31 December 2022 and 2021:

	Year ended 31 December			
	2022		**2021**	
	Value (*PLN million*)	**Volume (*thousand tons*)**	**Value (*PLN million*)**	**Volume (*thousand tons*)**
TOTAL	**24,475**	**5,013**	**16,011**	**4,906**
Monomers	5,187	895	3,685	794
Polymers	4,505	661	3,726	603
Aromas	1,901	395	1,315	347
Fertilizers	2,668	915	1,375	1,134
Plastics	2,873	371	1,911	331
PTA	2,667	572	1,483	518
Other	4,674	1,204	2,516	1,179

Source: the Issuer

The following charts present the revenue structure of the ORLEN Group Petrochemicals segment:



	2022	2021
1 | Monomers	21.2%	23.0%
2 | Polymers	18.4%	23.3%
3 | Aromatics	7.8%	8.2%
4 | Artificial fertilizers	10.9%	8.6%
5 | Plastics	11.7%	11.9%
6 | PTA	10.9%	9.3%
7 | Other	19.1%	15.7%
Total	**100%**	**100%**

Source: the Issuer

In 2022 and 2021, none of the ORLEN Group's leading customers accounted for more than 10 per cent. of the ORLEN Group's total revenue in the Petrochemicals segment.

Market shares

The ORLEN Group is the largest petrochemical company in CEE (according to Coface in October 2022), the only manufacturer of monomers and polymers on the Polish market, and the manufacturer of most of the petrochemical products available on the Czech market.

The ORLEN Group estimates it has the following market shares in production capacities in Europe:

- 4.3 per cent. on the polyethylene market (ORLEN's estimation based on the report "*Market Analytics – Poliolefins – 2022*" (Nexant)). The ORLEN Group's total polyethylene capacity amounts to approximately 735 thousand tonnes per year (including a 50 per cent. share in Basell Orlen Polyolefins).
- 4.4 per cent. on the polypropylene market (ORLEN's estimation based on the report "*Market Analytics – Poliolefins – 2022*" (Nexant)). The ORLEN Group's total polypropylene capacity amounts to approximately 590 thousand tonnes per year (including a 50 per cent. share in Basell Orlen Polyolefins).
- 17.4 per cent. on the PTA market (ORLEN's estimation based on Wood Mackenzie's 2022 data). The ORLEN Group's total PTA capacity amounts to approximately 690 thousand tonnes per year.
- 5.9 per cent. on the PVC market (ORLEN's estimation based on the report "*Market Analytics – Poliolefins – 2022*" (Nexant). The ORLEN Group's total PTA capacity amounts to approximately 475 thousand tonnes per year.

Logistics assets of the Refining and Petrochemicals segments

The ORLEN Group operates a network of complementary infrastructure assets: fuel terminals, onshore and offshore handling depots, transmission pipelines, rail transport, and transport by road tankers.

In 2022, pipelines were the primary mode of transport of raw materials and products used by the ORLEN Group. The total length of product and raw material pipeline networks, both ORLEN Group- and third party-owned, used by the ORLEN Group in Poland, the Czech Republic and Lithuania was over 3.9 thousand km (including 2.1 thousand km of product pipelines, and 1.8 thousand km of raw material pipelines).

In Poland, the ORLEN Group uses 977 km of pipelines for fuel product transport, including 620 km of pipelines owned by Przedsiębiorstwo Eksploatacji Rurociągów Naftowych S.A. (**PERN**), as well as its own transport infrastructure with a total length of 357 km, comprising two sections: Płock – Ostrów Wielkopolski – Wrocław (319 km) and Wielowieś – Góra (2 sections with a length of 19 km each). Crude oil is transported mainly via the network of pipelines owned by PERN (total length of 887 km), and via the ORLEN Group's own pipeline (43 km), connecting Góra and Żółwiniec (a link to the PERN pipeline).

In 2023, ORLEN completed a divestment of four fuel terminals (Gdańsk, Gutkowo, Bolesławiec and Szczecin) to Lotos Terminale S.A., which was acquired by Unimot S.A. This divestment was part of the process related to the merger with Grupa LOTOS.

At the end of 2022, ORLEN had 13 terminals in its logistics network (12 fuel terminals and one rail terminal) used for storage and handling of diesel fuel and gasoline. An additional five terminals in Piotrków Trybunalski, Jasło, Czechowice-Dziedzice, Rypin and Poznań held by Lotos Terminale S.A. and Lotos Intrastruktura S.A. were also divested to Unimot S.A. with the transaction being finalised in the second quarter of 2023.

As for LPG assets, ORLEN indirectly (through ORLEN Paliwa) owns five terminals for storage and shipment of liquid gas.

Moreover, for the purposes of storing emergency stocks of crude oil and fuels, ORLEN owns the only underground cavern storage facility for crude oil and fuels in Poland (PMRiP "Góra") with a total capacity of over 6 million m^3, located in Góra near Inowrocław on the premises of IKS Solino.

In 2022, the ORLEN Group used 1,751 km of pipelines in the Czech Republic (1,100 km of product pipelines operated by ČEPRO, and 651 km of raw materials pipelines operated by MERO), seven storage and distribution depots owned by state-owned operator ČEPRO, three terminals owned by the ORLEN Group and 13 external terminals owned by ČEPRO.

The main part of the logistics infrastructure currently used on the Lithuanian market is a 91 km raw materials pipeline linking the Butinge terminal with the Mazeikiai refinery. Both the terminal and the pipeline are owned by ORLEN Lietuva. In 2021, ORLEN Lietuva acquired the Mockava rail terminal operating on the Polish-Lithuanian border with an annual handling capacity of 0.96 million tonnes of diesel and 240,000 tonnes of gasoline. It is used for shipment of petroleum products produced at the Mažeikiai refinery and directed to the Polish and Ukrainian markets. The terminal's total capacity is 19.8 thousand cubic metres.

On the German market, ORLEN Deutschland uses the storage and distribution capacities of seven third party-owned depots. Products are delivered by tank trucks.

Since November 2022, the logistics infrastructure at ORLEN S.A. also includes two branches of the former PGNiG. The activities of the Zielona Góra Branch are related to the transportation of crude oil and nitrogenous natural gas. Transport uses pipelines, railroad expedites, oil and natural gas compressor stations and truck transport. The total length of pipelines operated by Zielona Góra is approximately 1,774 km. Moreover, 25 facilities (crude oil and natural gas mines, gas mixing plants, the denitrification plant and expediting terminals), including three underground gas storage facilities, are used for the branch's operations.

The Sanok Branch operates a network of 1,465 km of mine gas pipelines (connecting wells to collection centres and connecting centres to each other) and about 152 km of oil pipelines (connecting wells to reservoir collection points). Moreover, 34 facilities (oil and gas, oil and gas mines) are used, including four underground gas storage facilities for the Sanok Branch's operations.

The chart below presents transport structure and logistics infrastructure used by the ORLEN Group in 2022:

	POLAND	CZECH REPUBLIC	LITHUANI	GERMAN
PIPELINES	43%	57%		
RAILWAY	37%	27%	96%	
TANK TRUCKS	20%	16%	4%	100%

Source: the Issuer

Supply sources of the Refining and Petrochemicals segments

Crude oil

ORLEN supplies crude oil to the Płock refinery and to three other ORLEN Group refineries, in Litvinov and Kralupy in the Czech Republic, in Lithuania's Mažeikiai and from August 2022, to the refinery in Gdańsk.

In 2022, the implementation of oil deliveries by sea experienced periodic delays due to port closures caused by external factors (weather and breakdowns). The war in Ukraine did not lead to major disruptions in oil supplies to the ORLEN Group as it implemented a diversification strategy and obtained new trading partners. Moreover, in response to Russian aggression in Ukraine, ORLEN was able to quickly reduce purchases of Russian oil. In 2022, oil purchases were carried out in accordance with the reported demand of all ORLEN Group refineries, ensuring both continuity of supply and output.

In 2022, two long-term contracts for oil supply by sea (a long-term contract with Saudi Aramco and a one-year contract with Exxon Mobil Sales and Supply LLC) were in force. Saudi Aramco, the world's largest oil producer, has become the Company's key partner. In 2022, ORLEN and Saudi Aramco signed a strategic cooperation agreement, which, among other things, provides the ORLEN Group with oil supplies sufficient to cover about 45 per cent. of the total demand of all ORLEN Group refineries. From August 2022, following the acquisition of Grupa LOTOS , agreements with AB LOTOS Geonafta, B8 Ltd. BALTIC S.K.A., Glencore Energy UK Ltd, LOTOS Petrobaltic S.A., and Petraco Oil Company S.A. are also in force.

Agreements were in place with Rosneft Oil Company and Tatneft Europe AG for the supply of oil by pipeline. Russian oil was supplied only under those agreements, and has been mostly replaced with alternative oil types and Arabian Light oil. At the end of January 2023, ORLEN's contract with Rosneft for the supply of 3.6 million tonnes of crude oil per year expired and Russian oil was replaced by oil imported from other sources. At the end of January 2023, a long term contract with Rosneft for crude oil delivery to Płock expired. In February 2023, Tatneft suspended crude oil deliveries to Płock and the Issuer terminated this contract in April 2023. Currently, Russian crude oil is processed only in our Czech refineries based on long-term contracts with Rosneft which are binding until mid-2025. In the ORLEN Group, approximately 90 per cent. of processed crude oil is obtained from non-Russian sources. Therefore, any possible new sanctions on oil imports from Russia would not materially disrupt the ORLEN Group's operations.

The foregoing long-term contracts account for almost 75 per cent. of crude oil supplies of the ORLEN Group to Poland, with remaining supplies based on spot contracts (short-term and one-off transactions) concluded depending on the current needs of the ORLEN Group. The raw materials for all refineries of the ORLEN Group were procured from oil producers and other companies operating on the international oil market.

As part of its diversification strategy, the ORLEN Group imported supplies from Saudi Arabia, Guyana, Kazakhstan, Lithuania, Nigeria, Norway, Poland, Russia, the United States and the United Kingdom. The refineries in the Czech Republic received feedstock from Saudi Arabia, Azerbaijan, Kazakhstan, Libya, Russia and the United States. The Mažeikiai refinery was primarily supplied with feedstock from Algeria, Saudi Arabia, Kazakhstan, Norway, the United States and the United Kingdom.

In 2022, the share of the crude oil supplied to the ORLEN Group by the Saudi Aramco exceeded 10 per cent. of the ORLEN Group's total revenue.

The ORLEN Group intends to increase the diversification of its crude oil supply further. Due to the geopolitical environment, the ORLEN Group has prepared operational plans for replacement of Russian oil with supplies from alternative directions, should it be necessary. In all the markets in which ORLEN operates it is obligatory to maintain emergency oil stock and therefore Poland, Czech and Lithuania are secured against short- and mid-term supply disruptions.

Additionally, the ORLEN Group manages the risk related to sanctions that could be imposed on any of its suppliers using the following solutions:

- internal policy indicating the framework and principles for performing contractor verification;
- clauses regarding sanctions in agreements with contractors, providing on one hand for confirmation of the contractors', affiliated entities' and key persons' compliance with sanctions regulations and, on the other hand, obligating the contractor to ensure future compliance, including not transferring funds received from ORLEN in a way that violates sanctions imposed by the USA, United Nations, UK or EU;
- online screening system for suppliers, buyers and bidders. Sanctions lists are connected to the system, including sanctions imposed by the USA, United Nations, UK, EU or Poland;
- additional manual monitoring of sanctions regulations of sanctions authorities, including in the USA, United Nations, UK, EU or Poland;

- monitoring of the current geopolitical situation, including responses of individual countries to the war in Ukraine in order to implement changes in the ORLEN Group's operations to ensure compliance with sanctions regulations; and
- expert team providing support to the ORLEN Group in sanctions verification of contractors, banks involved in transfers, products and services against sanctions restrictions.

Natural gas

The ORLEN Group is one of the largest gas consumers and the largest natural gas distributor in Poland and one of the largest gas consumers in the Czech Republic and Lithuania. Natural gas is used by the ORLEN Group in the production of heat, electricity, fuels and fertilisers.

The ORLEN Group purchased natural gas mainly under the following long-term agreements:

- the contract for the purchase and sale of natural gas to the Republic of Poland dated 25 September 1996 concluded with PAO Gazprom/OOO Gazprom Export, in force until the end of 2022 (the so-called Yamal contract); the supplies under the contract were suspended by the supplier in April 2022, when the contract was still operated by PGNiG;
- contract for the sale of liquefied natural gas dated 29 June 2009 concluded with Qatar Liquefied Gas Company Limited, effective until 2034 (the so-called Qatar contract) and an additional agreement from March 2017 (effective from the beginning of 2018 until 2034);
- sales/purchase agreement for liquefied natural gas dated 8 November 2018 concluded with Cheniere Marketing International, LLP, effective until 2042,
- gas sales-and purchase contracts with Equinor ASA Group dated 23 September 2022 effective from 1 January 2023 to 1 January 2033.

Deliveries were also made under medium- and short-term pipeline supply and LNG supply contracts, including a five-year contract for the supply of nine cargoes of LNG from Centrica LNG Company Limited, the execution of which began in 2018.

In the year ended 31 December 2022, imported gas purchases amounted to 152.9 TWh. LNG supplies increased from 43.2 TWh in 2021 to 66.6 TWh in 2022.

Moreover, on 16 May 2022, the agreement with Sempra Infrastructure defining the main provisions of the FOB-based LNG purchase and sale contract was concluded. In January, ORLEN also entered into an agreement with Port Arthur LNG LLC, a company owned by Sempra Infrastructure, concerning the supply of LNG in the annual volume of 1 million tonnes. The contract was concluded for 20 years, with the first deliveries planned for 2027. The LNG cargoes will arrive from the Port Arthur LNG liquefaction terminal in Texas.

For the purposes of LNG transports contracted on a free-on-board (FOB) basis at US terminals, the ORLEN Group has chartered a total of eight LNG carriers for a period of 10 years. The first unit, the tanker Lech Kaczynski, was taken over by the ORLEN Group in December 2022. The remaining units with a capacity of about 174 thousand cubic metres each will commence operations in 2023-2025. In addition, the ORLEN Group has signed three short-term charter contracts for already existing units.

In March 2022, PGNiG (acquired by ORLEN in November 2022) placed an order for regasification services under the first phase of the Open Season Floating Storage Regasification Unit (FSRU) procedure implemented by Gaz-System. The Open Season FSRU is aimed at verifying market participants' interest in the regasification capacity of the floating unit to be located in the Gdańsk Bay by obtaining binding orders for long-term use of regasification services. The planned capacity of the FSRU is about 6 billion cubic metres per year.

On 26 April 2022, Gazprom informed PGNiG of its intention to completely stop natural gas deliveries under the Yamal contract (**Yamal Contract**). The decision came into effect on 27 April 2022. According to the information provided to PGNiG by Gazprom, it stopped deliveries due to the provisions of Decree of the President of the Russian Federation No. 172 of 31 March 2022 "On a special procedure for the performance of obligations of foreign buyers to Russian natural gas suppliers" (**Decree**). The effect of the Decree is to attempt to require some of Gazprom's counterparties to maintain settlement accounts in a bank under the jurisdiction of the Russian Federation and to make final payment for delivered gas in Russian rubles.

In response, PGNiG (acquired by ORLEN in November 2022) took steps aimed at safeguarding its interests under its contractual rights, including, among other things, requesting deliveries and maintaining the settlement terms until the end of the contract in 2022. By 31 December 2022, natural gas deliveries had not been resumed by Gazprom, and the supplier refused to accept settlements in accordance with the applicable contractual terms. The Yamal Contract expired at the end of 2022. Any disputes that arose under it remain pending.

In the year ended 31 December 2022, there were no entities whose share of natural gas deliveries exceeded 10 per cent. of ORLEN Group revenues.

LNG

In 2022, the ORLEN Group received 58 shipments amounting to 4.36 million tonnes of LNG, or approximately 66.64 TWh of natural gas after regasification, including:

- 18 shipments under Qatar contract – the volume of imports amounted to 1.65 million tonnes or approximately 25.21 TWh of natural gas after regasification;
- 35 spot deliveries;
- two deliveries under a contract with Centrica; and
- three shipments under a long-term contract with Cheniere.

Gas

Wholesale in Poland

The ORLEN Group's activities conducted through its PGNiG Divisions (*Zespół Oddziałów PGNiG ORLEN*) include the wholesale of natural gas produced from domestic fields and imported via pipelines and by sea. The company, through a specialised organisational unit, ORLEN PGNiG Wholesale Trading Branch (**WTB**), trades: natural gas, LNG, crude oil, electricity, CO2 emission allowances and property rights. WTB is also responsible for import policy and diversification of sources of gas fuel supply to Poland.

Within its activities, ORLEN holds a licence for trading in gas fuels, trading in natural gas with foreign countries, electricity generation, electricity trading, liquefaction of natural gas and regasification of liquefied natural gas in liquefied natural gas facilities.

In June 2023, ORLEN and Grupa Azoty S.A. signed annexes to gas supply contracts extending their partnership in natural gas supply for years 2023 - 2027. The estimated value of gas supplies under the contract extensions was PLN 18 billion.

On 30 September 2022, PGNiG also entered into a framework agreement and individual contracts with PGE Polska Grupa Energetyczna for natural gas supplies in the period from 1 October 2022 to 31 December 2025. The value of the agreement and individual contracts was approximately PLN 23 billion. The natural gas contracted under these arrangements is intended to cover the current production needs of the CHP plants owned by PGE Energia Ciepła, PGE Toruń, and KOGENERACJA Wrocław CHP Complex. The agreement also extends to the provision of natural gas to two new gas-steam units that are being built at the Lower Oder Power Plant by PGE Gryfino 2050.

Other strategic customers in Poland that rely on PGNiG's natural gas include KGHM Polska Miedź S.A., the ArcelorMittal Group, Celsa, CMC, Duon, and Elektrociepłownia Stalowa Wola S.A. These customers purchase gas fuel at market prices based on the formulas and mechanisms set out in their contracts with PGNiG. Contractual prices are determined on a case-by-case basis using a uniform and objective pricing methodology.

Wholesale on foreign markets

The ORLEN Group, through PGNiG Supply & Trading GmbH (**PGNiG Supply & Trading**), operates in Europe in three main areas: trading on the international LNG market, access services to the European gas market, including for gas from the continental shelf in the North Sea, and natural gas wholesale on the Central and Eastern European market. As part of its operations, the ORLEN Group has the ability to trade natural gas in Poland, Germany, the Netherlands, Belgium, Austria, Norway (Gassled System), Denmark, the United Kingdom, France, the Czech Republic, Slovakia, Ukraine, Lithuania, Latvia, Estonia, Hungary and Italy. The Group actively participates in trading on organised (exchanges) and over-the-counter (OTC) markets, working with more than 150 counterparties on the basis of EFET (framework agreements for gas and electricity trading) and similar standardised contracts.

In 2022, 46 LNG deliveries were made, including eight to the FSRU terminal in Klaipeda, Lithuania. A total of 39.2 TWh of LNG was delivered to the Świnoujscie terminal and 8.0 TWh to the Klaipeda terminal. PGNiG Supply & Trading is registered in the Norwegian Gassled system operated by Gassco (Shipper Agreement), which will enable the company to start receiving gas from fields on the Norwegian Continental Shelf. The company is also registered as a a shipper (gas intermediary) and a participant in the gas storage system in Ukraine. In 2021, in order to increase its presence in the Central and Eastern European region, PGNiG Supply & Trading became a member of the Hungarian gas exchange CEEGEX and the Lithuanian GET Baltic exchange.

PGNiG Supply & Trading also continues to trade in Brent crude oil futures and Henry Hub gas in the US through the ICE Futures Europe and ICE Futures US exchanges. The company also trades electricity on the German market, both on the exchange (EEX) and on the OTC market.

Retail

The ORLEN Group also operates in the retail gas trading market through PGNiG Obrót Detaliczny sp. z o.o. (**PGNiG OD**), a company established in 2014. The company's main objective is to provide retail sales of natural gas and commercial service to retail customers. PGNiG Obrót Detaliczny specialises in the sale of natural gas (mainly obtained from POLPX), electricity, compressed natural gas (CNG) and LNG. As part of its operations, it holds a licence for trading in gaseous fuels and trading in electricity.

PGNiG Obrót Detaliczny obtains natural gas from three main sources:

- purchase of high-methane gas on the POLPX market;
- purchase of high-methane gas under a bilateral agreement with ORLEN with delivery to a virtual point in the GAZ-SYSTEM transmission network; and
- purchase of gas under a bilateral agreement with ORLEN with a physical delivery to the Słubice facility.

The largest share of the high-methane gas purchases was conducted on the POLPX market.

PGNiG OD's purchases include, in addition to high-methane natural gas, nitrogenated gas and LNG. The purchase of nitrogenated gas is carried out on the basis of a bilateral agreement with ORLEN, while the purchases of LNG are carried out on the basis of agreements with ORLEN and PGNiG Supply & Trading.

PGNiG OD's customers include both consumers and business customers (including, in particular, small and medium-sized enterprises). Customers are classified into tariff groups according to:

- the type of gaseous fuel consumed - high-methane gas or nitrogenated gas;
- contracted power;
- annual contracted volume – for customers with contracted power not exceeding 110 kWh/h; and
- billing system – according to the frequency of billing of customers with contracted power not exceeding 110 kWh/h.

Customers billed in tariff groups no. 1-4 purchase gaseous fuel intended mainly for households and in production processes. Households and other customers are entitled to tariff protection through a tariff approved by the President of the Energy Regulatory Office that regulates natural gas prices. In 2022, PGNiG OD applied the PGNiG OD Tariff for Trading in Gaseous Fuels No. 11 approved by the President of the Energy Regulatory Office pursuant to the decision of 17 December 2021, which was effective for 2022.

In addition, the President of the Energy Regulatory Office, by decision dated 17 December 2022, approved PGNiG OD Tariff for Trading in Gaseous Fuels No. 12 (Tariff No. 12) for the period until 31 March 2023. Tariff No. 12 is effective from 1 January 2023 and, for entities entitled to tariff protection, will not affect applicable prices for gaseous fuel and subscription rates in 2023.

In accordance with the Act of 15 December 2022 on special protection of certain customers of gaseous fuels in 2023, due to the situation in the gas market, in 2023, PGNiG OD will be obliged to apply a maximum price for gaseous fuels of PLN 200.17/MWh net for customers entitled to tariff protection (including households). Moreover, in 2023, PGNiG OD will apply to customers entitled to the tariff protection the subscription fee rates at the same level as in 2022, i.e. the subscription fee rates from Tariff No. 11. Tariff No. 12 is also the basis for calculating the amount of compensation due to PGNiG OD as a result of the sale of gaseous fuels at a price lower than the cost of their purchase.

The ORLEN Group is also active in:

- CNG sales at existing CNG refueling stations, offered to entities with fleets of CNG-fuelled vehicles based on cashless refuelling agreements and separate bilateral agreements;
- sales of CNG with corresponding infrastructure, a comprehensive service offered by PGNiG OD to transport companies, where gas fuel is delivered along with the necessary infrastructure;
- sales of LNG to end-users with own receiving infrastructure (transport and industry sectors) along with transportation services to a designated location;
- sale of LNG along with corresponding infrastructure; and
- LNG bunkering, i.e. sales of LNG for shipping purposes together with bunkering services in the truck-to-ship technology, offered in Polish ports.

The key factor determining the company's retail gas sales policy is the obligation to have its tariffs approved by the President of ERO.

The abolition of this obligation under current legislation is planned for January 2028. Seeking to meet customer expectations and strengthen its market competitiveness, the ORLEN Group is gradually expanding its offering to the retail base of more than 7 million accounts through sales of add-on products.

In previous years, the offering was expanded by adding the following services:

- 24/7 "Pomocna Ekipa" handyman service;
- "Na Zdrowie" package, offering easy and quick access to medical services;

- "Doradca Prawny dla Ciebie" and "Doradca Prawny dla Firmy" legal service packages, which provide access to legal advice and reimbursement of lawyer fees;
- "Bezpieczeństwo osobiste" personal safety service;
- sale of Viessmann gas-fired condensing boilers;
- subsidies for replacement of heating boilers;
- "Pełnym Oddechem" financial service, offered in partnership with Bank Ochrony Środowiska S.A. (discontinued in June 2022);
- "Photovoltaics for your home" and "Photovoltaics for your business" – in 2022 these products were rebranded to "Renewable energy for your home" and "Renewable energy for your business."

The ORLEN Group's retail gas trading activities primarily involve offering special term plans that provide customers with a fixed or variable price based on the quotations of selected exchange indices. Customers who prefer not to enter into a fixed-term contract have the option to choose gas supplies based on the standard "Gas for Business" price list, which is used in open-term contracts.

The development of product offers and pricing plans is based on segmentation analyses (with particular emphasis on price elasticity) and customer demand communicated through the sales network. An important element of the process is the monitoring of competitors' activities and offers.

The ORLEN Group is striving to enhance its commercial portfolio by promoting supplementary products such as "Renewable Energy in Your Company" as well as consultancy services such as "Energy Audits" and "Energy Efficiency Audits."

PGNiG OD acts also as a "stand-by supplier" and "supplier of last resort" on the retail gas market (in accordance with the Act Amending the Energy Law and Certain Other Acts of 9 November 2018).

In 2022, due to the discontinuation of gas supply by:

- energy companies: Avrio Media sp. z o.o. (February), Energy Gate Europe sp. z o.o. (March), Audax sp. z o.o. (March), Green SA (April), Novatek Green Energy sp. z o.o. (April), Polskie Grupa Gazowe (September) and TAURON Sprzedaż sp. z o.o. (December);
- other sellers of gaseous fuel in connection with the expiration of comprehensive agreements concluded by these sellers with end-customers and the reported intention of these end-customers to continue consuming gaseous fuel,

PGNiG OD guaranteed continuous gas fuel supply to customers of companies that discontinued gas fuel supply, as well as to groups of customers of existing gas fuel sellers, through reserve or ad hoc sales.

Customers who were supplied with gaseous fuel under reserve/ad hoc sales were billed based on either the PGNiG OD tariff for trading in gaseous fuel (for consumers and customers eligible for tariff protection under the Act of 26 January 2022 on special solutions for the protection of customers of gaseous fuel in connection with the situation in the gas market), or the "Gas for Business" price list (for business customers).

PGNiG OD's customer base includes consumers and non-consumers who have concluded comprehensive service contracts for the supply of electricity or contracts for the sale of electricity. As at the end of 2022, the company supplied electricity to more than 88.5 thousand delivery points.

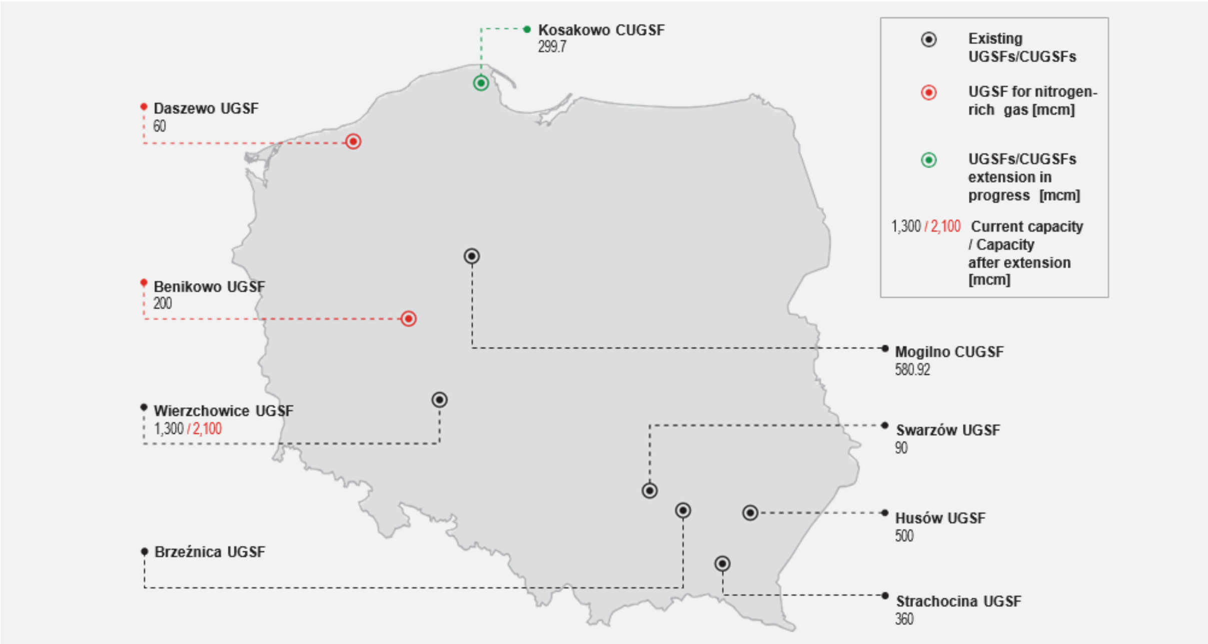
At the end of 2022, PGNiG OD ceased selling electricity to residential and business customers. These customers were informed of the company's decision to discontinue electricity sales. At the same time, PGNiG OD sent notices to the remaining business customers without valid term contracts, informing them of the termination of their electricity sales contracts, effective at the end of January and February 2023.

The main reason was the energy crisis and the associated high prices of electricity on stock exchanges, which prevented PGNiG OD's customers from offering attractive conditions and competitive prices.

Storage

The ORLEN Group, through Gas Storage Poland sp. z o.o. (**GSP**), is engaged in the business of storing gaseous fuels at the following storage facilities: PMG Husów, PMG Wierzchowice, PMG Strachocina, PMG Swarzów, PMG Brzeźnica, KPMG Mogilno and KPMG Kosakowo. GSP is also licenced to store gaseous fuels. Settlements with customers are conducted based on tariffs approved by the President of the Energy Regulatory Office.

The chart below presents the underground gas storage facilities of the ORLEN Group as at 31 December 2022:



KPMG Mogilno and Kosakowo are peak storage facilities created in salt caverns, and can be used, among other things, to offset short-term changes in customer demand for natural gas. PMG Wierzchowice, Husów, Strachocina, Swarzów and Brzeźnica are storage facilities with seasonal operations. They are used primarily to compensate for irregularities in demand for natural gas in the summer and winter seasons. They are also used to fulfil obligations under import contracts containing a take-or-pay clause and to ensure continuity and security of gas supply.

GSP acts as a storage system operator and provides gas fuel storage services to users of the storage facility under standardised procedures, on the principle of non-discrimination and equal treatment of storage service customers, taking into account the optimal and efficient use of storage facilities. Storage services are provided on the basis of storage services agreements (**SSAs**).

As of the end of 2022, under long-term SSAs, GSP provided storage capacity under 175 thousand packages, including 80.4 thousand packages of continuous storage services and 94.6 thousand packages of intermittent storage services. Moreover, there were 1,827 packages of the short-term intermittent storage services.

