OFFERING CIRCULAR

Polski Koncern Naftowy ORLEN Spółka Akcyjna

(*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**), Polski Koncern Naftowy ORLEN Spółka Akcyjna (the **Issuer** or **PKN 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 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. For a discussion of these risks see "*Risk Factors*".

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 applied for a notification of this Offering Circular pursuant to Article 25 of the Prospectus Regulation into the Republic of Poland (**Poland**). The Issuer may request the Central Bank of Ireland to provide competent authorities in additional host Member States within the European Economic Area 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 and/or that are to be offered to the public in any member state of the European Economic Area 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 Directive 2014/65/EU.

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 European Economic Area (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 (**FSMA**). The Central Bank of Ireland has neither approved nor reviewed information contained in this Offering Circular in connection with Exempt Notes.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche (as defined under "*Terms and Conditions of the Notes*") of Notes will (other than in the case of Exempt Notes, as defined above) be set out in a final terms document (the **Final Terms**) which will be delivered to the Central Bank of Ireland and, where listed, Euronext Dublin.

Copies of Final Terms in relation to Notes to be listed on Euronext Dublin will also be published on the website of Euronext Dublin. In the case of Exempt Notes, notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche will be set out in a pricing supplement document (the **Pricing Supplement**).

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.

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 Baa2 and BBB- by Moody's Deutschland GmbH and Fitch Ratings Ireland Limited, respectively. The Programme has been rated Baa2 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.

Neither Moody's Deutschland GmbH nor Fitch Ratings Ireland Limited is established in the United Kingdom but it is part of a group in respect of which one of its undertakings is (i) established in the United Kingdom, and (ii) is registered in accordance with the UK CRA Regulation. Accordingly the Issuer and Programme rating(s) issued by Moody's Deutschland GmbH and Fitch Ratings Ireland Limited have been endorsed by Moody's Investors Service Ltd and Fitch Ratings Ltd, respectively in accordance with the UK CRA Regulation and have not been withdrawn. As such, the ratings issued by Moody's Deutschland GmbH and Fitch Ratings Ireland Limited may be used for regulatory purposes in the United Kingdom in accordance with 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 (or Pricing Supplement, in the case of Exempt Notes) 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.

Amounts payable on Floating Rate Notes will be calculated by reference to one of LIBOR or EURIBOR as specified in the relevant Final Terms. As at the date of this Offering Circular, European Money Markets Institute (as administrator of EURIBOR) is included in ESMA's register of administrators under Article 36 of the Regulation (EU) No. 2016/1011 (the **EU Benchmarks Regulation**). As at the date of this Offering Circular, the administrator of LIBOR does not appear on ESMA's register of administrators and benchmarks under Article 36 of the Benchmarks Regulation. As far as the Issuer is aware the transitional provisions in Article 51 of the EU Benchmarks Regulation apply, such that ICE Benchmark Administration Limited (as administrator of LIBOR) is not currently required to obtain authorisation/registration (or, if located outside the European Union, recognition, endorsement or equivalence).

Arranger

BNP PARIBAS

Dealers

Bank Pekao S.A.	**BNP PARIBAS**
CaixaBank	**ING**
SMBC Nikko	**UniCredit Bank**

The date of this Offering Circular is 13 May 2021.

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 domestic law by virtue of the European Union (Withdrawal) Act 2018 (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.

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.

None of the Dealers makes any representation as to the suitability of any Notes issued as Green Notes (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 Notes 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 of the net proceeds of any such Green Notes (or amounts equal thereto). 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, and for the avoidance of doubt, these are not incorporated into, and do not form part of, this Offering Circular.

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 (or Pricing Supplement, in the case of Exempt 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; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the **Prospectus Regulation**). 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 (or Pricing Supplement, in the case of Exempt 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 domestic law by virtue of the 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 domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law 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.

MiFID II product governance / target market – The Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt 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.

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.

UK MiFIR product governance / target market – The Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt 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.

A determination will be made in relation to each issue about whether, for the purpose of 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.

NOTIFICATION UNDER SECTION 309B(1)(c) OF THE SECURITIES AND FUTURES ACT (CHAPTER 289) OF SINGAPORE, AS MODIFIED OR AMENDED FROM TIME TO TIME (the **SFA**) – Unless otherwise stated in the Final Terms in respect of any Notes (or the Pricing Supplement, in the case of Exempt 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*".

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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 or Pricing Supplement 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.

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 (or, in the case of Exempt Notes, the applicable Pricing Supplement). 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:	Polski Koncern Naftowy ORLEN Spółka Akcyjna
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:	Bank Pekao S.A. BNP Paribas CaixaBank, S.A. ING Bank N.V. SMBC Nikko Capital Markets Europe GmbH 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 the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended

and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or

(b) on the basis of the reference rate set out in the applicable Final Terms (or, in the case of Exempt Notes, Pricing Supplement).

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(h).

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 Terms and Conditions of the Notes 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 (or, in the case of Exempt Notes, the applicable Pricing Supplement) 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 (or, in the case of Exempt Notes, the applicable Pricing Supplement) 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 Baa2 and BBB- by Moody's Deutschland GmbH and Fitch Ratings Ireland Limited. 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 (or applicable Pricing Supplement, in the case of Exempt Notes) 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.
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 (or applicable Pricing Supplement, in the case of Exempt Notes) 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 (or applicable Pricing Supplement, in the case of Exempt Notes).

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.

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

The COVID-19 pandemic may adversely affect the ORLEN Group's business, operations and financial condition

The ongoing pandemic caused by a strain of the novel coronavirus disease SARS-CoV-2 (**COVID-19**) has had and is continuing to have an impact on all world markets, which has led to a global economic slowdown. The COVID-19 outbreak was declared a pandemic by the World Health Organization on 11 March 2020 and, since then, the COVID-19 pandemic has caused various emergency measures to be applied by governments of affected countries around the world designed to contain the outbreak (**COVID Measures**) and has caused substantial volatility in financial markets globally. This, in turn, has translated into a decline in global demand for crude oil, natural gas, liquid fuels, electricity, and refining and petrochemical products. The COVID Measures taken by Poland and other countries to counter the spread of COVID-19, such as social distancing and economic restrictions, have reduced household and business activity alike. In particular, during the first period of the COVID Measures, from 14 March 2020 until 6 June 2020, there was a decline in both consumer demand as well as in manufacturing output and the supply of goods and services from businesses, leading also to supply chain disruptions.

Among the factors with considerable bearing on the ORLEN Group were transport constraints, especially with respect to air travel, and a related decrease in demand for fuels, particularly for jet aviation fuel. In accordance with the annual consolidated financial report of the ORLEN Group for 2020, the sales revenues for 2020 were PLN 86,180 million (EUR 19,392 million) as compared to PLN 111,203 million (EUR 25,869 million) for

2019. The net profit for 2020 was PLN 2,825 million (EUR 636 million) as compared to PLN 4,298 million (EUR 999.8 million) for 2019 and total net comprehensive income for 2020 was PLN 2,903 million (EUR 653 million) as compared to PLN 4,368 million (EUR 1,016 million) for 2019.

As the spread of the COVID-19 pandemic has accelerated since October 2020, some COVID Measures were reintroduced and could possibly become even more stringent due to new strains of COVID-19 appearing around the world, fluctuating daily numbers of COVID-19 cases and the slow progress of vaccination programmes caused by the demand for vaccines. As at the date of this Offering Circular, it is uncertain how the situation will continue to develop, but it is possible that businesses (including the ORLEN Group's business, in particular due to the existing international travel constraints and decreased demand for services related to travelling due to the temporary change of habits and behaviours caused by the pandemic, which may even prove to become permanent, as well as the possible reinstating of more rigorous travel constraints and the possible continued decline in global demand for crude oil, natural gas, liquid fuels, electricity, refining and petrochemical products caused by volatility in financial markets globally) will lose a major part of their revenues and that there will be difficulties with supplies and logistics, and personnel shortages, which may cause companies with limited product portfolios to face liquidity crises. This, in consequence, may lead to insolvency or even bankruptcy of many businesses and a rise in unemployment rates, which may further dent consumption and cripple economic growth. As operations of the ORLEN relate to, among others, various fuels and its business is significantly associated with travelling and services related to it, the freedom of movement in different sectors of the economy constitutes one of the key factors for revenues of its retail and refining segments.

In addition, the negative impact of heightened uncertainty caused by the COVID-19 pandemic may again suppress demand for oil, natural gas, liquid fuels and electricity, and worsen the economic outlook for Poland and globally. As operations of the ORLEN Group relate to, among others, various fuels, the decreased demand for such products will further lower its revenues and will make its position in the market worse.

The Issuer has also identified the risk of disruption to its operations as a result of the COVID-19 pandemic, especially because its operations now largely rely on IT systems and critical infrastructure systems, which are not infallible and require support and maintenance by key personnel, some of whom have been switched to home office working in response to the COVID Measures. In addition, members of the Issuer's workforce may become infected with COVID-19 or quarantined, in particular those who operate production units, as well as logistics, installations and network infrastructure. Some of the Issuer's critical installations cannot stop operating; therefore, any disruptions caused by the mandatory quarantine of its employees may have an adverse effect on the ORLEN Group's business.

The Issuer continues to monitor the escalation of the COVID-19 pandemic and its impact on the business environment in the countries and markets in which the ORLEN Group operates. The spread of the COVID-19 pandemic depends on external factors such as the effectiveness of the vaccines and the pace of implementation of the vaccination programmes, behaviours of individuals around the world and the actions undertaken by governments to slow down the pandemic, which are beyond the Issuer's control. Their occurrence and magnitude may adversely affect the Issuer's financial condition, business operations or prospects. Any negative effect on the economies in the countries in which the ORLEN Group operates may decrease the incomes of the end-customers of the ORLEN Group and the demand for the ORLEN Group's products. Such effects may also result in the insolvency of the ORLEN Group's business partners, which could affect the operations of the ORLEN Group, as well as its financial standing. The COVID-19 pandemic may also limit the ORLEN Group's access to capital from the international financial markets. Depending on the duration and severity of the current COVID-19 pandemic, it may also have the effect of heightening many of the other risks described in this Offering Circular, such as risks relating to the successful completion of expansion projects.

Travel restrictions introduced in connection with the COVID-19 pandemic may lead to global supply disruptions that could also apply to the ORLEN Group, which would have a significant negative impact on the ORLEN Group's operations.

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 has its operating markets. 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 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 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.

Any instability or other difficulties in financial markets may restrict the ORLEN Group's access to credit. Poor availability or higher costs of credit may in turn affect the ORLEN Group's ability to implement its investment strategies 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 CO2 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: oil prices, the Urals-Brent differential, 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 feedstocks (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 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, actual or threatened acts of terrorism or war potentially affecting supply and transport of hydrocarbons and petroleum products, in particular in the Russian Federation, 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 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) weather conditions and natural disasters; and

(h) 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).

Significant changes in the crude oil prices and refining margins resulting from such changes may have an adverse effect on the ORLEN Group's profitability and financial condition; in particular, they may lead to margin adjustments 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, among other factors, on the level of electricity and heat prices, which are variable, and the Issuer is unable to predict all factors that may bear on how these prices develop. Key factors for the ORLEN Group, which determine its production efficiency, include market factors such as the prices of feedstocks and carbon emission allowances, but also weather conditions, including those related to wind levels, solar radiation and hydrological conditions. The electricity and heat prices may also be affected by transport costs, taxes, personnel costs, regulatory burdens and other country-specific or global factors.

In addition, the ORLEN Group participates in the EU Emissions Trading System, where the current trading period (phase 3) ended in 2020. Since the current trading period (phase 4) 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 purchased by the ORLEN Group is expressed in USD. A significant part of the ORLEN Group's sales, including refined oil products, is also priced in USD or by reference 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 exposure is to a large extent naturally hedged since the USD costs of crude oil purchases are offset by revenues from sale of refinery products with prices either quoted or indexed to USD. The ORLEN Group applies a consistent financial risk hedging policy based on market risk management policy and strategies supported and supervised by the Financial Risk Committee, the Management Board and the Supervisory Board of the Issuer. Standard hedging against currency economic exposure is done on a rolling and recurring basis, covering a period of the next 12 months. The ORLEN Group hedges up to 50 per cent. of its net operational exposure. The currency risk exposure is hedged with instruments such as forwards or swaps.

The ORLEN Group's hedging policy may prove insufficient in particular in the event of major disruptions on the financial markets. Exchange rate risk may become more significant if the Issuer increases its financial liabilities denominated in foreign currencies. The ORLEN Group has 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, while improving EBITDA would be delayed due to the fact that it is calculated semi-annually and annually. 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. In theory, a 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 credits, 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 payments on external financing in PLN, using interest rate swaps. The ORLEN Group swaps debt securities issued at variable interest rates in PLN to variable interest rates in EUR and swaps debt securities issued at a fixed rate of interest in EUR to fixed rate of interest in PLN through cross-currency swap transactions. For all transactions with derivatives hedging interest rate risk, cash flow hedge accounting is applied. 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.