As of 31 December 2022, GSP had a total of 3,230.6 million cubic metres of storage capacity in active storage facilities. Within this capacity, GSP made available on a third-party access basis and for the needs of the gas transmission system operator a total of 3,190.3 million cubic metres of active capacity under the long-term packages, and 33.3 million cubic metres of active capacity under the short-term packages. In addition, approximately 7 million cubic metres of active capacity was allocated for in-house consumption of the KPMG Mogilno and KMPG Kosakowo technological installations.

The ORLEN Group also provides a ticketing service that enables entities importing natural gas to Poland or trading with foreign countries to comply with the statutory obligation to maintain obligatory stocks. In this regard, the Group is implementing contracts for the gas year 2022/2023 concluded with five energy companies. As a part of the ticketing service, the ORLEN Group maintains gas reserves in gas storage facilities operated by GSP.

In 2022, the ORLEN Group continued work on the "Cluster C – development" project, which involved cleaning up the Cluster C area, installing a fence, and implementing a monitoring system. A contract was also signed for the provision of maintenance services for the leaching unit at the Kosakowo storage facility, including monitoring of the property and facilities.

A decision was also made to expand the Wierzchowice storage facility. The ORLEN Group is planning to increase the active capacity of the Wierzchowice facility from 1.3 billion cubic metres to 2.1 billion cubic metres. This will result in a total active capacity of seven underground gas storage facilities that hold high-methane natural gas rising to more than 4 billion cubic metres. In addition, the injection capacity will be raised from 14.4 million cubic metres per day to 19.2 million cubic metres per day, and the withdrawal capacity from 14.4 million cubic metres per day to 24 million cubic metres per day. These upgrades will ensure the flexibility of the facility's operation.

In addition, to secure new sources of revenue the ORLEN Group plans to expand its activities in storage of energy in the form of hydrogen and compressed air, as well as in storage of gaseous fuels, i.e. hydrogen and biomethane. The services will include the preparation, execution and supervision of underground energy storage projects and subsequent offering of the storage capacity.

In 2023, work will continue on hydrogen, biomethane, and compressed air storage projects. As part of the "H2020" project, the ORLEN Group will work on a product sales contract and as part of the "Mogilno Large-Scale Energy Storage" project it will work on a contract for participation of GSP in Phase 1 of the project. Plans for 2023 include work on the administrative, legal and environmental aspects of the business, including preparation of appropriate geological surveys and preliminary designs for selected locations.

Volume of sales

Total gas sales volumes, including the ORLEN Group and former PGNiG Group (from 1 November 2022, after the merger), amounted to approx. 347 TWh in the whole year of 2022.

Distribution

The ORLEN Group, through Polska Spółka Gazownictwa sp. z o.o. (**PSG**), as a distribution system operator, is obliged to ensure that all customers and companies engaged in the sale of gaseous fuels are provided with gaseous fuel distribution services on an equal treatment basis pursuant to the Energy Law and PSG's Program for Ensuring Non-Discriminatory Treatment of Distribution System Users. PSG provides distribution services on the basis of the relevant distribution agreements. As of the end of 2022, PSG supplied gaseous fuel to 7.5 million customers.

PSG's holds licences related to the distribution of gaseous fuels and liquefied natural gas regasification services. Moreover, the tariffs for distribution services require the approval of the President of the Energy Regulatory Office.

Total gas distribution volumes, including PGNiG Group and ORLEN Group (from 1 November 2022, after the merger), amounted to approx. 126 TWh in the whole year of 2022.

Retail

The Retail segment comprises mainly activity carried out at petrol stations and the activity of the RUCH Group (which is part of the ORLEN Group). The ORLEN Group sells directly to end customers in the Retail segment, managing a network of 3,097 fuel stations, including 2,545 own-brand stations and a further 552 stations operated under franchise agreements.

The table below presents details of the ORLEN Group's portfolio of retail stations as at 31 December 2022:

	units	ORLEN Group	Poland	Germany	Czech Republic	Slovakia	Hungary	Lithuania
Market shares	**per cent.**		34.3	6.0	22.2	2.0	-	4.1
Number of stations, including	**number**	**3,097**	**1,920**	**587**	**431**	**51**	**79**	**29**
Premium	**number**	2,453	1,884	9	406	46	79	29
Economic	**number**	605	20	561	19	5	-	-
Other	**number**	39	16	17	6	-	-	-
	number							
CODO/COCO[1]	**number**	2,545	1,471	503	412	51	79	29
DOFO/DODO[2]	**number**	552	449	84	19	-	-	-
EV charging stations	**number**	**598**	**493**	**17**	**79**	**-**	**9**	**-**
Hydrogen charging stations	**number**	**2**	**1**	**1**	**-**	**-**	**-**	**-**

[1] Company Owned Dealer Operated service station / Company Owned Company Operated service station
[2] Dealer Owned Franchisee Operated service station / Dealer Owned Dealer Operated service station

Source: the Issuer

The table below presents details of the ORLEN Group's portfolio of food and retail stores and RUCH outlets:

	units	ORLEN Group	Poland	Germany	Czech Republic	Slovakia	Hungary	Lithuania
Total, including	**number**	**2,401**	**1,828**	**173**	**349**	**17**	**5**	**29**
Stop Cafe	**number**	639	576	-	52	1	-	10
Stop Cafe Bistro	**number**	248	229	-	18	1	-	-
Stop Cafe 2.0	**number**	1,345	1,023	9	279	13	-	19
Star Connect	**number**	164	-	164	-	-	-	-
Piknik	**number**	5	-	-	-	-	-	-
RUCH outlets	**number**	**820**	**820**	**-**	**-**	**-**	**-**	**-**

Source: the Issuer

Market position and environment

In Poland, the ORLEN Group's service stations operate under the ORLEN brand in the premium segment and under the Bliska brand in the economy segment (with the share of the economy segment gradually declining year on year). In the Czech Republic, the ORLEN Group's service stations are branded as Benzina and Benzina ORLEN, and in Slovakia and Lithuania as ORLEN. On the German market, ORLEN Deutschland operates economy stations under the STAR ORLEN brand, and the network is complemented by more than a dozen Familia supermarket stations. Moreover, since December 2022, the ORLEN Group operates 79 service stations in Hungary under the ORLEN brand.

At the end of 2022, the ORLEN Group had 820 active RUCH retail outlets. The decrease in the number of points as compared to 2021 was a result of the optimisation of RUCH retail operations.

In 2022, the ORLEN Group continued the development of the "ORLEN Paczka" (ORLEN Parcel) service which replaced the "Paczka w Ruchu" (Parcel in Motion) service. With this new courier service, e-commerce customers were offered a larger number of pickup points, parcel lockers (1,847), and, as before, RUCH kiosks and partner outlets. In the coming years, the ORLEN Group plans to further expand the geographical coverage of its ORLEN Parcel service. In order to increase the capacity and efficiency of the logistics network a central sorting facility in Strykow was launched.

Polish market

According to the Polish Organisation of Oil Industry and Trade (POPiHN), there were more than 7,879 service stations in Poland at the end of September 2022, whereas the ORLEN Group, after the merger with Grupa LOTOS, had a network of 1,920 service stations on the Polish market (approximately 24 per cent. of all stations in the country), while the stations operated by international chains (BP, MOL, Shell, Circle-K, Amic and Total) represented approximately 26 per cent. of the total. Independent operator stations (including smaller chains operating under a single brand) accounted for about 47 per cent. of all service stations in Poland. Among the chains of independently operated stations, MOYA continued to grow at a vigorous pace. The number of supermarket service stations slightly decreased (171 locations, representing around 2 per cent. of the total).

As at 31 December 2022, there were 493 EV charging stations in the ORLEN network, including 470 operated by ORLEN.

ORLEN's market share in Poland amounted to 34.3 per cent. (according to the ORLEN Group's estimate based on number of service stations).

Czech market

In 2022, the ORLEN Group maintained its leading position, both in terms of volume sold and network size in the Czech Republic (according to the ORLEN Group's estimate). In 2022, the Benzina chain increased its number of sites to 431 sites; however, its market share decreased to 22.2 per cent. mainly due to the economic situation related to the war in Ukraine and pressure from cheaper competitors.

In terms of the number of service stations, Hungary's MOL is the second largest chain in the Czech Republic (with 306 locations). In terms of market share, Tank Ono, a privately owned discount chain, is the second-largest chain, with 44 stations and an approximately a 15 per cent. share in the market. Other major players on the Czech market are the premium stations run by the two multinationals, Shell and OMV, with a combined market share of approximately 20 per cent.

German market

In 2022, the number of service stations on the German market was approximately 14.4 thousand, with ORLEN Deutschland's main competitors including international networks such as: Aral (BP Group), Shell, ESSO, Total (and 45 per cent. of all stations) and the economy chains JET and HEM (9 per cent. of all stations). In 2022, ORLEN Deutschland's service station chain comprised 586 sites and had a market share of 6.0 per cent. (according to the ORLEN Group's estimate).

Slovak market

Within the market consolidation trend, ORLEN Group acquired 27 OLIVA stations, Slovnaft took over 16 Lukoil stations, and Dalioil acquired 6 Oktan stations. At the end of 2022, Slovnaft remained the market leader with 272 stations, followed by OMV (104 stations), Shell (91 stations), Jurki (59 stations) and ORLEN Group with 51 stations. In the Slovak market, the total number of service stations in 2022 amounted to 910.

In 2023, the ORLEN Group plans to complete the further acquisition of 37 stations from Slovnaft and other acquisition projects.

Lithuanian market

Approximately 63 per cent. of the Lithuanian market belongs to the six largest players. Viada, with 216 locations and a 29 per cent. market share, is the leader in terms of the size of the service station chain on the Lithuanian market. The second-largest retail chain is Circle K, the operator of 95 service stations (including 11 automated self-service locations) with a 15 per cent. market share. Neste, operating 80 service stations, is another major player present on that market (an almost 12 per cent. market share). At the end of 2022, the ORLEN Group's retail chain in Lithuania, operated by the subsidiary ORLEN Baltics Retail, comprised 29 sites and had a market share of 4.0 per cent. (according to the ORLEN Group's estimate).

Hungarian market

In 2022, entry into the Hungarian market took place through an asset swap transaction with the MOL Group. In December 2022, 79 stations of the Normbenz network (out of 143 stations) were acquired, representing a 4 per cent. share in the Hungarian market. In 2022, the network of gas stations in Hungary amounted to 2,000 facilities. About 48 per cent. of the Hungarian market is owned by the four largest players. In terms of network size, the leader is the MOL Group with 464 stations, which accounts for 23 per cent. of the market share. The second player in the Hungarian market is the OMV network with 205 stations and a 10 per cent. market share. The third player in the Hungarian market is Shell with 187 stations and a 9 per cent. market share. The remaining players in the Hungarian market have a total of 1,068 stations and a 52 per cent. market share. The asset swap with MOL is scheduled to be completed in 2024. After the transaction the ORLEN Group will have a network of 143 stations covering Hungary and an approximately 7 per cent. market share.

Sales in the Retail Segment

Volume sales of the ORLEN Group's Retail segment in 2021 amounted to 9,352 thousand tonnes, up by 4.2 per cent. year-to-year in 2021, including 3,769 thousand tonnes of light distillates and 5,578 thousand tonnes of medium distillates. In 2021, the volume of sales of light distillates amounted to 3,569 thousand tonnes and the volume of sales of medium distillates amounted to 5,401 thousand tonnes.

Sales growth was achieved due to the lifting of restrictions and constraints related to the COVID-19 pandemic, which contributed to an increase in vehicle traffic. Russia's invasion of Ukraine in February 2022 triggered a temporary surge in fuel demand, but the situation quickly normalised. The economic and geopolitical situation, including rising inflation, contributed to a decline in volume sales in the second half of the year.

An increase in volume sales throughout 2022 was recorded in the Polish market, while declines continued in the other home markets. In all ORLEN Group companies, numerous measures were taken to maintain the continuity of sales and network operations, as well as to ensure the safety of employees and customers of fuel stations.

The table below present sales of the ORLEN Group in the Retail segment for the years ended 31 December 2022 and 2021:

	Year ended 31 December	
	2022	**2021**
	Value (*PLN million*)	
Total	**65,329**	**41,082**
Light distillates	24,493	16,111
Medium distillates	35,328	20,427
Other (sale of non-fuel merchandise and services and including items excluded from scope of IFRS 15)	5,508	4,544

Source: the Issuer

The ORLEN Group's retail home markets include Poland (where the retail business is managed by ORLEN), Germany (with a retail chain operated by ORLEN Deutschland), the Czech Republic, Slovakia and Hungary (service stations under the brand ORLEN Benzina, a member of the Unipetrol Group – a subsidiary of the ORLEN Group), and Lithuania (a service station chain managed by AB ORLEN Baltics Retail, a subsidiary).

In 2022, the ORLEN Group's fuel sales volume within its Retail segment on the Polish market increased by 13.7 per cent. year on year. The average annual flow per CODO station was 4.8 million litres. The sales growth was positively impacted by the relaxation of restrictions and limitations associated with the COVID-19 pandemic, which resulted in an increase in vehicle traffic. Russia's invasion of Ukraine in February 2022 caused a temporary surge in fuel demand, but the situation quickly normalised in the latter half of the year.

On the German market, ORLEN Deutschland operates economy stations under the Star brand and the network is complemented by more than a dozen Familia supermarket stations. At the end of 2022, there were seven stations under the ORLEN brand positioned in the premium segment. In 2022, the ORLEN Group recorded an 11.4 per cent. Year-on-year drop in its fuel sales volumes on the German market. The average annual flow per station was 4.3 million litres.

In 2022, fuel sales on the Czech, Slovak and Hungarian markets fell 8.0 per cent. year on year. The average annual flow per station was 2.4 million litres in the Czech market, 1.8 million litres in the Slovak market and 2.4 million litres in the Hungarian market.

Sources of supply

In 2022, the ORLEN Group's refining assets were the main source of fuel supplies for the Polish, Czech, Slovakia and Lithuanian service station chains. The ORLEN Group does not operate its own production plants in Germany. Unlike in the case of other local markets, ORLEN Deutschland works with suppliers operating on the German wholesale market, including Deutsche BP AG, Shell Deutschland Oil GmbH, Total Deutschland GmbH, and Esso Deutschland GmbH. A considerable volume of fuel sold by ORLEN Deutschland comes from the Litvínov refinery run by ORLEN Unipetrol RPA s.r.o., which is part of the ORLEN Group. In 2021, the volume of supplies from the Czech Republic did not change year-on-year, meeting more than 20 per cent. of ORLEN Deutschland's fuel demand.

Energy

The Energy segment comprises production, distribution and sale of electricity and heat and trading in electricity. Total installed electrical capacity at the ORLEN Group amounts to 5.1 GW.

Competition in the CEE

The ORLEN Group's biggest competitors in the Energy segment include:

- PGE Polska Grupa Energetyczna S.A.'s group, the largest vertically integrated producer of electricity and heat in Poland;
- TAURON Polska Energia S.A.'s group, consisting of TAURON Polska Energia S.A. and its subsidiaries; and
- Enea S.A.'s group.

Main production assets of the ORLEN Group in the Energy segment

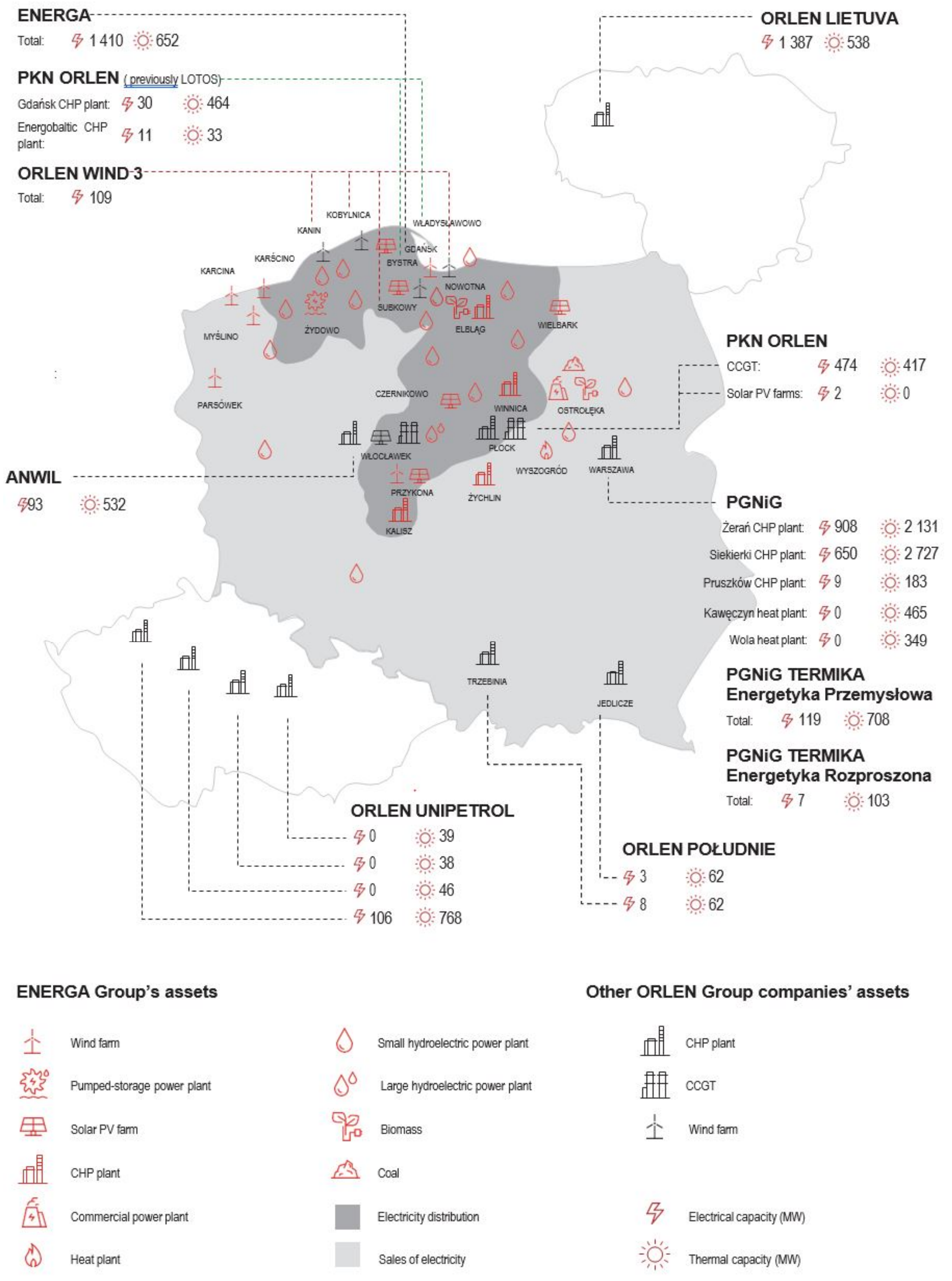
The ORLEN Group is a significant producer of electricity and heat, used to a large extent for its own production needs, as well as one of the main distributors of electricity in Poland. It is also one of the largest consumers of gas in Poland and an active participant in the process of gas market liberalisation. The ORLEN Group currently operates power generation assets in three countries: Poland, the Czech Republic and Lithuania.

In Poland, power generation assets are located, among other locations, in Płock, Ostrołęka, Elbląg, Kalisz, Włocławek, Jedlicze, Trzebinia and many RES units in the northern part of Poland; in the Czech Republic they are located in Litvinov, Spolana, Kolin and Pardubice; and in Lithuania they are located in Mažeikiai. In 2022, the power generation assets were expanded though units held by the companies in former Grupa LOTOS and PGNiG capital groups.

The ORLEN Group's strong position in terms of the share of electricity coming from renewable sources is related to energy generated in hydroelectric and wind power plants belonging to the Energa Group and Orlen

Wind 3. Green energy is also generated at biomass-burning installations (at Energa Elektrownie Ostrołęka, Energa Kogeneracja and PGNiG Termika Group) and at five photovoltaic farms.

The map below presents the energy assets of the ORLEN Group and their technical details:



Source: the Issuer

Wind power plants

The ORLEN Group operates the following wind power plants, with a total installed capacity of 353.25 MW:

- Kanin wind farm belonging to ORLEN Wind 3 Group, which is located in the West Pomeranian Province in Kanin near Darłowo. It consists of eight wind turbines with a total power capacity of 20 MW.

- Nowotna wind farm in Nowotna belonging to ORLEN Wind 3 Group, which is located in the Pomeranian Province, in the Nowodworski district, in the village of Nowotna. It consists of 20 Vestas V110 2.0 MW turbines.

- Kobylnica wind farm in Nowotna belonging to ORLEN Wind 3 Group, which is located in the Pomeranian Province, in the Słupsk district, in the village of Kobylnica. It consists of 18 Siemens SWT 2.3 MW turbines.

- Subkowy wind farm in Nowotna belonging to ORLEN Wind 3 Group, which is located in the Pomeranian Province, Tczew district, in the village of Subkowy. It consists of four Gamesa G90 2.0 MW turbines.

- Energa OZE's Bystra wind farm, which is located in the Pomeranian Voivodship, in Pruszcz Gdański poviat, in Bystra, Dziewięć Włók, and Wiślina. It is the smallest and newest wind farm located near Gdańsk. On the area of 2 km^2 there are 12 turbines, with total power capacity of 24 MW.

- Energa OZE's Karcino wind farm, which is located in the West Pomeranian Province, Kołobrzeg poviat, between Karcino and Sarbia. On an area of 6 km^2 there are 17 turbines, with a total power capacity of 51 MW.

- Energa OZE's Karścino wind farm, which is located in the West Pomeranian Province, Białogard poviat, near Karlino in northern Poland. It consists of 60 turbines with a total capacity of 90 MW. It covers an area of 11 km^2.

- Energa OZE's Myślino wind farm, which is located in north-eastern Poland, West Pomeranian Province, Kołobrzeg poviat. It was commissioned in 2014 and consists of 10 turbines with a total power capacity of 20 MW.

- Energa OZE's Parsówek wind farm, which is located in the Gryfino municipality in the West Pomeranian Province. It consists of 13 turbines with a total power capacity of 26 MW.

- Energa OZE's Przykona wind farm, which was built on recultivated land on the site of a former coal mine in the Przykona municipality (Turek poviat). It is made of nine Vestas V126 wind turbines with a total installed capacity of 32.85 MW.

<u>*Solar farms*</u>

The ORLEN Group holds the following photovoltaic (**PV**) installations, with a total installed capacity of 36 MW:

- PV Delta operated by Energa Wytwarzanie, which has been operating since the second half of 2014. It is located in Gdańsk, at Benzynowa Street, in close proximity to the Bystra Wind Farm. It comprises 6,292 photovoltaic panels connected in 286 sets. Each set contains 22 photovoltaic modules connected in series. The installed electric power of the power plant is 1.64 MW.

- PV Czernikowo operated by Energa Wytwarzanie located in the Czernikowo municipality. The installed electrical power of the power plant is 3.77 MWp. The installation consists of nearly 16 thousand panels – each of 240 Wp power, which occupy an area of over 22,500 m2.

- PV Gryf operated Energa Wytwarzanie located in Przykona municipality. The installed electrical power of the plant is 19.833 MW. The installation consists of 18,198 panels of 545 watts and 18,366 panels of 540 watts. The PV Gryf project is being expanded with the target installed capacity of 25.083 MW.

- PV Wielbark operated by Energa Wytwarzanie. As a result of the ongoing acquisition process, in 2021 Energa OZE purchased PV Wielbark installations with a total installed capacity of 12 MW in two tranches. The acquisition of PV Wielbark will ultimately include assets with a total installed capacity of 62 MW sited on a land area of approximately 119 ha.

- The photovoltaic plant at the CCGT Włocławek. It is located on the site of the CCGT unit in Włocławek and is made of prefabricated photovoltaic modules. The installation consists of 4,442 photovoltaic modules (450 W each), arranged on 226 tables of 16 horizontal modules in four rows. It covers an area of 44,072 m^2, and the total power of the installation is 1,998.9 kW.

<u>*Combined-cycle gas turbine (CCGT) plants*</u>

The ORLEN Group also operates the following CCGT plants with a total installed electrical capacity of 1,532 MW:

- CCGT Włocławek, which is responsible for the supply of electricity and process steam to the ANWIL S.A. (**ANWIL**) combined heat and power plant. CCGT Włocławek is a unit with an electrical capacity of 474 MW and a thermal capacity of 417 MW. In 2021, a net 1.6 TWh of electricity was produced and 1.5 petajoules (PJ) of process steam was supplied to ANWIL;

- CCGT Płock, which is a producer of heat and power in cogeneration with an electrical capacity of 608 MW and a thermal capacity of 519 MW. It covers the shortage of these utilities at the Płock refinery, while remaining an active participant in the electricity market and providing ancillary power reserve services to the transmission system operator, i.e. PSE. In 2022, the unit produced a net 2.9 TWh of electricity and 3.1 PJ of steam was diverted to the Płock refinery grid.

- CCGT Stalowa Wola is a joint investment with Tauron Polska Energia S.A. The gas-steam unit, powered by natural gas, has a total electrical capacity of 450 MW. It supplies electricity to the National Power System and heat to the city of Stalowa Wola.

Surplus electricity from the CCGT assets is sold both on the wholesale energy market and to end-customers.

<u>*Water power plants*</u>

The ORLEN Group operates the following water power plants:

- Energa Wytwarzanie's Włocławek, a run-of-river water power plant, with installed capacity of over 160 MW and energy production of 750 GWh per year on average. More than 20 per cent. of electricity generated in Polish water power plants is produced here. The water power plant in Włocławek was put into operation in 1969.

- Energa Wytwarzanie's Żydowo pumped storage water power plant, built in 1971, is a peak power source in case of sudden or high power demand. This means that if there is a sudden shortage of power, the plant is put into turbine operation, and if there is a sudden excess of power, the plant takes up pumping operations. This water power plant is a natural energy storage facility. The installed capacity is 157 MW, which consists of the operation of three turbine sets.

- Energa Wytwarzanie's 44 small water power plants with a total installed power capacity of approximately 40 MW. They are located mainly in northern Poland, with one located in southern Poland.

Combined heat and power (CHP) plants

The ORLEN Group operates the following CHP plants:

- ORLEN's high-efficiency CHP plant in Płock (**EC Płock**). It is the main supplier of steam heat, heating water and electricity to the ORLEN Group's production units in Płock and to external customers, including the city of Płock. The total installed electrical capacity, after taking into account the construction of the new TG7 turbine set and the permanent withdrawal for modernisation of the TG1 turbine set in 2019, was 358.9 MW. The commissioning of the new TG1 took place in December 2021 and the total electrical capacity of EC Płock increased to 428 MW. The boilers at the plant are fired with heavy fuel oil derived from crude distillation and also with gas.

- The ORLEN Południe's CHP plant in Trzebinia, which fully satisfies the Trzebinia refinery's demand for steam heat and heating water, and partly its demand for electricity. The power plant uses natural gas and fine coal. The new natural gas-fired heat source commissioned in 2019 was expanded in 2021 with the addition of a third gas boiler adapted for biogas co-firing.

- The ORLEN Południe's CHP plant in Jedlicze, fired mainly with fine coal, which is the Jedlicze refinery's main supplier of heat in the form of process steam. Supplementary fuels used are natural gas, fuel oil and C4 fraction.

- The Anwil CHP Plant, which is the primary source of heat in the form of medium-pressure process steam and, at the same time, the peak-load and reserve source of heat for the Włocławek chemical complex. In its technological processes, the Anwil CHP Plant uses mainly low-pressure process steam supplied by CCGT Włocławek owned by ORLEN.

- The ORLEN Unipetrol Group's CHP plant in Litvínov, which uses mainly lignite, fully meeting the Litvínov plant's heat demand and partially satisfying its electricity demand. Design works are now under way for a new CHP plant project based on high-efficiency gas-fired cogeneration, which will ultimately replace the existing CHP plant. The new unit is to be launched in the second-half of this decade.

- The CHP plant in Spolana, which is the main source of heat for the facility in Spolana. From 2020, with the completion of the new gas-fired boiler plant and the decommissioning of the existing coal-fired CHP plant, 100 per cent. of the heat demand is met from a low-carbon source.

- The Paramo CHP plant, which comprises two production plants, in Kolin and in Pardubice, both fuelled by natural gas.

- The ORLEN Lietuva CHP plant, which is a source of process steam used in production processes, while ensuring stability of the power system. The Lietuva CHP plant is fired with natural gas, refinery gas, C4 fraction and fuel oil.

- Energa Kogeneracja sp. z o.o.'s Elbląg CHP plant, which is the largest source of heat and electricity in Elbląg in the Warmińsko-Mazurskie Voivodship. The heat produced by this plant meets approximately 80 per cent. of the demand of the heating system in Elbląg. The Elbląg CHP plant is fired with coal and biomass. A new installation with natural gas-fired water boilers is planned to replace the coal-fired boilers.

- Energa Kogeneracja sp. z o.o.'s Kalisz CHP plant, which is the largest source of heat and electricity in Kalisz. The heat produced in this source satisfies about 70 per cent. of the demand of the heating system in Kalisz. The Kalisz CHP plant is fired with coal. A new installation with natural gas-fired water boilers is planned to replace the coal-fired boilers.

- Energa Kogeneracja sp. z o.o.'s Żychlin CHP plant, which is the largest heat provider for Żychlin. Transmission and distribution of the generated heat is carried out through heating networks, most of which, together with the CHP plant, are owned by the company. The CHP plant is fired with coal and biomass.