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

The industries where the ORLEN Group operates require management and employees who have highly specialised knowledge and skill sets. The ORLEN Group is therefore dependent on highly skilled management and employees. Experienced and capable personnel are in high demand and the ORLEN Group faces significant competition in its principal markets to recruit such personnel; therefore, it might be impossible to recruit new employees who possess specialised knowledge and skills required by the ORLEN Group. Very often, there are no candidates available on the labour market who would fulfil the requirements imposed by the ORLEN Group in order to be recruited. This is particularly relevant in the case of petroleum and engineers with professional qualifications. Consequently, when experienced employees leave, the ORLEN Group may have difficulty, and incur additional costs, in replacing them. In addition, the loss of any member of the senior management team may result in a loss of organisational focus, poor execution of operations and/or corporate strategy and an inability 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 a sufficient number of experienced, capable and reliable personnel, especially senior and middle management with appropriate professional qualifications, or to recruit skilled professional and technical staff in pace 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.

Industrial action or adverse labour relations 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 local law, regulation and custom 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.

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 companies. The ORLEN Group's market position is potentially threatened by competition from other regional refineries, wholesale distributors, as well as other power generators and suppliers. Wholesale volumes of fuels are imported into the markets where the ORLEN Group operates from Belarus, 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, many of which have significantly greater financial resources than the ORLEN Group. Worldwide and regional refining capacity expansions may also result in refining production capability exceeding refined product demand, which would have an adverse effect on refining margins. In particular, the planned expansion, construction of new refineries and increased conversion capacity in Russia may mean that more crude oil is refined in Russia, which would reduce the supply of available crude oil for refining and also increase competition in respect of the sale of refined products. This may ultimately lead to a reduction in refining 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.

In the market of crude oil refining, the ORLEN Group, which is currently operating four major production sites, is a regional leader competing with other players present in Central and Eastern Europe, including LOTOS Group's (as defined herein) refinery in Gdańsk, TOTAL's Mitteldeutschland refinery in Leuna/Spergau, PCK refinery in Schwedt, Slovnaft's refinery located near Bratislava, MOL's Danube refinery in Százhalombatta and Mozyr refinery located close to the Ukrainian border.

Competition and innovation in petroleum products and lubricants may exert pressure on the product prices charged by the ORLEN Group from its customers. 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 feedstocks, 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 market of power generation. Competing electricity traders, especially those with more efficient generation capacities, are 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 competition risk. In this market, the ORLEN Group faces competition from other players active on the national market such as PGE, Tauron, Enea and Polenergia, but also from major players active in the neighbouring markets (e.g. E.ON, RWE). 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 those focusing on the Baltic Sea basin, such as Ørsted and Equinor.

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, due to the recent developments, including the ORLEN Group's acquisition of RUCH S.A. and its subsidiaries and the ORLEN Group's further plans to expand within the non-fuel retail segment, the ORLEN Group will be increasingly competitive with convenience retailers such as Żabka, Carrefour and others.

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 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 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.

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 expense. 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.

The ORLEN Group is dependent on natural resource supplies

In its operations, the ORLEN Group relies on the supply of certain natural resources. These mainly include crude oil and natural gas for its refining and petrochemical businesses, as well as hard coal, gas and biomass for electricity and heat production. Any supply cuts or interruptions would disrupt or significantly limit the ORLEN Group's operations and would have an adverse effect on the operations and financial results of the Issuer and the ORLEN Group's subsidiary companies. In 2020, the share of the crude oil supplied to the ORLEN Group by the Rosneft Oil Company exceeded 10 per cent. of the ORLEN Group's total revenue.

In addition, Art. 5 and 24 of 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**) requires the ORLEN Group to maintain a certain amount of fuel stocks to ensure the continuity of supply, and the ORLEN Group 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 meters 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. 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 feedstocks 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 in accordance with Art. 63, sec. 1(3) of the Act on Emergency Stocks, 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 abovementioned numbers, could potentially have a serious negative financial impact on the ORLEN Group. Moreover, the information regarding such non-compliance with the quality standards and possible fines could harm the ORLEN Group's reputation.

The deterioration of the political environment in any of the countries from which the ORLEN Group sources its feedstock, or from any feedstock producing countries more generally, could affect the price of feedstock available to the ORLEN Group. These factors may have an adverse effect on the ORLEN Group's asset position and may affect the Issuer's ability to meet its obligations under the Notes.

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 depends strongly on spreads between the market prices of refined petroleum and petrochemical products and the prices of crude oil and other necessary feedstocks. From time to time movements in the 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/demand for refined and petrochemical products, particularly in Europe;

(b) expansion of global refining and petrochemical capacities;

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

(d) changes in global sweet-sour crude price differentials; and

(e) 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 feedstocks 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 sale of products and Brent differential fluctuations, risk of changes in crude oil and products prices related to the 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, 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 the commodity risks. 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.

Cyclical nature of the petrochemical and refinery industry

The ORLEN Group’s key petrochemical and refinery 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. Changes in the prices of petrochemical products 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. 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. Reduction of prices and margins may also be caused by the unforeseen demand additions 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.

The ORLEN Group's business, including its supply, could be impaired by political, social and economic instability

The ORLEN Group procures crude oil from a number of suppliers, including national oil companies and international oil traders. Any political, social or economic instability in countries from which the ORLEN Group purchases crude oil, through which oil is transported to the countries in which the ORLEN Group conducts operations ("**transit countries**"), or in the home countries of contractors supplying oil to the ORLEN Group's refineries, could lead to a reduction in the supply of crude oil to the ORLEN Group. Countries such as Venezuela, Russia, Libya and Iran have historically experienced varying degrees of political instability and, most recently, with developments over the last eight years causing disruptions to the global supply chain. Instability in such regions may result from a number of factors, including government or military regime change, sanctions, civil unrest or acts of terrorism. Furthermore, the EU sanctions and the US sanctions, curtailing crude supply, are examples of supply disruptions that have affected, or are currently affecting, the ORLEN Group. Similar future developments as above or other armed conflicts or political instability in the region could reduce the availability of supply alternatives as well as tighten global crude oil balances with a potential impact on the ORLEN Group's operations and an adverse effect on its financial condition and operating results. The ORLEN Group purchases crude oil mainly from Russian sources and therefore any disputes within or involving Russia, transit countries (such as Belarus and Ukraine) and the countries in which the ORLEN Group operates, including but not limited to the imposition of any international sanctions impacting the operations of any relevant jurisdiction or counterparty, may lead to a reduction in or uncertainty relating to the supply of crude oil to the ORLEN Group (see also "*Description of the Issuer—Supply sources of the Refining and Petrochemicals segments—Crude oil"* for a description of the ORLEN Group's crude oil supply sources, including its long-term purchase contract with Rosneft Oil Company).

Introduction of competing renewable fuel technologies or hybrid, hydrogen and electric engines may have an impact on the demand for the ORLEN Group's products.

Many companies are investigating ways to develop technologies to produce high quality fuel using renewable feedstocks. In addition, world-leading technology and automotive companies, such as Apple, Google and Tesla, are also conducting extensive research into new, potentially disruptive, technologies, such as the electrification and automation of motor vehicles and ground-breaking battery technologies, which could have a significant impact on demand for oil-based products worldwide if they were to be widely adopted. At the same time, vehicles powered by hybrid systems and electric engines are beginning to gain market share. 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 have also become fairly 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 engines may have a material adverse effect on the supply of oil and gas and, consequently decrease 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 programs 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 steadily 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 the 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.

Risks relating to liberalisation of the electricity market

The ORLEN Group is exposed to significant and increasing competition in the electricity and energy markets in Poland.

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., is exposed to the risk of losing existing customers in the retail market and the risk of decreased margins achieved on sales to existing retail customers.

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 are all 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 the ORLEN Group.

The ORLEN Group may not keep pace with technological changes

Technologies used by the industries operated by the ORLEN Group and in retail develop rapidly and may continue to do so in the future. This includes, among other things, a rapid development of an e-commerce segment. In order to remain competitive and expand its business, the ORLEN Group must keep pace with the technology 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. The ORLEN Group's access to the latest technologies might also be limited by the market participants and due to 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, 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, which in turn could 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 fail to implement a sustainable development strategy and to adjust to the European Green Deal Policy

The transition to a low-carbon economy and the work towards global targets for reducing climate change impacts require that threats to sustainable development be factored into the risk management approach. In recent years, EU laws have evolved, requiring 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**), 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 September 2020, the ORLEN Group committed to achieving carbon neutrality by 2050. In order to reach this goal, by 2030 the Issuer will reduce CO_2 emissions from its current refining and petrochemical assets by 20 per cent. and emissions from power generation by 33 per cent. per MWh. The emission neutrality strategy announced

by the Issuer is based on four pillars: energy efficiency in production, zero- and low-emission power generation, alternative fuels and green financing.

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 bearing on the ORLEN Group's business activity and financial results in the long term, as they may require a focus on sustainability efforts. Adopting 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 Issuer 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.

The ORLEN Group is exposed to default or delay of counterparties, including partners, contractors, subcontractors, suppliers, financial and insurance institutions.

The ORLEN Group is exposed to the risk of a default or delay by its counterparties (including contractors, subcontractors, suppliers, financial institutions and insurers), especially in the event they become financially distressed or insolvent. 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. Some categories of the ORLEN Group's customers, in particular the 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.

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 a complex legal structure. 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 for the time being. 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 would have a negative impact on the ORLEN Group's financial results. The Issuer cannot exclude the possibility that certain financial institutions may refuse to provide financing to the ORLEN Group as it holds a significant amount of coal assets in Poland. If financial institutions decide to phase out support for the coal sector 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 relating to the level of its industrial emissions

In accordance with applicable EU law, much stricter emission standards have been imposed since 1 January 2016 and further restrictions were imposed in Poland in 2019. In September 2020, the ORLEN Group undertook efforts to curb its industrial emissions by way of reducing CO_2 emissions from its current refining and petrochemical assets by 20 per cent. and emissions from power generation by 33 per cent. per MWh by 2030 in order to achieve carbon neutrality by 2050, and 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 more intensive emissions 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 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 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 an increasingly important factor to the customers, both globally and in Poland.

Changes in the European Union's climate and energy policy, resulting in higher cost of CO2 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 further 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 could 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 back-loading of surplus allowances expiring, 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, which entered into force on 4 November 2016, to achieve a total 7 per cent. reduction of its GHG emissions (as compared with 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.

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), which would have a material adverse effect on its 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.

The ORLEN Group's planned expansion into the renewable energy sector could expose the Issuer to risks relating to renewable energy auctions and support mechanisms

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 organized by public authorities and their outcome is uncertain. The support mechanisms are subject to periodic review and assessment (as a rule, every 3 years) and are generally subject to modification.

Where 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 in the event that 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 degree 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.

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 the above 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.

RISKS RELATED TO THE ORLEN GROUP'S OPERATIONS

Risk related to failure and damage of 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.

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.

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

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.

Investments in asset replacement and modernisation, as well as investments in new assets, require substantial expenditure. In 2020, the ORLEN Group spent PLN 8,992 million on capital expenditures. Pursuant to the ORLEN Group's strategy, the ORLEN Group's transformation into a multi-utility powerhouse will be based on renewable energy and gas-fired power generation, 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, 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 140 billion by 2030. Most of the capital expenditures will be allocated to segments that best fit the Issuer's strategic ambitions. Around PLN 85 billion will be allocated to new prospective growth areas,

related mainly to renewable energy and advanced petrochemicals, while PLN 55 billion will be spent to enhance the efficiency of the ORLEN Group's existing assets.

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.

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 be subject to 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 make acquisitions or be subject to a merger that may negatively influence its business

As part of the strategy pursued by the ORLEN Group, in February 2018 the Issuer signed a letter of intent with the Polish State Treasury concerning the acquisition of Grupa LOTOS S.A. and its subsidiaries (**LOTOS Group**), which marked the beginning of a process by the Issuer to acquire LOTOS Group. In November 2018, a draft application for approval of the acquisition was submitted by the Issuer to the European Commission. Subsequently, on 26 August 2019, an agreement was signed between the Polish State Treasury, the Issuer and LOTOS Group, defining a framework structure for the proposed transaction. The European Commission conditionally cleared the acquisition of LOTOS Group by the Issuer on 14 July 2020. The remedies agreed with the European Commission include commitments entered into by the Issuer and LOTOS Group with respect to fuel production and wholesale, fuel logistics, retail, aviation fuel and bitumen. The manner of fulfilling specific conditions for the transaction and its other details will be determined with potential external partners in the course of separate discussions and negotiations. Both the purchasers of assets covered by the remedies and the terms of relevant agreements will be subject to the European Commission's approval. This includes changing the business model of the LOTOS Group refinery in Gdańsk, based on which a joint venture (**JV**) will be established. Upon the merger with LOTOS Group, the Issuer will have operational control over the JV refinery with the aim of guaranteeing Poland's fuel security. Given the scale and complexity of the proposed transaction, from the beginning of the process the European Commission expected that an external partner would acquire a 30 per cent. equity interest in the refinery. In its clearance, the European Commission imposed a requirement that a part of the retail network be divested. The process of finding the appropriate partners to meet these requirements is still ongoing.