- Gdańsk Refinery CHP plant, which is a heat and electricity source for the Rafineria Gdańska's own needs. In addition, the facility supplies low-pressure steam and central heating to ORLEN Group customers. The installed thermal power of the CHP plant is 464.6 MW, and the installed electrical power is 30 MW. In 2022, the total production of heat amounted to 4,200.5 TJ and 103.8 GWh of electricity (in cogeneration, gross).
- Energobaltic's CHP plant in Wladysławów, the core business of which is the production and sale of electricity and heat, LPG and natural gas condensate. The main resource used in the production of electricity and heat is natural gas. Reserve fuels include natural gas from the municipal grid and light fuel oil. Natural gas condensate and LPG, on the other hand, are produced during oil production on the extraction platforms owned by LOTOS Petrobaltic. The plant generates 32.7 MW of thermal power.
- PGNiG Termika's Siekierki CHP plant is the largest producer of heat and electricity in Warsaw, supplying about 55 per cent. of the city's area with heat, using hard coal and to a smaller extent biomass and fuel oil.
- PGNiG Termika's Żerań CHP plant is another primary source of heat supply for Warsaw (supplying about 45 per cent. of the city's area), and is undergoing significant modernisation.
- PGNiG Termika's Pruszków CHP plant with a total electrical capacity of 9.2 MW and thermal power of 183 MW.
- PGNiG Termika's Kawęczyn heat plant is the peak heat source for Warsaw's heating system. It has two coal-fired water boilers scheduled for replacement with gas-oil water boilers (two boilers with 110 MW capacity each).
- PGNiG Termika's C Wola is another peak heat source, supplying Warsaw's heating system during low temperature periods.
- PGNiG Termika Energetyka Przemysłowa's Jastrzębie-Zdrój plant produces heat, electricity, and compressed air for the residents and businesses in Jastrzębie-Zdrój. In addition, the plant produces and supplies compressed air to the nearby "Zofiówka" mine. The fuels used include coal, low-calorie fuel, gas from de-methanation, biomass and light fuel oil. The installed capacity is 81 MW of electricity and 300.4 MW of heat.
- PGNiG Termika Energetyka Przemysłowa's Jastrzębie-Zdrój Branch Moszczenica plant of produces heat and electricity using coal and de-methanation gas. The basic generating units of the thermal power plant include water boilers and gas engines that produce electricity and heat in cogeneration. The installed capacity of the units for electricity is 9.164 MW and 66.2 MW for heat.
- PGNiG Termika Energetyka Przemysłowa's Pniówek plant produces heat, electricity, cooling and compressed air using coal and gas from mine de-methanation. The CHP plant's primary generating units are gas engines that produce electricity and heat in cogeneration and coal-fired boilers. Installed capacity includes in particular electricity – 18.244 MW and heat – 72.26 MW.
- PGNiG Termika Energetyka Przemysłowa's Suszec plant produces heat and electricity, using coal and gas from mine de-methanation. Installed capacity includes electricity – 5.96 MW and heat – 10.6 MW.
- PGNiG Termika Energetyka Przemysłowa's Wodzisław Śląski plant produces heat and electricity. Coal and natural gas are used as fuels. Installed capacity includes electricity – 2.2 MW and heat – 55.435 MW.

- PGNiG Termika Energetyka Przemysłowa's Wodzisław Śląski Branch Niewiadom plant produces heat using thermal coal. The installed heat capacity is 3.2 MW.
- PGNiG Termika Energetyka Przemysłowa's Racibórz plant produces heat. The primary generating units are thermal coal-fired water boilers and gas-fired boilers. The installed heat capacity is 87.2 MW.
- PGNiG Termika Energetyka Przemysłowa's Racibórz Branch Kuźnia Raciborska plant produces heat in coal-fired generating units. The installed heat capacity is 3.96 MW.
- PGNiG Termika Energetyka Przemysłowa's Żory plan produces heat in thermal coal-fired water boilers. The installed heat capacity is 87.225 MW.
- PGNiG Termika Energetyka Przemysłowa's Czerwionka-Leszczyny Branch Żory plant produces heat in water boilers fired by thermal coal. The installed heat is 14.5 MW.
- Other generating sources operated by PGNiG Termika Energetyka Rozproszona located in 12 voivodships with a total electrical capacity of 7 MW and heat capacity of 102.7 MW.

Commercial power plants

The ORLEN Group operates, through Energa Elektrownie Ostrołęka, a commercial power plant – Elektrownia Ostrołęka B. Elektrownia Ostrołęka B is the only commercial power plant located in the north-eastern region of Poland which supplies energy to the National Power System. It also produces heat for industrial and municipal customers from Ostrołęka. The basic fuel of its power boilers is coal. The power plant consists of three power units, each with a capacity of 230 MW. The total power capacity is therefore 690 MW.

The Polish State Treasury is currently conducting a a carve out process of coal assets which will require the State Treasury of the Republic of Poland to acquire shares in companies holding all assets connected with generation of energy in power plants fuelled by hard coal and lignite, including the related service companies and lignite mines from the Energa S.A., Enea S.A., Tauron Polska Energia S.A. and PGE Polska Grupa Energetyczna S.A. Assets related to hard coal mining will not become a part of the entity operating coal-based energy generation units. The district heating assets in connection with their planned upgrades to low and zero-carbon sources will not be the subject of the carve-out.

As of the date of this Offering Circular the aforementioned process is still on-going and is expected to be completed in 2023. After completion of the process, the commercial power plant – Elektrownia Ostrołęka B will cease to be operated by the ORLEN Group.

Offshore wind projects – Baltic Sea OWPP construction project

The ORLEN Group, through Baltic Power sp. z o.o. (**Baltic Power**), holds a licence (a permit to erect and exploit artificial islands, constructions and devices in Polish maritime areas) for the construction in the Baltic Sea of offshore wind power plants with a capacity of up to 1200 MW, together with technical equipment, measurement instrumentation and maintenance infrastructure. The power plant, with a total area of about 131 km^2, is located approximately 23 km north of the Baltic Sea coastline off Choczewo and Łeba. Implementation of the Offshore Wind Power Plants (**OWPP**) construction project in the Baltic Sea (the **OWPP construction project**) is in line with the 2030 Strategy and long-term development plans for the energy sector in Poland. Implementation of the OWPP construction project will allow the ORLEN Group to generate zero-emission electricity, which can then be used for its own consumption, processed, stored or sold.

In January 2021, the Canadian-based Northland Power Inc. (**NPI**), which is listed on the Toronto Stock Exchange, signed a joint venture agreement with the ORLEN Group on the implementation of the OWPP construction project and, in March 2021, NPI took up shares in Baltic Power. The cooperation involves the preparation, construction and operation of a wind farm with a capacity of up to 1.2 GW. ORLEN holds 51 per cent. and the NPI holds 49 per cent. of shares in the OWPP construction project. The subject of the partnership with NPI is the joint implementation of the OWPP construction project. The direct partner of Baltic Power is

NP Baltic Wind B.V., with its registered office in the Netherlands, which remains a 100 per cent. indirect subsidiary of NPI. NP Baltic Wind B.V. is a special purpose vehicle established by NPI for the purposes of implementing the OWPP construction project together with the ORLEN Group. The joint venture agreement between the parties was concluded on 29 January 2021 (see "*Material Contracts – The joint venture agreement with NP Baltic Wind B.V. as a branch investor for the implementation of off-shore wind power plants by Baltic Power"*).

In 2022, in addition to achieving a number of milestones, Baltic Power won the tender, and then concluded a lease agreement relating to an area of the Łeba port. A wind farm service centre is planned to be constructed on the secured land in 2023-2025. In June 2022, Baltic Power became the first project to complete geotechnical studies on the farm's area power output connection to the land. In July, a contract for the transportation and installation of offshore wind turbines was secured. In September 2022, further contracts for the implementation (construction, transportation and installation) of key components of the offshore wind farm – foundations, offshore and onshore substations, cables and turbines – were also obtained.

Development of SMRs

In December 2021, ORLEN and Synthos Green Energy S.A. signed an investment agreement concerning commercialisation and construction of small SMR-type nuclear reactors. Synthos Green Energy and ORLEN have formed a joint venture, Orlen Synthos Green Energy sp. z o.o. (**OSGE**), and plan to construct BWRX-300 SMR reactors in Poland, the first of which is expected to be operational by 2030. The joint venture will develop and deploy small and micromodule reactors (SMR and MMR, respectively), explore potential reactor sites and, once the nuclear power plants are operational, commercialise electricity generated by SMR/MMR technology in Poland. In March 2023, the European Commission approved, under the EU Merger Regulation, the creation of a joint venture by ORLEN and OSGE.

In March 2023, OSGE signed an agreement with the National Fund for Environmental Protection and Water Management to cooperate in the construction of small reactors in Poland. The Fund has announced that it is ready not only to finance the construction of small reactors, but also to inject capital into the company implementing the project. It was also announced that ORLEN's plans include the commissioning of 76 SMRs at 26 locations by 2038. According to ORLEN's plans, the small reactors are to replace coal-fired power and heating plants.

In April 2023, banks BGK, Bank Pekao S.A., PKO Bank Polski and Santander Bank Polska S.A. signed a cooperation agreement with OSGE. Its aim is to provide financing for OSGE's plans to build a fleet of BWRX-300 reactors in Poland. The signatories to the agreement will work together to prepare an optimal financing model for the construction of the BWRX-300 reactors and subsequently secure the necessary financing.

The construction of the BWRX-3000 reactors may be also supported by US institutions. In April 2023, a letter of intent was signed between OSGE and EXIM Bank with respect to USD 3 billion financing and with the U.S. International Development Finance Corporation for USD 1 billion financing. Both entities are U.S. government-backed institutions financing development projects in the US and abroad. Securing the financing is an important part of OSGE's plans to build a fleet of BWRX-300 reactors in Poland, and another area of Polish-U.S. cooperation to implement BWRX-300 technology.

Through collaboration and additional funding, a project will be prepared that can be implemented in different parts of the world and in different jurisdictions. To this end, a special team of representatives from the joint-venture partners will be set up to ensure that the development of the technology complies with the regulations and standards of the various jurisdictions. The aim is for the BWRX-300 technology to be licenced and subsequently implemented not only in the USA, Canada and Poland, but also in other countries.

Due to the implementation of new technologies in the energy industry, OSGE has a chance to contribute to increasing energy security and reducing greenhouse gas emissions in Poland and Europe.

Energy segment logistic assets of the ORLEN Group

Distribution of electricity is one of the core activities of the ORLEN Group. It is a regulated activity in Poland, conducted on the basis of tariffs approved by the President of the Energy Regulatory Office (Polish: *Urząd Regulacji Energetyki*). Energa Operator SA acts as the leading entity in this activity in Poland. The ORLEN Group's distribution assets are located in northern and central Poland. They provide electricity to 3.3 million customers, including approximately 3.1 million customers with comprehensive agreements and 174 thousand TPA (Third Party Access) customers.

As of the end of 2022, the total length of power grids operated by the ORLEN Group amounted to over 195,000 km and covered an area of almost 75,000 km², which represents approximately one-quarter of Poland's total land mass.

Hard coal

The main fuel used by the Energa Group (now part of the ORLEN Group) to generate electricity and heat is hard coal. In 2022, Energa Group's generating units consumed 1,444 thousand tonnes of coal and 72 thousand tonnes of biomass (in 2020, these volumes amounted to 1,259 thousand tonnes and 85 thousand tonnes, respectively). The supply of coal to the Energa Group was mainly provided by three Polish suppliers, i.e. Polska Grupa Górnicza, Lubelski Węgiel "Bogdanka" and Jastrzębska Spółka Węglowa.

Environment goals

The approach of the ORLEN Group to environmental management is based on principles of corporate social responsibility and takes into account ecological criteria. The ORLEN Group is committed to sustainable development and reports on its environmental performance. Environmental objectives have been defined by ORLEN in the integrated management system.

The 2030 Strategy, which aims to achieve, as far as practicable, the maximum possible environmental neutrality for the immediate environment while minimising the environmental impact of the use of products by the ORLEN Group's companies, is confirmed by the Integrated Management System implemented, accredited and maintained in the ORLEN Group's companies according to the PN-EN ISO 14001 standard. The requirements of this standard are to achieve the following objectives:

- ensure compliance with environmental laws and related regulations;
- successively reduce the negative impact of their activities on the environment through the implementation of environmental projects;
- minimise the risk of chemical accidents occurring and, if they do occur, to mitigate their impact; and
- raise the environmental awareness of staff carrying out work that has or may have an impact on the environment.

Emission reduction targets

In September 2020, the ORLEN Group announced an intention to become a net zero company by 2050. In furtherance of this goal, the ORLEN Group aims to reduce carbon emissions from its existing refinery and petrochemical assets by 25 per cent., cut it down carbon emissions per megawatt-hour of electricity and heat by 40 per cent. and decrease its Net Carbon Intensity ratio by 15 per cent. by 2030.

ORLEN aims to invest more than PLN 120 billion in green projects in 2023-2030. Over the next eight years, ORLEN aims to spend up to PLN 3 billion of its growth capex on innovation, research and development, with a particular focus on green technologies. In order to achieve emissions neutrality by 2050, ORLEN plans to focus on objectives such as (i) expansion of the renewable energy asset base, (ii) implementation of decarbonisation projects, (iii) development of low-emission biofuels, (iv) development of electric vehicle charging infrastructure, (v) development in other alternative fuels, namely, LNG/CNG and H2, (vi) circular economy, (vii) pilot projects for selected technologies supporting CO_2 emissions reduction and (viii) "green" financing and corporate governance (please see "*Description of the Issuer - The ORLEN Group's 2030 Strategy*").

Monitoring of the volume of substances released to air is carried out through periodic and continuous measurements of emissions, as a result of which the degree of utilisation of emission limits granted in environmental permits is controlled on an ongoing basis. Carbon dioxide, sulphur dioxide, nitrogen oxides, carbon monoxide and particulate matter have the largest share in emissions to air from the companies within the ORLEN Group.

These emissions arise mainly from the combustion of fuels in the production of electricity and heat and in the technological processes of refinery and chemical installations.

Estimated total emissions of SO2, NOx, CO and particulate matter to air in 2022 for the ORLEN Group amounted to nearly 40 thousand tonnes, and CO_2 – over 20 million tonnes, including mainly emissions under the EU Emissions Trading System (**EU ETS**).

The table below presents volumes of emission of individual substances emitted to the air by all companies within the ORLEN Group (in tonnes) for the years 2022 and 2021, respectively:

	2022	**2021**
Carbon dioxide	20,230,872	17,652,018
Sulphur dioxide	18,532	17,615
Nitrogen oxide	12,021	11,096
Carbon monoxide	8,289	6,880
Particulate matter	1,276	1,017

Source: the Issuer

Investments aimed at reduction of environmental impact

Investments by the ORLEN Group include both activities aimed at reducing the environmental impact of current business segments and the pro-environmental development of new business areas. The below are described the main projects of the ORLEN Group aimed at reduction of environmental impact.

Renewable energy projects

In 2022, the ORLEN Group consistently carried out activities related to the construction of the first offshore wind farm (OWF) "Baltic Power" and development of competences in this area. The Baltic Power project will be located about 23 km from the shore at Choczewo and Łeba in the Polish exclusive economic zone of the Baltic Sea and will have a capacity of up to 1.2 GW.

Moreover, LOTOS Petrobaltic, a member of the ORLEN Group, conducted preliminary geotechnical surveys of the seabed on the Lithuanian shelf of the Baltic Sea. The survey covered the area planned for the construction of Lithuania's first offshore wind farm with a capacity of 700 MW. The Polish entity acted here as a subcontractor to the consortium of Geobaltic and Garant Diving, which won the tender announced by the Lithuanian Ministry of Energy. The scope of work was divided into two stages.

LOTOS Petrobaltic also carried out works in the area of the proposed Baltic II wind farm, and in the United Kingdom on the Thanet Wind Farm (Thames Estuary) and Gwynt-Y-Mor Wind Farm (Liverpool Bay). With its 32 years of offshore experience operating drilling and production platforms and subsea infrastructure, LOTOS Petrobaltic offers a wide range of services to the offshore wind energy sector.

Offshore wind energy projects are one of the main areas of the ORLEN 2030 Strategy, which assumes PLN 47 billion in capital expenditures on advanced low- and zero-carbon generation assets.

In 2019, the ORLEN Group launched it Photovoltaics Programme. Under the Photovoltaics Programme, in 2022, the complete documentation, including construction permits, was prepared for photovoltaics investment in ORLEN locations, i.e. Production Plant in Płock (4.8 MW), fuel terminals: Żurawica (1.6 MW), Sokółka (1.25 MW), Ostrów Wielkopolski (3 MW), and ORLEN Południe locations i.e. Production Plants in Trzebinia (1 MW) and in Rybnik (2.5 MW).

In the Żurawica and Sokółka locations, construction sites have already been handed over and project implementation has begun. The completion of the projects is planned for the second/third quarter of 2023.

Other photovoltaics projects of the ORLEN Group include the construction of 30 PV micro-installations at gas stations. The tender procedure was launched in November 2022 and the contract with the contractor is planned to be signed in May 2023.

Moreover, in 2022, the final stage of panel installation at the Wielbark photovoltaic farm was completed. Almost 105,000 photovoltaic panels with a total capacity of about 48 MW were installed for Energa Wytwarzanie. In total, Energa Wytwarzanie will manage nearly 150 thousand panels with a total capacity of 62 MW and produce about 62 GWh of electricity annually. The investment is being built in stages, with individual installations being launched after connection to the grid. In 2023, Energa Wytwarzanie plans to increase the photovoltaic farm's capacity by 50 MW, which will add up to 62 MW of installed capacity. The entire investment is expected to be finalised in the summer of 2023.

Moreover, Energa Green Development sp. z o.o. (**EGD**) commenced 20 PV farm projects with a total connection capacity of 297 MW in 2022. In total, the company is currently operating 28 PV projects with a total capacity of approx. 416 MW. The projects are at the stage of preparing the documentation necessary to obtain construction permits. At the end of 2022, complete construction permits were obtained for the Mitra PV project with a capacity of 65 MW. Construction is scheduled to begin in the first half of 2023. EGD has also initiated photovoltaic projects located near wind farms owned by the ORLEN Group as part of the so-called cable pooling. The total capacity of such projects is 145 MW.

Low emission biofuels

In 2022, the ORLEN Group commenced the construction of the first green biogas plant in Poland. The pilot plant, which is being built in Głąbów, will enable the production of more than 7 million cubic metres of biomethane per year, which will be converted into environmentally friendly fuel – bioLNG.

The plant is planned to be launched in the second half of 2024. The advantage of the plant located in Głąbów is the high availability of agricultural substrates, which are an excellent source of biogas. By-products from local agricultural production unsuitable for use in the food chain are used in bio-methane manufacturing. BioLNG produced from organic matter is a promising renewable fuel for transportation. The pilot plant will enable the testing of solutions and technologies that meet the highest technical, environmental and as well as organisational standards. Annual biomethane production at new plant should translate into approximately 5,500 tonnes of bioLNG. The investment is being carried out by ORLEN Południe, which acquired an agricultural biogas plant project with a capacity of up to 1 MWe in 2021. The ORLEN Group has decided to continue the investment and expand the plant. This will create a modern biomethane plant with a gross capacity of about 4.6 MWe.

The ORLEN Group is consistently developing new business lines in the biogas area. ORLEN Południe has so far acquired three operating biogas plants, which it plans to convert into modern biomethane plants.

Electric vehicle charging infrastructure

In Poland, as at the end of 2022, the ORLEN Group operated 470 public charging stations, including 140 quick charging stations with capacities between 50 kW and 100 kW and two quick charging stations with capacities under 50kW. Equipped with all three most commonly used types of connectors, they can be used to charge almost any electric car model available on the market. At the end of 2022, 96 charging stations were offered in the Czech Republic and Germany, including 86 quick charging stations with capacities between 50 kW and 100 kW and eight quick charging stations with capacities under 50kW.

Ecological fuel of new generation

In April 2022, the ORLEN Group launched the first pilot plant for the production of organic lactic acid using micro-organisms. The investment, with a value of PLN 10 million, was carried out at the Trzebinia refinery, owned by ORLEN Południe. The expected production capacity should amount to 5,000 tonnes per year, i.e. more than half of domestic demand. Moreover, the works on the Głąbów ecological biogas plant are ongoing, which should translate into a reduction in CO_2 emissions from trucking.

The vegetable oil hydrogenation plant constructed in Płock will allow ORLEN to offer low-emission SAF (Sustainable Aviation Fuel) to airlines from 2025. The new innovative product will be produced from used cooking oils. SAF fuel can reduce up to 80 per cent. of life-cycle emissions compared with traditional aviation fuel and is suitable for current jet engines.

ORLEN and PLL LOT have signed a cooperation agreement concerning implementation of pro-environmental solutions aimed at meeting the requirements of the EU's Fit for 55 package. Thanks to the investment implemented at the Płock refinery, ORLEN will be able to produce up to 300,000 tonnes of hydrogenated oil per year. This corresponds to approximately 50 per cent. of the aviation fuel produced annually by the ORLEN Group. SAF fuel is chemically similar to conventional jet fuel, and can be blended with or added to conventional fuel.

Alternative fuels, including H_2

The ORLEN Group is investing in alternative energy sources, including hydrogen. The implementation of environmentally friendly technologies contributes to the achievement of long-term business goals and supports the development of ORLEN Group, as well as strengthens its strong position in Europe by contributing to Poland's energy independence.

In 2021, the ORLEN Group launched the Hydrogen Eagle project, covering Poland, the Czech Republic and Slovakia. Under this project, in 2022, ORLEN continued work on hydrogen hubs in Włocławek and Płock. Moreover, the first such hub is already operating in Trzebinia.

In order to effectively respond to the challenges of the fuel and energy sector, as well as to drive successively the transformation initiated by the ORLEN Group, the ORLEN Group plans to allocate significant funds for investments aimed at production of approximately half of the hydrogen in a low- and zero-emission manner.

In May 2022, ORLEN signed a strategic cooperation agreement with Alstom related to the supply of zero-emission, eco-friendly trains and hydrogen fuel for public rail transport. The ORLEN Group will provide refuelling infrastructure for Alstom's trains. Under the agreement, Alstom will also cooperate with ORLEN in participating in proceedings organised by public rail transport operators. Alstom will be responsible for supplying emission-free trains powered by hydrogen fuel cells. ORLEN, in turn, will be responsible for the distribution, storage and supply of hydrogen fuel for these trains.

In 2022, ORLEN also signed a strategic cooperation agreement with PESA Bydgoszcz, Poland's largest rail vehicle manufacturer. Under the agreement, ORLEN will provide hydrogen fuel supplies and refuelling infrastructure for the rail vehicles. ORLEN will also be responsible for the distribution and storage of hydrogen. PESA Bydgoszcz will be responsible for the supply of zero-emission locomotives and, ultimately, hydrogen fuel-powered trains. The first such hydrogen vehicles should be available for service in 2023.

In 2022, ORLEN also signed an agreement with Miejskie Przedsiębiorstwo Komunikacji in Poznań concerning the supply of hydrogen fuel, which will be used to power zero-emission city buses. This is the largest hydrogen project in Poland and one of the few in Europe. In the next 15 years, ORLEN will supply the needs of Poznań's public transportation for hydrogen fuel, which will be produced at the Włocławek hub.

A hydrogen-powered bus has already been also used by the public transportation system in Krakow since June 2022. In Poznań, hydrogen power vehicles should be rolled out in the second half of 2023, along with the opening of the hydrogen service station. The ORLEN Group is also developing its network of hydrogen refuelling stations both in Poland and abroad. The Group currently has two such stations of this type in Germany, with another three to be launched in 2023 in the Czech Republic. In Poland, in addition to Poznań, a hydrogen station is also being built in Katowice. In addition, tendering procedures are underway for the construction of hydrogen refuelling facilities in Walbrzych, Piła and Włocławek.

Circular economy

The ORLEN Group is also implementing various projects and programmes aimed at the additional use of alternative and waste raw materials under Circular Economy Programme. The projects are implemented in Poland and the Czech Republic and concern petrochemical production, alternative energy sources and retail operations. In addition, further opportunities to expand the programme to other areas or product groups are being analysed. Activities are focused on all elements of the product life cycle – from its manufacturing through packaging of private label products offered at stations to selective collection of waste generated at ORLEN Group stations and their recycling.

Other environmental projects

Environmental investments in non-financial fixed assets can be divided into two categories: (1) pollution prevention and environmental management; and (2) waste disposal, emission reduction and remediation.

The pro-environmental effects achieved by the ORLEN Group in 2022 included, among others: reducing energy consumption and losses, obtaining energy from renewable sources and reducing the need for energy from conventional sources, reducing emissions of volatile organic compounds, increasing process safety, improving wastewater management and reducing pollutants in discharged wastewater, reducing emissions of carbon dioxide, atmospheric dust and other pollutants, reducing noise emissions from equipment and vehicles, reducing interference with wooded areas, reducing the barrier effect on aquatic organisms, influencing the development of electromobility, reducing the negative environmental impact of waste and its components, reducing the risk of major accidents due to the improved monitoring of industrial processes, restoration of the soil and water environment, and reduction of consumption of the heating sources.

Regulatory compliance

The complexity of the ORLEN Group's businesses demands compliance with a number of laws, administrative measures, technical regulations, standards and norms in each country in which the ORLEN Group operates. The principal areas of regulation concern: taxes; crude oil and fuels mandatory reserves; petroleum products quality standards (including bio-fuels); protection of the environment and climate; health and safety protection; fuel depots; petrol stations; and specific regulations on chemicals; as well as competition and consumer protection. The most important administrative measures are licences, permits and consents necessary to fully operate its businesses. The ORLEN Group holds all regulatory licences necessary for the conduct of its operations and is in compliance with all requirements set out in those licences and applicable laws and regulations.

Legal requirements for the fuels and energy sector

The ORLEN Group companies operating in Poland, the Czech Republic, Germany, Slovakia and Lithuania require and hold current licences for their activities in: production, storage, and distribution of fuels; production and distribution of electric energy; and production and distribution of heat, as well distribution and storage of gaseous fuels.

Environmental protection requirements

The most important legal and regulatory requirements relate to environmental protection, balancing of emissions (and reduction of emissions) and the emissions trading scheme for greenhouse gas emissions (CO_2 allowances).

The ORLEN Group holds all necessary environmental licences for the conduct of its operations, and is in compliance with all material applicable environmental regulations.

Requirements concerning fuel quality

Pursuant to national regulations and EU directives, ORLEN Group companies operating in Poland, the Czech Republic and Lithuania are obliged to deliver to the market fuels meeting required quality specifications. This involves motor fuels containing the requisite portion of bio-components, or pure bio-fuels for transport use as specified by national regulations to meet the NIT.

Requirements for the maintenance of mandatory stocks

The ORLEN Group is subject to numerous regulatory obligations involving the maintenance of emergency stocks of crude oil and fuels and the Group fully meets EU and national stockholding obligations in relation to mandatory strategic reserves of fuels (final petroleum products), crude oil and natural gas stocks.

Volumes of those stocks are controlled by national regulatory agencies and can be placed on the market (or processed into products in the case of crude oil) only to respond to supply shortages/disruptions or emergency market situations, according to the permission of each government or as a result of the International Energy Agency's (IEA) decision of collective stock release. The total obligation covers at least 90 days of average, market consumption (or 90-day net imports).

In Poland (ORLEN) this regulatory obligation is split between: (i) producers/importers (stocks kept by themselves), which cover 53 days; and (ii) the National Strategic Reserves Agency (RARS), which covers at least 37 days (or more).

In Lithuania (ORLEN LIETUVA) the stockholding obligation is similar and is split between producers/importers (the larger of 90 days' average imports or 61 days of the average daily national consumption) and the Lithuanian Emergency Agency (LEA) – 30 days.

In the Czech Republic (UNIPETROL) stockholding obligations are fully covered by the Czech Republic's Central Stockholding Agency (ASMR).

Energy, gas and gas storage tariffs

According to Polish law, energy or gas tariffs should cover the reasonable operation costs and the return on distribution assets and protect customers from unjustified price increases. Licenced energy utilities (including among others producers and distributors of energy or gas) are required to submit their proposed tariff packages for approval to the President of the Energy Regulatory Office.

Currently, the obligation to submit tariffs for approval to the President of the Energy Regulatory Office applies to energy companies operating in the electricity distribution (so-called DSOs: Distribution System Operators) and transmission sector and to those selling electricity directly to retail customers (so-called tariff group G). The tariff obligation applies also to entities involved in the generation and distribution of heat and companies involved in the storage and distribution of gaseous fuels.

Tariffs are approved by way of an administrative decision issued by the President of the Energy Regulatory Office in a process over which the ORLEN Group has limited control. Decisions are issued for a calendar year; however, tariffs regarding heating can be adjusted during the calendar year. The process of agreeing and issuing a decision begins in the fall of each year by commencing a dialogue with the DSO (in the case of tariffs for distribution) and the President of the Energy Regulatory Office. In the case of energy and distribution, the decision is not issued by the end of the calendar year, and the previous decision will remain in force until a new one is issued.

The President of the Energy Regulatory Office may regulate prices in accordance with applicable laws and other external factors (for example, market prices), over which energy companies have no control, and also in order to protect customers.

For example, two acts protecting gas consumers in connection with the gas market situation were passed in January and December 2022. In January 2022, the regulation freezing the price of gas fuel for tariff-protected consumers in 2022 was enacted, with the protection simultaneously extended to include homeowner associations and cooperatives, as well as strategic public service institutions. In return, energy companies were given the right to compensation for the difference between the market price and the frozen price. In addition, the regulations extended the effective period of the rules whereby security could be provided to the commodity exchange clearing house in non-cash form, introduced the possibility for the minister competent for state assets to grant loans to certain energy sector entities, and the possibility for the State Treasury to issue guarantees for the benefit of energy sector entities in respect of liabilities they incur to ensure supplies to consumers. In December 2022, a decision was made to maintain the freeze on gas fuel prices for tariff-protected customers in 2023, with the prices kept at a level not higher than the prices applied in 2022 under the maximum price mechanism. At the same time, the compensation mechanism for sellers of gas fuels (compensating the sellers for the introduction of a cap on the price they may charge their tariff-protected end-users) was maintained, and a parallel mechanism was introduced to compensate gas fuel distribution system operators for the concurrent freezing of distribution fees at the 2022 levels. Pursuant to the aforementioned regulations the natural gas producers are obliged to to contribute part of their profits to finance the compensation for sale of gas to tariff-protected customers at a capped price.

Material Contracts

Material contracts that were not entered into in the ordinary course of ORLEN's business, which could result in any member of the ORLEN Group being under an obligation or entitlement that is material to ORLEN's ability to meet its obligations under Notes to be issued under the Programme, are presented below:

The joint venture agreement with NP Baltic Wind B.V. as a branch investor for the implementation of off-shore wind power plants by Baltic Power

On 29 January 2021, ORLEN, Baltic Power and NP Baltic Wind B.V., headquartered in Amsterdam, the Netherlands, a company from the Northland Power Inc. capital group, signed a joint venture agreement to gain a branch investor for the implementation of the common investment. The agreement concerns the preparation, construction and operation by Baltic Power of an offshore wind farm located in the Polish Exclusive Economic Zone in the Baltic Sea with a maximum power up to 1200 MW. Construction of the offshore wind farm is planned to commence in 2024, and commercial operations are planned for 2026. The agreement was signed for a 35-year period, after which it will transform into an agreement concluded for an indefinite period.

On 24 March 2021, by the decision of the general meeting of Baltic Power sp. z o.o. (**Baltic Power**) a resolution to increase the company's share capital by PLN 1 million by creating 5,665 new shares with a nominal value of PLN 100 each was adopted. All new shares, representing 48.56 per cent. of the share capital, were acquired in full by NP Baltic Wind B.V. with its headquarters in Amsterdam (a subsidiary of Northland Power) and covered in full with a cash contribution in the total amount of EUR 35 million (i.e. PLN 163 million) and PLN 93 million. The surplus of the cash contribution over the nominal value of the new shares in the amount of EUR 35 million (i.e. PLN 163 million) and PLN 92 million was transferred to the reserve capital of Baltic Power.

As a result of this transaction, ORLEN lost control over Baltic Power. Taking into account the terms of the partnership agreement signed with NP Baltic Wind B.V., ORLEN assessed the continued investment in Baltic

Power (51.44 per cent. share in the share capital) as a joint venture, which was included in the consolidated financial statements using the equity method.

On 29 June 2021 and 29 November 2021, the share capital of Baltic Power was increased, by four and two additional shares, respectively. All new shares were acquired by the company's partner, NP Baltic Wind B.V., and covered in full with a cash contribution in the amount of PLN 34 million. As a result of these events, the share of ORLEN in Baltic Power decreased and amounts to 51.41 per cent.

Agreement regarding the construction of an olefins complex at the Production Plant in Płock

On 18 May 2021, ORLEN's Management Board gave consent for realisation of the development of an Olefins complex investment in the Production Plant in Płock. The project is a part of Petrochemical segment development programme, announced by ORLEN on 12 June 2018.

On 22 June 2021, ORLEN concluded an agreement for the construction of the Olefins Plant III complex (the **Olefins III Complex**) based on the EPCC (Engineering, Procurement, Construction and Commissioning) formula for ISBL scope with companies Hyundai Engineering Co., Ltd. based in Seoul and Técnicas Reunidas S.A. based in Madrid.

The investment is a part of petrochemical segment development programme, announced by ORLEN on 12 June 2018.

On 29 June 2023 the ORLEN’s Supervisory Board and Management Board adopted the necessary decisions to facilitate the conclusion of the agreement amending the abovementioned EPCC contract in the ISBL scope, as well as the conclusion of contracts for the implementation of the basic infrastructure (OSBL) required for the launch of the Olefins III Complex and the preparation of infrastructure for subsequent stages of petrochemical development.

The amendment of the contract was a result of the revision of the investment assumptions, primarily influenced by the war in Ukraine and the resulting sanctions and thus the increasing cost of materials, disrupted supply chains and limited availability of execution resources. In addition, within the Olefins III project the core infrastructure at the production plant in Plock is being modernized, while also being prepared for future developments, including decarbonisation projects. The potential for these projects is increasing due to recent market changes and tightening of regulations.

According to the ORLEN’s estimates, the total cost of construction of the Olefins III Complex will amount to approximately PLN 25 billion, and its completion is scheduled for the first half of 2027.

Agreement between ORLEN S.A. and Energa on cooperation for the construction of a CCGT power plant in Grudziądz

On 31 August 2021, ORLEN concluded an agreement with Energa regarding financing the building of a gas power plant in Grudziądz. In the event of an investment decision regarding the project, ORLEN declared in the agreement to finance up to 100 per cent. of the project CAPEX, but not higher than PLN 1.8 billion, under the condition that CCGT Grudziądz Sp. z o.o. (a special purpose vehicle company performing the project) will sign the capacity agreement. The CAPEX will be covered through the provision of cash to Energa or the company CCGT Grudziądz Sp. z o.o. for equity or foreign capital. The agreement also specifies the principles of supervision over the company CCGT Grudziądz Sp. z o.o. and management of the project.

Based on winning the Main Auction of the Polish Capacity Market (held on 16 December 2021), the power supplier CCGT Grudziądz sp. z o.o. will obtain revenues under the capacity agreement concluded for a period of 17 years (starting from 2026) for a capacity obligation equal to 518.37 MWe. The closing price of the auction for the capacity market units consisting of Polish physical units was equal to 400.39 PLN/kW/year.

Agreement on the construction of the "Bottom of Barrel" installation at ORLEN Lietuva production plant in Mažeikiai

On 21 September 2021, ORLEN's Management Board finalised an agreement with AB ORLEN Lietuva on arrangements for a directional method of financing its investment in the building of the "Bottom of Barrel" unit in the AB ORLEN Lietuva Production Plant in Mazeikiu, and sought the consent of ORLEN, as the sole AB ORLEN Lietuva shareholder, for performing the project with AB ORLEN Lietuva. On 8 October 2021, ORLEN gave its consent, as the sole AB ORLEN Lietuva shareholder, to carry out the project. ORLEN also signed an agreement with AB ORLEN Lietuva on arrangements for a directional method to finance the project. ORLEN agreed to finance up to 100 per cent. of the project's CAPEX, but not higher than approximately EUR 633 million, on the condition that AB ORLEN Lietuva must complete the major milestones of the project according to the project's implementation schedule and must not exceed the project budget, which amounts to approximately EUR 641 million.

On 27 October 2021, AB ORLEN Lietuva signed an agreement with the company Petrofac Limited, based in London, on the construction of the "Bottom of Barrel" facility based on the EPC (Engineering, Procurement and Construction) formula at ORLEN Lietuva's production plant in Mažeikiai. The investment is scheduled to be completed by the end of 2024.

Investment Agreement between ORLEN S.A. and Synthos Green Energy

On 7 December 2021, ORLEN announced that it had entered into an investment agreement with Synthos Green Energy to set up a joint venture, ORLEN Synthos Green Energy, whose key aim will be to prepare and commercialise small nuclear reactor technology, particularly GE Hitachi Nuclear Energy's BWRX-300 reactors, in Poland.

The wide array of activities ORLEN Synthos Green Energy is to carry out under the agreement includes promoting the technology, supporting the development of a relevant legal framework, exploring potential reactor sites, implementing joint projects and, ultimately, generating energy and heat using the technology for own, municipal and commercial needs.

The project will offer an opportunity to accelerate decarbonisation of the ORLEN Group's production assets, while also helping to improve energy security and drive economic growth at home due to its reliance on local supply chains. The proposal encompasses a combined heat and power unit at the petrochemical production units to make use of the efficiencies of the heat generated. The project is subject to a number of licensing and regulatory approvals.

The first project of this type is run by Hitachi and Ontario Power Generation (OPG) and is scheduled to be operational in 2028. If it is successful, the joint venture between ORLEN and Hitachi would be the second such project and it would commence in 2030. No significant capital expenditures are expected before 2030.

Facility Agreement between ORLEN S.A. and European Investment Bank

On 17 December 2021, ORLEN entered into a long-term facility agreement with the European Investment Bank for the amount of EUR 180 million. The purpose of the facility was to partially finance investments in the ORLEN Capital Group that support its sustainable development. The tranches disbursed under the facility agreement will be repayable over a period of up to 11 years from the disbursement of the last tranche.

Long-term agreement on crude oil deliveries to the ORLEN Group

On 12 January 2022, ORLEN and the Saudi Arabian Oil Company concluded a long-term agreement on crude oil deliveries to the ORLEN Group. The basis of the agreement, in case of finalisation of the merger with Grupa LOTOS, is that ORLEN will secure deliveries of crude oil from the Saudi Arabian Oil Company to the ORLEN Group in the amount of 200 to 337 thousand barrels daily.

ORLEN, the Saudi Arabian Oil Company and Saudi Basic Industries Corporation also concluded a memorandum of understanding on cooperation to analyse, prepare and carry out common investments in the petrochemical segment. Potential areas of cooperation that will be discussed include, among others, development projects in olefins and olefin derivatives, including aroma derivatives, in Poland and in Central and Eastern Europe.

In addition, ORLEN and the Saudi Arabian Oil Company signed a memorandum of understanding on cooperation on the common analyses, preparation and implementation of research and development projects, as well cooperating on the development of sustainable technology.

Agreements for building of the complex of units for production of second-generation bioethanol in the ORLEN Południe production plant

On 1 March 2022, ORLEN announced that ORLEN Południe S.A. (**ORLEN Południe**) had signed agreements for building a complex of units for the production of second-generation bioethanol (B2G) based on the EPC (Engineering, Procurement and Construction) formula, in the ORLEN Południe production plant in Jedlicze (**B2G Complex**).

Within the B2G Complex's main unit for bioethanol production, a heat and power plant and ancillary infrastructure will be built. The general contractor of the main B2G unit, with yearly capacity of 25 thousand tonnes, will be ZARMEN Sp. z o.o., headquartered in Warsaw. CAPEX for the B2G unit will amount to approximately PLN 550 million.

The contractor of the biomass heat and power plant will be Valmet Technologies Oy, headquartered in Espoo, Finland. CAPEX for the heat and power plant will amount to approximately PLN 170 million. In the next stage, for the purpose of the B2G Complex, a biogas plant will also be built. Total CAPEX for building of the B2G Complex is estimated at approximately PLN 1.12 billion. Completion of the building is planned by the end of 2024.

Agreement for building of the new Air Separation Unit III in the Production Plant in Płock

On 17 May 2022, ORLEN signed an agreement with Linde GmbH and Linde Engineering for the building of the new Air Separation Unit III in the Production Plant in Płock under the EPC formula for ISBL. The annual production capacity of the unit will amount to 38,500 Nm3/h of oxygen and 75,000 Nm3/h of nitrogen. Implementation of the investment is necessary due to the need to secure oxygen gas and nitrogen gas for the new Olefins III complex and other units in the Production Plant in Płock.

The Investment will also allow the scope of the offered products to be extended to include high-margin liquid gases as well as savings due to improved operation and processing efficiency.

The total cost of the investment is estimated to be ca. PLN 760 million. The investment is expected to be completed at the beginning of 2025.

Agreements with Aramco Overseas Company B.V. as part of the finalization of the implementation of remedies according to a conditional decision of the European Commission on ORLEN S.A. taking control over Grupa LOTOS S.A.

On 30 November 2022, ORLEN signed with:

(1) Aramco Overseas Company B.V. (Aramco): the final agreement on sales to Aramco of 100 per cent. of shares in LOTOS SPV 1 Sp. z o. o. (LOTOS SPV 1), to which as a result of the division of LOTOS Paliwa Sp. z o. o. (LOTOS Paliwa), an organized part of the fuel wholesale enterprise was contributed, for a price which consists of a fixed element in the amount of ca. PLN 1 bn and variable element, depending on the level of net debt and working capital of LOTOS SPV 1 as on the day of signing of the final agreement;

(2) Aramco: the final agreement on sales to Aramco of 30 per cent. of shares in Rafineria Gdańska Sp. z o. o. (**Rafineria Gdańska**), to which the refinery located in Gdańsk (Refinery) was contributed as an in-kind contribution, for the price which consists of fixed element in the amount of ca. PLN 1.15 bn and variable element, depending on the level of net debt and working capital of Rafineria Gdańska as on the day of signing of the final agreement;

(3) Aramco and Rafineria Gdańska: a joint venture agreement specifying the terms of cooperation between partners in Rafineria Gdańska, including the corporate governance adopted therein and the powers granted to them;

(4) LOTOS SPV 1 and Rafineria Gdańska: a processing agreement, which will be effective for the contractual period of the JV Agreement. Pursuant to the Processing Agreement, Rafineria Gdańska will provide ORLEN and LOTOS SPV 1 with services related to the processing of feedstock supplied by Processors in order to obtain refining products for Processors. Each of the Processors will be the owner of the feedstock it supplies and the refining products obtained from this feedstock;

(5) LOTOS SPV 1 and Rafineria Gdańska: an off-take agreement, which will be effective for the contractual period of the JV Agreement. Pursuant to the Off-take Agreement, LOTOS SPV 1 will be entitled, but not obliged, to purchase each year from ORLEN an agreed volume of diesel and unleaded gasoline ("**Products**"). The annual volumes of Products sold will be reduced in proportion to the reduction in production resulted from shutdowns or slowdowns in the Refinery's operation;

(6) LOTOS SPV 1: a framework agreement on storage of mandatory reserves of crude oil by ORLEN, on behalf of LOTOS SPV 1, effective for a period of 10 years from the date of its entry into force;

(7) LOTOS SPV 1: a framework agreement on railway logistics outsourcing services provided by ORLEN on behalf of LOTOS SPV 1, effective for a period when the Processing and Off-take Agreements are in force.

In order to implement the Remedies in the aviation fuels market on 30 November 2022, the Company and Aramco signed the final agreement for the sale to Aramco of all shares held by the Company in LOTOS-Air BP Polska sp. z o.o. (LOTOS-Air BP).

Accordingly, all conditions for the entry into force of the agreements concluded between the Company and LOTOS-Air BP on 12 January 2022 have been fulfilled.

Continuing the cooperation started in January 2022, on 30 November 2022, ORLEN signed a joint development agreement with Saudi Arabian Oil Company and Saudi Basic Industries Corporation for the common performance of a feasibility study for a petrochemical complex in Gdansk.

Agreements signed with MOL Hungarian Oil and Gas Public Limited Company as part of the finalisation of the implementation of remedies according to conditional decision of the European Commission on ORLEN S.A. taking control over Grupa LOTOS S.A.

On 30 November 2022, ORLEN signed with:

(1) MOL Hungarian Oil and Gas Public Limited Company (MOL) the final agreement for the sale of 100 per cent. of shares in LOTOS Paliwa for a price which consists of a fixed element in the amount of ca. USD 610 m and variable element, depending on the level of net debt and working capital of LOTOS Paliwa as on the day of signing of the final agreement;

(2) LOTOS Paliwa an agreement on sales of fuel to LOTOS Paliwa, effective for a period of up to 8 years from the date of its entry into force;

(3) LOTOS Paliwa a licence agreement specifying the terms and conditions for the use by LOTOS Paliwa of the trademarks used at LOTOS stations for the purpose of rebranding them after the acquisition of

shares in LOTOS Paliwa by MOL, effective for a period of five years from the date of its entry into force.

Agreements for the purchase of petrol stations in Hungary and Slovakia

On 1 December 2022, ORLEN Unipetrol RPA s.r.o. (**ORLEN Unipetrol**) concluded agreements with MOL Hungarian Oil and Gas Public Limited Company (**MOL**) resulting in the acquisition of 100 per cent. of shares in Normbenz Magyarország Kft with its registered office in Budapest by ORLEN Unipetrol. As a result of the agreements, ORLEN Unipetrol will become the owner of 79 petrol stations located in Hungary.

Moreover, according to the agreements the relevant companies from the ORLEN Unipetrol Group will acquire a further 103 fuel stations located in Slovakia and Hungary, where the acquisition and rebranding of 64 stations in Hungary will be gradually completed by mid-2024, and 39 stations in Slovakia by mid-2023.

The estimated total value of all acquisitions by companies from the ORLEN Group of fuel stations in Hungary and Slovakia will amount to EUR 229 million subject to customary adjustments.

Loan agreement for financing of the construction of CCGT power plant in Ostrołęka

On 29 June 2023, CCGT Ostrołęka Sp. z o.o. (**CCGT Ostrołęka)**, the ORLEN Group's subsidiary, signed a loan agreement for financing of the construction of a 745 MWe net gas-fired combined cycle gas turbine power plant in Ostrołęka C and financing of operating activity of CCGT Ostrołęka. The agreement was signed with the consortium of the following Polish and foreign financial institutions: Bank Gospodarstwa Krajowego, Alior Bank SA, Bank Polska Kasa Opieki SA (in the role of the facility agent and security agent), KfW IPEX-Bank GmbH and Erste Group Bank AG.

The purpose of the Agreement is to grant the borrower financial funds in the total amount of PLN 2.64 billion, of which PLN 2.45 billion is a term investment loan, while the remaining part is two revolving loans for the CCGT Ostrołęka's operating activities and VAT financing during the construction of the power plant. Pursuant to the agreement, CCGT Ostrołęka is obliged to repay the funds from the loan together with interest and other amounts due under the terms of the agreement, with the repayment of the funds under the term loan due by 15 December 2036. The interest rate for the loan has been set on market terms based on the WIBOR rate plus margin. The loan is secured, among others, by a mortgage on the CCGT Ostrołęka's real estate.

The loan will be disbursed after fulfilment of the conditions precedent specified in the agreement.

Legal and arbitration proceedings

Any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which ORLEN is aware), during the 12-month period preceding the date of this Offering Circular, which may have or have had in the recent past significant effects on ORLEN's or the ORLEN Group's financial position or profitability are described below.

Claim of Warter Fuels S.A. (formerly: OBR S.A.) against ORLEN for compensation

On 5 September 2014, OBR S.A. (currently: Warter Fuels S.A.) filed an action against ORLEN in the District Court in Łódź for a claim for payment in respect of ORLEN's alleged infringement of patent rights. The amount of the claim indicated in the lawsuit was PLN 84 million. The claim covers the amount of money awarded from ORLEN to Warter Fuels S.A. in the amount corresponding to the value of the licence fee for the use of the solution under the above patent and seeks an order to repay the derived benefits. On 16 October 2014, ORLEN responded to the lawsuit. In the the plaintiff's pleading of 11 December 2014 the value of the dispute is specified as PLN 247 million. So far, several hearings have been held during which the court heard the parties' witnesses. The court appointed an expert from the University of Technology and Economics in Budapest to prepare an opinion in the case. Experts from the Budapest University of Technology and Economics are in the process of preparing the opinion.

Disputes between ORLEN Projekt S.A. and POLWAX S.A.

Case filed by ORLEN Projekt against POLWAX for the payment of PLN 6.7 million

On 23 May 2019, the court issued an order for payment to ORLEN Projekt in writ of payment proceedings covering the entire amount claimed. On 27 November 2020, the District Court issued a judgment in the case, according to which it (i) upheld the payment order in full with respect to the claimed principal amount of PLN 6.7 million as well as with respect to the overdue interest for delay in commercial transactions from 2 October 2019 to the date of payment; and (ii) revoked the payment order issued on 23 May 2019 for the payment of a part of the overdue interest in the amount of PLN 3 million from 11 January 2019 to 1 October 2019 and in the amount of PLN 3.7 million from 25 January 2019 to 1 October 2019. Both parties appealed the judgment: POLWAX appealed it in its entirety, whereas ORLEN Projekt appealed the part in which the court revoked the payment order concerning payment of statutory overdue interest for delay in commercial transactions. On 10 November 2022, the Court of Appeals in Rzeszów announced its decision, according to which it upheld the payment order issued by the District Court in its entirety and ordered POLWAX to pay ORLEN Projekt the costs of the lawsuit. That decision is final. POLWAX filed a last resort appeal against that decision to the Supreme Court. ORLEN Projekt filed a response to POLWAX's last resort appeal to the Supreme Court.

Case filed by ORLEN Projekt against POLWAX for the payment of PLN 67.8 million

In the case, ORLEN Projekt claims from POLWAX the payment of a total amount of PLN 67.8 million together with overdue interest for delay consisting of: (i) remuneration for completed construction works and deliveries; (ii) an invalidly executed performance guarantee; and (iii) costs related to ORLEN Projekt's withdrawal from the contract. The court has already heard all the witnesses and parties in the case. The proceedings were suspended until the Court of Appeal in Rzeszów issued a ruling in case no. I AGa 20/21.

In connection with the judgment issued by the Court of Appeals in Rzeszów on 10 November 2022 in case no. I AGa 20/21, on 22 November 2022 ORLEN Projekt filed a motion for the District Court to resume the suspended proceedings. The motion has not yet been ruled on.

Case filed by POLWAX against ORLEN Projekt for the payment of PLN 132 million

The claim submitted by POLWAX against ORLEN Projekt includes PLN 84 million for material damage and PLN 48 million for lost profits that were supposed to arise in connection with improper performance and non-performance of the contract by ORLEN Projekt.

The proceedings were suspended at the joint request of the parties. On 21 October 2021, the court granted POLWAX's motion and ordered the resumption of the suspended proceedings. On 20 April 2022, the proceedings were suspended until: (i) the case before the Court of Appeals in Rzeszów under case no. I AGa 20/21; and (ii) the case before the District Court in Rzeszów, case no. VI GC 201/19 are completed.

On 22 November 2022, the Court of Appeals in Rzeszów accepted ORLEN Projekt's complaint against the decision of the District Court to suspend the proceedings and issued a decision by which it overturned the challenged decision of the District Court. As a consequence, ORLEN Projekt filed a motion with the District Court to initiate the proceedings, which has not yet been ruled on.

Case filed by POLWAX against ORLEN Projekt for the payment of PLN 9.9 million, pending before the District Court in Rzeszów

POLWAX claims from ORLEN Projekt the payment of PLN 9.9 million together with overdue interest for delay consisting of: (i) reimbursement of costs of removal and disposal of waste in the form of contaminated land from the project area; and (ii) non-contractual storage of land from the project area on plot no. 3762/70 belonging to POLWAX.

So far, nine hearings have been held in the case. The last hearing was held on 6 February 2023, at which ORLEN submitted a copy of POLWAX S.A.'s notification of the possibility of the commission of a crime, requesting the suspension of civil proceedings until the criminal case is resolved. The court suspended the proceedings indefinitely. At a closed session, the court will decide on the request of the parties to take evidence from the opinion of a forensic expert, as well as another request of POLWAX to suspend the proceedings.

Case filed by POLWAX against ORLEN Projekt for the removal of movable property

POLWAX demanded that the court order ORLEN Projekt to restore the legal status of the property by emptying warehouses made available to ORLEN Projekt in order to store equipment and materials for the purposes of the conducted investment. So far, six hearings have been held in the case. At the hearing on 23 June 2022, the court heard the defendant admitted evidence from an expert witness and adjourned the hearing indefinitely. A court expert prepared an opinion which was delivered to both parties. On 13 February 2023, ORLEN Projekt raised objections to the expert's opinion. POLWAX did not raise any objections to the expert's opinion, indicating that the opinion only confirms the claimant's position in these proceedings. On 28 March 2023, the court commissioned a court expert to prepare a supplementary opinion.

In the opinion of ORLEN Projekt, the claim is without merit; therefore, the Company did not recognise the provision related to legal proceeding concerning POLWAX.

Arbitration between Elektrobudowa S.A. and ORLEN

Elektrobudowa S.A. filed a suit against ORLEN with the Arbitration Tribunal of the Polish Consulting Engineers and Experts Association (**SIDiR**) of Warsaw, seeking payment of a total of PLN 104 million and EUR 11.5 million. The case concerns the performance of the EPC (engineering, procurement and construction) contract between ORLEN and Elektrobudowa S.A. for the construction of a metathesis unit.

The amount in dispute includes:

- consideration of PLN 20.6 million and EUR 7.6 million plus statutory default interest, alleged to be payable under the EPC Contract to Elektrobudowa S.A. or, alternatively, to Citibank if the consideration is found to be payable to Citibank following assignment;
- a fee of PLN 7.8 million and EUR 1.26 million plus statutory default interest accrued since 23 October 2018, for additional and substitute works, alleged to be payable to Elektrobudowa S.A. or Citibank (see above);
- a claim of PLN 62.4 million plus statutory default interest accrued since 27 December 2019, alleged to be payable to Elektrobudowa S.A. or Citibank (see above) on top of the lump-sum consideration payable thereto; and
- compensation of PLN 13.2 million and EUR 2.6 million plus statutory default interest accrued since 25 October 2019, alleged to be payable to Elektrobudowa S.A. for the harm it suffered as a result of wrongful drawdown of funds by ORLEN under bank guarantees.

On 13 September 2021, the Bankruptcy Trustee extended the claim by PLN 13.2 million and EUR 2.6 million constituting a claim for return of the amounts retained as a guarantee deposit with statutory overdue interest from 24 March 2021 to the date of payment. As a result of the arbitration tribunal's rulings, against which ORLEN was not entitled to appeal, ORLEN has paid the Bankruptcy Trustee a total of PLN 10.01 million and EUR 5.52 million so far, plus statutory interest for delay in payment. These amounts related mainly to partial payments of the contractual remuneration, as well as remuneration for additional works.

Within last six months of 2022 and in the first quarter of 2023, the Arbitration Tribunal issued the following rulings:

- Partial judgment (no. 13) of 5 December 2022, ordering to pay the plaintiff a total amount of PLN 0.15 million with interest for delay as remuneration for the execution of the instructions for preparing the installation for operation after renovation and dismissing the claim for the amount of PLN 0.10 million as the remaining part of this claims.

- Partial judgment (no. 14) of 30 December 2022, ordering to pay the plaintiff the amount of PLN 0.3 million net as additional remuneration for the execution of a different K-1 chamber than that provided for in the construction design, together with statutory interest for delay and the amount of PLN 5.3 million net as additional remuneration for the construction of another building in the Zimna Station than provided for in the construction design, together with statutory interest.
- Partial judgment (No. 15) of 30 March 2023, awarding the plaintiff a total of PLN 1.5 million and EUR 0.1 million as additional remuneration for the execution of: a septic tank in Chamber K-1, delivery of frequency converters for K-2301A/B compressors, power supply for inverters of K-2301A/compressors B, changing the parameters of the K-2301A/B compressors, and changing the design of the E-2304 apparatus, together with statutory interest for delay until the date of payment and dismissing further claims of the plaintiff for the performance of the above-mentioned additional works.

The total value of provisions recognised as at 31 March 2023 in connection with the pending proceedings with Elektrobudowa amounted to PLN 72 million.

AGR Subsea Ltd. and LOTOS Petrobaltic S.A. dispute

In March 2013, LOTOS Petrobaltic S.A. received a call for payment from AGR Subsea Ltd. (**AGR**) for approximately GBP 6.5 million as the contract sum payable to AGR for dredging the Baltic Beta rig's legs. In response, LOTOS Petrobaltic S.A. challenged the amount claimed by AGR and proposed payment to AGR in the amount of PLN 16 million (corresponding to GBP 3.2 million converted using the average exchange rate of the National Bank of Poland as at 31 December 2012). The dispute between the parties concerns the nature of the contract, reasons for its execution after the due date and incompletely, as well as validity of its termination by LOTOS Petrobaltic S.A., and the demand for reimbursement of costs incurred to employ the alternative contractor engaged by LOTOS Petrobaltic S.A. to complete the work (counterclaim against AGR for payment in the amount of GBP 5.6 million). AGR Subsea Ltd. took its claim to court. On 11 December 2020, the court issued a judgment awarding the full claimed amount to AGR, i.e., GBP 6.5 million together with overdue interest, reimbursement of court expenses and legal representation costs, and dismissed LOTOS Petrobaltic S.A.'s claim.

In view of the fact that the notice stating the date of the court's closing hearing and announcement of the judgment was not effectively delivered to LOTOS Petrobaltic S.A.'s attorney, the attorney, with no fault on his part, did not participate in the closing hearing held on 27 November 2020. The attorney did not know the date of publication of the judgment issued on 11 December 2020 and was unaware of its contents. In view of the information obtained by LOTOS Petrobaltic S.A., during the court hearing held in March 2021, objections were presented to the court regarding AGR's standing to be sued, its legal standing and proper authorisation of its attorneys. These doubts arose in March 2021 after LOTOS Petrobaltic S.A. learned about the announcement on 25 May 2015 of a winding-up procedure with respect to AGR and appointment of a liquidator to administer the affairs and represent AGR. On 2 April 2021, LOTOS Petrobaltic S.A. lodged a complaint for the resumption of proceedings in the case. On 18 May 2021, LOTOS Petrobaltic S.A. applied to the Regional Prosecutor's Office in Gdańsk with a request to bring an action for the resumption of proceedings in the cases No. IX GC 811/13 and No. IX GC 12/15. The complaint of the Regional Prosecutor's Office in Gdańsk for the resumption of proceedings in the combined cases was filed with the court on 12 August 2021. On 9 December 2021, AGR applied for enforcement of the judgment. By a decision of 13 December 2021 issued in case IX GC 696/21 (request for resumption of proceedings – complaint of the Regional Prosecutor's Office), the Regional Court in Gdańsk suspended the enforceability of the judgment of 11 December 2020 covered by the enforcement motion. AGR's enforcement motion was dismissed by the court on 15 December 2021.

Proceedings are currently underway in the context of:

- LOTOS Petrobaltic S.A.'s complaint for the resumption of proceedings (IX GC 1031/21); and
- the Regional Prosecutor's Office in Gdańsk's complaint for the resumption of proceedings (IX GC 696/21).

As at 31 March 2023, the total value of provisions recognised in connection with the pending proceedings amounted to PLN 50 million.

Proceedings related to Grupa LOTOS S.A.'s tax settlements

Following the merger of ORLEN with Grupa LOTOS S.A. on 1 August 2022, ORLEN as a legal successor of Grupa LOTOS S.A. became a party to tax proceedings concerning Grupa LOTOS S.A. whose tax settlements are subject to customs and tax audits. On 21 January 2022, Grupa LOTOS S.A. was notified of the results of two customs and tax audits for the period of January-October 2014 and October-December 2015, issued on 7 January 2022. As a result of these audits, input VAT settlements by the company for a total amount of PLN 23.3 million (net of interest) were questioned. The company did not file corrections to the VAT returns for the aforementioned periods as required by the authority because it was of the opinion that there are arguments in favour of taking a different approach. Due to the company's failure to submit the corrections, the tax authority (Head of the Pomeranian Customs and Fiscal Office in Gdynia) will initiate tax proceedings (separate the customs and tax audits into two tax proceedings) and issue decisions (both in the first and second instance). It will be possible to file complaints against the decision of the authority of second instance with the Provincial Administrative Court in Gdańsk, and if the court issues an unfavourable decision, it will be possible to file a cassation complaint with the Supreme Administrative Court. In connection with a judgment by the Court of Justice of the European Union dated 16 October 2019 in Case C189/18 *Glencore*, on 15 January 2020 the company requested resumption of proceedings in which the following decisions had been issued:

1) decision by the Director of the Tax Chamber in Gdańsk, dated 29 December 2015, upholding the decision by the Director of the Tax Audit Office in Bydgoszcz, dated 28 September 2015, assessing the company's VAT liabilities for individual months of 2010 at a total amount of PLN 48.4 million;

2) decision by the Director of the Tax Chamber in Gdańsk, dated 29 February 2016, upholding the decision by the Director of the Tax Audit Office in Bydgoszcz, dated 28 September 2015, assessing the company's VAT liabilities for individual months of 2011 at a total amount of PLN 112.5 million;

3) decision by the Director of the Tax Administration Chamber in Gdańsk, dated 25 October 2018, upholding the decision by the Head of the Gdańsk Province Customs and Tax Office in Gdynia, dated 19 January 2018, assessing the company's VAT liabilities for January 2012 at a total amount of PLN 7.3 million; and

after resumption of the proceedings, for:

4) reversal of the decisions by the tax authorities of both instances and discontinuation of the tax proceedings – with respect to the proceedings for 2010–2011; and

5) suspension of the proceedings until final conclusion of the court proceedings – with respect to the proceedings for 2012, in connection with proceedings pending before the Supreme Administrative Court, initiated by the company's cassation complaint.

On 8 October 2020, the Head of the Tax Administration Chamber in Gdańsk upheld the decisions of the Head of the Tax Chamber in Gdańsk, dated 29 December 2015 and 29 February 2016. On 23 November 2020, the company appealed against the unfavourable decisions of the Head of the Tax Administration Chamber in Gdańsk. On 23 December 2020, the Head of the Tax Administration Chamber in Gdańsk issued decisions refusing to revoke its decision of 8 October 2020, against which the company filed complaints with the Provincial Administrative Court in Gdańsk. On 15 June 2021, the Provincial Administrative Court of Gdańsk dismissed the company's complaints against refusal to reverse the final decisions concerning determination of VAT liabilities for the individual months of 2010 and 2011. On 10 September 2021, the company appealed in cassation against the judgements of the Provincial Administrative Court of Gdańsk to the Supreme Administrative Courts.