As at the date of this Offering Circular, the ORLEN Group is also pursuing plans to acquire PGNiG S.A. (the Polish Oil and Gas Company) and its subsidiaries (together, the **PGNiG Group**). As part of the steps taken to acquire the PGNiG Group, on 14 July 2020, a letter of intent was signed between the Issuer and the Polish State Treasury, and, on 10 May 2021, a notification requesting the initiation of proceedings regarding the acquisition was submitted to the Polish Office of Competition and Consumer Protection (**UOKiK**). On 12 May 2021, an agreement on cooperation between PKN ORLEN, the LOTOS Group, PGNiG S.A. and the State Treasury concerning the takeover by PKN ORLEN of the LOTOS Group and PGNiG was signed. In that agreement, the parties confirmed that the planned structure of the transaction is a merger between PKN ORLEN, the LOTOS Group and PGNiG with PKN ORLEN as the surviving entity.

On 1 March 2021, the Issuer acquired 100 per cent. of the shares in Polska Press Sp. z o.o. (**Polska Press**). On 17 March 2021, the Ombudsman (the **RPO**) published an announcement stating that the RPO had appealed to the Regional Court in Warsaw (the Court of Competition and Consumer Protection) against the decision of the UOKiK President of 5 February 2021 concerning the approval of the Issuer's takeover of Polska Press. At the same time, the RPO submitted - directly to the Regional Court in Warsaw - a motion to suspend the execution of the decision (including a ban on the Issuer's shareholding in Polska Press). On 8 April 2021, the Regional Court in Warsaw issued the decision to suspend the execution of the decision of the UOKiK President of 5 February 2021 until the court decides on the appeal of the RPO. In the opinion of the Issuer, the decision of 8 April 2021 does not influence the effectiveness of the purchase of shares in Polska Press by the Issuer, as the purchase was effected before the court issued such decision. In the Issuer's opinion, the court's decision also does not restrict the Issuer from exercising its rights from its shares in Polska Press.

As part of its strategy, the ORLEN Group may also engage in other potential mergers and acquisitions which will enable it to enter new markets or grow its business footprint and boost its competitive position in home markets, strengthen the synergies within its existing operations, and deliver other benefits.

The ongoing 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 in higher interest expenses, and in 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. Relevant competent authorities or courts may also challenge acquisitions of relevant entities by the ORLEN Group. In addition, any such processes involve a potential risk of failure to achieve the assumed rate of return on investment and synergies.

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 projects under development or in the planning stages. 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. 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 Issuer's current and past investments with partners and in joint ventures may expose the ORLEN Group to financial, performance and reputational/regulatory risks

Certain of the ORLEN Group's major projects and operations are conducted through partnerships, joint ventures and similar arrangements. Many of the Issuer's joint venture projects are long-term arrangements and the interests of the different consortium members may diverge over the life of project resulting in competing business strategies and priorities. In addition, the Issuer's 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 credit risk of the Issuer's joint venture partners. 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, we 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 seek 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. 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.

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.

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

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 on 30 November 2020. A key target set in the strategy is that within ten years the ORLEN Group's LIFO-based EBITDA will increase 2.5-fold, from approximately PLN 9 billion in 2019 to approximately PLN 26 billion in 2030. The strategy assumes 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 2.5 GW of installed RES capacities. The strategy's main objective is for the Issuer 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 30 billion on sustainable development projects, spanning decarbonisation, recycling, biofuels, electric mobility and hydrogen economy. The new strategy also attaches great importance to investment in innovation, research and development. The ORLEN Group plans to allocate PLN 3 billion to these areas, creating its own CVC fund and expanding its research and development centre. 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 140 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 main shareholder in the Issuer is the Polish 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 Polish State Treasury is the main shareholder of the Issuer. As at the date of this Offering Circular, it holds in total 27.52 per cent. of the shares and 27.52 per cent. of the voting rights at the Issuer's shareholder meetings. As the main shareholder, the Polish State Treasury can exert influence on the Issuer's decisions regarding recommendations concerning dividend payments, among others. Payments of dividends could weaken the ORLEN Group's financial condition. For example, the Management Board of the Issuer has proposed to the Issuer's annual general meeting scheduled to take place on 27 May 2021, the allocation of PLN 1,496,981,713.50 for a dividend payment (equivalent to PLN 3.50 per share), which, if approved, will be paid from the Issuer's supplementary capital from the retained earnings.

Additionally, through the Polish State Treasury, the Polish government has and will continue to have, directly or indirectly, the power to influence the ORLEN Group's operations including the implementation of its business strategy. As a result, certain decisions of the ORLEN Group may reflect the Polish government's policy. Moreover, under the Issuer's Articles of Association, minority shareholders' voting rights are restricted such that no minority shareholder is entitled to exercise more than 10 per cent. of the total number of votes at a General Meeting. Furthermore, one member of the Issuer's Management Board is appointed by the Polish State Treasury until it sells its entire stake in the Issuer. Any politically motivated influence or instability in the corporate governance area relating to the ORLEN Group 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.

The ORLEN Group may fail to implement the carbon neutrality strategy

On 28 November 2018, the European Commission presented a 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 September 2020, the ORLEN Group made a commitment to achieve carbon neutrality by 2050. In order to reach this goal, by 2030 the ORLEN Group intends to reduce CO2 emissions from its existing refining and petrochemical assets by 20 per cent. and from power generation by 33 per cent. per MWh. The announced strategy of net zero carbon emissions is based on four pillars: energy efficient production, zero-emission power generation, fuels of the future, and green financing. 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 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 amount of sureties and guarantees for obligations towards third parties issued in the ordinary course of business as at 31 December 2019 and as at 31 December 2020 amounted to PLN 12,532 million and PLN 17,251 million, respectively, which related mainly to warranties and guarantees for due performance of contracts, customs guarantees, bid notes and payment guarantees.

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 S.A., has a separate credit rating from the Issuer, some of the financial liabilities of Energa S.A. and its subsidiaries depend on the rating assigned to Energa S.A. Since Energa S.A. is a subsidiary of the Issuer, any downgrade of the Issuer's rating could negatively impact Energa S.A.'s rating. In addition, there is also a risk of a downgrade of Energa S.A.'s rating due to factors attributable to Energa S.A. itself. This could in turn lead to a breach of contractual clauses relating to Energa S.A.'s rating and, in extreme cases, the need to refinance Energa S.A.'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.

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. If any past due receivables occur, sales are suspended in line with relevant procedures in place, and debt recovery is initiated.

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 ongoing tax, customs and excise duty inspections and other financial audits

Tax, customs, excise duty and financial inspections can be carried out at various companies within the ORLEN Group in the normal course of business in Poland and in other countries where the ORLEN Group operates. Although the ORLEN Group currently has no reason to believe that any of these inspections will have a material adverse effect on its financial condition and performance, the Issuer is unable to accurately predict inspection results. Therefore, there can be no assurance that these inspections will not have a material adverse effect on the Issuer's financial condition and, consequently, on its ability to make payments under the Notes

and on the value of the Notes. The ORLEN Group also cannot exclude the risk that the Polish government or the governments of other countries in which the ORLEN Group operates may implement new taxes (such as the retail sales tax re-introduced in Poland in January 2021), which may negatively affect the revenues of the Issuer.

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. The audited consolidated financial statements of the ORLEN Group for the financial years ended 31 December 2019 and 31 December 2020, 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 2020, there were recorded provisions in the total amount of PLN 664 million for the risk of unfavourable decisions of pending administrative or court and tax proceedings. 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 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 Adamowo. 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 an 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.

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.

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 may negatively affect the reputation and perception of the ORLEN Group.

There are a number of different events which could affect 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.

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 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 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.

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.

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 of liquid fuels; restrictions on production and exports; environmental issues; 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 licenses 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 ORLEN Group is required to maintain emergency stocks of crude oil and fuels

The Issuer is subject to numerous obligations involving the maintenance of emergency stocks of crude oil and fuels, imposed by the Act on Emergency Stocks. As of 31 December 2017, the Act on Emergency Stocks introduced an obligation to hold mandatory stocks equivalent to 53 days' average daily production and imports of crude oil and liquid fuels.

Lithuanian law requires companies importing fuel into Lithuania including the Issuer's subsidiary, ORLEN Lietuva, to maintain stocks of crude oil and certain petroleum products in Lithuania equivalent to the greater of 90 days' average daily net imports and 61 days' average daily domestic consumption, with 30 days' stocks to be maintained by the competent government agency in Lithuania. Under the laws of the Czech Republic, mandatory oil stocks must be maintained only by a dedicated government agency.

Maintaining mandatory stocks entails funding and storage costs and creates the risk of non-cash impacts on the ORLEN Group's operating performance caused by market price movements that necessitate stock revaluation. Furthermore, to comply with the Polish statutory requirements on emergency stocks of crude oil and liquid fuels, the operator must pay a stocks charge to the Emergency Stocks Fund, managed by the President of the Material Reserves Agency. The charge puts a material financial burden on the ORLEN Group's operations.

Failure to maintain the required stock levels or breach of other obligations in the jurisdictions in which the ORLEN Group operates, including under the Act on Emergency Stocks, entails the risk of high penalties being imposed. The above factors could 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.

The energy tariffs policy may negatively affect the ORLEN Group revenues

The ORLEN Group controls Energa S.A. one of the largest energy producers in Poland. Energy companies' revenues are mainly determined by tariffs. According to Polish law, energy tariffs should cover the reasonable operation costs and protect customers from unjustified price increases. Licensed energy utilities 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 DSO -- 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.

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. The process of agreeing and issuing a decision begins in the fall of each year by commencing a dialogue with DSO and the President of the Energy Regulatory Office. 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.

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.

The Issuer is obliged to achieve the National Indicative Target (NIT) 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 2019, the NIT baseline value was 8.0 per cent., but starting from 2020 it has been raised to 8.5 per cent. Also applicable is the Act Amending the Act on the Fuel Quality Monitoring and Control System and Certain Other Acts of 27 May 2011 (**Act on Fuel Quality**), under which 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 2019, the reduction coefficient was 0.82 per cent., while the NIT was 5.576 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. by the end of 2020. In 2020, the NRT was set at 5.576 per cent. The NRT baseline levels for 2021–2024 have been set at 8.7 per cent., 8.8 per cent., 8.9 per cent., and 9.1 per cent., respectively.

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, 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 licensed 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. ORLEN Group has, from time to time, shutdown certain facilities in order to 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 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 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 may face significant financial penalties for breach of antitrust laws

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

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.

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.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, 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. Potential investors should consider reinvestment risk in light of other investments available at that time.

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.

The regulation and reform of "benchmarks" may adversely affect the value of Notes linked to or referencing such "benchmarks"

Interest rates and indices which are deemed to be "benchmarks", (including the London interbank offered rate (**LIBOR**) and the euro interbank offered rate (**EURIBOR**)) are the subject of national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes referencing such a benchmark.

Regulation (EU) 2016/1011 (the **EU Benchmarks Regulation**) applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed). Regulation (EU) 2016/1011 as it forms part of domestic law by virtue of the EUWA (the **UK Benchmarks Regulation**) among other things, applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the FCA or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

The EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, could have a material impact on any Notes linked to or referencing a benchmark in particular, if the methodology or other terms of the benchmark are changed in order to comply with the requirements of the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark.

More broadly, any of the international or national reforms, 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.

Specifically, the sustainability of LIBOR has been questioned as a result of the absence of relevant active underlying markets and possible disincentives (including possibly as a result of benchmark reforms) for market participants to continue contributing to such benchmarks. The FCA has indicated through a series of announcements that the continuation of LIBOR on the current basis cannot and will not be guaranteed after

2021. On 5 March 2021, ICE Benchmark Administration Limited (**IBA**), the administrator of LIBOR, published a statement confirming its intention to cease publication of all LIBOR settings, together with the dates on which this will occur, subject to the FCA exercising its powers to require IBA to continue publishing such LIBOR settings using a changed methodology (the **IBA announcement**). Concurrently, the FCA published a statement on the future cessation and loss of representativeness of all LIBOR currencies and tenors, following the dates on which IBA has indicated it will cease publication (the **FCA announcement**). Permanent cessation will occur immediately after 31 December 2021 for all euro and Swiss Franc LIBOR tenors and certain Sterling, Japanese Yen and US Dollar LIBOR settings and immediately after 30 June 2023 for certain other USD LIBOR settings. In relation to the remaining LIBOR settings (1-month, 3-month and 6-month Sterling, US Dollar and Japanese Yen LIBOR settings), the FCA will consult on, or continue to consider the case for, using its powers to continue their publication under a changed methodology for a further period after end-2021 (end-June 2023 in the case of US Dollar LIBOR). The FCA announcement states that consequently, these LIBOR settings will no longer be representative of the underlying market that such settings are intended to measure immediately after 31 December 2021, in the case of the Sterling and Japanese Yen LIBOR settings and immediately after 30 June 2023, in the case of the USD LIBOR settings. Any continued publication of the Japanese Yen LIBOR settings will also cease permanently at the end of 2022.

Separately, the euro risk free-rate working group for the euro area has published a set of guiding principles and high level recommendations for fallback provisions in, amongst other things, new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, amongst other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system. On 25 November 2020, the euro risk-free rate working group published consultations on EURIBOR fallback trigger events and fallback rates. The final recommendations are expected to be published during the second quarter of 2021.

Such factors may have (without limitation) the following effects on certain benchmarks: (i) discouraging market participants from continuing to administer or contribute to a benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark and/or (iii) leading to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to, referencing, or otherwise dependent (in whole or in part) upon, a benchmark.

The Terms and Conditions of the Notes provide for certain fallback arrangements in the event that an Original Reference Rate (as defined in the Terms and Conditions of the Notes) and/or any page on which an Original Reference Rate may be published (or any other successor service) becomes unavailable or a Benchmark Event otherwise occurs. Such fallback arrangements include the possibility that the rate of interest or other amounts payable under the Notes could be set by reference to a Successor Rate or an Alternative Rate (both as defined in the Terms and Conditions of the Notes) determined by an Independent Adviser (as defined in the Terms and Conditions of the Notes) acting in good faith and in a commercially reasonable manner as described more fully in the Terms and Conditions of the Notes. If a Successor Rate or an Alternative Rate (as the case may be) is so determined, an Adjustment Spread (as defined in the Terms and Conditions of the Notes) shall also be determined by the relevant Independent Adviser in accordance with the Terms and Conditions of the Notes and amendments to the Terms and Conditions of the Notes may be made by the relevant Independent Advisor (acting in good faith and in a commercially reasonable manner and following consultation with the Issuer) to follow market practice in relation to the Successor Rate or Alternative Rate (as applicable) or to ensure the proper operation of the Successor Rate or Alternative Rate and/or (in either case) the applicable Adjustment Spread. An Adjustment Spread could be positive, negative or zero. Investors should note that the relevant Independent Adviser will have discretion to determine the applicable Adjustment Spread in the circumstances described in the Terms and Conditions of the Notes, and in any event an Adjustment Spread may not be effective in reducing or eliminating any economic prejudice or benefit to investors arising out of the replacement of the relevant Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be).

The use of a Successor Rate or Alternative Rate (including with the application of an Adjustment Spread) will still result in any Notes referencing an Original Reference Rate performing differently (which may include payment of a lower Rate of Interest) than they would if the Original Reference Rate were to continue to apply in its current form. No consent of the Noteholders, Receiptholders or Couponholders shall be required in connection with effecting any relevant Successor Rate or Alternative Rate (as applicable) or any other related adjustments and/or amendments described above.

Any such adjustment or amendment could have unexpected commercial consequences and there can be no assurance that, due to the particular circumstances of each Noteholder, Receiptholder or Couponholder, any such adjustment will be favourable to each Noteholder, Receiptholder or Couponholder.

In certain circumstances (including where, following the occurrence of a Benchmark Event, the Independent Adviser appointed by the Issuer fails to make the necessary determination of a Successor Rate or Alternative Rate or (in either case) the applicable Adjustment Spread), the ultimate fallback for the purposes of calculation of the Rate 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. Due to the uncertainty concerning the availability of Successor Rates and Alternative Rates, the involvement of an Independent Adviser and the potential for further regulatory developments, there is a risk that the relevant fallback provisions may not operate as intended at the relevant time.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, or any of the international or national reforms and the possible application of the benchmark replacement provisions of Notes in making any investment decision with respect to any Notes referencing a benchmark.

The application of the net proceeds of Green Notes 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 Notes (as defined below). The applicable Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes) 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 Notes**) 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 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.

Furthermore, it should be noted that there is currently no clear definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a "green", "social" or "sustainable" or an equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as "green", "social" or "sustainable" or such other equivalent label nor can any assurance be given that such a clear definition or consensus will develop over time or that any prevailing market consensus will not significantly change. Accordingly, no assurance is or can be given 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", "social" or "sustainable" 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 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 Notes 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 Notes 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 Notes 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 Notes 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 Notes. Currently, the providers of such reports, assessments, opinions and certifications are not subject to any specific oversight or regulatory or other regime.

Application has been made to Euronext Dublin for Notes (which may include Green Notes) 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 Notes) to be listed and admitted to trading on the regulated market of the WSE. However, in the event that any Green Notes 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.

While it is the intention of the Issuer to apply an amount equal to the net proceeds of any Green Notes so specified for Eligible Projects in, or substantially in, the manner described in this Offering Circular or the applicable Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes), there can be no assurance that the relevant project or asset(s) or use(s) the subject of, or related to, any Eligible Projects will be capable of being implemented in or substantially in such manner and/or accordance with any timing

schedule and that accordingly such proceeds will be totally or partially disbursed for or towards such Eligible Projects. Nor can there be any assurance that such Eligible Projects will be completed within any specified period or at all or with the results or outcome (whether or not related to the environment and/or society) as originally expected or anticipated by the Issuer. Any such event or failure to apply an amount equal to the net proceeds of any issue of Green Notes for any Eligible Projects or to obtain and publish any such reports, assessments, opinions and certifications, will not constitute an Event of Default under the relevant Green Notes nor give rise to any other claim of an investor in such Green Notes against the Issuer.

Any such event or failure to apply an amount equal to the net proceeds of any issue of Green Notes for or towards any Eligible Projects as aforesaid and/or the withdrawal of any such report, assessment, opinion or certification or any such report, assessment, opinion or certification attesting that the Issuer is not complying in whole or in part with any matters for which such report, assessment, opinion or certification is opining or certifying on and/or any such Notes no longer being listed or admitted to trading on any stock exchange or securities market as aforesaid may 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.

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 such as LIBOR. 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, 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 2019 and 31 December 2020 (together, the **Financial Statements**).

The Group's financial year ends on 31 December 2021, 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 dollar;
- *PLN* refer to Polish zloty; 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 or PKN ORLEN** are to Polski Koncern Naftowy ORLEN S.A. References to **ORLEN Group** or **Group** are to Polski Koncern Naftowy ORLEN S.A. and its Subsidiaries, except where it is clear from the context that the term means Polski Koncern Naftowy 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.

Exchange Rate Information

The functional currency of PKN 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 2019 and 2020, and as at and for the three months ended 31 March 2021.

	March 31, 2021	December 31, 2020	December 31, 2019
Exchange rate at the end of the period			
EUR/PLN	4.6603	4.6148	4.2585
USD/PLN	3.9676	3.7584	3.7977
CZK/PLN	0.1783	0.1753	0.1676
CAD/PLN	3.1500	2.9477	2.9139

	January 1, 2021 – March 31, 2021	January 1, 2020 - December 31, 2020	January 1, 2019 - December 31, 2019
Period average exchange rate			
EUR/PLN	4.5440	4.4442	4.2987
USD/PLN	3.7700	3.8996	3.8399
CZK/PLN	0.1742	0.1680	0.1675
CAD/PLN	2.9768	2.9068	2.8939

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. PKN 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 PKN 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 PKN 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 for the year adjusted for income tax, finance expense, finance income, and depreciation and amortization.

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

PKN ORLEN presents EBITDA as it believes it will be useful to investors and analysts in reviewing PKN 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 PKN ORLEN's direct competitors. Investors are encouraged to evaluate any adjustments to IFRS measures themselves and the reasons PKN 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. PKN 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 auditor's report and audited consolidated financial statements and the notes thereto of the Group for the financial year ended 31 December 2020 (which can be viewed online at http://www.orlen.pl/EN/InvestorRelations/FinancialData/Lists/FinancialReports/SKONSOLIDOWANY_RAPORT_2020_PDF_ENG.zip);

(b) the auditor's report and audited consolidated financial statements and the notes thereto of the Group for the financial year ended 31 December 2019 (which can be viewed online at http://www.orlen.pl/EN/InvestorRelations/FinancialData/Lists/FinancialReports/FY2019_Consolidated.zip); and

(c) the auditor's review report and the reviewed consolidated interim financial statements and the notes thereto of the Group as at and for the three month period ended 31 March 2021 appearing at the pages 5-36 (inclusive) of the ORLEN Group Consolidated Quarterly Report for the 1st Quarter 2021 (which can be viewed online at http://www.orlen.pl/EN/InvestorRelations/FinancialData/Lists/FinancialReports/PKN_ORLEN_210429_2021q1_RAPORT%20IQ2021_ENG.zip).

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.

FORM OF THE NOTES

Any reference in this section to "applicable Final Terms" shall be deemed to include a reference to "applicable Pricing Supplement" where relevant.

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.

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 Terms and 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 13 May 2021 and executed by the Issuer.

The Issuer may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes, 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 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 (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; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the **Prospectus Regulation**). 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**); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (**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 domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law 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 domestic law 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 (CHAPTER 289) OF SINGAPORE, 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]

[*Date*]

Polski Koncern Naftowy ORLEN Spółka Akcyjna

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 13 May 2021 [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.*) (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.*]

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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.

[*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		Polski Koncern Naftowy ORLEN Spółka Akcyjna
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 [LIBOR/EURIBOR]] +/- [ ] 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)]
	(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:	
	• Reference Rate:	[ ] month [LIBOR/EURIBOR]
	• Interest Determination Date(s):	[ ] *(Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)*
	• Relevant Screen Page:	[ ] (*In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately*)
(g)	ISDA Determination:	
	• Floating Rate Option:	[ ]
	• Designated Maturity:	[ ]
	• Reset Date:	[ ] (*In the case of a LIBOR or EURIBOR based option, the first day of the Interest Period*) *(N.B. The fall-back provisions applicable to ISDA Determination under the 2006 ISDA Definitions are reliant upon the provision by reference banks of offered quotations for LIBOR and/or EURIBOR which, depending on market circumstances, may not be available at the relevant time*)
(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: [ ]

(ii) Maximum Redemption 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[6]] (*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*]

[6] Include for Notes that are to be offered in Belgium.

		(*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 Polski Koncern Naftowy ORLEN Spółka Akcyjna:

By: .....

Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

(i)	Listing:	Application [has been/is expected to 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.*)] [*if relevant, also specify any third country market, SME growth market or MTF*] with effect from [ ].
(ii)	Admission to trading:	Application [has been/is expected to 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.*)] [*if relevant, also specify any third country market, SME growth market or MTF*] 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

[Save for the fees [of [*insert relevant fee disclosure*]] 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 Notes (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)	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 intra day 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[, 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 intra day 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.]

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 taken 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**); (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; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the **Prospectus Regulation**). 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.][7]

[**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**); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (**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 domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law 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.][8]

[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 (CHAPTER 289) OF SINGAPORE, 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)*].][9]

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7 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".

8 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".

9 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

[*Date*]

Polski Koncern Naftowy ORLEN Spółka Akcyjna

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.][10]

This document constitutes the Pricing Supplement for the Notes described herein. This document must be read in conjunction with the Offering Circular dated 13 May 2021 [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].[11]

[*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:		Polski Koncern Naftowy ORLEN Spółka Akcyjna
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

[10] 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).

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

			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] [[*specify Reference Rate*] +/- [ ] 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:	
		• Reference Rate:	[ ] month [LIBOR/EURIBOR/*specify other Reference Rate*] *(Either LIBOR, EURIBOR or other, although additional information is required if other, including fallback provisions in the Agency Agreement.)*

	• Interest Determination Date(s):	[ ] *(Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)*
	• Relevant Screen Page:	[ ] (*In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately*)
(g)	ISDA Determination:	
	• Floating Rate Option:	[ ]
	• Designated Maturity:	[ ]
	• Reset Date:	[ ] (*In the case of a LIBOR or EURIBOR based option, the first day of the Interest Period*) (*N.B. The fall-back provisions applicable to ISDA Determination under the 2006 ISDA Definitions are reliant upon the provision by reference banks of offered quotations for LIBOR and/or EURIBOR which, depending on market circumstances, may not be available at the relevant time*)
(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:	[ ]
	(ii)	Maximum Redemption 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		[[ ] per Calculation Amount/*specify other*/see Appendix]

	of default and/or the method of calculating the same (if required):	(*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[12]]] [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]

[12] Include for Notes that are to be offered in Belgium.

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 Polski Koncern Naftowy ORLEN Spółka Akcyjna:

By: .....

Duly authorised

PART B – OTHER INFORMATION

1. LISTING

[Application [has been made/is expected to 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 Notes] (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 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)	[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 intra day 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 intra day 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 taken 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 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. The applicable Pricing Supplement in relation to any Tranche of Exempt Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. The applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement (or, in either case, the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to "Applicable Final Terms" or the "Applicable Pricing Supplement", as applicable, for a description of the content of Final Terms or Pricing Supplement, as applicable, which will specify which of such terms are to apply in relation to the relevant Notes.