As at 31 March 2023, the ORLEN Group disclosed a provision for tax risk, recognised in connection with such proceedings, in the amount of PLN 100.5 million.

LOTOS Exploration and Production Norge AS tax settlements

Due to the crisis caused by the COVID-19 pandemic and the sharp decline in commodity prices, the Norwegian government introduced a provisional tax regime for 2020-2021 that allowed companies investing on the Norwegian continental shelf to directly expense capital expenditure and to receive an immediate refund of the tax loss incurred in each of the years. With these solutions, the effective tax rate is significantly lower than the 78 per cent. applied in 2021.

At the same time, the government has introduced an additional rule; namely, for investment projects that have been submitted to the Ministry by the end of 2022 and that will be approved in 2023, it will be possible to account for all capital expenditure under the system of the temporary tax regime of 2020-2021, with minor changes, which significantly improves the economics of the projects. Two key development projects LOTOS E&P Norge – NOAKA and Trell&Trine will be covered by this reduction.

In December 2019, LOTOS E&P Norge received a draft decision on thin capitalisation in 2015-2016. In September 2020, the company submitted a letter to the tax authorities, in which it commented its position to the preliminary decision of the Oil Taxation Office (**OTO**) concerning thin capitalisation in 2015–2016, along with its response to the "deviation notice" for the following years 2017 and 2018. In its preliminary decision, the OTO challenges the inclusion of loans and borrowings service costs and exchange rate differences on debt financing in the company's tax-deductible costs due to the company's equity being too low at that time. In May 2022, the OTO issued its final decision for 2015-2016, in which the tax surcharge was set at NOK 170 million plus interest.

With regard to the second thin capitalisation case, covering a period of 2017-2019, the Company received a draft decision in August 2022, previously announcing the extension of the investigation period by one year. Under the draft decision, the estimated amount to be paid is NOK 103 million, while the vast majority of this amount relates to financial income from foreign exchange differences that the Company had previously removed from the settlement. The company was creditworthy during that period, confirmed in RBL models, and, therefore, the real effect of thin capitalisation is much less than in 2015-2016. Furthermore, in its tax declaration for 2017 and 2019, the company did not include in its taxable base the finance income arising from foreign exchange rates realised on loans in the case of which the OTO had previously questioned the financial costs as deductible. Tax deductions made on this amounted to NOK 88 million (2017: NOK 52 million; and 2019: NOK 36 million). The Company has recognised a provision for these amounts.

At the same time, on 31 March 2023, the Company appealed against the Tax Office decision for 2015-2016. If the appeal is unsuccessful, the Company is considering judicial arbitration. On the same day, the Company submitted a written response and reaction to the draft decision on thin capitalisation for 2017-2019.

As at 31 March 2023 the total value of provisions recognised in connection with the pending proceedings amounted to PLN 46 million.

Settlements for natural gas supplied under the Yamal Contract and the suspension of natural gas supplies by Gazprom

On 31 March 2021, Decree of the President of the Russian Federation No. 172 "On a special procedure for the performance of obligations of foreign buyers towards Russian natural gas suppliers" (the **Decree**) was published, following which Gazprom requested PGNiG to amend the terms and conditions of the Yamal

Contract, among others, by introducing settlements in Russian rubles. On 12 April 2022, the Management Board of PGNiG S.A. decided to continue settling PGNiG's liabilities for gas supplied by Gazprom under the Yamal Contract, in accordance with its applicable terms, and not to consent to PGNiG's performance of its settlement obligations for natural gas supplied by Gazprom under the Yamal Contract, in accordance with the provisions of the Decree. On 27 April 2022, Gazprom completely suspended natural gas deliveries under the Yamal Contract, citing the Decree's prohibition on delivering natural gas to foreign buyers from countries "unfriendly to the Russian Federation" (including Poland), if payments for natural gas supplied to such countries starting from 1 April 2022, are made contrary to the terms of the Decree. In response, PGNiG took steps to protect its interests under its contractual rights, including: call for deliveries and compliance with settlement conditions, etc., terms of the agreement binding the parties until the end of 2022. By 31 December 2022, natural gas supplies had not been resumed by Gazprom, which refused to make settlements based on the applicable contractual conditions. Pursuant to PGNiG's declaration of intent of 15 November 2019, the Yamal Contract expired at the end of 2022. As at 31 March 2023 disputes arising during the term of the Yamal Contract are pending.

Claim by B. J. Noskiewicz against Exalo S.A.(Exalo) for payment of rent and damages

On 9 February 2015, B.J. Noskiewicz filed an action against Exalo (formerly Poszukiwania Nafty i Gazu Jasło sp. z o.o.) seeking payment of a total of PLN 130 million. The demand of the claim includes the award of a fee for the use of a property owned by the plaintiffs (occupied by the Company for the purpose of drilling a geothermal water well) and compensation for lost income. The plaintiffs claim that the property was not properly returned to them upon completion of the works. Exalo has filed a response to the claim. Exalo argues (based on expert opinions) that it completed the use of the property within the contractual deadline, removed all equipment and movable property, the site was cleaned up and rehabilitated, and therefore it properly offered and released the property to the owners in 2012, so that the claim for both any fees for the period after that date and damages is completely unjustified. The proceedings are currently suspended. A full assessment of the risk of an unsuccessful outcome may be made at a later stage of the proceedings taking into account Exalo's arguments. In Exalo's opinion, the claim is without merit.

As at 31 March 2023, the total value of provisions recognised in connection with the pending proceeding amounted to PLN 35 million.

***Veolia Energia Warszawa's claim against PGNiG TERMIKA S.A.* (PGNiG TERMIKA)**

On 21 February 2018, PGNiG TERMIKA received a lawsuit for payment for the performance of the agreement for the provision of services for the development of the heat market in Warsaw brought by Veolia Energia Warszawa S.A. in the District Court in Warsaw.

On 29 June 2018, PGNiG TERMIKA filed a response to the statement of claim, in which it addressed the claims of the plaintiff. Veolia Energia Warszawa S.A. originally claimed an amount of PLN 5.7 million as payment under the aforementioned agreement, and then extended the claim by PLN 66.6 million, i.e. up to PLN 72.3 million, representing further tranches of remuneration under the above-mentioned agreement. The parties are exchanging further pleadings. In the opinion of PGNiG TERMIKA, the agreement for the provision of services for the development of the heat market in Warsaw is invalid as it violated mandatory provisions of law. Due to the precedent-setting and particularly complex nature of this case, it is not possible to assess the risk of an unfavourable outcome.

As at 31 March 2023, the total value of provisions created for these proceedings amounted to PLN 121 million.

PBG SA (currently under restructuring in liquidation) claim against former PGNiG S.A.

A counterclaim dated 1 April 2019 was filed by PBG SA against PGNiG S.A. for payment of the amount of PLN 118 million in the case pending before the Regional Court of Warsaw on PGNiG S.A.'s claim against PBG SA, in Wysogotowo, TCM in Paris and Technimont in Milan (value of the dispute – PLN 147 million).

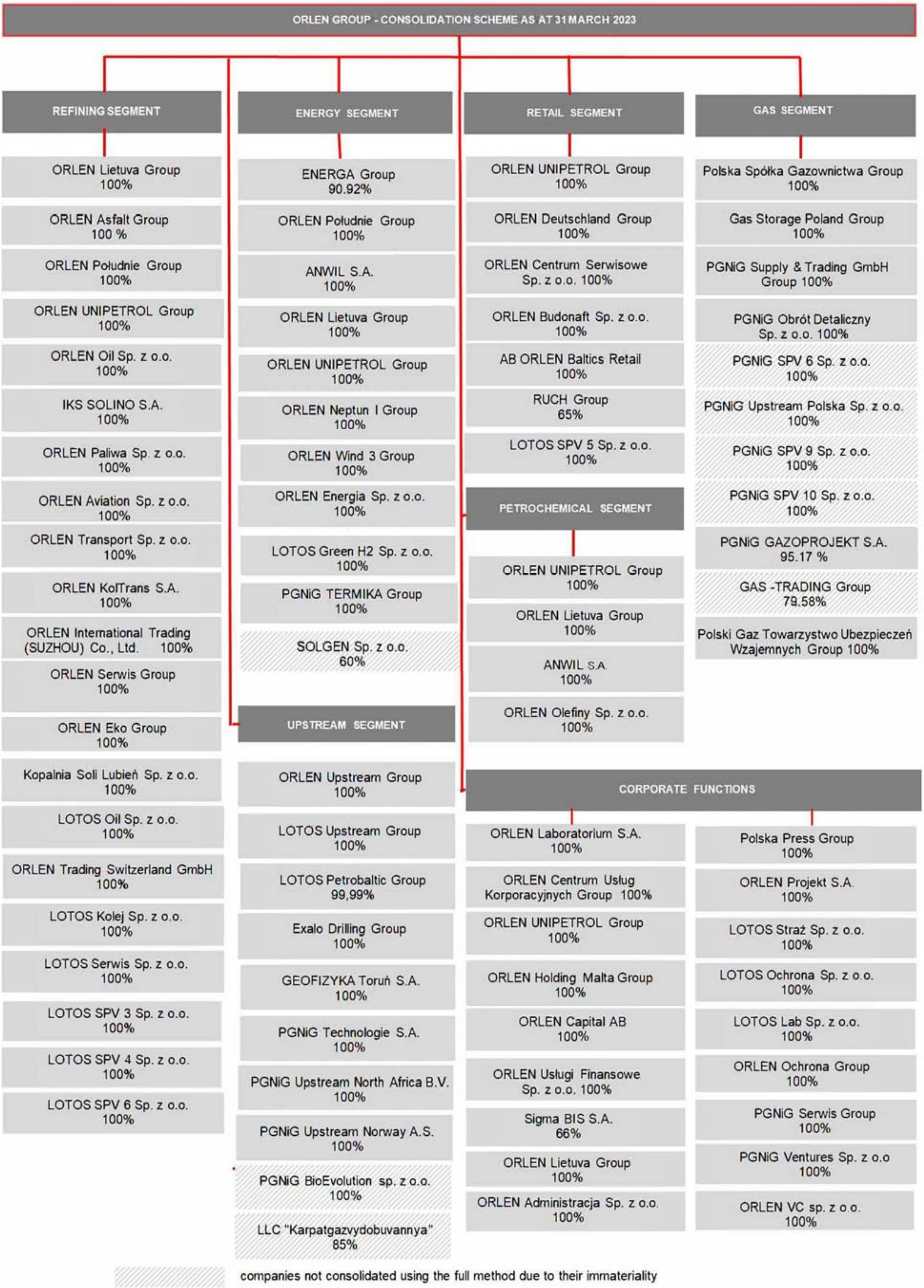
The cases relate to mutual settlements in the performance of contracts for the upgrade of PMG (the underground gas storage) Wierzchowice. The claims in the counterclaim are based on PBG SA's objection to the statements of set-off of mutual receivables and liabilities made by PGNiG SA in the course of settling the contracts for the execution of upgrading PMG Wierzchowice. The proceedings for both the claim and the counterclaim are both at the stage of evidentiary proceedings. The court has heard all the witnesses and admitted expert evidence. The defendants in the main claim and the counterclaimant in the counterclaim applied to the court to exclude the expert. A further hearing date was not scheduled.

Structure and Organisation of the ORLEN Group as at 31 March 2023

The ORLEN Group includes ORLEN as the parent company and entities located in entities located in Poland, Germany, the Czech Republic, Lithuania, Malta, Sweden, Slovakia, Hungary, Norway, Cyprus, Estonia, Switzerland, United Kingdom, United Arab Emirates, Libya, Pakistan, Netherlands, Belgium, Austria, France, Croatia, Ireland, Colombia, Tanzania, Mozambique, Ukraine, Latvia, Canada and China.

ORLEN as the parent company is a multi-segment entity, appropriately allocated to all operating segments and corporate functions.

The following chart illustrates the corporate entities within the ORLEN Group as at 31 March 2023 and allocates them according to reporting segment or to corporate functions:



Source: the Issuer

Acquisitions

Merger with Grupa LOTOS S.A.

Completion

On 1 August 2022, the registry court registered the merger of ORLEN S.A. with Grupa LOTOS S.A. (**LOTOS Merger**) and amendments to the Articles of Association of ORLEN adopted by the Extraordinary General Meeting of ORLEN on 21 July 2022, including the increase of the company's share capital and changes in the composition of the Supervisory Board and the Management Board of the company.

From 1 August 2022, ORLEN took over all assets of Grupa LOTOS and, subject to exceptions resulting from legal regulations, entered into all rights and obligations of Grupa LOTOS. In particular, as of LOTOS Merger date, the permits, concessions and licences granted to the LOTOS Group were transferred to the ORLEN, unless a relevant act of law or decision awarding a specific permit, concession, licence or exemption provided otherwise. At the same time, ORLEN's share capital was increased through the issuance of shares in ORLEN to Grupa LOTOS's shareholders. Shareholders of Grupa LOTOS were allotted merger shares in accordance with the agreed share exchange ratio, and if the number of shares could not be rounded to a full number, received additional cash payments.

Reasons and strategic goals of the merger

Grupa LOTOS was the second largest oil company in Poland, whose scope of activities included extraction and processing of crude oil as well as wholesale and retail sale of petroleum products. Grupa LOTOS was a producer and supplier of, among others, unleaded petrol, diesel fuel, heating diesel oil (light fuel oil), aviation fuel and heavy fuel oil. It also specialised in the production and sale of lubricating oils and asphalts.

The Grupa LOTOS subsidiaries, which from the merger date became part of the ORLEN Group, are involved in the extraction of hydrocarbons in the Polish Exclusive Economic Zone of the Baltic Sea, as well as conducting exploration and exploitation of crude oil fields within the area of the Norwegian Continental Shelf and on the territory of Lithuania.

The merger with Grupa LOTOS is a key step in the ORLEN Group's strategy of building a strong and diversified multi-utility enterprise, capable of facing the changes related to energy transition, including reduction of hydrocarbons and conventional fuel dependence in favour of new and more sustainable energy sources. The combined entity should have greater opportunities to diversify its business and compete against the leading players in the European and global market, as well as implement investments supporting the improvements in the existing areas of its operations, including oil extraction and refinery production.

In addition, after the merger, the ORLEN Group plans to implement its strategic goal of maintaining and strengthening its position as a regional leader in the retail sector, with more than 3,500 petrol stations in Central and Eastern European markets, with an extensive network of electric vehicle chargers. The combined entity should have enough resources to participate in the development of the most innovative and often not yet commercialised areas such as the hydrogen technologies. The combined entity should also contribute to increasing energy security both of Poland and the entire region.

Remedies related to the merger with Grupa LOTOS

The merger with Grupa LOTOS S.A. was subject to the conditions specified in the merger plan, which were fulfilled.

Moreover, ORLEN was required to comply with the requirements of the European Commission and implementation of remedies, which included commitments to, among other things, conclude agreements covering divestments of assets in following areas: (i) fuel production and wholesale operations; (ii) fuel logistics; (iii) retail activity; (iv) aviation fuel activities; (v) biofuel production; and (vi) the asphalt market.

As at the date of this Offering Circular, all remedial measures imposed by the European Commission have been completed.

Additional agreements related to merger with Grupa LOTOS

ORLEN concluded a conditional framework sales agreement with MOL (**Framework Agreement**) pursuant to which the companies in the ORLEN Capital Group will purchase from MOL 144 fuel stations located in Hungary and 41 fuel stations located in Slovakia for a total price not exceeding EUR 229 million. The price is subject to the customary adjustments due to changes in the level of net debt and working capital.

On 1 December 2022, as part of the implementation of the above agreement, ORLEN Unipetrol executed a share purchase agreement with MOL for 100 per cent. of the shares in Normbenz Magyarország Kft, the owner of 79 petrol stations located in Hungary.

Additionally, ORLEN concluded a long-term agreement with the Saudi Arabian Oil Company for crude oil deliveries to the ORLEN Capital Group companies. On the basis of the agreement, after the merger ORLEN will secure deliveries of crude oil from the Saudi Arabian Oil Company to the ORLEN Group in the amount from 200 to 337 thousand boe/day.

ORLEN also concluded a memorandum of understanding with the Saudi Arabian Oil Company and Saudi Basic Industries Corporation concerning cooperation to analyse, prepare and carry out common investments in the petrochemical segment. Potential areas of cooperation that will be analysed include, among others, development projects in olefins and olefin derivatives, including aroma derivatives, in Poland and in Central and Eastern Europe.

ORLEN also signed a memorandum of understanding with the Saudi Arabian Oil Company concerning cooperation for common analysis, preparation and performance of research and development projects, regarding, *inter alia*, sustainable development technology.

Agreement with the State Treasury

On 20 July 2022, ORLEN and the State Treasury concluded an agreement regarding the planned merger of ORLEN with Grupa LOTOS S.A. The agreement contains ORLEN's declarations of intent, which do not constitute a contractual obligation of the company regarding: (i) implementation of the energy policy of Poland with respect to crude oil and liquid fuels (traditional); or (ii) continuation of the employment policy towards employees of Grupa LOTOS, who became employees of the ORLEN Group capital group after the merger, assuring proper and safe operating of the workplaces belonging to Grupa LOTOS before the merger and also ORLEN's commitment to continue key investments carried out by Grupa LOTOS as indicated in the agreement.

Pursuant to the agreement, ORLEN also declared that after the merger and subject to the specified exceptions it will take steps towards: (i) diversification of the supplies of natural resources, in particular crude oil and independence of Poland from Russian crude oil deliveries; (ii) strengthening its position in the production and distribution of liquid fuels while aiming to reduce their emission intensity; (iii) development of the company on the petrochemical products market, including identifying and implementing investments; (iv) research and projects on the use of alternative fuels, as well as electromobility; and (v) maintaining the proper operation of the refinery in Gdańsk.

ORLEN's implementation of the energy policy of Poland will be carried out in the scope permitted by the generally applicable law and provisions of its Articles of Association.

The agreement is not legally binding except for selected provisions regulating, among others, execution of the investment commitments, including PLN ORLEN's liability for breach of these obligations.

If it fails to perform or improperly performs its legally binding investment commitments and the deadlines for developing the recovery plan for non-performance or improper performance of such commitments expire ineffectively, ORLEN will be obliged to pay contractual penalties to the State Treasury. Subject to certain exceptions, the agreement will remain in force for a period of 10 years from the date of its conclusion, and will be automatically extended in the circumstances specified in the agreement for the period necessary to perform the investment commitments.

The agreement entered into force in principle on the date of ORLEN's merger with Grupa LOTOS. In ORLEN's opinion, as at the date of this Offering Circular, there is no risk that the conditions contained in the agreement with the State Treasury will not be met.

Merger with PGNiG S.A.

Completion

On 2 November 2022, the registry court registered the merger of ORLEN (the **Company**) with Polskie Górnictwo Naftowe i Gazownictwo S.A. (**PGNiG Merger**), the increase of the Company's share capital and amendments to the Articles of Association of ORLEN adopted by the Extraordinary General Meeting of ORLEN on 28 September 2022. On the merger date, ORLEN took over all the assets of PGNiG and, subject to exceptions resulting from legal regulations, assumed all rights and obligations of PGNiG. In particular, the permits, concessions and licences granted to PGNiG were transferred to the Company, unless a relevant act of law or decision awarding a specific permit, concession, licence or exemption provided otherwise.

At the same time, the share capital of the Company was increased by the issuance of ORLEN's shares to PGNiG's shareholders. Shareholders in PGNiG were allotted merger shares in accordance with the agreed share exchange ratio, and, if the number of shares could not be rounded to a full number, received additional cash payments.

Reasons and strategic goals of the merger with PGNiG

The PGNiG Group was one of the largest gas and oil companies in Central and Eastern Europe, conducting its activities, *inter alia*, in Poland, Germany, Norway, Great Britain, the Czech Republic, Slovakia, Hungary, the United Arab Emirates, Libya, Pakistan, Lithuania, the Netherlands, Belgium, Austria, Denmark, France, Croatia, Ireland, Colombia, Tanzania, Mozambique and Ukraine.

The activities of the former PGNiG Group included exploration and production of natural gas and crude oil, import of natural gas, as well as storage, sale and distribution of gaseous and liquid fuels, and the production of heat and electricity. The former PGNiG Group, through its subsidiaries, also provided specialised geophysical and drilling and maintenance services all over the world.

The progressing energy transformation driven by dynamic technological development, improved cost effectiveness of generating energy from RES and alternative fuels, climate policy, the evolution of social preferences as well as greater corporate and public environmental awareness, represents a significant challenge for companies in the fuel and energy sector, as it assumes a gradual shift from hydrocarbons and conventional fuels to new and more sustainable energy sources. The merger of the Company with PGNiG creates new opportunities for coordinated development that will enable the businesses to diversify their operations and remain competitive in the long term.

The consolidation of ORLEN and PGNiG should increase the impact of the merged group on the entire sector thanks to, among other things, the improved coordination of efforts aimed at decarbonising the Polish economy by 2050. In this context, the multi-utility group's strategy will aim to grow the natural gas segment, with natural gas being the key resource for the petrochemical and energy sectors. The merger with PGNiG should result in optimising and integrating the extraction of hydrocarbons by the merged company in the current markets and coordinated operations aimed at diversifying the sources of energy materials, including further development of the diversified LNG supply portfolio. The upstream consolidation will boost the efficiency of managing raw materials, mitigating the risk of volatility in the crude oil and gas markets and will allow for making better use of PGNiG's potential in terms of prospecting and exploration, including drilling. In consequence, the merger should contribute to improving the energy security of Poland and the entire region, which is of crucial importance given the current geopolitical context.

Remedies related to the merger with PGNiG

The merger with PGNiG S.A. was subject to the conditions specified in the merger plan, which were fulfilled.

Moreover, ORLEN was required to comply with the requirements specified in the President of the Polish Office of Competition and Consumer Protection's (the **President of UOKiK**) conditional positive consent regarding concentration and implementation of a remedy dated 16 March 2022.

The consent provides a requirement of divestment or cessation of control over Gas Storage Poland Sp. z o.o. (GSP), a subsidiary of PGNiG, to an independent investor. ORLEN has 12 months from the date of merger to comply with this condition. ORLEN's obligations resulting from the decision of the President of UOKiK include the obligation to conclude an agreement entrusting GSP or its legal successor with operating a gas fuel storage system for a period of at least 10 years. GSP may be sold only to an entity that guarantees that the operation of the gaseous fuel storage system will take into account the energy security of the state. GSP is also the operator of a gas fuel storage system. After the merger, the natural gas storage facilities became the property of ORLEN.

Agreement with the State Treasury

On 27 September 2022, ORLEN and the State Treasury concluded an agreement regarding the planned merger of ORLEN (the **Company**) and PGNiG, which entered into force on the merger date. The agreement sets forth the Company's declarations of intent, which do not constitute a contractual obligation of the Company regarding: (i) implementation of the energy policy of Poland to the extent which concerns the diversification of natural gas supply sources and the development of this fuel on the market; and (ii) continuation of the employment policy towards employees of the PGNiG Group, who will become employees of the ORLEN Group after the merger, assuring proper and safe operating of the workplaces belonging to the PGNiG Group before the merger and also the Company's commitment to continue, after the merger with PGNiG, key investments in progress or being prepared by PGNiG before the merger, indicated in the agreement, in the minimum scope specified in the agreement.

ORLEN also declared that after the merger and subject to the exceptions described in the agreement – in the scope permitted by the generally applicable law and provisions of the Company's Articles of Association – the strategy undertaken by the Company in the field of extraction, trade and distribution of natural gas will be consistent with the government's energy policy, including ensuring the long-term energy security of Poland and diversification of natural gas supply sources.

The agreement is not legally binding except for selected provisions regulating, among others, execution of the investment commitments, including the Company's liability for breach of these obligations.

If it fails to perform or improperly performs its legally binding investment commitments and the deadlines for developing the recovery plan for non-performance or improper performance of such commitments expire ineffectively, ORLEN will be obliged to pay contractual penalties to the State Treasury. Subject to certain exceptions the agreement will remain in force for a period of 10 years from the date of its conclusion, and will be automatically extended in the circumstances specified in the agreement for the period necessary to perform the investment commitments.

The agreement entered into force in principle on the date of the Company's merger with PGNiG. In the Company's opinion, as at the date of this Offering Circular, there is no risk that the conditions contained in the agreement with the State Treasury will not be met.

Post-merger integration programme

The mergers of ORLEN with Grupa LOTOS and PGNiG were another important step to build a leading multi-energy group in the CEE region after the acquisition of the majority stake in the Energa Group in 2020. After completing the deal, ORLEN launched the post-merger integration programme (PMI) in order to achieve strategic goals related to mergers as well as to create additional value for shareholders. ORLEN's post-merger integration programme covers all key business areas of the merged Group, and defines a set of projects which will result in integration of the management model as well as enable synergies.

Acqusition of petrochemical assets

On 1 January 2023 the ORLEN Group closed the transaction to acquire a part of the business related to the production and marketing of LDPE from the Poland's largest plastics manufacturer Basell Orlen Polyolefins sp z o.o. (a joint venture in which ORLEN and Lyondell Basell Industries each hold a 50 per cent. of the shares) and Basell Orlen Polyolefins Sprzedaż sp. z o.o. (100 per cent. of the shares held by Basell Orlen Polyolefins sp z o.o.). The business involves the production and marketing of LDPE, as well as customer service in the Polish market. The transaction was cleared by the Polish and Dutch antitrust regulators.

The acquired production capacity is 100 thousand tonnes per year, which means that ORLEN, as Poland's only producer of LDPE, will single-handedly cover about a third of the country's overall demand for the plastic.

Low density polyethylene (LDPE) is commonly used to make consumer and industrial products and is found in plastic films, bags, canisters and food packaging, as well as components of electronic devices, such as wires and cables. It is a fully recyclable product playing an important role in advancing the circular economy.

After the transaction, Basell Orlen Polyolefins sp. z o.o. will continue to develop the production and sale of HDPE polyethylene, i.e. high-density polyethylene, and polypropylene.

The acquisition of the part of the business related to the production and sale of LDPE is in line with the strategy implemented by the Group. The Group observes a dynamic increase in demand for petrochemical products on global markets, and, according to forecasts, by 2030 the value of the petrochemicals and base plastics market is expected to double. Therefore, the Group aims to increase its share in this promising business and to strengthen its position as the leading producer of petrochemical products in Europe.

Acqusition of REMAQ s.r.o.

On 2 January 2023 ORLEN Unipetrol RPA s.r.o. acquired 100 per cent. of the shares in REMAQ s.r.o. (**REMAQ**) based in Otrokovice, the Czech Republic. REMAQ is a leading company in the region of Central and Eastern Europe, focusing its core activity on chemical and mechanical recycling activities. With the acquisition of REMAQ, the ORLEN Group will be able to effectively acquire and process waste plastic and bio-waste and produce new petrochemicals and biofuels from them. The acquisition of REMAQ will also enable the expansion of the Group's competencies in the field of mechanical recycling and is the result of the strategy implemented in the Group, the aim of which is to achieve an appropriate level of recycling capacity for plastics and natural waste and to link all waste recycling methods and create a fully functional chain in which local governments, distributors and final processors will work together effectively.

Potential acqusition of Grupa Azoty Zakłady Azotowe "Puławy" Spółka Akcyjna („Azoty Puławy”)

On 6 June 2023, ORLEN, Grupa Azoty S.A. and Azoty Puławy signed a non-disclosure agreement setting out a procedure for sharing information between the in connection with the parties’ intention to enter into discussions regarding a potential acquisition of Azoty Puławy by ORLEN, to be preceded by due diligence. The non-disclosure document defines the rules for sharing information during the due diligence process and does not constitute a commitment by either party to pursue the acquisition.

Azoty Puławy is a company listed on Warsaw Stock Exchange, which operates in two business segments, fertilizer and non-fertilizer (primarily chemicals). Its products include chemicals such as melamin and caprolactam; nitrogen fertilizers (RSM concentrate, ammonium sulfate, urea), peroxy compounds (hydrogen peroxide) and technical gasses (liquid nitrogen, compressed hydrogen, liquid carbon dioxide).

Employment

The table below presents the headcount of the ORLEN Group as at 31 December 2021 and 31 December 2022:

	31 December	
	2022	**2021**
ORLEN[1]	12,174	5,878
Former PGNiG Group[2]	19,267	-
ENERGA Group	8,781	8,888
Unipetrol Group	5,523	4,876
Former LOTOS Group[3]	2,962	-
ORLEN Serwis Group	2,410	2,326
Polska Press Group	1,708	1,827
ANWIL	1,660	1,610
Orlen Ochrona Group	1,610	1,707
Orlen Lietuva Group	1,485	1,467
Other	6,914	6,845
Total	**64,494**	**35,424**

[1] *Includes employees transferred in 2022 as a result of the acquisition of companies of the former LOTOS and PGNiG Groups and Rafineria Gdańska (70 per cent.).*
[2] *Does not include employees transferred in 2022 as a result of the acquisition of companies of the former PGNiG Group.*
[3] *Does not include employees transferred in 2022 as a result of the acquisition of companies of the former LOTOS Group and Rafineria Gdańska (70 per cent.).*

Source: the Issuer

The rules of remuneration in place at ORLEN are laid down in the collective bargaining agreement. The main components of remuneration are base pay (determined according to the Pay Grade Table and Base Pay Table) and a bonus. Employees are covered by monthly, quarterly or annual bonus schemes, depending on positions held. Employees are also entitled to receive an extra annual bonus for achievement of solidarity targets and a number of allowances, including shift-work allowance, chemical emergency service allowance or expat allowance. For particularly outstanding achievements, an employee may be awarded a prize, financed from the Employer Prize Fund.

The ORLEN Group companies have implemented consistent rules for granting awards under the Employer Prize Fund (set forth in a formal document), and the award process for tool-integrated companies is carried out through the centralised IT system, SSEGK.

ADMINISTRATIVE, MANAGING AND SUPERVISORY BODIES

According to the Polish Commercial Companies Code, the Management Board and the Supervisory Board are ORLEN's managing and supervisory bodies, respectively.

Management Board's Operation

The main goal of the Management Board's activity is to increase the assets entrusted to it by the shareholders while respecting the rights and interests of entities other than shareholders who are involved in the operations of the ORLEN Group and, in particular, the ORLEN Group's creditors and employees.

The Management Board ensures the transparency and effectiveness of the ORLEN Group's management system, and ensures that ORLEN's affairs are managed in accordance with the provisions of law and good practice.

The Management Board's scope of activities includes the management of all of ORLEN's affairs not reserved by either the Code of Commercial Partnerships and Companies or Articles of Association of ORLEN. All Management Board members are obliged and authorised to manage ORLEN's affairs.