This Note is one of a Series (as defined below) of Notes issued by Polski Koncern Naftowy ORLEN Spółka Akcyjna (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 13 May 2021 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 domestic law 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 13 May 2021 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 (as defined in the Agency Agreement), 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 resultant 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 TARGET2 System) specified in the applicable Final Terms;

(b) if TARGET2 System is specified as an Additional Business Centre in the applicable Final Terms, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the **TARGET2 System**) 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 TARGET2 System 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.

(i) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this subparagraph (i), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Principal Paying Agent or the Calculation Agent, as applicable, under an interest rate swap transaction if the Principal Paying Agent or the Calculation Agent, as applicable, were acting as Calculation Agent (as defined in the ISDA Definitions (as defined below)) for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the **ISDA Definitions**) and under which:

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

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

(C) the relevant Reset Date is the day specified in the applicable Final Terms.

For the purposes of this subparagraph (i), **Floating Rate**, **Floating Rate Option**, **Designated Maturity** and **Reset Date** have the meanings given to those terms in the ISDA Definitions.

Unless otherwise stated in the applicable Final Terms the Minimum Rate of Interest shall be deemed to be zero.

(ii) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject to Condition 5.2(h) and subject as provided below, be either:

(A) the offered quotation; or

(B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (being either LIBOR or EURIBOR, as specified in the applicable Final Terms) which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Principal Paying Agent or the Calculation Agent, as applicable. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Principal Paying Agent or the Calculation Agent, as applicable, for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If, other than in the circumstances described in Condition 5.2(h) below, the Relevant Screen Page is not available or if, in the case of Condition 5.2(b)(ii)(A) above, no offered quotation appears or, in the case of Condition 5.2(b)(ii)(B) above, fewer than three offered quotations appear, in each case as at the time specified in the preceding paragraph, the Issuer shall request each of the Reference Banks to provide the Principal Paying Agent or the Calculation Agent, as applicable, with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Principal Paying Agent or the Calculation Agent, as applicable, with offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Principal Paying Agent or the Calculation Agent, as applicable.

If on any Interest Determination Date one only or none of the Reference Banks provides the Principal Paying Agent or the Calculation Agent, as applicable, with an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Principal Paying Agent or the Calculation Agent, as applicable, determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to the Principal Paying Agent or the Calculation Agent, as applicable, by the Reference Banks or any two or more of them, at which such banks were offered, at approximately 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the London inter-bank market (if the Reference Rate is LIBOR) or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the

Reference Banks provide the Principal Paying Agent or the Calculation Agent, as applicable, with offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for the purpose) informs the Principal Paying Agent or the Calculation Agent, as applicable, it is quoting to leading banks in the London inter-bank market (if the Reference Rate is LIBOR) or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be 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).

In this Condition 5.2(b)(ii) **Reference Banks** means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market, and in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Issuer.

Unless otherwise stated in the applicable Final Terms the Minimum Rate of Interest shall be deemed to be zero.

(c) **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.

(d) **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:

$$\text{Day Count Fraction} = \frac{\left[360\times\left(Y_2 - Y_1\right)\right] + \left[30\times\left(M_2 - M_1\right)\right] + \left(D_2 - D_1\right)}{360}$$

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

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:

$$\text{Day Count Fraction} = \frac{\left[360 \times \left(Y_2 - Y_1\right)\right] + \left[30 \times \left(M_2 - M_1\right)\right] + \left(D_2 - D_1\right)}{360}$$

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:

$$\text{Day Count Fraction} = \frac{\left[360 \times \left(Y_2 - Y_1\right)\right] + \left[30 \times \left(M_2 - M_1\right)\right] + \left(D_2 - D_1\right)}{360}$$

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.

(e) **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.

(f) **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.

(g) **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.

(h) **Benchmark Discontinuation**

(i) *Independent Adviser*

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(h)(ii)) and, in either case, an Adjustment Spread, if any (in accordance with Condition 5.2(h)(iii)) and any Benchmark Amendments (in accordance with Condition 5.2(h)(iv)).

An Independent Adviser appointed pursuant to this Condition 5.2(h) 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(h).

(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(h)(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(h)); 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(h)(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(h)).

(iii) *Adjustment Spread*

If a Successor Rate or Alternative Rate is determined in accordance with Condition 5.2(h)(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(h) 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(h)(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.

(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(h). 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(h), the Original Reference Rate and the fallback provisions provided for in Condition 5.2(b)(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(h), 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(b)(ii) will (if applicable) continue to apply to such determination.

For the avoidance of doubt, this Condition 5.2(h)(vii) 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(h).

(viii) *Definitions*

As used in this Condition 5.2(h):

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(h)(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 Condition 5.2(h)(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 Condition 5.2(h) above;

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.

5.3 Exempt Notes

In the case of Exempt Notes which are also Floating Rate Notes where the applicable Pricing Supplement identifies that Screen Rate Determination applies to the calculation of interest, if the Reference Rate from time to time is specified in the applicable Pricing Supplement as being other than LIBOR or EURIBOR, 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 TARGET2 System) specified in the applicable Final Terms;

(b) if TARGET2 System is specified as an Additional Financial Centre in the applicable Final Terms, a day on which the TARGET2 System 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 TARGET2 System 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, 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 = $RP \times (1 + AY)^{y}$

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 €75,000,000 (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 €75,000,000 (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 €75,000,000 (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. 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(h).

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. GOVERNING LAW AND SUBMISSION TO JURISDICTION

18.1 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.

18.2 Submission to jurisdiction

(a) Subject to Condition 18.2(c) below, 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 18.2, the Issuer waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.

(c) To the extent allowed by law, the Noteholders, the Receiptholders and the Couponholders may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions.

18.3 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.

18.4 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 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, the funding of sustainable development assets (i.e. 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 (or, in the case of Exempt Notes, the "Use of Proceeds" in Part B of the applicable Pricing Supplement) for any Tranche of Notes indicate that such Notes are intended to be issued as Green Notes, the allocation of an amount equal to the net proceeds from such issue of Notes will be to Eligible Projects in accordance with the Green Finance Framework (as further described in the section of this Offering Circular entitled "*Green Finance Framework*").

The Issuer's finance department will monitor the allocation of the amount equal to the net proceeds of such Notes to Eligible Projects in the Issuer's internal information systems and database. Pending the allocation of such amount to 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 Notes 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 Notes 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 believes that the Green Finance Framework is aligned with the International Capital Market Association's Green Bond Principles, 2018 and the Loan Market Association's Green Loan Principles, 2021. This conclusion is confirmed by the second party opinion dated May 2021 (the **Second Party Opinion**) obtained by the Issuer 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 aforementioned market standards. The Issuer will also follow, on a best efforts basis, the disclosure guidelines found in the ICMA Climate Transition Finance Handbook, 2020. 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 Notes' 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 Notes will be available on the Issuer's website at https://www.orlen.pl/EN/InvestorRelations/Green_Finance/Pages/default.aspx for further information and will not be incorporated into and will not form part of this Offering Circular.

DESCRIPTION OF THE ISSUER

History and general introduction

Polski Koncern Naftowy ORLEN S.A. (**PKN ORLEN**, the **Issuer**) together with its subsidiaries (the **Group**, the **ORLEN Group**) is one of the largest and most advanced multi-energy groups in Central and Eastern Europe (**CEE**) operating on the Polish, Lithuanian, Czech, Slovak, German, Chinese and Canadian markets. The ORLEN Group entities are also located in Malta, Sweden, the Netherlands, Hungary, Estonia, Latvia, and the USA.

PKN 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. PKN ORLEN's shares were listed on the Warsaw Stock Exchange on 26 November 1999. On 12 April 2000, the PKN ORLEN changed its name from Polski Koncern Naftowy S.A. to Polski Koncern Naftowy ORLEN S.A.

According to the CEE TOP 500 report published by Coface in November 2020, the ORLEN Group is one of the largest corporations in the CEE in terms of revenue. For 2020, the ORLEN Group reported revenue of PLN 86,180 million. In line with the ORLEN Group's 2030 Strategy (as defined below) adopted in November 2020, the ORLEN Group's ambition is to be an active leader of energy transition in Poland and Central Europe. The ORLEN Group intends to achieve this goal by further development of its multi-utility structure. One of the first steps taken by PKN ORLEN was the acquisition of the Energa S.A. and its subsidiaries (together, the **Energa Group**), one of the largest producers and suppliers of electric energy in Poland.

The ORLEN Group's core business consists of the production and distribution of electric energy, crude oil processing, and production of fuels, petrochemical and chemical products, as well as sale of the ORLEN Group's products on the retail and wholesale markets. The ORLEN Group is also engaged in hydrocarbon exploration, appraisal and production. The ORLEN Group is one of Poland's largest electricity distributors, operating an electricity grid with a total length of 191 thousand kilometres, covering approximately one-fourth of the territory of Poland. At the end of 2020, the ORLEN Group managed 2,855 fuel stations. In 2020, PKN ORLEN acquired RUCH S.A. (**RUCH**), Poland's countrywide newsagent chain. Based on the chain of 1,209 RUCH newsagents, PKN ORLEN aims to expand its range of stores and catering services beyond service stations. As at the end of 2020, the ORLEN Group had a network of 114 electric vehicle charging stations.

In 2020, the segments with the largest contribution to the ORLEN Group's consolidated EBITDA (as defined above) were Energy and Retail, each of which accounted for approximately 40 per cent. of the ORLEN Group's total profit. The business of the ORLEN Group's subsidiary companies also includes services: crude oil and fuel storage, transport, repair and maintenance services, laboratory, security, design, administrative, insurance and financial services.

A significant portion of the ORLEN Group's fuel output is sold through 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- and underground storage tanks and long-distance pipelines.

Basic information on the Issuer

PKN ORLEN is registered in the register of entrepreneurs of the National Court Register under KRS 0000028860. The registered office of PKN ORLEN is at ul. Chemików 7, 09-411 Płock, Poland, and its telephone number is +48 (24) 365 00 00.

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 534,636,326.25, which comprises 427,709,061 ordinary shares with a nominal value of PLN 1.25 each. As at the date of this Offering Circular, the State Treasury owned 27.52 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 indicates the 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 PKN 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.

In accordance with the 2030 Strategy, by 2030 the ORLEN Group aims to become:

- one of the leading groups in Europe, operating in more than 10 countries across the entire value chain with annual EBITDA of approximately PLN 26 billion;
- a leader in the CEE's energy transition, with the largest portfolio of attractive assets in renewable and low-carbon energy, with potential for future conversion to hydrogen;
- 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.

By 2030, the ORLEN Group plans to spend a total of PLN 140 billion on investments. The ORLEN Group's development will be based on a diversified portfolio of investments in current and future areas of PKN ORLEN's operations, including:

- maximizing results in segments and business areas where the ORLEN Group currently holds a strong strategic position, which, however, in the next decade will be under great market pressure: upstream, refining, fuel retail and energy and gas distribution. The investments in these strategic segments will amount to approximately 35-45 per cent. of total investments;
- strategic development: the largest portion of total investments will be allocated to segments that suit PKN ORLEN's strategic growth plans. Approximately 45-55 per cent. will be allocated to new, promising areas related primarily to renewable energy and advanced petrochemicals;

- 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, recycling, research, development, innovation and digitalization, which will account for 5-10 per cent. of total investments.

Strategic development goals for operating segments

Energy

The key area of the ORLEN Group's development in the coming decade will be the power generation, based mainly on renewable energy sources and supported by gas capacities. By 2030, the ORLEN Group intends to achieve the level of over 2.5 GW of installed capacity in renewable sources (calculated according to the ORLEN Group's shares in the relevant projects). Of that capacity, 1.7 GW will be provided by offshore wind farms and 0.8 GW by onshore sources - wind power plants and photovoltaics projects. The ORLEN Group will also increase the capacity installed in modern gas-fired power plants from 1.1 GW to over 2.0 GW. The production capacity will be supplemented by the ORLEN Group's extensive, modern distribution network, providing access to a wide range of individual customers and generating stable profits. PKN ORLEN will also implement pilot energy storage facilities to optimize electricity distribution costs.

Petrochemicals

The ORLEN Group expects that by 2030 the Petrochemical segment will generate approximately half of the ORLEN Group's revenue from crude oil processing. 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 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 0.4 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 and planned integration with LOTOS Group (see: *Description of the ORLEN Group – Acquisitions under consideration – LOTOS Group*). 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 2 million tonnes. As part of the implementation of the strategy, works on the hydrogen hubs in Włocławek and Płock will be continued, as well as activities aimed at the production of green hydrogen.