The ORLEN Management Board consists of between five and 11 members (including the President, Vice-President and other members of the Management Board). Management Board members are appointed and recalled by the Supervisory Board. However, one member of the ORLEN Management Board is appointed by the entity entitled to exercise rights from shares owned by the State Treasury, for as long as the State Treasury holds at least one share in ORLEN and until recalled by the Supervisory Board. Particular Management Board members or the entire Management Board may be recalled at any time before the end of the term of office which applies equally to Management Board members and the entire Management Board.

The Management Board's term of office is the same for all members and expires upon the completion of an Ordinary General Meeting in which the financial statements for the second full financial year of its term of office are approved. The current term of the Management Board terminates on the date of the Ordinary General Meeting approving ORLEN's financial statements for 2022.

The Management Board comprises the members listed below:

Name	Age	Function	Date the current term of office began	Year term expires
1. Daniel Obajtek	47	President of the Management Board, CEO	6 June 2020	2026
2. Józef Węgrecki	70	Member of the Management Board, COO	6 June 2020	2026
3. Patrycja Klarecka	49	Member of the Management Board, Retail Sales	6 June 2020	2026
4. Michał Róg	50	Member of the Management Board, Wholesale and International Trade	6 June 2020	2026
5. Armen Konrad Artwich	37	Member of the Management Board, Corporate Affairs	6 June 2020	2026
6. Jan Szewczak	70	Member of the Management Board, CFO	6 June 2020	2026
7. Adam Burak	40	Member of the Management Board, Communication and Marketing	6 June 2020	2026
8. Piotr Sabat	40	Member of the Management Board, Development	1 March 2022	2026
9. Krzysztof Nowicki	49	Member of the Management Board, Production and Optimalisation	1 September 2022	2026
10. Iwona Waksmundzka-Olejniczak	48	Member of the Management Board, Strategy and Sustainable Development	3 November 2022	2026
11. Robert Perkowski	46	Member of the Management Board, Upstream	3 November 2022	2026

Daniel Obajtek, Chief Executive Officer and President of the Management Board

Daniel Obajtek has been President of the Management Board and Chief Executive Officer of ORLEN since 6 February 2018. Previously, from 2017 to February 2018, he served as President of the Management Board of the Energa Group. In 2016-2017, he was the President of the Agency for Restructuring and Modernisation of

Agriculture. From July 2016 to February 2018, he was also a member of the Supervisory Board of LOTOS Biopaliwa.

As President of the Management Board of ORLEN, he has pursued the mission of turning it into a multi-utility business.

Daniel Obajtek completed the Executive MBA programme run by the Gdańsk Foundation for Management Development and validated by IAE Aix-Marseille Graduate School of Management. He is a member of the Programme Council of the Economic Forum in Krynica and Chairman of the Board of the Polish Olympic Committee.

He has won a range of prestigious awards, notably the Polish Compass 2018. He was also named CEO of the year 2018 in the 25th edition of the Bulls and Bears award of *Gazeta Giełdy i Inwestorów Parkiet*. In 2019, he was awarded the Lech Kaczyński Prometheus Award. From the Judging Panel of the Employers of Poland, he received the Vector 2019 award. In 2020, readers of the *Parkiet* daily voted him Star of the Year 2020. In the 'The Most Reliable in Polish Economy" ranking by the ISB News agency, he received the award of the Most Reliable CEO. He was also named Person of the Year during the Karpacz Economic Forum held in September 2020.

Józef Węgrecki, Member of the Management Board, Chief Operating Officer

Józef Węgrecki has been a member of the Management Board since 23 March 2018. Between 5 February and 23 March 2018 he was a member of the Supervisory Board temporarily delegated to perform the duties of the ORLEN Management Board member responsible for Investments and Procurement.

He is a graduate of the AGH University of Science and Technology in Kraków, Faculty of Mining and Metallurgical Machines.

He is qualified to serve on the supervisory boards of companies in which the Polish State Treasury has interests.

In 1978-1990, he worked at Zakład Remontowy Energetyki Kraków, where he held the position of member of the Management Board, Chief Technical Officer. In 1990-1993, he served at employee-owned company Remak Opole as its Vice President. From April 1993 to June 2017, he was President and member of the Management Board of Remak-Krak Sp. z o.o.

In 2017, he was appointed Vice-President of the Management Board of Energa Wytwarzanie S.A., where his management responsibilities covered water and wind turbine operation, photovoltaic farms, cogeneration and coal-fired power plants, innovation, heating asset acquisitions and setting development directions.

On 5 February 2018, he was delegated to temporarily serve as member of the ORLEN Management Board for Investment and Procurement, and then in April he was appointed Chief Operating Officer.

Józef Węgrecki has received a number of awards, including the Galicia Construction Grand Award for his contribution to the advancement of the construction industry, a Badge of Merit for exceptional services to the construction industry, a Gold Medal for long service, an Honoris Gratia badge for charity and community service and a Medal of the 100th Anniversary of Poland Regaining Independence.

Patrycja Klarecka, Member of the Management Board, Retail Sales

Patrycja Klarecka has been a member of the Management Board since 24 June 2018. She graduated from the Poznań University of Economics and Business in Economic Policy and Corporate Strategy.

As member of the ORLEN Management Board, she has been responsible, among others, for retail sales and retail chain development. Her responsibilities also cover innovation and CSR, IT as well as infrastructure and information security.

In 2016-2018, Patrycja Klarecka served as President of the Polish Agency for Enterprise Development (PARP), Poland's largest government agency supporting the development of SMEs.

She has professional experience in the financial, media and education sectors, including 18 years of working in managerial positions at various companies, including the Warsaw Stock Exchange (2014-2016), Bank Zachodni WBK (2010–2014), Telewizja Polska (2004-2010), and PZU (2002-2004). Earlier in her career, she was a lecturer at the Melchior Wańkowicz School of Journalism in Warsaw and a consultant at the Poznań School of Banking.

She chaired the supervisory board of ORLEN Deutschland GmbH (in 2018–2019), served on the Supervisory Boards of the WSE Foundation and IAB Polska, and was on the Management Board of the PZU Charitable Foundation. She represented Polish Television in the Crossmedia Group at the European Broadcasting Union.

Michał Róg, Member of the Management Board, Wholesale and International Trade

Michał Róg has been a member of the Management Board since 1 September 2018. Michał Róg is a graduate of the Kraków University of Economics, where he majored in management and marketing, and of the Canadian International Management Institute and Harvard Business School. He has completed the Executive MBA programme run jointly by the Kraków University of Technology and Central Connecticut State University.

He has over 20 years of professional experience gained working for TELE-FONIKA KABLE S.A., where he served as Vice-President for Sales – Distribution and Power Generation Sector, Director for Sales and Development of High and Medium Voltage Products, Director for Sales on the Balkan Market, Director for Sales in the Home Market and Head of the Home Market Office.

From March to August 2018, he was a Management Board member for trade at ORLEN OIL Sp. z o.o. of Kraków. From April to August 2018, he was additionally a Management Board member at Paramo a.s. based in Pardubice, the Czech Republic. Since 1 December 2020, he has been a member of the Supervisory Board of Energa.

Armen Konrad Artwich, Member of the Management Board, Corporate Affairs

Armen Konrad Artwich has been a member of the Management Board since 1 September 2018.

He is a legal advisor. He graduated with honours from the Faculty of Law and Administration at the University of Warsaw, as well as from the Warsaw School of Economics, where he majored in finance and accounting. He also studied corporate law and commercial law at the University of Sheffield, School of Law. He completed his legal counsel apprenticeship at the Warsaw Bar Association.

From January to August 2018, he served as Head of the Legal Department of the Chancellery of the Prime Minister. Earlier, between 2016 and 2018, as Deputy Director of the Department for Improvement of Economic Regulations at the Ministry of Development, he was responsible, among other things, for legislative projects in economic law and for supervision of the Central Office of Measures and the Polish Centre for Accreditation. At the same time, in 2016-2018, he served as member of the PFSA (a representative of the minister in charge of the economy).

Between 2011 and 2016, he worked in the Legal Area at Bank Zachodni WBK S.A., where he was in charge of legal services for investment banking in the Global Banking & Markets Division. He is a graduate of the 18th School of Civil Society Leaders. For his pro bono activity, he has received, among other distinctions, the Gold Cross of Merit and the Polcul Foundation award.

He also serves as Chairman of the ORLEN Group Board.

Jan Szewczak, Member of the Management Board, Chief Financial Officer

Jan Szewczak has been a member of the Management Board and Chief Financial Officer since 3 February 2020.

Jan Szewczak is a lawyer, business analyst and an expert in finance, financial law, banking and macroeconomics. He graduated from the Faculty of Law and Administration of the University of Warsaw and completed doctoral studies at the Department of Finance and Financial Law. He also completed academic internships in Amsterdam and Prague. For many years, he had been a faculty member and a lecturer at the Faculty of Law and Administration of the University of Warsaw and the Vistula University. He has gained extensive experience in the financial sector. He has sat on the Management Board of PZU Tower, served as Chief Economist of Kasa Krajowa SKOK (credit union), was a member of the Sejm (lower chamber of the Polish Parliament) of the 8^{th} term, Chairman of the Standing Subcommittee on Financial Institutions and Deputy Chairman of the Public Finance Committee and member of the Digitisation Committee of the Sejm. He is an economic journalist and the author of numerous opinions and expert reports on business processes and ownership transformations.

Adam Burak, Member of the Management Board, Communication and Marketing

Adam Burak has been a member of the Management Board since 3 February 2020.

Adam Burak holds a degree in international relations from the University of Wrocław as well as an MBA degree, and has completed a postgraduate course in journalism and public relations at the Tischner European University in Kraków.

At the ORLEN Group, he is responsible for the implementation of a consolidated strategy in corporate and marketing communication, and also for the development of digital communication channels in Poland and abroad.

In February 2018, he was appointed Executive Director for Corporate Communication at ORLEN, supervising the implementation of the ORLEN Group's external and internal communication strategy, as well as the development of the structures and business model of a media agency established in partnership with PZU S.A.

Prior to that, he worked in the fuel and energy industry as well as the financial sector. His roles included Communication and Marketing Director at the largest Polish companies, such as the Energa Group, LOTOS Group and PZU S.A., creating and implementing corporate, marketing and sponsorship communication strategies.

He also has extensive experience in sports marketing and journalism. In 2012-2016, he was Marketing and PR Director as well as Press Officer for the Wrocław Stadium, and from 2008 to 2012 he worked as a journalist for Telewizja Polsat. He has sat on the supervisory boards of ORLEN Unipetrol a.s., ORLEN Południe S.A. and currently PZU Zdrowie S.A.

He is a jury member of an industry contest "Golden Paperclips", a member of the judging panel of the "50 Most Creative People in Business" programme, organised by the BRIEF magazine, and a speaker at the Public Relations Professionals Congress.

Piotr Sabat, Member of the Management Board, Development

Piotr Sabat has been a member of the Management Board since 1 March 2022.

Piotr Sabat graduated from the Faculty of Law and Administration at the University of Łódź. He completed law doctoral studies at the Institute of Law Studies of the Polish Academy of Sciences, economics doctoral studies at the Institute of Economics of the Polish Academy of Sciences, Executive MBA – joint programme of the Institute of Economics of the Polish Academy of Sciences and Vienna Institute for International Economic Studies, postgraduate studies of management and audit at the Jagiellonian University, postgraduate studies of debt collection at the Warsaw School of Economics and postgraduate studies of negotiation and mediation at the Warsaw School of Social Sciences and Humanities.

He is a lawyer and economist. He serves as a Vice-Chairman of the Supervisory Board and the Audit Committee of Link 4 Towarzystwo Ubezpieczeń S.A. and a Member of the Supervisory Board and the Audit Committee of Mostostal Płock S.A. He is a Legal Director in the corporate structure at FM Logistic responsible for legal and insurance services, risk management and security in the business segment of transport services for the entire FM Logistic group, academic lecturer in MBA studies at the Collegium Humanum Warsaw Management University and the War Studies University. He gained law and business experience, apart from current professional activities, among others, in GEFCO Group as head of the legal department responsible for full legal service of the company in Poland, the Warsaw Management and Law University and the Academy of Military Arts as university lecturer in postgraduate studies.

Krzysztof Nowicki, Member of the Management Board, Production and Optimalisation

Krzysztof Nowicki has been a member of the Management Board since 1 September 2022.

Krzysztof Nowicki graduated from the Faculty of Law and Administration at the Adam Mickiewicz University of Poznań. He has also completed postgraduate studies in company law at the University of Łódź. He is a legal advisor.

Krzysztof Nowicki was the founder of and partner in a law firm specialising in labour, civil and administrative law. In 2010, he became Head of the Legal Department of PGE Górnictwo i Energetyka Konwencjonalna S.A. of Bełchatów, and then Management Board Vice President for Corporate Affairs and Asset Management. In 2016, he took over as CEO of LOTOS Oil. In 2018-2020, he additionally served as Head of Corporate Affairs at Grupa LOTOS S.A. and since 2020 – Head of Strategy and Investors Relations at Grupa LOTOS S.A. He was also Chairman of the Supervisory Board of LOTOS Asfalt, LOTOS Infrastruktura and RCEkoenergia. From January 2021 to the end of July 2022, Krzysztof Nowicki was Management Board Vice President for Mergers and Acquisitions at Grupa LOTOS S.A.

Krzysztof Nowicki is also the winner of the 2018 MANAGER AWARD.

Iwona Waksmundzka-Olejniczak, Member of the Management Board, Strategy and Sustainable Development

Iwona Waksmundzka-Olejniczak has been a member of the Management Board since 3 November 2022. She has many years' experience in managing large teams and corporate structures, particularly in the oil and gas, energy and banking sectors. She has an in-depth knowledge of capital and financial markets, corporate governance, large project management, and corporate strategy development and implementation.

Since 2022, she has been Chairman of the Board of Management of PGNiG. Thanks to her efforts, PGNiG has signed a number of contracts with gas suppliers in the Norwegian continental shelf, including a long-term contract with Equinor for the purchase of 2.4 billion cubic metres ofgas per year. She supervised the merger process between PGNiG and ORLEN, which led to completion according to the agreed timetable. The process was conducted with due regard for the interests of all stakeholders and in full dialogue with the company, resulting in the signing of an agreement between PGNiG, ORLEN and the trade unions in PGNiG confirming the rights of the company's employees after the merger. From 2021-2022 she served as President of the Management Board of ENERGA S.A., an ORLEN Group company. She supervised the entire Energa Group and its key strategic projects. She coordinated the implementation of the Energa Group's new strategy, with a special focus on energy transition goals and integration with the ORLEN Group.

She has been associated with ORLEN since February 2018, first serving as Head of the Investor Relations Office and from February 2019 as Executive Director of Strategy, Innovation and Investor Relations responsible for the development and implementation of ORLEN's strategy, decarbonisation strategy, hydrogen strategy and supervision of strategic projects across the Group. She was the author of the first private investor loyalty programme "ORLEN w portfelu" on the Polish capital market.

Robert Perkowski, Member of the Management Board, Upstream

Robert Perkowski has been a member of the Management Board since 3 November 2022. Robert Perkowski conducted Ph.D research in Economics at the Institute of Economics of the Polish Academy of Sciences. He graduated from the Faculty of Marketing and Management and the Faculty of Finance and Banking at the Independent University of Business and Public Administration in Warsaw. He also completed a post-graduate course in Management Analytics at ORGMASZ Institute of Industry Organisation and Management. His research articles concern the subjects of virtual enterprises and digital technologies.

Since 2019, he has been a Vice President of the Management Board for Operations at PGNiG. He is an economist with managerial experience obtained from years of working in government institutions and state-owned enterprises. In 2019-2020, he held the position of Member of Board of Directors at PGNiG Upstream Norway AS. In 2019 he was the Member of Supervisory Board at INOVA Centrum Innowacji Technicznych Sp. z o.o. In 2006-2018, he held the office of the Mayor of the City of Ząbki, and from 2017 he was the President of the Management Board of the Polish Self-Government Association. Previously, since 2002, he had been working at the Ministry of Justice, where he had handled financial plans for the Prison Service salaries and wages.

Mr Perkowski holds other functions such as: Chairman of Supervisory Board at Krajowa Grupa Spożywcza S.A., Member of Supervisory Board at EuRoPol GAZ S.A., Chief Executive Officer at Chamber of the Natural Gas Industry and Chairman of Supervisory Board at Polski Gaz TUW.

Supervisory Board's Operation

The Supervisory Board supervises ORLEN's activity in all areas of its business. In particular, the Supervisory Board has the competencies specified both in the Code of Commercial Partnerships and Companies and also in ORLEN's Statute. The Supervisory Board takes appropriate action to obtain regular and exhaustive information from the Management Board on all significant matters regarding ORLEN's activities, on the risks related to those activities and on appropriate methods of managing that risk.

The Supervisory Board members are appointed for a joint term of office that expires upon the completion of an Ordinary General Meeting which approves the financial statements for the second full financial year of the term of office. Each term of office of the Supervisory Board terminates on the date of the Ordinary General Meeting which approves the financial statements of ORLEN Individual Supervisory Board members, or the entire Supervisory Board may be recalled at any time before the end of the relevant term of office. The chairperson of the Supervisory Board is appointed at the ORLEN General Meeting, whereas the deputy chairperson and secretary are elected by the Supervisory Board from among the remaining Board members.

The Supervisory Board consists of between six and 15 members (including the Chairman). The State Treasury is entitled to appoint and recall one Supervisory Board member, while the other Supervisory Board members are appointed and recalled by the General Meeting. The current term of the Supervisory Board terminates on the date of the Ordinary General Meeting approving ORLEN's financial statements for 2024.

The Supervisory Board comprises the members listed below:

	Name	**Age**	**Function**	**Date the current term of office began**	**Year term expires**
1.	Wojciech Jasiński....................................	72	Chairman of the Supervisory Board	25 May 2022	2025
2.	Andrzej Szumański................................	63	Member of the Supervisory Board (Vice-Chairman of the Supervisory Board)	25 May 2022	2025
3.	Anna Wójcik..	47	Member of the Supervisory Board (Secretary of the Supervisory Board)	25 May 2022	2025

Name	Age	Function	Date the current term of office began	Year term expires
4. Barbara Jarzembowska	70	Member of the Supervisory Board	25 May 2022	2025
5. Andrzej Kapała	52	Member of the Supervisory Board	25 May 2022	2025
6. Michał Klimaszewski	49	Member of the Supervisory Board	25 May 2022	2025
7. Roman Kusz...	55	Member of the Supervisory Board	25 May 2022	2025
8. Jadwiga Lesisz	49	Member of the Supervisory Board	25 May 2022	2025
9. Anna Sakowicz-Kacz.............................	70	Member of the Supervisory Board	25 May 2022	2025
10. Janina Goss	80	Member of the Supervisory Board	11 January 2023	2025

Wojciech Jasiński, Chairman of the Supervisory Board

Wojciech Jasiński graduated from the University of Warsaw, the Faculty of Law and Administration. In the years 1972-1986, he worked in Płock in the National Bank of Poland (branch in Płock) and in the Town Hall, including as legal counsel in the Tax Chamber. In the years 1990-1991, he organised the local government in the Płock Voivodship as Delegate of the Government's Plenipotentiary for Local Government Reform. From 1992 to 1997, he worked in the Supreme Audit Office (NIK) as Director of the NIK's Delegation Office in Warsaw, the Finance and Budget Team and the State Budget Department. In the years 1997-2000, he was a member and then President of the Management Board of the company Srebrna in Warsaw. From 1998-2000, he was a member of the Supervisory Board of Bank Ochrony Środowiska S.A. From September 2000 to July 2001, he held the position of Under-secretary of State in the Ministry of Justice. In the years 2006-2007, he was the Minister of the State Treasury.

From 2001, he has been a member of Polish Parliament (4th, 5th, 6th, 7th, and 8th term of the Parliament), where he has performed the following functions: Chairman of Standing Subcommittee for the Banking System and Monetary Policy, Chairman of the Economy Committee and Chairman of the Public Finance Committee. He was also a member of the State Treasury Committee in the Parliament. He held the position of the President of the Management Board of ORLEN S.A. from 16 December 2015 until 5 February 2018. From June 2018 until July 2019, he held the position of proxy of the Management Board of Energa responsible for development of investments and energy markets.

Since 25 February 2016, he has been a member of the Supervisory Board of PKO Bank Polski S.A. He has served as Deputy Chairman of the Supervisory Board of PKO Bank Polski S.A. since 7 June 2021.

Andrzej Szumański, Vice-Chairman of the Supervisory Board

Andrzej Szumański is an attorney at law and a full-time professor at the Department of Private Commercial Law of the Jagiellonian University. He is one of the three authors of the Polish Commercial Companies Code. He participated in the preparation of the OECD Principles of Corporate Governance 1999. As an expert of the Association of Stock Exchange Issuers, he prepared a draft of the Rules of the Corporate Governance Commission, enabling implementation of the principles of Corporate Governance for Public Companies adopted by the Warsaw Stock Exchange.

Currently, he chairs the Expert Group on Corporate Law of the Corporate Governance Reform Commission at the Polish Ministry of State Assets. Since 1995, he has been an arbitrator of the Arbitration Court at the Polish Chamber of Commerce in Warsaw, and since 2015 he has been a member of the Court's Arbitration Council. He has been President of the Exchange Court at the Warsaw Stock Exchange since 2007. From 2005 to 2011, he served two terms as President of the Arbitration Court at the Lewiatan Polish Confederation of Private Employers. He participated in numerous restructuring and privatisation projects. He sat on the Supervisory Boards of Południowy Koncern Energetyczny S.A. of Katowice, Małopolska Agencja Rozwoju Regionalnego S.A. of Kraków and Polimex-Mostostal S.A. of Warsaw, among others. He prepares legal expert reports in the fields of private commercial law, contract law and arbitration law. He is the author of textbooks and commentaries on corporate and securities law, as well as numerous articles, glosses and reviews in the field of commercial law. He was involved in legislative work on an amendment to the Code of Commercial Companies of March 2020 regarding the online form of meetings held by corporate bodies and an amendment to the Code of Civil Procedure of 2019 regarding corporate arbitration.

Anna Wójcik, Secretary of the Supervisory Board

Anna Wójcik is a graduate of the Poznań School of Banking and Management and the University of Warsaw (Faculty of Law and Administration).

She also completed post-graduate studies at the Warsaw University of Technology Business School (Faculty of Management) where she received her MBA.

She is a manager with more than a decade's worth of experience in the private sector (real estate, retail and business consulting) and government administration.

Her recent positions include COO at Exeq sp. z o.o., which raises funds for corporate research, development and innovation. As part of her duties, she coordinated the work of the Management Board Office and accounted for projects implemented within programmes financed with OP IE and NCRD funds.

Since 2016, she has worked in government administration. For example, she was Head of the Minister's Office at the Ministry of Development and the Ministry of Finance, and currently is employed at the Chancellery of the Prime Minister as Head of the Prime Minister's Office.

Barbara Jarzembowska, Member of the Supervisory Board

Barbara Jarzembowska is a graduate of the University of Warsaw with an MBA certificate. She has experience in financial consulting, foreign aid coordination and foreign investment promotion, among other fields. Since 2000, she has been a director at Bank Pekao S.A. in charge of various areas including operational risk, transaction banking, FMCG key account management, sales monitoring and budget planning and implementation.

Andrzej Kapała, Member of the Supervisory Board

Andrzej Kapała is a graduate of the School of Banking and Management in Poznań, with an MA in business management and post-graduate courses in human resources management and financial management at the Wrocław University of Economics. He also completed the Executive Master of Business Administration programme at the Warsaw Management University. He spent 10 years working for the Local Democracy Development Foundation as Head of its Wrocław Branch, where he focused on advising local authorities and municipal utilities on management strategy and financial planning.

For many years he carried out consulting projects for private and municipal companies in the area of investment and financial analyses as well as project management, restructuring and standardisation of business processes. He is an author of several dozen feasibility studies and business plans for infrastructure investments and consulting projects in the area of enterprise restructuring (projects regarding the development of technology and industrial parks, water and sewage management and information society).

In 2012-2020, as Head of the Administration Office of PKO Bank Polski, he was responsible for the management of approximately 300 properties from the bank's portfolio and several dozen investment projects annually, whilst overseeing the standardisation of business processes in the areas of property and project management and technical security of the bank's branches.

Since 2020, he has served as President of the Management Board of Dolnośląskie Zakłady Usługowo – Produkcyjne DOZAMEL Sp. z o.o. of Wrocław.

Michał Klimaszewski, Member of the Supervisory Board

Michał Klimaszewski is an attorney-at-law doctor of law, and assistant professor at the Department of Administrative Science and Environmental Protection at the Faculty of Law and Administration of Cardinal Stefan Wyszyński University. He is a member of the Warsaw Seminar on Administration Axiology. He is a graduate of the Faculty of Law and Administration at the University of Warsaw. Michał Klimaszewski is the author and co-author of publications on law and administrative proceedings. He is also the author of expert opinions and studies for public and private sector entities. Michał Klimaszewski is a member of the supervisory boards of private companies.

Roman Kusz, Member of the Supervisory Board

Roman Kusz graduated from the Faculty of Law and Administration at the University of Silesia in Katowice. In the years 1993-1997, he completed training at the Regional Bar Council of Katowice. Since 1997, he has conducted his own legal practice.

Since 2016, he has held the position of Dean of the Regional Bar Council of Katowice, which he previously held in the years 2007-2013.

He has been a member (since March 2014) and Chairman (since 2017) of the Supervisory Board of Górnik Zabrze S.A. of Zabrze. During the 2018-2019 term of office, he also served as Secretary of the Supervisory Board of Ekstraklasa S.A., the company organising the top Polish professional league for men's football teams.

Since 2017, he has been a member of the Supervisory Board of the Provincial Fund for Environmental Protection and Water Management in Katowice.

In 2019-2020, he was a Board Member at the University of Economics in Katowice. He was the chairman of the second term of the Silesian Forum of Self-Governments of Public Trust Professions in 2018.

Since 2014, he has been an organiser and moderator of the legal discussion panel at the European Economic Congress in Katowice.

As a representative of the Polish Bar Council and Chairman of the External Image and Legal Protection Committee, he was a Co-organiser of the discussion panel "Advancing Law & Governance Contributions to Climate Action under the Paris Agreement" which was part of the UN Climate Change Summit COP24 – the 24th Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC) held in Katowice, in 2018.

Jadwiga Lesisz, Member of the Supervisory Board

Jadwiga Lesisz graduated with a degree in foreign trade from the Faculty of International Relations of the Wrocław University of Economics. She has also completed a postgraduate course in Real Estate Management at the Wrocław University of Technology and a Master of Business Administration (MBA) programme run by the WSB University of Wrocław in partnership with Franklin University, USA.

As a business owner and manager, she has many years' experience in designing and organising business processes.

In 2012-2016, at PKO Bank Polski S.A. she was in charge of real estate operations, supervised negotiations and was a business controller of the branch network optimisation project. In 2016-2017, she was Director of the Project Management Department and member of the Audit Committee at the Polish Ministry of Development. She was tasked with implementing a project management methodology and culture, as well as monitoring and coordinating the execution of key projects.

She served as Vice-President of the Polish Agency for Enterprise Development (PARP), responsible for public tasks supporting the implementation of innovations in enterprises. Her work at the Agency included initiating cooperation for the building of the start-up ecosystem in Poland. She also supervised public procurement and management of assets and IT resources.

She has experience in the public administration sector in the director general role.

Anna Sakowicz-Kacz, Member of the Supervisory Board

Anna Sakowicz-Kacz is a graduate of the Faculty of Law and Administration of Maria Curie-Skłodowska University in Lublin. She completed post-graduate studies in real estate appraisal. She has a restructuring adviser licence from the Minister of Justice. She has experience in the roles of bankruptcy administrator, court supervisor and curator under the bankruptcy and restructuring law, as well as supervisory board experience.

Janina Goss, Member of the Supervisory Board

Janina Goss graduated from the Faculty of Law at the University of Łódź. She holds the title of solicitor. Since 2016, Janina Goss has been a member of the Supervisory Board of PGE S.A. Since 2012, she has been a member of the Management Board of Srebrna Sp. z o. o. In 2016-2022, she was a member of the Supervisory Board of BOŚ S.A. In 2009-2010, she was a member of the Supervisory Board of Polski Radio S. A. In 2006-2009, she was a member of the Supervisory Board of TVP S.A., including for a period of about two years she was the Chairman of the Supervisory Board.

In 1990-2003, she was a member of the Local Government Appeals Board in Łódź. In 1991-2003, she was a legal adviser at the Provincial Inspectorate for Environmental Protection in Łódź.

Supervisory Board's committees

The Supervisory Board of ORLEN may appoint standing or ad hoc committees, which act as its collective advisory and opinion-making bodies. The Supervisory Board has established five standing committees: the Appointments and Remuneration Committee, the Audit Committee, the Corporate Governance Committee, the Strategy and Development Committee, the Social and Environmental Responsibility Committee and the Committee for Sports Sponsorship. Below is an overview of the activities each of the Supervisory Board Committees.

Appointments and Remuneration Committee

The aim of the Appointments and Remuneration Committee is to assist the ORLEN Group in accomplishing its strategic objectives by providing the Supervisory Board with opinions and conclusions regarding the development of the ORLEN Group's management structure (including organisational solutions), the remuneration system and the recruitment of staff with the skills required to ensure the ORLEN Group's success. The Appointments and Remuneration Committee's tasks include:

a) initiating and issuing opinions on the appointment of Management Board members;

b) giving opinions on solutions proposed by the Management Board with respect to the ORLEN Group's management system, which aim to ensure the effective, cohesive and secure management of the ORLEN Group;

c) performing periodic reviews and recommending rules for establishing incentive schemes for Management Board members and senior executives, in accordance with the ORLEN Group's interests;

d) performing periodic reviews of the remuneration system for Management Board members and executives reporting directly to Management Board members (including managerial contracts and incentive schemes) and submitting proposals to the Supervisory Board concerning the development of those schemes within the context of the ORLEN Group's strategic goals;

e) providing the Supervisory Board with its opinions regarding performance-based remuneration; and

f) assessing the ORLEN Group's management of human resources.

The Appointments and Remuneration Committee is appointed by the Supervisory Board from among its members. The Committee consists of between three and five members. The Committee chairperson is elected by resolution of the Committee from among the Committee members.

As at the date of this Offering Circular, the Appointments and Remuneration Committee comprises the members listed below:

- Wojciech Jasiński (Chairman);
- Andrzej Szumański;
- Anna Wójcik;
- Anna Sakowicz-Kacz; and
- Michał Klimaszewski.

Audit Committee

The Audit Committee's aim is to advise the Supervisory Board on the proper implementation of the rules of accounting and financial reporting, on ORLEN's and the ORLEN Group's internal audit, as well as on cooperation with the ORLEN Group's statutory auditors. The Audit Committee's tasks include:

a) monitoring the ORLEN Group's statutory auditors' work and providing the Supervisory Board with recommendations as to the selection and remuneration of the ORLEN Group's statutory auditors;

b) discussing with the ORLEN Group's statutory auditors (before the start of each annual audit of the financial statements) the nature and scope of the audit, as well as monitoring the coordination of the ORLEN Group's statutory auditors' work;

c) reviewing the ORLEN Group's interim and annual financial statements (non-consolidated and consolidated), with a particular focus on:

   - any changes in accounting standards, rules and practices;
   - the main areas subject to evaluation;
   - major adjustments resulting from the audit;
   - going-concern statements; and
   - compliance with applicable accounting regulations;

d) discussing any problems or concerns that may arise from the audit of financial statements;

e) analysing the letters to the Management Board which are drawn up by ORLEN Group's statutory auditors, and assessing the independence and impartiality of the audits and the Management Board's responses to them;

f) giving an opinion on annual and multi-annual financial plans;

g) giving an opinion on dividend policy, profit distribution and any issues of securities;

h) reviewing the management accounting system;

i) reviewing the internal audit system, including financial, operational, compliance, risk assessment and management controls;

j) analysing the ORLEN Group's internal audit reports and considering the main observations of other internal analysts, as well as the Management Board's responses to those observations. Such activity includes the assessment of the internal auditors' level of independence and consulting on the Management Board's intended appointment or dismissal of the head of the unit responsible for the internal audit;

k) reviewing, on an annual basis, the internal audit programme, coordinating internal and external audit activities and examining the conditions for performing internal audits;

l) cooperating with the organisational units within the ORLEN Group that are responsible for audit and control, including an assessment of their work on a periodic basis;

m) considering any issues connected with the ORLEN Group's audit that are raised by the Committee or the Supervisory Board; and

n) informing the Supervisory Board of any significant issues related to the Audit Committee's activities.

Audit Committee meetings are held not less than once a quarter and in each instance before the ORLEN Group's financial statements are published.

The Audit Committee is appointed by the Supervisory Board from among its members. The Audit Committee consists of between three and five members (including at least two independent members and at least one with skills and experience in the areas of accounting and finance). The Committee chairperson is elected by a resolution of the Committee from among the Committee members.

As at the date of this Offering Circular, the Audit Committee comprises the members listed below:

- Andrzej Kapała (Chairman);
- Jadwiga Lesisz;
- Barbara Jarzembowska;
- Janina Goss; and
- Michał Klimaszewski.

Andrzej Kapała, Barbara Jarzembowska, Janina Goss and Michał Klimaszewski are independent Supervisory Board members. Andrzej Kapała and Barbara Jarzembowska also satisfy the qualifying criteria in relation to skills and experience in the areas of accounting and finance.

Corporate Governance Committee

The aim of the Corporate Governance Committee is to evaluate the implementation of the ORLEN Group's corporate governance principles. The Corporate Governance Committee's tasks include:

a) submitting recommendations to the Supervisory Board regarding the implementation of the corporate governance principles;

b) issuing opinions on corporate governance documents;

c) evaluating such reports concerning compliance with corporate governance principles as are prepared for the Warsaw Stock Exchange;

d) issuing opinions on the proposed amendments of ORLEN's corporate documents; and

e) monitoring the management of ORLEN in terms of its legal and regulatory compliance, including ORLEN's compliance with its ethical and corporate governance principles.

The Corporate Governance Committee is appointed by the Supervisory Board from among its members. The Committee consists of between three and five members. The Corporate Governance Committee chairperson is elected by a resolution of the Committee from among the Committee members.

As at the date of this Offering Circular, the Corporate Governance Committee comprises the members listed below:

- Andrzej Szumański (Chairman);
- Andrzej Kapała;
- Barbara Jarzembowska; and
- Roman Kusz.

Strategy and Development Committee

The aim of the Strategy and Development Committee is to issue opinions and submit recommendations to the Supervisory Board on planned investments and divestments which have a material impact on the ORLEN Group's assets. The Strategy and Development Committee's tasks include:

a) assessing the effect of planned and completed investments and divestments on the ORLEN Group's assets;

b) evaluating the activities, contracts, letters of intent and other documents relating to acquisitions, sales, encumbrances or any other disposals of ORLEN's material assets;

c) issuing opinions on any strategic documents which the Management Board submits to the Supervisory Board; and

d) issuing opinions on ORLEN's development strategy, including its long-term financial plans.

The Strategy and Development Committee is appointed by the Supervisory Board from among its members. The Strategy and Development Committee consists of three to five members. The Strategy and Development Committee chairperson is elected by a resolution of the Committee from among the Committee members.

As at the date of this Offering Circular, the Strategy and Development Committee comprises the members listed below:

- Michał Klimaszewski (Chairman);
- Wojciech Jasiński;
- Andrzej Kapała; and
- Anna Sakowicz-Kacz.

Social and Environmental Responsibility Committee

The role of the Social and Environmental Responsibility Committee is to support the achievement of the Issuer's strategic objectives by including social, ethical and environmental aspects in the Issuer's activities and in contacts with stakeholders (including employees, customers, suppliers, shareholders and local communities). In particular, the tasks of the Social and Environmental Responsibility Committee include:

- overseeing the implementation of the sustainable development strategy by the Company by way of conducting periodic reviews of the implementation status;

- monitoring the Issuer's management in terms of taking into account climate risks and opportunities in compliance with the ORLEN Group's Climate Policy;
- monitoring the Issuer's management in terms of compliance with the Code of Ethics;
- providing the Supervisory Board with recommendations pertaining to the assessment of legitimacy of outlays incurred by the Issuer and the ORLEN Group on social sponsoring and donations, jointly with the value of these outlays; and
- approving the annual report summing up corporate and social responsibility (CSR) activities conducted by the Issuer and the ORLEN Group.

As at the date of this Offering Circular, the Corporate Social Responsibility Committee comprises the members listed below:

- Jadwiga Lesisz (Chairwoman);
- Anna Wójcik;
- Michał Klimaszewski; and
- Roman Kusz.

Sports Sponsorship Committee

The Sports Sponsorship Committee was established on 27 January 2023. The Committee's primary responsibility is to support the achievement of the Company's strategic objectives by promoting professional and amateur sports or supporting significant sports initiatives that contribute to building the ORLEN brand.

As at the date of this Offering Circular, the Sports Sponsorship Committee comprises the members listed below:

- Roman Kusz (Chairman);
- Janina Goss;
- Anna Wójcik;
- Anna Sakowicz-Kacz; and
- Michał Klimaszewski.

Other information on members of the Management and Supervisory Boards

Except as described above, none of the members of the Management Board and Supervisory Board has performed administrative, supervisory or managing roles in any other company or has conducted any activities, outside ORLEN, of material significance to ORLEN.

As at the date of this Offering Circular, there are no conflicts of interest relating to responsibilities of members of the Management Board or Supervisory Board and their private interests or other obligations. As at the date of this Offering Circular, ORLEN is not aware of any potential conflicts of interest relating to responsibilities of members of the Management Board or Supervisory Board and their private interests or other obligations.

The business address of the members of the Management Board and Supervisory Board is at ul. Chemików 7, 09-411 Płock, Poland.

Shareholders

ORLEN's shares are listed on the main market of the Warsaw Stock Exchange (in the continuous trading system) and are included in the company indices WIG20, WIG30 and WIG as well as the industry index WIG-PALIWA (WIG-FUELS). From 19 November 2009 to 1 January 2020, ORLEN's shares were traded in the Warsaw Stock Exchange's Respect Index, a specific index for the quoting of companies engaged in CSR activities. Since 3 September 2019, ORLEN's shares have been listed on the Warsaw Stock Exchange's WIG-ESG index of socially responsible companies, in particular with respect to environmental, social and governance criteria.

There are no restrictions on the transfer of ownership rights in ORLEN shares.

The table below provides a list of ORLEN shareholders as at the date of the Offering Circular with holdings in excess of 5 per cent. and specifies the number of shares owned, the nominal value of the shares owned and the percentage share of the shareholders in the ORLEN Group's equity capital. Except as stated below, one share in ORLEN gives the right to one vote at the General Meeting.

	Number of shares	Number of votes	Percentage of total vote held	Percentage of share capital held
State Treasury	579,310,079	579,310,079	49.90 per cent.	49.90 per cent.
Nationale-Nederlanden OFE	58,748,000	58,748,000	5.06 per cent.	5.06 per cent.
Others	522,883,970	522,883,970	45.04 per cent.	45.04 per cent.
Total	**1,160,942,049**	**1,160,942,049**	100 per cent.	100 per cent.

Currently, the majority shareholder in ORLEN is the State Treasury with a total of 49.90 per cent. of shares. According to the provisions of ORLEN's Statute, as long as the State Treasury is a shareholder in ORLEN, i.e. holds at least one share, then:

a) one member of the ORLEN Management Board is appointed by the entity entitled to exercise rights from shares owned by the State Treasury and until recalled by the Supervisory Board; and

b) the State Treasury, represented by the entity authorised to exercise the rights attached to the shares held by the State Treasury, also has the right to appoint and recall one member of the ORLEN Supervisory Board.

The voting rights of ORLEN's shareholders are restricted to the extent that, at a General Meeting of shareholders, no shareholder may exercise more than 10 per cent. of the total votes existing as at the date of the General Meeting. However, such restriction does not apply for the purpose of determining the duties of an acquirer of a significant stake in accordance with any of the following: the Competition and Consumer Protection Act of 16 February 2007; the Accounting Act of 29 September 1994; the Act of 22 September 2006 (on Transparency of Financial Relations between Public Authorities and Public Entrepreneurs and on Financial Transparency of Certain Entrepreneurs); or the Act of 29 July 2005 (on Public Offering and Conditions Governing the Introduction of Financial Instruments to Organised Trading, and on Public Companies).

The restriction does not apply to the State Treasury or to a depository bank which issued depositary receipts in connection with ORLEN's shares under an agreement with ORLEN (whereby the depositary bank exercises voting rights in respect of ORLEN's shares). Voting rights exercised by a subsidiary are deemed to be exercised by the parent company within the meaning of the acts described in the preceding paragraph. In order to calculate the number of votes held by a shareholder, the voting rights derived from the shares are added to the number of votes that a particular shareholder would acquire in the event of converting its depositary receipts into shares.

TAXATION

Tax legislation, including in the country where the investor is domiciled or tax resident and in the Issuer's country of incorporation, may have an impact on the income that an investor receives from the Notes.

REPUBLIC OF POLAND

The following is a discussion of certain Polish tax considerations relevant to an investor resident in Poland or which is otherwise subject to Polish taxation. This statement should not be understood as tax advice. It is based on Polish tax laws and, as its interpretation refers to the position as at the date of this Offering Circular, it may thus be subject to change, including with retroactive effect. Any change may negatively affect the tax treatments described below. This description does not purport to be complete regarding all tax information that may be relevant to investors due to their personal circumstances. Prospective purchasers of the Notes are advised to consult their professional tax advisor regarding the tax consequences of the purchase, ownership, disposal, redemption and transfer without consideration of the Notes. The information provided below does not cover tax consequences concerning income tax exemptions applicable to specific taxable items or specific taxpayers (e.g. domestic or foreign investment funds or non-Polish tax residents, which conduct business operations in Poland).

The reference to "interest" as well as to any other terms in the paragraphs below means "interest" or the relevant other term as understood in Polish tax law.

Taxation of a Polish tax resident private investor (individual)

Under Art. 3.1 of the Personal Income Tax Act dated 26 July 1991 (the **PIT Act**), individuals, if residing in the Republic of Poland, are liable for tax on their total income (revenue) irrespective of the location of the sources of revenue (unlimited obligation to pay tax).

Under Art. 3.1a of the PIT Act, a Polish tax resident individual is an individual who (i) has his/her center of personal or business interests located in Poland or (ii) stays in Poland for more than 183 days a year, unless a relevant tax treaty dictates otherwise.

Withholding tax on interest income

Under Art. 30a.7 of the PIT Act, interest income (discount) does not cumulate with general income subject to the progressive tax rate, but under Art. 30a.1.2 of the PIT Act it is subject to 19 per cent. flat rate tax.

Under Art. 41.4 of the PIT Act, the interest payer, other than an individual not acting within the scope of his/her business activity, should withhold the 19 per cent. Polish tax on any interest payment.

Under the Art. 41.4d of the PIT Act, entities operating securities accounts for individuals, acting as tax remitters, should withhold the tax on this interest income if such interest income (revenue) has been earned in Poland and is connected with securities registered in said accounts, and the interest payment to the individual (the taxpayer) is made through those entities. These rules should also apply to the entities indicated in Article 3(2) of the CIT Act to the extent that they conduct business activity through a foreign establishment located within the territory of the Republic of Poland, if the account on which given securities are recorded is connected with the activity of that establishment. Consequently, a foreign entity that does not operate through a permanent establishment in Poland, e.g. a foreign investment firm not acting through a Polish permanent establishment, should not be obliged to withhold the tax.

Under Article 45(3b) of the PIT Act, if the tax is not withheld, the individual is obliged to settle the tax himself/herself in their annual tax return. Under Article 45(1), of the PIT Act, the annual tax return should be submitted by 30 April of the following year. This applies among other things in the case where special tax remitter's exemption applies (please see section *"Remitter's liability and special exemption"*).

There are no regulations defining in which cases income earned (revenue) by a Polish tax resident should be considered income (revenue) earned in Poland. However, we can expect those cases to be analogous to those of non-residents. Pursuant to Art. 3.2b of the PIT Act, income (revenues) earned in the Republic of Poland by non-residents shall include in particular income (revenues) from:

(a) work performed in the Republic of Poland based on a service relationship, employment relationship, outwork system and co-operative employment relationship irrespective of the place where remuneration is paid;

(b) activity performed in person in the Republic of Poland irrespective of the place where remuneration is paid;

(c) economic activity pursued in the Republic of Poland, including through a foreign establishment located in the Republic of Poland;

(d) immovable property located in the Republic of Poland or rights to such property, including from its disposal in whole or in part, or from disposal of any rights to such property;

(e) securities and derivatives other than securities, admitted to public trading in the Republic of Poland as part of the regulated stock exchange market, including those obtained from the disposal of these securities or derivatives, or the exercise of rights resulting from them;

(f) the transfer of the ownership of shares in a company, all of the rights and obligations in a company that is not a legal entity or shares in an investment fund, mutual fund institution or other legal entity and rights of similar character, or receivables being the result of holding such shares, all of the rights and obligations, participation titles or rights, if at least 50 per cent. of the assets of such company, company that is not a legal entity, such investment fund, such mutual fund institution or other legal entity, directly or indirectly, constitutes real estate located in the territory of the Republic of Poland or rights to such property;

(g) the transfer of the ownership of shares, all of the rights and obligations, shares in investment fund or rights of similar character in real estate company (in the meaning of the Polish tax regulations);

(h) the receivables settled, including receivables put at disposal, paid out or deducted, by individuals, legal entities, or organizational units without a legal personality, that have their place of residence, registered office, or management board in the Republic of Poland, irrespective of the place of concluding and performing the agreement; and

(i) unrealized gains as referred to in the exit tax regulations.

The above list is not exhaustive; therefore, the tax authorities may also consider income (revenues) not listed above to be sourced in Poland.

Separate, specific rules apply to interest income on securities held in Polish omnibus accounts (within the meaning of the provisions of the Act on Trading in Financial Instruments dated 29 July 2005 (the **Act on Trading in Financial Instruments**, the **Omnibus Accounts**)). Under Art. 41.10 of the PIT Act, as far as securities registered in Omnibus Accounts are concerned, entities operating Omnibus Accounts through which the amounts due are paid are liable to withhold the flat-rate income tax on interest income. The tax is charged on the day of placing the amounts due at the disposal of the Omnibus Account holder. These rules should also apply to the entities indicated in Art. 3.2 of the CIT Act to the extent that they conduct business activity through a foreign establishment located within the territory of the Republic of Poland, if the account on which given securities are recorded is connected with the activity of that establishment. Consequently, foreign entities that do not operate through a Polish permanent establishment, e.g. foreign investment firms, should not be obliged to withhold the tax. Since the issuer is a Polish entity, income from the Notes should be considered as earned in Poland.

Pursuant to Art. 41.4da of the PIT Act, in the circumstances referred to in Art. 41.4d and 10, entities making payments due through securities accounts or omnibus accounts are required to notify the entities maintaining such accounts that there is a relation between them and the taxpayer, within the meaning of Art. 23m.1(5) (related parties – please see definition below) and that the amount referred to in section 12 will be exceeded, at least 7 days before making the payment. Entities providing such information are required to update it before making the actual payment if circumstances that the information concerns change. In addition, in accordance with Art. 41.12d of the PIT Act, in the circumstances referred to in sections 4d and 10, the excess amount and the existence of the relations referred to in section 12 will be determined by the entity keeping securities accounts or omnibus accounts. The entity keeping securities accounts or omnibus accounts does not take into consideration the amounts of payments on which tax was collected in accordance with Art. 30a.2a.

Additionally, under Art. 30a.2a of the PIT Act, regarding income (revenue) from interest transferred to taxpayers holding rights attached to securities (including the Notes) registered in Omnibus Accounts whose identity has not been revealed to the tax remitter in accordance with the Act on Trading in Financial Instruments, a 19 per cent. flat-rate tax is withheld by the tax remitter (under Art. 41.10 of the PIT Act the entity operating the Omnibus Account) from the aggregate income (revenue) released for the benefit of all such taxpayers through the Omnibus Account holder.

Under Art. 45.3c of the PIT Act, taxpayers are obliged to disclose the amount of interest (discount) on securities (including the Notes) in their annual tax return if the Notes were registered in an Omnibus Account and the taxpayer's identity was not revealed to the tax remitter.

Under Art. 30a.9 of the PIT Act, withholding tax incurred outside Poland (including countries which have not concluded a tax treaty with Poland), up to an amount equal to the tax paid abroad, but not higher than 19 per cent. tax on the interest amount, could be deducted from the Polish tax liability. Double tax treaties can provide other methods of withholding tax settlements.

Other income

Income other than interest derived by a Polish tax resident individual from financial instruments held as non-business assets, including income from transfer of Notes against a consideration, qualify as capital income according to Art. 17 of the PIT Act. Based on Art. 30b.1 of the PIT Act, this income does not cumulate with the general income subject to the progressive tax scale but is subject to a 19 per cent. flat rate tax. The costs of acquiring the securities are recognized at the time the revenue is achieved. Based on Art. 17.2 and Art. 19.1 of the PIT Act, if the price expressed in the contract significantly deviates, without a valid reason from the market value, the amount of income is determined by the tax authority or fiscal control authority in the amount of the market value.

In principle, the taxpayer should settle this income by 30 April of the year following the year in which the income was earned. No tax or tax advances are withheld by the person making the payments.

Securities held as business assets

The above provisions do not apply if an individual holds the Notes as business assets. In such case, interest (discount) and income from transfer of Notes against a consideration should be subject to tax in the same way as other business income. The tax, at 19 per cent. flat rate or the 17 per cent. to 32 per cent. progressive tax rate depending on the individual's choice and meeting of certain conditions, should be settled by the individuals themselves.

Taxation of a Polish tax resident corporate income taxpayer

Under Art. 3.1 of the Corporate Income Tax Act dated 15 February 1992 (the **CIT Act**), the entire income of taxpayers who have their registered office or management in Poland is subject to tax in Poland, irrespective of where the income is earned.

According to Art. 3.1a o the CIT Act, a taxpayer has a management board within the territory of the Republic of Poland, among other situations when the taxpayer's day-to-day affairs are conducted in Poland in an organized and continuous manner on the basis of, in particular:

(1) a contract, decision, court order, or other document governing the establishment or operation of that taxpayer; or

(2) powers of attorney granted; or

(3) relations within the meaning of Art. 11a.1(5) of the CIT Act (related parties – please see definition below).

A Polish tax resident corporate income taxpayer should be subject to income tax regarding the Notes (both on any capital gains and on interest/discount) following the same principles as those which apply to any other income received from business activity within the same source of income, called capital gains (*zyski kapitałowe*) (Art. 7b.1 of the CIT Act). In the case of insurers, banks and some other entities (financial institutions), this revenue is included in the source of revenues other than revenues from capital gains (Art. 7b.2 of the CIT Act).

As a rule, for Polish income tax purposes interest is recognized as revenue on a cash basis, i.e. when it is received and not when it has accrued. Regarding capital gains, the cost of acquiring the Notes should be recognized at the time the corresponding revenue is achieved (e.g. Notes are disposed for remuneration). Revenue from a transfer of Notes against a consideration is in principle their value expressed in the price specified in the contract. If the price expressed in the contract significantly deviates, without a valid reason, from the market value, the revenue amount is determined by the tax authority in the amount of the market value (Art. 14 of the CIT Act). In the case of income from the transfer of securities against a consideration, tax deductible costs are generally recognized when the corresponding revenue has been achieved. The taxpayer itself (without the remitter's participation) settles income tax on interest/discount and on the transfer of securities against a consideration, which is settled along with other income from the taxpayer's business activity within the same source of income.

The appropriate tax rate is the same as the tax rate applicable to business activity, i.e. 19 per cent. for a regular corporate income taxpayer or 9 per cent. for small and new taxpayers (Art. 19 of the CIT Act).

Although no Polish withholding tax should apply on interest payable to polish corporate income taxpayers, under specific rules applying to interest income on securities held in Omnibus Accounts, under Art. 26.2a of the CIT Act, for income (revenue) from interest transferred to taxpayers holding rights attached to securities registered in Omnibus Accounts whose identity has not been revealed to the tax remitter in accordance with the Act on Trading in Financial Instruments, a 20 per cent. flat-rate tax is withheld by the tax remitter from the aggregate income (revenue) released for the benefit of all such taxpayers through the Omnibus Account holder. Under Article 26(2b) of the CIT Act, the entity operating the Omnibus Account is the tax remitter. This rule should also apply to the entities indicated in Art. 3.2 of the CIT Act (i.e. non-residents) to the extent that they conduct economic activity through a foreign establishment located within the territory of the Republic of Poland if the account on which given securities are recorded is connected with the activity of that establishment. Consequently, foreign entities that do not operate through their permanent establishments in Poland, e.g. foreign investment firms, should not be obliged to withhold the tax.

Pursuant to Article 26(2ca) of the CIT Act, in the circumstances referred to in Article 26(2c), entities making payments due through securities accounts or omnibus accounts are required to notify the entities maintaining such accounts that there is a relation between them and the taxpayer, within the meaning of Article 11a.1(5) (related parties – please see definition below) and that the amount referred to in section 2e will be exceeded, at least 7 days before making the payment. Entities providing such information are required to update it before making the actual payment if circumstances that the information concerns change. In addition, in accordance with Article 26(2ed) of the CIT Act, in the circumstances referred to in section 2c, the excess amount and the existence of the relations referred to in section 2e will be determined by the entity keeping securities accounts or omnibus accounts. The entity keeping securities accounts or omnibus accounts does not take into consideration the amounts of payments on which tax was collected in accordance with Article 26(2a).

Any withholding tax incurred outside Poland (including countries which have not concluded any tax treaty with Poland), up to an amount equal to the tax paid abroad, but not higher than the tax calculated in accordance with the applicable domestic tax rate, can be deducted from the Polish tax liability. Double tax treaties can provide other methods of withholding tax settlements (Art. 20.1 of the CIT Act).

Notes held by a non-Polish tax resident (individual or corporate income taxpayer)

Under Art. 3.2a of the PIT Act, individuals, if they do not reside in Poland, are liable to pay tax only on income (revenue) earned in Poland (limited obligation to pay tax).

Under Art. 3.2 of the CIT Act, in the case of taxpayers who do not have their registered office or management in Poland, only the income they earn in Poland is subject to tax obligation in Poland.

Non-Polish tax residents are subject to Polish income tax only regarding their income earned in Poland. Under Art. 3.3 of the CIT Act, income (revenues) earned in the Republic of Poland by non-residents shall include in particular income (revenues) from:

- all types of activity pursued in the Republic of Poland, including through a foreign establishment located in the Republic of Poland;
- immovable property located in the Republic of Poland or rights to such property, including from its disposal in whole or in part, or from the disposal of any rights to such property;
- securities and derivatives other than securities, admitted to public trading in the Republic of Poland as part of the regulated stock exchange market, including those obtained from the disposal of these securities or derivatives, or the exercise of rights resulting from them;
- the transfer of the ownership of shares in a company, all of the rights and obligations in a company that is not a legal entity or shares in an investment fund, mutual fund institution or other legal entity and rights of similar character, or receivables being the result of holding such shares, all of the rights and obligations, participation titles or rights, if at least 50 per cent. of the assets of such company, company that is not a legal entity, such investment fund, such mutual fund institution or other legal entity, directly or indirectly, constitutes real estate located in the territory of the Republic of Poland or rights to such property;
- the transfer of the ownership of shares, all of the rights and obligations, shares in investment fund or rights of similar character in real estate company (in the meaning of the Polish tax regulations);
- the receivables settled, including receivables put at disposal, paid out or deducted, by individuals, entities, or organizational units without a legal personality, that have their place of residence, registered office, or management board in the Republic of Poland, irrespective of the place of concluding or performing the agreement; and
- unrealized gains referred to in the exit tax chapter.

Similar provisions are included in Art. 3.2b of the PIT Act.

It should be noted that the list of incomes (revenues) gained in Poland, as provided in Art. 3.3. of the CIT Act and Art. 3.2b of the PIT Act, is not exhaustive, therefore other income (revenues) may also be considered as earned in Poland.

Since the issuer is a Polish entity, income from the Notes should be considered as earned in Poland, however special exemption for notes meeting defined conditions may be applicable.

Special exemption for notes meeting defined conditions

Under Art. 17.1.50c of the CIT Act, tax exempted is income earned by a CIT taxpayer subject to limited tax liability in Poland in respect of interest or a discount on notes:

(a) having a maturity of at least one year;

(b) admitted to trading on a regulated market or introduced into an alternative trading system within the meaning of the Act of 29 July 2005 on Trading in Financial Instruments, in the territory of Poland or in the territory of a state that is a party to a double tax convention concluded with Poland which regulates the taxation of income from dividends, interest and royalties;

unless the taxpayer is an affiliate, within the meaning of the transfer pricing law, of the issuer of such notes, and holds, directly or indirectly, together with other affiliates within the meaning of those regulations, more than 10 per cent. of the nominal value of those notes.

Analogous provisions apply to personal income tax (Art. 21.1.130c of the PIT Act).

Failure to meet the conditions for a special exemption

In the absence of the exemption referred to above, the following rules apply.

In the case of taxpayers subject to limited tax liability in Poland and the payer of the interest being a tax remitter under Polish tax regulations, the withholding tax at 20 per cent. under Art. 21.1.1 of the CIT Act or at 19 per cent. under Art. 30a.1.2 of the PIT Act should apply. Under Art. 26.1 of the CIT Act, interest payers, other than individuals not acting within the scope of their business activity, should withhold this tax and similar provisions are provided in Art. 41.4 of the PIT Act.

Please note that according to the Art. 26.7 of the CIT Act, the payment referred to in Art. 26.1 of the CIT Act shall mean the discharge of a liability in any form, including by payment, deduction or capitalization of interest.

As the interest from the Notes should be treated as sourced in Poland, it should be expected that a Polish entity operating the securities account (or foreign entities operating the securities account in Poland to the extent that they conduct economic activity through a foreign establishment located within the territory of the Republic of Poland if the account on which given securities are recorded is connected with the activity of that establishment) will withhold the tax but a non-Polish entity operating the securities account will not withhold the tax.

It is not entirely clear whether in such case (i.e. if a payment is made through a foreign entity operating a securities account and not collecting the withholding tax) the Issuer should or should not withhold the tax.

Under Art. 45.3b of the PIT Act, the individual must disclose tax in his/her annual tax return if tax was not withheld by the tax remitter, which basically means that the individual must settle tax himself/herself in cases where the tax remitter was not obliged to do so. Under Art. 45.1 of the PIT Act, the annual tax return should be filed by 30 April of the following year. Although, there are no provisions in the CIT Act regarding disclosing tax in the tax return by the corporate income tax payer if the tax was not withheld by the tax remitter, the analogous rule seems to apply in this case. This applies among other things in the case where special tax remitter's exemption applies (please see section *"Remitter's liability and special exemption"*), but special exemption for notes meeting defined condition does not apply due to affiliations between the taxpayer and the issuer.

Under Art. 25.1a of the CIT Act, monthly advances should be paid by the 20th day of the following month, while under Art. 27.1 of the CIT Act, the annual tax return should be filed by the end of third month of the following tax year. Under Art. 26.2c.1 of the CIT Act, the entities operating securities accounts and Omnibus Accounts for taxpayers, acting as tax remitters, should withhold the tax on this interest income if such interest income (revenue) was earned in Poland and is connected with securities registered in said accounts, and the interest payment to the taxpayer is made through said entities. This rule should also apply to the entities indicated in Art. 3.2 of the CIT Act to the extent that they conduct economic activity through a foreign establishment located within the territory of the Republic of Poland if the account on which given securities are recorded is connected with the activity of that establishment. Similar provisions concerning interest payments to individuals are provided in Art. 41.4d of the PIT Act. Consequently, foreign entities that do not operate through a Polish permanent establishment, e.g. foreign investment firms, should not be obliged to withhold the tax.

In addition, as a payment under the Notes should be considered to be sourced in Poland, then the relevant double tax treaty (if any) should be verified to check whether Polish taxation applies at all or whether the withholding tax rate is reduced. For example, most tax treaties concluded by Poland provide a tax exemption regarding Polish income tax on capital gains derived from Poland by a foreign tax resident. As regards interest income, the treaties may include a withholding tax exemption or a reduction on interest (down to 15 per cent., 10 per cent., 5 per cent. or 0 per cent. depending on the relevant treaty and occasionally on the status of the recipient of the interest). To benefit from a tax treaty, a foreign investor should present a relevant certificate of its tax residency. Unless stated otherwise in the tax residency certificate, it is valid for 12 consecutive months from its date of issue.

Additionally, generally tax treaties provide protection only for beneficial owners. Furthermore, according to Art. 26.1 of the CIT Act and Art. 41.4aa of the PIT Act, when verifying the conditions for the application of a reduced withholding tax rate or for an exemption, or conditions for the non-collection of a withholding tax, arising from special provisions or double taxation conventions, a tax remitter shall be obliged to exercise due diligence. In the assessment whether due diligence has been exercised, the character, the scale of the tax remitter's activity and the relation, within the meaning of Art. 11a.1(5) (in respect to CIT taxpayers) (related parties – please see definition below) or Art. 23m.1(5) (related parties – please see definition below) (in respect to PIT taxpayers), between the tax remitter and the taxpayer shall be taken into account. In principle, due diligence may include verification of a foreign investor's beneficial owner status.