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 sales network will be developed mainly abroad - the share of foreign stations in the total network is expected to increase from 37 per cent. to 45 per cent. The ORLEN Group aims to enhance the availability of alternative fuels, by deploying at least 1,000 electric vehicle (**EV**) fast chargers and increasing the sales of hydrogen, liquified natural gas (**LNG**) and compressed natural gas (**CNG**). The ORLEN Group's broad, integrated offering of non-fuel products and services is expected to attract new customer groups. Based on RUCH's countrywide chain of newsagents, the ORLEN Group plans to expand its store and food service

formats beyond service stations, and will also develop its own network of parcel pick-up points and e-commerce services. Integration with the Energa Group is expected to help ORLEN develop comprehensive service centres for both retail and business customers, encompassing fuel and electricity sales as well as distributed energy solutions. If the initiatives outlined in the 2030 Strategy are delivered successfully, this has the potential to drive up to an estimated 50 per cent. increase in gross non-fuel margin relative to 2019.

Upstream

The 2030 Strategy assumes prudent expansion of the upstream assets portfolio, with a special focus on natural gas reserves and potential restoration of the existing portfolio of production assets after merger with LOTOS Group. The ORLEN Group also expects to further develop its current operations in Poland.

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 20 per cent. fewer emissions from its existing refining and petrochemical assets and 33 per cent. per MWh in the Energy segment.

Within the 2030 Strategy timeframe, the ORLEN Group aims to allocate PLN 30 billion to investments in sustainable development, including over PLN 25 billion to activities aimed at reducing its carbon footprint.

The investments are planned to be focused on:

- decarbonisation and improved energy efficiency;
- development of renewable energy sources capacities;
- expansion of biofuels and biomaterials capacity;
- development in the recycling area; and
- building a position in alternative fuels such as electromobility, hydrogen, and CNG/LNG.

Significant investment in R&D and digitalisation

The pursuit of the ORLEN Group's strategic objectives will also require changes within the organization. Over the next decade, the ORLEN Group intends to spend approximately PLN 3 billion (approximately 3 per cent. of its development capex budget) on research, development and innovation, as a key area of its necessary transformation. The funds will be used to develop the corporate venture capital fund and to finance the activities of the ORLEN Research & Development Centre, among other projects. Another essential element will be the digital transformation, driving efficiency gains in production and distribution, helping mitigate the environmental footprint and fostering customer relations. 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 organization 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 at 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:

- 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;
- services: storage of crude oil and fuels, transport, maintenance, laboratory, security, design, administrative, insurance and financial services; and
- exploration, appraisal and production of hydrocarbons.

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 segment. Therefore, the ORLEN Group's operations are divided into five main operating segments:

- the Energy segment, which includes production, distribution and sale of electricity and heat and trading in electricity;
- 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 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; and
- the Upstream segment, which includes activity related to exploration and extraction of mineral resources conducted through the ORLEN Upstream Group,

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.

In 2020, the ORLEN Group reached its first milestone in building a multi-utility group through acquiring shares in Energa S.A., a Polish company whose core activities include generation, distribution and trading in electricity and heat, as well gas trading. The Energa Group also holds a significant portfolio of renewable energy sources assets.

Energy

The Energy segment comprises production, distribution and sale of electricity and heat and trading in electricity.

Competition in the CEE

The ORLEN Group's biggest competitors in the Energy segment include:

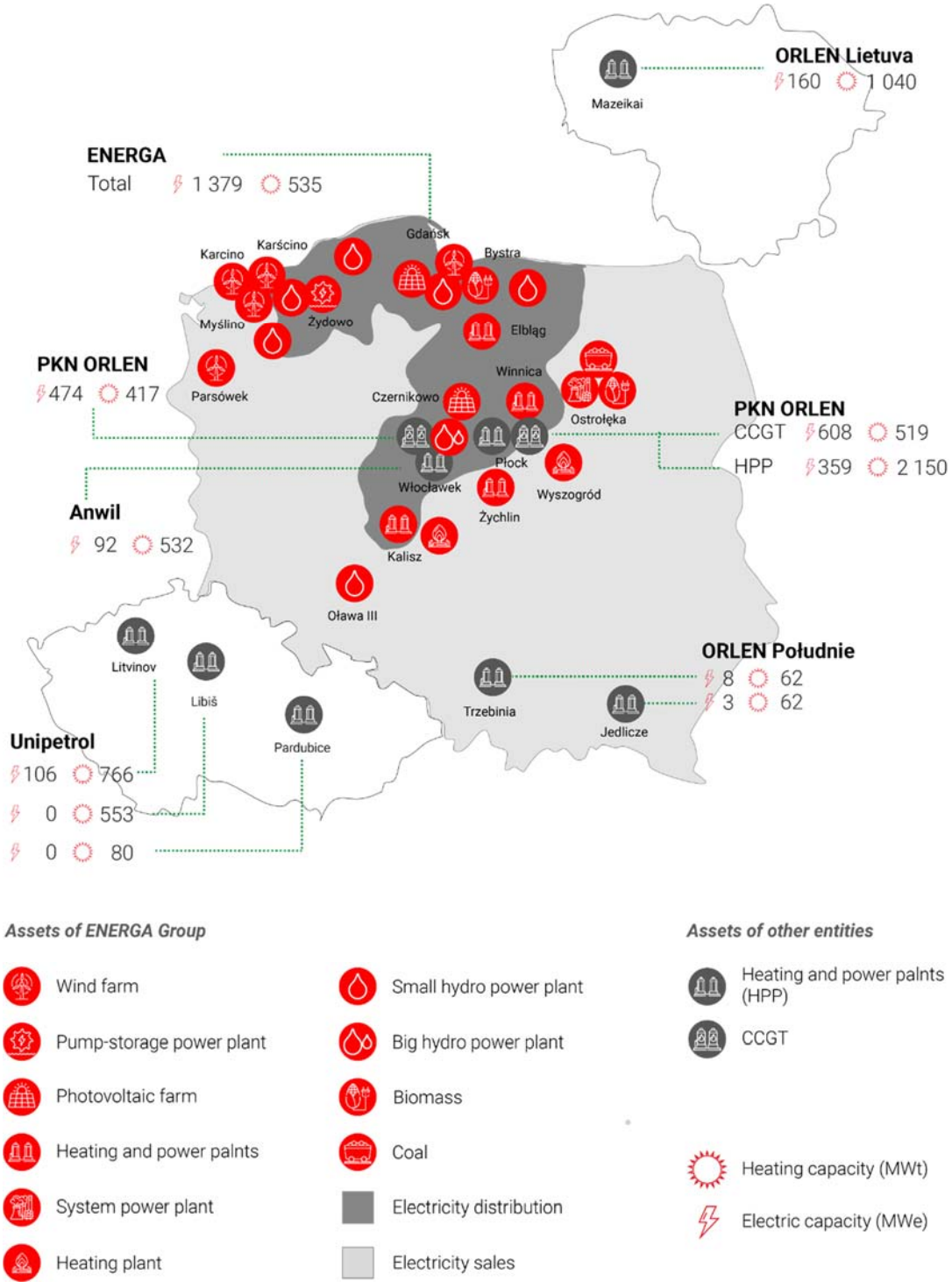
- PGE Polska Grupa Energetyczna S.A.'s group, the largest vertically integrated producer of electricity and heat in Poland; and
- TAURON Polska Energia S.A.'s group consisting of TAURON Polska Energia S.A. with its registered office in Katowice and its subsidiaries.

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 areas, in Płock, Ostrołęka, Elbląg, Włocławek, Jedlicze and Trzebinia; in the Czech Republic they are located in Litvinov, Spolana, Kolin and Pardubice, and in Lithuania they are located in Mažeikiai. 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. Green energy is generated in 46 hydropower plants, 6 wind farms, as well as in biomass combustion installations (in Energa Elektrownie Ostrołęka and Energa Kogeneracja) and two photovoltaic installations.

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:

- Energa OZE's Bystra wind farm, which is located in the Pomeranian Voivodship, in Pruszcz Gdanski poviat, in Bystra, Dziewięć Włók, Wiślina. It is the smallest and newest wind farm located near Gdansk. 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, Kolobrzeg 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 left after a coal mine in the Przykona municipality (Turek poviat). It consists of 9 wind turbines with a total power capacity of 31.05 MW.

Solar farms

The ORLEN Group holds the following photovoltaic (**PV**) installations:

- PV Delta operated by Energa OZE, 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 1.63 MWp.

- PV Czernikowo operated by Energa OZE 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 m^2.

Combined-cycle gas turbine (CCGT) plants

The ORLEN Group also operates the following CCGT plants:

- CCGT Włocławek, which is responsible for the supply of electricity and process steam to the ANWIL S.A. (**ANWIL**) combined heat and power plant. In 2020, CCGT Włocławek was an active participant of the electricity market, cooperating closely with Polskie Sieci Elektroenergetyczne S.A. (**PSE**). Due to the relatively large installed capacity and high flexibility of the unit, system services actively supporting the stability of the national power system were also provided to PSE. In 2020, a net 2.9 TWh of electricity was produced and 1.3 petajoules (PJ) of process steam heat was supplied to ANWIL;

- CCGT Płock, which is a producer of heat and power in cogeneration, and covers the shortage of these utilities at the Płock refinery, while remaining an active participant of the electricity market and providing ancillary power reserve services to the transmission system operator, i.e., PSE. In 2020, the unit produced a net 3.8 TWh of electricity and 3.9 PJ of steam diverted to the Płock refinery grid.

Surplus electricity from the CCGT assets is sold both on the wholesale energy market and to end customers.

Water power plants

The ORLEN Group operates the following water power plants:

- Energa OZE'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 OZE'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 3 turbine sets.

- Energa OZE'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:

- PKN 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 power generation capacity of EC Płock stands currently at 358.9 MW. The upgraded TG1 turbine generator is set to commence operations in September 2021, bringing EC Płock's total power generation capacity to 428 MW. The boilers at the plant are fired with heavy fuel oil derived from crude distillation and also with gas. At present, EC Płock is implementing a thorough programme of overhauls and modernization of the basic generation equipment, including the:

  – construction of a new main power supply point, which is scheduled for completion in the first quarter of 2023;

  – upgrade of the K1 to K7 boilers protection system, including the building management system (BMS) controllers, which is scheduled for completion by the end of 2024;

  – upgrade of the high pressure headers, which is scheduled for completion by the end of 2026;

  – modernization of two TG4 and TG5 turbo sets which is scheduled for completion by the end of 2027.

  Moreover, EC Płock actively participates in the implementation of the development programme for the production plant in Płock in respect of power infrastructure development.

- 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. A new natural gas-fired heat source commissioned in 2019 is in the process of expansion (via the construction of a third gas boiler), which is scheduled for completion in the fourth quarter of 2021. After the expansion, approximately 60 per cent. of the heat demand will be covered by a low-carbon gas source.

- 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 PKN 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 with 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.

- 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.

- 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.

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.

Offshore wind projects – Baltic Sea OWPP construction project

The ORLEN Group, through Baltic Power sp. z o.o. (**Baltic Power**), holds a license (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 approx. 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 own consumption, processed, stored or sold.

Environmental studies in the designated wind farm area, preliminary studies of the seabed and wind research were successfully completed in line with the OWPP construction project's schedule and budget for 2020. The negotiations and the grid connection agreement for the OWPP construction project have been finalised (the agreement was signed in January 2021) and two permits for laying cables in the marine area have also been obtained. An application for an environmental decision was also submitted within the planned timeframe and, as at the date of this Offering Circular, is currently being processed. Due to the completion of these works, it was possible to start preparations for conducting the main geotechnical studies of the seabed and to start designing the main offshore wind power plant equipment as well as the power connections.

The respective project workstreams also included works on securing port and logistics infrastructure and developing a preliminary supply chain for the project. The PKN ORLEN team running the project engaged in an active dialogue with market participants, including one of the first meetings with the market (the Offshore Wind Supply Chain Meeting) in December 2020, as well as actively cooperating with internal and external stakeholders of the project.

The preliminary technical and construction design will be prepared by a British company, Offshore Design Engineering Ltd. (**ODE**), which has over 20 years of experience in carrying out this type of task. The commencement of this stage of works was preceded by many months of research on wind and the geological structure of the seabed. Completion of the design work will enable detailed planning of the investment implementation schedule. ODE designs offshore wind farms for some of the world's companies and project owners. ODE's track record includes the design of, among others, nearly 8 GW of capacity in UK waters, 3.2 GW offshore in Northern Europe and in other parts of the world where a further 2.6 GW of ODE-designed generation capacity is being built. The contract signed with ODE primarily covers the preparation of detailed technical designs for the main offshore wind power plant equipment.

In January 2021, the Canadian-based Northland Power Inc. (**NPI**), which is listed on the Toronto Stock Exchange, became an industry partner for the ORLEN Group on the implementation of the OWPP construction project. The cooperation involves the preparation, construction and operation of a wind farm with a capacity of up to 1.2 GW. NPI will ultimately acquire a 49 per cent. stake 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"*).

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. The ORLEN Group's distribution assets are located in northern and central Poland. They provide electricity to 3.2 million customers, including approximately 3.0 million customers with comprehensive agreements and 178 thousand TPA (Third Party Access) customers.

As of the end of 2020, the total length of power grids operated by the ORLEN Group amounted to over 191,000 km and covered the area of almost 75,000 km², which represents approximately one quarter of Poland's total

land mass. Since 2020, distribution activities of the ORLEN Group have supported and implemented the strategy adopted by the EU consisting of the decarbonization of the energy sector, reduction of emissions in the transport sector, in particular in urban areas. The main accomplishment in this area included the development by Energa Operator SA of 283 electric vehicle charging stations in eight cities by the end of March 2021: Gdansk, Gdynia, Koszalin, Elblag, Olsztyn, Plock, Torun and Wloclawek. Charging stations and electric vehicles using them will not only increase the demand for electricity in the National Power System (replacing hydrocarbon fuels), but also, due to built-in energy storage tanks in electric vehicles, in the future they are expected to become a balancing market participant through the use of V2G technology, i.e., two-way flow of electricity in the charging station.

Refining

The Refining segment comprises processing and wholesale of refinery products, production and sale of oil, and supporting production.

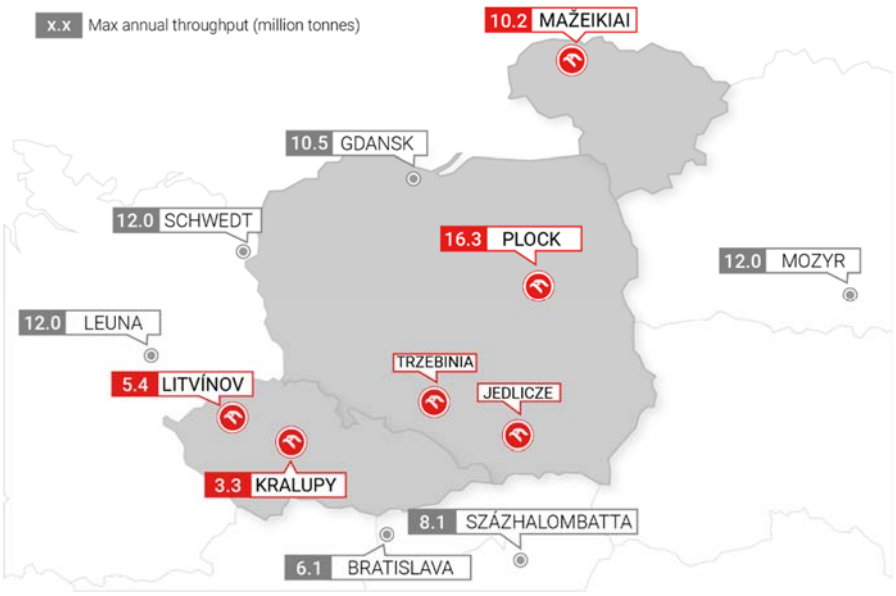
Competition in the CEE

The largest competitors of the ORLEN Group in CEE in the Refining segment include:

- LOTOS Group's refinery located in Gdańsk – Poland's second largest refinery;
- 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;
- 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.

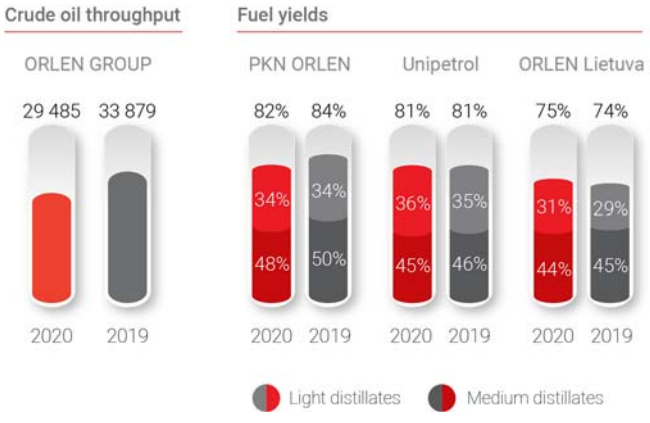


Source: the Issuer

As of 31 December 2020, the total production capacities of the ORLEN Group's refineries amounted to 35.2 million tonnes, including:

- PKN 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. In the first quarter of 2023, PKN ORLEN intends to commission the Visbreaking unit. Due to this investment, PKN ORLEN will increase the efficiency of crude oil processing and the share of high-margin products;
- the other Polish refineries operating as ORLEN Południe and located in Trzebinia and Jedlicze, which manufacture biofuel-components, base oils, 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 2020, the ORLEN Group's crude oil processing amounted to 29.5 million tonnes, a 13.0 per cent. decrease as compared to 2019, including:

- 5.6 per cent. decrease in Poland due to a larger scope of maintenance work including shutdowns of Crude Oil Destilation Unit (CDU) III and VI, Hydrocracking, Hydrogen, HON V and VII, Fluidal Catalytic Cracking II (FCC) and PTA units.

- 22.6 per cent. decrease in the Czech Republic due to lower market demand for medium distillates and maintenance shutdowns at the refineries in Kralupy and Litvinov.

- 17.5 per cent. decrease in Lithuania mainly due to the unfavorable macroeconomic situation related mainly to COVID-19 pandemic.

Sales in the Refining segment

In 2020, total sales of the ORLEN Group in the Refining segment reached 23,560 thousand tonnes and were 14.5 per cent. lower as compared to 2019. Lower sales of refinery products in all operating markets are mainly due to the COVID-19 pandemic, which negatively affected fuel consumption.

The table below presents the ORLEN Group's sales in the Refinery segment for the years ended 31 December 2020 and 2019:

	Year ended 31 December	
	2020	**2019**
	Value (*PLN million*)	**Value (*PLN million*)**
TOTAL	**34,090**	**56,517**
Light distillates	7,150	12,098
Medium distillates	21,222	35,916
Heavy fractions	3,886	6,369
Other[1]	1,815	2,117
Excluded from scope of IFRS 15	17	17

[1] Others mainly include brine, industrial salt, vacuum distillates, acetone, ammonia, butadiene, phenol, technical gases, caprolactam, soda lye and sulphur. In addition, they include revenues from sale of services and materials.

Source: the Issuer

Market shares

In 2020, 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 2019 and 2020:

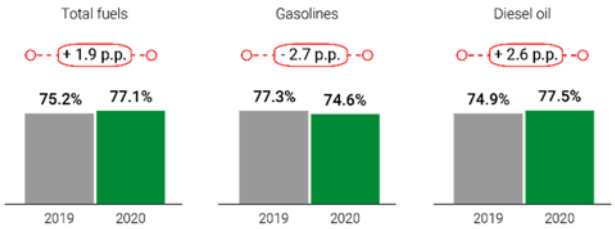
Market share in the fuel market in Poland

Source: the Issuer

Market share in the fuel market in the Czech Republic

Source: the Issuer

Market share in the fuel market in the Baltic States



Source: the Issuer

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 approximately 1,745,000 tonnes and assets in Belgium, France, Germany, Italy and Norway;
- Sabic – with an annual capacity of approximately 1,590,000 tonnes and assets in Germany, the Netherlands and United Kingdom;
- Lyondell Basell Industries − the largest polyethylene manufacturer, with an annual production capacity of approximately 2,170,000 tonnes (including its 50 per cent. share in Basell ORLEN Polyolefins Sp. z o.o.) and assets in Germany, France and Poland;
- Borealis – with an annual production capacity of approximately 1,920,000 tonnes and assets in Belgium, Germany, Austria and Finland;

- Total Petrochemicals – with an annual production capacity of approximately 1,310,000 tonnes and assets in Belgium and France;

- Indorama – Europe's largest PTA manufacturer, with a nominal production capacity of approximately 1,775,000 tonnes per year and assets in Portugal, Spain and the Netherlands; and

- Inovyn – a company formed following the combination of Ineos Chlor and Solvay; its annual production capacity is approximately 2,155,000 tonnes.

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 PKN ORLEN are used as feedstock for the polymer units at Basell Orlen Polyolefins and the PVC unit at ANWIL. PKN 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, PKN ORLEN intends to expand the Olefins complex between 2023/2024 and construct a new Phenol unit till the end of 2023. After these investments are complete the Production Plant in Płock is expected to be one of the biggest and most advanced complex of this type in Europe.

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. Construction of a new Polyethylene III unit, with a capacity of approximately 270 thousand tonnes/year, commenced in 2020. Once completed, the unit will allow ORLEN Unipetrol to increase the use of the Olefins installation and further integrate the petrochemical and refining operations.

ANWIL is the only manufacturer of polyvinyl chloride (**PVC**) in Poland and one of the major manufacturers of fertilizers and sodium hydroxide in Poland. Annual production capacity is around 1.0 million tonnes/year of nitrogen fertilizers, approximately 0.4 million tonnes/year of PVC and granulates, and approximately 0.2 million tonnes/year of sodium hydroxide. Due to the planned construction of the third production installation of nitrogen fertilizers, the production capacity of ANWIL after 2021 will increase to approximately 1.5 million tonnes/year.

Basell Orlen Polyolefins in Płock operates facilities with a total production capacity of 900 thousand tonnes (420 thousand tonnes of polyethylene and 480 thousand tonnes of polypropylene). Its products are marketed both in Poland and in foreign markets.

Sales in the Petrochemicals segment

In 2020, total sales of the ORLEN Group in the Petrochemicals segment reached 5,106 thousand tonnes and were lower compared to 2019, mainly as a result of a decrease in petrochemical sales on the Czech market, with increases on other markets.

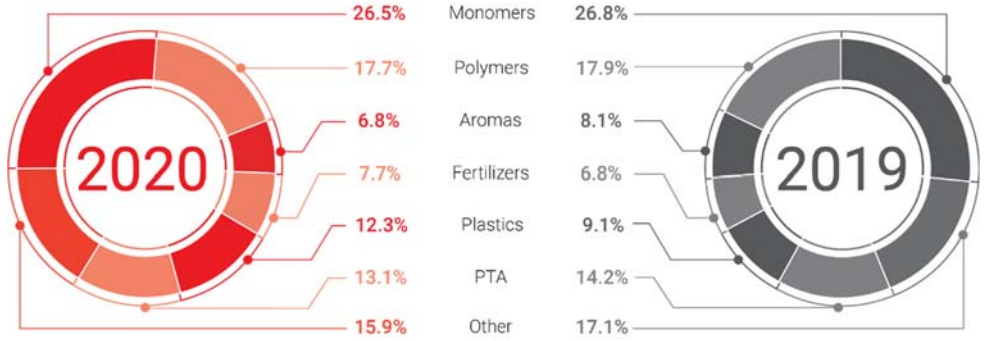
The table below presents the ORLEN Group's sales in the Petrochemicals segment for the years ended 31 December 2020 and 2019:

	Year ended December 31,	
	2020	**2019**
	Value (*PLN million*)	**Value (*PLN million*)**
TOTAL Petrochemicals	**10,587**	**13,353**
Monomers	2,806	3,585
Polymers	1,869	2,390

Aromas	716	1,080
Fertilizers	820	903
Plastics	1,304	1,218
PTA	1,384	1,893
Other	1,681	2,277
Excluded from scope of IFRS 15	7	7

Source: the Issuer

The following charts present the revenue structure of the ORLEN Group Petrochemicals segment:



Source: the Issuer

In 2020 and 2019 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 November 2020), 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:

- 5.0 per cent. on the polyethylene market (PKN ORLEN's estimation based on POLYGLOBE data). The ORLEN's Group total polyethylene capacity amounts to approximately 630 thousand tonnes per year (including 50 per cent. share in Basell Orlen Polyolefins).

- 4.4 per cent. on the polypropylene market (PKN ORLEN's estimation based on POLYGLOBE data). The ORLEN Group's total polypropylene capacity amounts to approximately 520 thousand tonnes per year (including 50 per cent. share in Basell Orlen Polyolefins).

- 16.4 per cent. on the PTA market (PKN ORLEN's estimation based on PCI data). The ORLEN Group's total PTA capacity amounts to approximately 690 thousand tonnes per year.

- 5.7 per cent on the PVC market (PKN ORLEN's estimation based on Nexant's *Market Analytics – Vinyls – 2019*). The ORLEN's Group 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 2020, 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 3.7 thousand km (including 2.1 thousand km of product pipelines, and 1.6 thousand km of raw materials pipelines).

In Poland, the ORLEN Group uses 958 km of pipelines for fuel product transport including 620 km of pipelines owned by Przedsiębiorstwo Eksploatacji Rurociągów Naftowych S.A., as well as its own transport infrastructure with a total length of 338 km, comprising two sections: Płock – Ostrów Wielkopolski – Wrocław (319 km) and Wielowieś – Góra (19 km). Crude oil is transported mainly via the network of pipelines owned by Przedsiębiorstwo Eksploatacji Rurociągów Naftowych S.A. (**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 2020, the ORLEN Group used a total of 27 facilities in Poland to receive, store, dispatch and handle fuels (ORLEN Group- and third party-owned fuel terminals). As at the end of 2020, the total storage capacity available to the ORLEN Group within its own infrastructure and contracted from third parties was over 2.7 million m^3. Moreover, for the purposes of storing emergency stocks of crude oil and fuels, PKN ORLEN owns the only underground cavern storage facility for crude oil and fuels in Poland (PMRiP "Góra") with the total capacity of over 6 million m^3, located in Góra near Inowrocław on the premises of IKS Solino.