Pursuant to Art. 4a.29 of the CIT Act, and, respectively, Art. 5a.33d of the PIT Act, beneficial owner means an entity meeting all of the following conditions:

(a) it receives the amount due for its own benefit, which includes deciding independently about its purpose, and bears the economic risk associated with the loss of that receivable or part of it;

(b) it is not an intermediary, representative, trustee, or another entity obliged to transfer the receivable in whole or in part to another entity; and

(c) it conducts real business activity in the country of its registration, if the receivables are obtained in connection with the conducted business activity; when assessing whether the entity conducts real business activity, the nature and scale of activity conducted by this entity with regard to the receivables received should be taken into consideration.

The majority of double tax treaties concluded by Poland provide for an exemption from income tax on capital gains, including income from the sale of notes obtained in Poland by a tax resident of a given country.

According to Art. 26.1m of the CIT Act, where the entities referred to in Art. 26.1 of the CIT Act pay receivables from the sources listed in Art. 7b.1 (3) to (6) of the CIT Act (including revenues from securities) for the benefit of an entity having its registered office or management in a territory or state listed in regulations issued pursuant to Art. 11j.2 (i.e. so called list of states and territories that apply harmful tax competition), they are obliged to collect lump-sum income tax in the amount of 19 per cent. of the amount of the payment made. The provision of paragraph Art. 26.1 of the CIT Act should apply accordingly.

Separate, specific rules apply to interest income on securities held in Omnibus Accounts. Furthermore, in cases where Polish withholding tax should not apply on interest payable to non-Polish tax residents (individuals or corporate income taxpayers), under specific rules applicable to interest income on securities held in Omnibus Accounts there is a risk that such tax would be withheld. Under Art. 26.2a of the CIT Act, regarding income (revenue) from interest transferred to taxpayers holding rights attached to securities registered in Omnibus Accounts whose identity has not been revealed to the tax remitter in accordance with the Act on Trading in Financial Instruments, a 20 per cent. flat-rate tax is withheld by the tax remitter from the aggregate income (revenue) released for the benefit of all such taxpayers through the Omnibus Account holder. Under Art. 30a.2a of the PIT Act, regarding income (revenue) from interest transferred to taxpayers holding rights attached to securities registered in Omnibus Accounts whose identity has not been revealed to the tax remitter in accordance with the Act on Trading in Financial Instruments, a 19 per cent. flat-rate tax is withheld by the tax remitter from the aggregate income (revenue) released for the benefit of all such taxpayers through the Omnibus Account holder. These rules should also apply to the non-Polish tax residents to the extent that they conduct economic activity through a foreign establishment located within the territory of the Republic of Poland if the account on which given securities are recorded is connected with the activity of that establishment. Consequently, foreign entities that do not operate through a Polish permanent establishment, e.g. foreign investment firms, should not be obliged to withhold the tax. If such tax is withheld for non-Polish tax resident taxpayers, to receive a refund of that tax, the entity should contact its tax advisor.

If a foreign recipient of income acts through a permanent establishment in Poland to which interest is related, as a matter of principle it should be treated in the same manner as a Polish tax resident, with some necessary additional requirements (e.g. the requirement to present the interest payer with a certificate of tax residence along with a declaration that the interest is related to the establishment's activities).

Exemption from income tax on interest income earned by corporate income taxpayers subject to limited tax liability in Poland (non-Polish tax residents)

In certain cases, the income (revenue) referred to below (including, in particular, interest income) earned by corporate income taxpayers subject to limited tax liability is exempt from corporate income tax.

Income (revenue) from, inter alia, the following is exempt from tax: interest, from copyrights or related rights, from rights to invention designs, trademarks and ornamental designs, including from the sale of such rights, from payments for making available the secret of a formula or a production process, for the use or the right to use an industrial device, including a means of transport, commercial or scientific device, for information related to experience gained in the industrial, commercial or scientific field (know-how) obtained in the territory of the Republic of Poland by taxpayers subject to limited tax liability, if in particular the following conditions (resulting from Art. 21 of the CIT Act) are met:

- the revenue recipient is a company that is subject to income tax in a European Union Member State other than the Republic of Poland, or in another country belonging to the European Economic Area, on its total income regardless of where it is earned;
- the revenue-obtaining company on the basis of its ownership title holds directly not less than 25 per cent. of the shares in the capital of the paying company (alternatively: the revenue-obtaining company on the basis of its ownership title holds directly not less than 25 per cent. of the shares in the capital of the revenue-obtaining company);
- the company receiving the income is the beneficial owner of the receivables (alternatively: the beneficial owner may be a foreign permanent establishment of the company receiving the income, if the income derived from the receivables is taxable in the European Union Member State in which that foreign permanent establishment is located);
- the company receiving the income (revenue) holds shares in the amount specified above continuously for a period of two years. The exemption also applies if the required period of two years expires after the date on which the income (revenue) is received. However, if the above condition is not fulfilled, the company

benefiting from the exemption will be obliged to pay tax, together with default interest, equal to 20 per cent. of the income (revenue);

- the company receiving income (revenue) is not exempt from income tax on its entire revenue, irrespective of the source of its generation, and provided that the company paying the receivables obtains from such a company a written statement that with respect to the receivables paid out, the above condition has been met (art. 26 sec. 1f of the CIT Act); and

- the place of residence of the foreign company receiving the income will be documented for tax purposes by a certificate of residence issued by the competent authority of the foreign tax administration (art. 26 sec. 1c item 1 of the CIT Act).

At the same time, the exemption applies on the condition that there is a legal basis under a double taxation treaty or another ratified international agreement to which the Republic of Poland is a party for the tax authority to obtain tax information from a tax authority of a country other than the Republic of Poland in which the taxpayer has its registered office or in which the income was earned (art. 22b of the CIT Act).

The provision of Article 21(3) of the CIT Act does not apply if the use of the exemption specified in that provision was:

- contrary in the circumstances to the object or purpose of that provision; or
- the main or one of the main purpose of carrying out a transaction or other act or a number of transactions or other acts was gaining of a tax advantage, and the manner of acting was artificial,

(Article 22c(1) of the CIT Act).

Pursuant to Article 22c(2) of the CIT Act, a course of action is not artificial if, on the basis of the existing circumstances, it must be presumed that an entity acting reasonably and with legitimate objectives would have applied that course of action for predominantly legitimate economic reasons. The reasons referred to above do not include the purpose of taking advantage of the exemption set out in Article 21(3) of the CIT Act, which is contrary to the object or purpose of this provision.

The use of the exemption referred to above may be subject to documentation obligations and may be subject to the restrictions under Article 26 of the CIT Act, which are described in section: *"Special provisions on withholding tax on large payments to non-Polish tax residents being related parties"*.

Special provisions on withholding tax on large payments to non-Polish tax residents being related parties

In addition to the rules set out above, in the event of failure to meet the conditions for a special exemption, the following regime applies.

Under Art. 26.2e of the CIT Act, if the total amount of payments made to a related entity on the basis specified in Art. 21.1(1) (including interest/discount on notes) and Art. 22.1 exceeds PLN 2,000,000 in total in the payer's tax year for the same taxpayer, legal persons, unincorporated organizational units and individual business owners, are obliged as payers to withhold, subject to Art. 26.2g of the CIT Act on the day of payment, a flat-rate income tax on those payments based on the tax rate set out in Art. 21.1(1) (20 per cent. in the case of interest/discount on notes) or Art. 22.1 on any amount exceeding the PLN 2,000,000 threshold, without being able not to withhold that tax on the basis of an appropriate double tax treaty, and also without taking into account exemptions or rates resulting from special regulations or double tax treaties (hereinafter, the **Obligation to Withhold Tax**). For the purposes of this provision, related entities are understood to be entities within the meaning of Art. 11a.1(4) of the CIT Act (related parties – please see definition below) (Art. 26.2ea of the CIT Act).

The Obligation to Withhold Tax does not apply to entities that are taxpayers referred to in Art. 3.1 of the CIT Act, i.e. to Polish tax residents (Art. 26.2eb of the CIT Act).

However, if a payment has been made which, without a justified economic reason, is not classified as a receivable listed in Art. 21.1(1) or Art. 22.1of the CIT Act, Art. 26.2e applies accordingly (Art. 26.2ec of the CIT Act).

In addition, in accordance with Art. 26.2ed of the CIT Act, in the circumstances referred to in Art. 26.2c of the CIT Act, the excess amount and the existence of the relations referred to in Art. 26.2e of the CIT Act will be determined by the entity keeping securities accounts or omnibus accounts. The entity keeping securities accounts or omnibus accounts does not take into consideration the amounts of payments on which tax was collected in accordance with Art. 26.2a of the CIT Act.

Under Art. 26.2i and 26.2j of the CIT Act, if the payer's tax year is longer or shorter than 12 months, the amount to which the Obligation to Withhold Tax applies is calculated by multiplying 1/12 of PLN 2,000,000 and the number of months that lapsed in the tax year in which the payment was made; if the calculation of that amount is not possible by reference to the payer's tax year, the Obligation to Withhold Tax shall apply accordingly to the payer's current financial year and, in its absence, with respect to the payer's other period with features specific to the financial year, no longer however than 23 consecutive months.

Under Art. 26.2k of the CIT Act, if the payment was made in a foreign currency, to determine whether the amount to which the Obligation to Withhold Tax applies was exceeded, the amounts paid are converted into PLN at the average exchange rate published by the National Bank of Poland on the last business day preceding the payment day.

Under Art. 26.2l of the CIT Act, if it is not possible to determine the amount paid to the same taxpayer, it is presumed that it exceeded the amount from which the Obligation to Withhold Tax applies.

Under Art. 26.7a of the CIT Act, the Obligation to Withhold Tax does not apply if the payer has declared that:

(a) it holds the documents required by the tax law for the application of the tax rate or tax exemption or non-taxation under special regulations or double tax treaties;

(b) after the verification of the conditions to apply an exemption or reduced withholding tax rate resulting from special regulations or double tax treaties, it is not aware of any grounds for the assumption that there are circumstances that exclude the possibility of applying the tax rate or tax exemption or non-taxation under special regulations or double tax treaties;

(c) the above is to be declared by the head of the unit within the meaning of the Accounting Act (e.g. the Issuer's Management Board), and if the entity is managed by multi-person authority – by the person being a member of such authority. The declaration cannot be made by proxy. The declaration is to be made by in electronic form not later than the payment day (Art. 26.7b and 26.7c of the CIT Act);

(d) The declaration may be made in the deadline relevant for payment of the tax for a month, in which the amount referred to in Art. 26.2e of the CIT Act was exceeded (Art. 26.7c of the CIT Act).

In the case of withholding tax as a result of the Obligation to Withhold Tax, if double tax treaties or special regulations provide for a tax exemption or reduced tax rate, the taxpayer or tax remitter (if the taxpayer or tax remitter has paid tax with its own funds and has borne the economic burden of such tax, e.g. as a result of a gross-up clause) may apply for a refund of that tax by submitting the relevant documents and declarations. When recognizing that the refund is justified, the tax authorities shall carry it out within six months (Art. 28b of the CIT Act).

This restriction also does not apply where a binding opinion on the application of a preference is applicable. In accordance with Art. 26(2g) of the CIT Act, if the total amount of receivables for items listed in Art. 21(1)(1) and Art. 22(1) of the CIT Act paid to a taxpayer in the remitter's tax year exceeds the amount referred to in Art. 26(2e) of the CIT Act, legal persons, organizational units without legal personality and natural persons who are entrepreneurs can elect not to collect the tax based on an appropriate double taxation treaty, but instead may apply the rate resulting from such treaty or the exemption referred to in Art. 21(3) or Art. 22(4) of the CIT Act based on the applicable opinion on the application of a preference.

Pursuant to Art. 26b(1) of the CIT Act, an opinion on the remitter's application of the exemption from the collection of a flat-rate income tax on the receivables paid to such taxpayer, as referred to in Art. 22(1) of the CIT Act, and/or the application of a tax rate resulting from an applicable double taxation treaty or failure to collect tax under such treaty (an opinion on the application of a preference) is issued by a tax authority at the request of: (i) the taxpayer, (ii) the remitter, or (iii) the person paying the receivables through entities operating securities accounts or collective accounts – if the request demonstrates compliance with the conditions set out in Art. 22(4-6) of the CIT Act or the conditions for the application of a double taxation treaty.

The request for an opinion on the application of preferences is made electronically. The tax authority responsible for issuing opinions on the application of preferences is the head of the tax office having jurisdiction over the taxpayer's registered office and, in the case of taxpayers who are subject to a limited tax obligation in the territory of the Republic of Poland and taxpayers having rights from securities registered in collective accounts, whose identity has not been disclosed to the remitter in accordance with the procedure provided for in the Act on Trading in Financial Instruments, it is the head of a tax office competent in matters of foreign taxation.

In accordance with Art. 26b(3) of the CIT Act, an opinion on the application of a preference may be refused in the case of:

1) a taxpayer's failure to comply with the conditions set out in Art. 22 of the CIT Act or the conditions for the application of a double taxation treaty;

2) existence of justified concerns as to compliance with the actual state of affairs of the documentation attached to the request or the taxpayer's statement that the taxpayer is the actual owner of the receivables;

3) existence of a reasonable presumption that a decision has been issued pursuant to Art. 119a of the Tax Ordinance (the so-called anti-tax avoidance clause), with the use of measures restricting contractual advantages or pursuant to Art. 22c of the CIT Act;

4) existence of a reasonable presumption that a taxpayer subject to a limited tax obligation in the territory of the Republic of Poland does not carry out actual economic activity in the taxpayer's country of residence for tax purposes.

A refusal to give an opinion on the application of a preference can be appealed to an administrative court (Art. 26b(4) of the CIT Act).

An opinion on the application of a preference is given without undue delay, no later than 6 months after the date of receipt of the request by the tax authority (Art. 26b(5) of the CIT Act).

An opinion on the application of a preference will, as a general rule, expire 36 months after the date of its issue, unless there is a prior substantial change in the factual circumstances that may affect the fulfillment of the conditions for applying the exemption in question. In such case, the provisions of the CIT Act indicate specific expiration dates for the preference opinion.

Analogous provisions apply to personal income tax, including Art. 41 of the PIT Act which provides for an analogous tax withholding obligation.

Pursuant to the Regulation of the Minister of Finance dated 28 December 2022 regarding the exclusion of the obligation to withhold flat-rate corporate income tax (the "Regulation"), the application of the Obligation to Withhold Tax is excluded in relation to interest/discount on bonds issued by the State Treasury of the Republic of Poland, which are received by taxpayers who do not have their seat or management board within the territory of the Republic of Poland. This rule may be however applied only if conditions for non-remittance of the tax, application of tax rate or exemption resulting from specific tax provisions or double tax treaties are fulfilled.

Moreover, according to the Regulation, the Obligation to Withhold Tax is excluded in the period from January 1 January 2023 until 31 December 2023 in the cases referred to in Article 26(2c) of the CIT Act.

Related parties

Under Art. 11a(1)(5) of the CIT Act (and analogically in accordance with the Art. 23m(5) of the PIT Act) "links" shall mean the relations referred to in subparagraph Art. 11a(1)(4) of the CIT Act (and analogically in accordance with the Art. 23m(1)(4) of the PIT Act) existing among related entities.

In accordance with the Art. 11a(1)(4) of the CIT Act (and analogically in accordance with the Art. 23m(1)(4) of the PIT Act), related entities shall mean:

(a) entities of which one entity exercises a significant influence on at least one other entity; or

(b) entities on which a significant influence is exercised by:

- the same other entity; or
- the spouse or a relative by consanguinity or affinity up to the second degree of a natural person exercising a significant influence on at least one entity; or

(c) a partnership without legal personality and its shareholder, or:

- a partnership referred to in Article 1(3)(1) of the CIT Act and its general partner; or
- a partnership referred to in Article 1(3)(1a) of the CIT Act and its shareholder; or

(d) a taxable person and its foreign establishment, and, in the case of a tax capital group, a company being its part and its foreign establishment.

Solidarity levy on income from disposal of notes for consideration generated by natural persons subject to either unlimited or limited tax liability in Poland (i.e. notwithstanding their tax residence)

According to Art. 30h of the PIT Act, natural persons are required to pay a solidarity levy at the rate of 4 per cent. of the base amount for its calculation. The base amount for calculation of the solidarity levy is the amount in excess of PLN 1,000,000 of the sum of incomes subject to taxation pursuant to Art. 27 Section 1, 9 and 9a, Art. 30b (i.e. in particular the income from disposal of notes for a consideration), Art. 30c (i.e. business income) and Art. 30f of the PIT Act, decreased by the premiums referred to in Art. 26 Section 1 item 2 and 2a of the PIT Act and the amounts referred to in Art. 30f Section 5 of the PIT Act, deducted from such incomes.

In calculating the base amount of the solidarity levy for a given calendar year, one should include the incomes and the incomes deductions as described above, as reported in:

- the annual tax calculation referred to in Art. 34 Section 7 of the PIT Act (the annual tax calculation prepared and sent by social allowance authorities to the taxpayers receiving income, in particular, from age and disability allowance) if such a reconciliation shows a payable tax;
- the tax returns referred to in Art. 45 Section 1, Section 1a item 1 and 2 and Section 1aa of the PIT Act
  - for which the filing deadline falls within the period starting on the day following the lapse of the time period for filing of the solidarity levy amount statement in the year preceding that calendar year, to the last day for submission of the solidarity levy amount statement.

Natural persons are required to file the solidarity levy amount statements on the official forms provided by 30 April of the calendar year and pay the levy by the same day.

Tax on civil law transactions

Neither an issuance of Notes nor redemption of Notes is subject to the tax on civil law transactions (**PCC**).

Under Art. 1.1.1.a of the Tax on Civil Law Transactions Act dated 9 September 2000 (the **PCC Act**), agreements for the sale or exchange of assets or proprietary rights are subject to tax on civil law transactions. The Notes should be considered as representing proprietary rights. Transactions are taxable if their subjects are:

– assets located in Poland or proprietary rights exercisable in Poland;

– assets located abroad or proprietary rights exercisable abroad if the acquirer's place of residence or registered office is located in Poland and the civil law transaction was carried out in Poland.

– PCC on the sale of the notes (which, as a rule, are considered to be rights) is 1 per cent. of their market value and is payable by the purchaser within 14 days after the sale agreement is entered into. If the exchange agreement is concluded, the tax is payable jointly and severally by both parties to the agreement. However, if such agreement has been entered into in notarial form, the tax due should be withheld and paid by the notary public.

However, under Art. 9.9 of the PCC Act, a PCC exemption applies to the sale of property rights being financial instruments (including the Notes):

– to investment firms or foreign investment firms;

– with the intermediation of investment firms or foreign investment firms;

– through organized trading; or

– outside organized trading by investment firms or foreign investment firms if the proprietary rights were acquired by those firms through organized trading,

within the meaning of the provisions of the Act on Trading in Financial Instruments.

Moreover, in accordance with Art. 1a.5 and 1a.7 in connection with Art. 2.4 of the PCC Act, the PCC exemption applies to sale or exchange agreements concerning Notes:

– to the extent that they are taxed with the VAT in Poland or in another EU Member State or EEA; or

– when at least one of the parties to the transaction is exempt from VAT in Poland or in another EU Member State or EEA on account of that particular transaction.

Inheritance and donation tax on the acquisition of securities by natural persons

Inheritance and donation tax is charged on the acquisition by natural persons of property located, and property rights exercised within the territory of the Republic of Poland, by way of, among others, inheritance, ordinary legacy, further legacy, legacy per vindicationem, bequest, donation or donor's order (Art. 1.1 of the Inheritance and Donation Tax Act). The tax liability is borne by the person acquiring the property or property rights (Art. 5 of the Inheritance and Donation Tax Act) and it may arise at different times, depending on the manner of such acquisition (Art. 6 of the Inheritance and Donation Tax Act).

Pursuant to Art. 7.1 of the Inheritance and Donation Tax Act, the tax base is, usually, the value of the acquired things and property rights, after the deduction of any debts and encumbrances (net value), determined as of the date of acquisition and the market prices prevailing on the date on which the tax obligation arises.

The amount of tax depends on the degree of kinship or other legal relationship between the donor and the recipient or bequeather and heir. The tax rates grow progressively from 3 per cent. to 20 per cent. of the tax base, depending on the tax group in which the transferee qualifies. There is a tax-free amount defined for each of these groups.

Unless the tax is collected by the tax remitter, taxpayers are required to file, within one month of the date on which the tax liability arose, a tax return disclosing the acquisition of property or property rights on an appropriate form with the head of the relevant tax office (Art. 17a.1 and 2 of the Inheritance and Donation Tax Act). The tax is payable within 14 days of delivering a decision assessing the amount of the head of the tax office on the tax liability.

Securities acquired by the closest relatives (a spouse, descendants, ascendants, stepchildren, siblings, stepfather and stepmother) are tax-exempt subject to filing an appropriate notice with the head of the relevant tax office in due time (Art. 4a1. 1 item 1 of the Inheritance and Donation Tax Act). The aforementioned exemption applies if, at the time of acquisition, the acquirer was a citizen of the Republic of Poland, or an EU member state or a European Free Trade Association member state being a party to the EEA Agreement or was a resident of the Republic of Poland or such state (Art. 4.4 of the Inheritance and Donation Tax Act).

The tax is not charged on the acquisition of property rights exercised in the territory of the Republic of Poland (including securities) if on the date of such acquisition neither the transferee nor the testator (or intestate) or donor were Polish citizens and had no place of permanent residence or registered office in the territory of the Republic of Poland (Art. 3.1 of the Inheritance and Donation Tax Act).

Remitter's liability and special exemption

Under Art. 30 of the Tax Code dated 29 August 1997, a tax remitter failing to fulfil its duty to calculate, withhold or pay tax to a relevant tax authority is liable for the tax that has not been withheld or that has been withheld but not paid, up to the value of all its assets. The tax remitter is not liable if specific provisions provide otherwise or if tax has not been withheld due to the taxpayer's fault. In such case, the relevant tax authority will issue a decision concerning the taxpayer's liability.

The following rules govern the application of the exemption from the tax remitter's obligation to withhold tax on interest. Pursuant to Article 41 clause 24 point 2) of the PIT Act, and Article 26 clause 1aa point 2) of the CIT Act, tax remitters are not obliged to withhold tax on interest or discounts on the Notes:

(a) having a tenor of at least one year,

(b) admitted to trading on the regulated market or introduced to trading in the alternative trading system, in the meaning of the Act on Trading in Financial Instruments, in the Republic of Poland, or a state with which the Republic of Poland has concluded a double tax treaty laying down taxation rules applicable to revenues from dividends, interest and royalties.

Hence, assuming that the above withholding tax exemption conditions are met, the tax remitters are not obliged to withhold tax on any interest on the Notes, irrespective of whether or not it is obtained by non-Polish tax residents.

Please note that in accordance with the law amending the Value Added Tax Act and certain other laws, starting from 1 January 2024 Article 41 clause 24 of the PIT Act and Article 26, clause 1aa of the CIT Act will be amended. According to new regulations, in the case referred to in paragraph 2e (i.e. application of pay & refund mechanism), the tax remitters are not obliged to withhold tax on interest or discounts on the notes, exempted from tax under commented special exemption, i.e. Article 17 clause 1, point 50c of the CIT Act. Analogous provisions apply to personal income tax (Article 41 clause 24 of the PIT Act. It means that starting from 1 January 2024 special exemption for Notes will release only from obligation to apply pay & refund mechanism but standard withholding obligations will remain.

FATCA DISCLOSURE

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a **foreign financial institution** (as defined by FATCA) may be required to withhold on certain payments it makes (**foreign passthru payments**) to persons that fail to meet certain certification, reporting or related requirements. The issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including the Republic of Poland) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**IGAs**), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are published generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date. However, if additional Notes (as described under Terms and Conditions—Further Issues") that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in Notes.

The proposed financial transactions tax (FTT)

On 14 February 2013, the European Commission published a proposal (the **Commission's Proposal**) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are expected to be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

SUBSCRIPTION AND SALE

The Dealers have, in a Programme Agreement (such Programme Agreement as modified and/or supplemented and/or restated from time to time, the **Programme Agreement**) dated 30 June 2023, agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Form of the Notes*" and "*Terms and Conditions of the Notes*". In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith. The Dealers are entitled in certain circumstances to be released and discharged from their obligations under the Programme Agreement prior to the closing of the issue of the Notes, including in the event that certain conditions precedent are not delivered or met to their satisfaction on the Issue Date. In this situation, the issuance of the Notes may not be completed. Investors will have no rights against the Issuer or the Dealers in respect of any expense incurred or loss suffered in these circumstances.

SELLING RESTRICTIONS

United States

The Notes have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from or not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder. The applicable Final Terms will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S of the Securities Act. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act. Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Each issuance of Exempt Notes which are also Index Linked Notes or Dual Currency Notes shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree as a term of the issuance and purchase of such Notes, which additional selling restrictions shall be set out in the applicable Pricing Supplement.

Prohibition of sales to EEA Retail Investors

Unless the Final Terms (or Drawdown Prospectus, as the case may be) in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area (**EEA**). For the purposes of this provision:

(a) the expression **retail investor** means a person who is one (or more) of the following:

   (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or

   (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

If the Final Terms (or Drawdown Prospectus, as the case may be) in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each Member State of the EEA, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Final Terms in relation thereto (or are the subject of the offering contemplated by a Drawdown Prospectus, as the case may be) (or are the subject of the offering contemplated by a Drawdown Prospectus, as the case may be) to the public in that Member State except that it may make an offer of such Notes to the public in that Member State:

(A) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(B) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(C) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (A) to (C) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision:

- the expression **an offer of Notes to the public** in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes; and
- the expression **Prospectus Regulation** means Regulation (EU) 2017/1129, as amended.

United Kingdom

Prohibition of sales to UK Retail Investors

Unless the Final Terms (or Drawdown Prospectus, as the case may be) in respect of any Notes specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Final Terms in relation thereto (or are the subject of the offering contemplated by a Drawdown Prospectus, as the case may be) to any retail investor in the United Kingdom. For the purposes of this provision:

(a) the expression **retail investor** means a person who is one (or more) of the following:

(i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of the domestic law of the UK by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); or

(ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of the domestic law of the UK by virtue of the EUWA.

If the Final Terms (or Drawdown Prospectus, as the case may be) in respect of any Notes specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the final terms in relation thereto to the public in the United Kingdom except that it may make an offer of such Notes to the public in the United Kingdom:

(A) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;

(B) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(C) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Notes referred to in (A) to (C) above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation. For the purposes of this provision:

- the expression **an offer of Notes to the public** in relation to any Notes means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes; and

- the expression **UK Prospectus Regulation** means Regulation (EU) 2017/1129 as it forms part of the domestic law of the UK by virtue of the EUWA.

Other regulatory restrictions

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of

Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the **FIEA**) and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Belgium

Other than in respect of Notes for which "Prohibition of Sales to Belgian Consumers" is specified as "Not Applicable" in the applicable Final Terms, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that an offering of Notes may not be advertised to any individual in Belgium qualifying as a consumer within the meaning of Article I.1 of the Belgian Code of Economic Law, as amended from time to time (a **Belgian Consumer**) and that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Notes, and that it has not distributed, and will not distribute, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Notes, directly or indirectly, to any Belgian Consumer.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries" rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(c)(ii) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law;

(iv) as specified in Section 276(7) of the SFA; or

(v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

General

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Offering Circular and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any of the other Dealers shall have any responsibility therefor.

None of the Issuer and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

GENERAL INFORMATION

Authorisation

The update of the Programme has been duly authorised by a resolution of the Management Board of the Issuer dated 30 June 2023. The Programme was established by a resolution of the Management Board of the Issuer dated 20 April 2021, amended by a resolution of the Management Board of the Issuer dated 18 May 2021, and a resolution of the Supervisory Board of the Issuer dated 29 April 2021, amended by a resolution of the Supervisory Board of the Issuer dated 24 May 2021.

Listing of Notes

It is expected that each Tranche of the Notes which is to be admitted to the Official List and to trading on the Euronext Dublin Regulated Market will be admitted separately as and when issued, subject only to the issue of one or more Global Notes initially representing the Notes of such Tranche. Application has been made to Euronext Dublin for Notes issued under the Programme during the period of twelve months from the date of this Offering Circular to be admitted to the Official List and trading on its regulated market. The approval of the Programme in respect of the Notes was granted on or about 30 June 2023. Applications may also be made to the WSE for Notes to be admitted to trading on the WSE's regulated market.

Listing Agent

Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in connection with the Programme and is not itself seeking admission of Notes to the Official List or to trading on the Euronext Dublin Regulated Market for the purposes of the Prospectus Regulation.

Documents Available

For the period of 12 months following the date of this Offering Circular, copies of the following documents will, when published, be available for inspection at https://www.orlen.pl/en/investor-relations/.

(a) the Articles of Association (with an English translation thereof) of the Issuer;

(b) the audited consolidated financial statements of the Group in respect of the financial years ended 31 December 2021 and 31 December 2022 (with an English translation thereof);

(c) the Deed of Covenant and the forms of the Global Notes, the Notes in definitive form, the Receipts, the Coupons and the Talons;

(d) a copy of this Offering Circular; and

(e) any future offering circulars, prospectuses, information memoranda, supplements and Final Terms to this Offering Circular and any other documents incorporated herein or therein by reference.

Green Finance Framework and Second Party Opinion

Copies of the Green Finance Framework and Second Party Opinion are each available on the Issuer's website at https://www.orlen.pl/en/sustainability/green-finance or any successor website) and as the same may be updated, amended and/or replaced from time to time.

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels. The address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

Conditions for determining price

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

Significant or Material Change

There has been no significant change in the financial performance or financial position of the Issuer or the Group since 31 March 2023 and there has been no material adverse change in the financial position or prospects of the Issuer or the Group since 31 December 2022.

Litigation

Save as disclosed in "*Description of the Issuer – Legal and arbitration proceedings*", neither the Issuer nor any other member of the ORLEN Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of the Issuer or the ORLEN Group.

Auditors

The auditor of the Issuer is Deloitte Audyt spółka z ograniczoną odpowiedzialnością sp. k. with its registered seat in Warsaw, entered into the list of the audit firms maintained by the Polish Agency of the Audit Supervision under No. 73.

On behalf of Deloitte Audyt spółka z ograniczoną odpowiedzialnością sp. k. the Issuer's accounts for the financial year ended on 31 December 2021 have been audited by Monika Jakubczyk (certified auditor, license No. 13600).

On behalf of Deloitte Audyt spółka z ograniczoną odpowiedzialnością sp. k. the Issuer's accounts for the financial year ended on 31 December 2022 have been audited by Artur Maziarka (certified auditor, license No. 90108).

Dealers transacting with the Issuer

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for the Issuer and its affiliates in the ordinary course of business. Certain of the Dealers and their affiliates may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or the Issuer's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

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