In 2020, the ORLEN Group used 1,741 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 seven external terminals owned by other entities.

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.

On the German market, ORLEN Deutschland uses the storage and distribution capacities of seven third party-owned depots. Products are delivered by tank trucks, railway and barges.

The chart below presents transport structure and logistics infrastructure used by the ORLEN Group in 2020:

Source: the Issuer

Supply sources of the Refining and Petrochemicals segments

Crude oil

PKN ORLEN supplies crude oil to the Płock refinery and to three other ORLEN Group refineries, in Litvínov and Kralupy in the Czech Republic and in Lithuania's Mažeikiai.

In 2020 crude oil supplies to Poland and Lithuania were uninterrupted. On the Czech market, the volume of purchased crude oil decreased in May and June due to the prolonged planned maintenance shutdown of the refinery and limited storage capacities.In 2020, two long-term contracts for pipeline crude oil supplies to the refinery in Płock were in force (with the Rosneft Oil Company and Tatneft Europe AG, respectively) and, in respect of crude oil supplies by sea, one long-term contract was in force with the Saudi Arabian Oil Company. These long-term agreements provided PKN ORLEN with nearly 83 per cent of crude oil supplies.

The raw materials for all refineries of the ORLEN Group were procured from oil producers and other companies operating on the international oil market. The crude oil supplied to Płock came primarily from Russia and Saudi Arabia, but was also imported from Angola, Kazakhstan, Nigeria, Norway, the United States and the United Kingdom. The refineries in the Czech Republic received feedstock from Russia, Saudi Arabia, Azerbaijan, Kazakhstan, Libya, Nigeria and the United States. The Mažeikiai refinery was primarily supplied

with Russian oil, with additional deliveries from Saudi Arabia, Kazakhstan, the United States and the United Kingdom.

In 2020, the share of the crude oil supplied to the ORLEN Group by the Rosneft Oil Company exceeded 10 per cent. of the ORLEN Group's total revenue.

Natural gas

The ORLEN Group is one of the largest gas consumers in Poland and one of the largest in the Czech Republic and Lithuania. Natural gas is used by the ORLEN Group in the production of heat, electricity, fuels and fertilizers. In Poland the ORLEN Group's combined potential for natural gas consumption exceeds 3 billion m^3 per year, accounting for approximately 20 per cent. of total consumption. Natural gas is used by the ORLEN Group mainly at the following locations:

- PKN ORLEN's Production Plant in Płock: for refinery, petrochemical, electricity and heat production;
- ANWIL's Production Plant in Włocławek: for fertilizer production;
- ORLEN Południe's production plants in Trzebinia and Jedlicze: for refinery, petrochemical, electricity and heat production;
- CCGT unit in Płock: for electricity and heat production;
- CCGT unit in Włocławek: for electricity and heat production;
- Production Plants in Kralupy, Litvínov, Kolín and Pardubice (ORLEN Unipetrol), and the Production Plant in Neratovice (Spolana): for refinery, petrochemical, electricity, heat and fertilizer production; and
- Production Plant in Mažeikiai: for electricity and heat production.

Most deliveries of natural gas to the ORLEN Group's companies in Poland are made under what was initially a five-year contract signed in 2016 by PKN ORLEN and PGNiG. Pursuant to annexes concluded in 2020, the contract was extended until 2027 (with a 12-month extension option). Additional purchases are made under supplemental contracts with major Polish and European gas suppliers. Gas is also purchased on the Polish Power Exchange. The ORLEN Group takes steps to ensure the stability of supplies and to lower gas procurement costs through such measures as diversification of supply sources, centralisation of gas trading functions and further development of the trading expertise. The current portfolio of gas contracts allows the ORLEN Group to optimise gas procurement costs by selecting the underlying gas indices and delivery points.

PKN ORLEN has gas transmission contracts with both domestic and foreign operators, ensuring full support in natural gas logistics for the Production Plant in Płock, CCGT Włocławek, and CCGT Płock. PKN ORLEN has also been developing natural gas sales on both retail and wholesale markets. The ORLEN Group is also engaged in a number of exploration and production projects to secure its own sources of natural gas.

In 2019, no supplier's delivery value of natural gas to the ORLEN Group accounted for more than 10 per cent of the ORLEN Group's total revenue.

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 2020, Energa Group's generating units consumed 826 thousand tonnes of coal and 147 thousand tonnes of biomass (in 2019, these volumes amounted to 1,059 thousand tonnes and 148 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.

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 2,855 fuel stations, including 2,323 own brand stations and a further 532 stations operated under franchise agreements.

The table below presents details of the ORLEN Group's portfolio of retail stations as at 31 December 2020:

	Units	ORLEN Group	Poland	Germany	Czech Republic	Slovakia	Lithuania
Total sales	**thousand tonnes**	8,849	5,318	2,608	850	n/a	73
Market shares	**%**	15.7	33.5	6.5	24.8	0.6	4.5
Number of stations, including	**Number**	**2,855**	**1,811**	**583**	**419**	**13**	**29**
Premium	**Number**	1,967	1,761	1	164	13	28
Economic	**Number**	837	27	566	244	-	-
Other	**Number**	51	23	16	11	-	1
CODO/CODO[1]	**Number**	2,323	1,380	497	404	13	29
DOFO/DODO[2]	**Number**	532	431	86	15	-	-
EV charging stations	**Number**	**114**	**84**	**7**	**23**	**-**	**-**
Hydrogen charging stations	**Number**	**2**	**-**	**2**	**-**	**-**	**-**

[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	Lithuania
Total, including	**number**	**2,218**	**1,725**	**139**	**313**	**13**	**28**
Stop Cafe	**number**	801	710	-	79	-	12
Stop Cafe Bistro	**number**	301	287	-	12	2	-
Stop Cafe 2.0	**number**	978	728	1	222	11	16
star connect	**number**	138	-	138	-	-	-
RUCH outlets	**number**	**1,209**	**1,209**	**-**	**-**	**-**	**-**

Source: the Issuer

Market position and environment

In Poland, the ORLEN Group's service stations operated under the ORLEN brand in the premium segment and under the Bliska brand (1.5 per cent. of the total number of stations within the chain, decreasing year-to-year) in the economy segment. In the Czech Republic and Slovakia, the ORLEN Group's service stations are branded as Benzina ORLEN and Benzina Plus ORLEN, and in Lithuania as ORLEN. 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. In 2020, the first station in Germany under the ORLEN brand was opened (Seeberg-Ost freeway station near Berlin) positioned in the premium segment.

Based on the nationwide network of 1,209 RUCH outlets, acquired by PKN ORLEN in 2020, the ORLEN Group aims to expand its retail and food service operations beyond fuel stations. The ORLEN Group also plans to develop its own network of parcel collection points (2,000 points) and e-commerce services.

Polish market

According to the Polish Organisation of the Oil Industry and Trade (POPiHN), there were 7,720 service stations in Poland at the end of December 2020.

As at the end of 2020, the ORLEN Group had a network of 1,811 service stations on the Polish market (approximately 24 per cent. of all stations in the country), while the stations operated by international chains (BP, Shell, Circle-K, Amic and Total) represented approximately 20 per cent. of the total. Independent operator stations (including smaller chains operating under a single brand) accounted for about 50 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 (189 locations, representing around 2.4 per cent. of the total). The number of AS 24 and IDS (information and digital services) self-service stations, also managed by foreign operators, was 47.

At the end of 2020, there were 84 EV charging stations in the ORLEN network.

PKN ORLEN's market share in Poland amounted to 33.5 per cent. (according to the ORLEN Group's estimate).

Czech market

In 2020, 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 2020, the Benzina chain operated by the ORLEN Group comprised 419 sites, which corresponded to a market share of 25 per cent.

In terms of the number of service stations, Hungary's MOL is the second largest chain in the Czech Republic (with 304 locations). In terms of the market share, Tank Ono, a privately owned discount chain, is the second largest chain, with 44 stations and an approximately 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 below 23 per cent.

German market

At the end of 2020, 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 (accounting for a nearly 58 per cent. share in the market and 45 per cent. of all stations) and the economy chains JET and HEM (almost 15 per cent. of market share and 9 per cent. of all stations). In 2020, the number of service stations within each chain changed only slightly. At the end of 2020, ORLEN Deutschland's service station chain comprised 583 sites and had a market share of 6.5 per cent. (according to the ORLEN Group's estimate). ORLEN Deutschland operates 2 hydrogen stations and 7 EV charging stations.

Lithuanian market

Approximately 75 per cent. of the Lithuanian market belongs to the 6 largest players. Viada, with 124 locations and a 22 per cent. market share, is the leader in terms of the size of the service station chain on the Lithuanian market. Together with Baltic Petroleum, Lithuania's third largest chain, with which it has cross-equity links, Viada controls 203 service stations and more than 32 per cent. of the market. Another retail chain is Circle K, the operator of 93 service stations (including 11 automated, self-service locations) with an almost 20 per cent. market share. Neste, operating 75 service stations (almost 12 per cent. market share), is another major player present on that market. At the end of 2020, the ORLEN Group's retail chain in Lithuania, operated by the subsidiary ORLEN Baltics Retail, comprised 29 sites, which gave the ORLEN Group a 4.5 per cent. share on the Lithuanian retail market (according to the ORLEN Group's estimate).

Slovak market

As at the end of 2020, the number of service stations in Slovakia increased to 940 mainly in the segment of independent service stations and small local networks. This segment has more than a 40 per cent. market share in Slovakia. The major competitors of the Benzina chain operated by the ORLEN Group (13 stations) on the Slovak market are Slovnaft (254 stations), OMV (94 stations), Shell (83 stations), Jurki (59 stations) and Benzinol (23 stations).

Sales in the Retail Segment

Volume sales of the ORLEN Group's Retail segment in 2020 amounted to 8,849 thousand tonnes, down by 9.8 per cent. year-to-year on 2019. As a result of the COVID-19 pandemic and the restrictions introduced as a result thereof, national economies slowed down considerably, which affected the results of fuel volume sales in all home markets where the ORLEN Group has stations. Moreover, in all of the ORLEN Group companies numerous measures were also taken to maintain the continuity of sales and network operations, and to ensure 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, 2020 and 2019:

	Year ended 31 December	
	2020	**2019**
	Value (*PLN million*)	**Value (*PLN million*)**
Total	**30,837**	**38,910**
Light distillates	11,713	14,659
Medium distillates	15,208	20,405
Other (sale of non-fuel merchandise and services)	3,703	3,639
Excluded from scope of IFRS 15	213	207

Source: the Issuer

Sources of supply

In 2020, the ORLEN Group's refining assets were the main source of fuel supplies for the Polish, Czech 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 2020, the volume of supplies from the Czech Republic did not change and met almost 20 per cent. of ORLEN Deutschland's fuel demand.

Upstream segment

The Upstream segment comprises the ORLEN Group's activities related to exploration and extraction of mineral resources.

The table below presents the output and production of the ORLEN Group's Upstream segment in 2020:

	units	**Canada**	**Poland**
Oil and natural gas reserves	million boe[1]	163.9	10.1
Output	million boe/year	6.2	0.4
Average production thousand	thousand boe/year	17.0	1,0

	units	Canada	Poland
Output structure (liquid/gas)	%	46/54	-/100
Drillings (net).....	number	7.6	1.0
Licenses	number	-	16

[1] Barrel of oil equivalent

Source: the Issuer

Poland

The ORLEN Group carries out exploration and production operations in Poland exclusively through its subsidiary ORLEN Upstream Sp. z o.o. (**ORLEN Upstream**). The ORLEN Group's operations in Poland in the Upstream segment comprise hydrocarbon exploration and production. Currently, natural gas in Poland is produced in cooperation with PGNiG S.A. The share of production attributable to the ORLEN Group reached the annual average level of 1.0 thousand boe per day (boe/d) in 2020. Basic exploration work in Poland was conducted in three oil provinces in 2020.

In 2020, in the Lesser Poland Oil Province, works were performed under three projects

- Under the Miocene Project, works related to the development of the Bystrowice natural gas deposit were continued in the formula of the general contractor of the investment. On 24 December 2020, the production started from the first independent upstream facility of ORLEN Upstream, the Bystrowice Natural Gas Production Plant. For the Miocene Project area, the analysis of resources and prospectivity in the Siennów-Rokietnica license area was carried out, preliminary locations for future drilling were selected, and administrative procedures were initiated.

- Under the Karpaty Project, the processing of regional 2D seismic profiles and 3D seismic data was carried out. Preparation of the design and technical and methodical requirements for the Grybów 3D seismic imaging was also conducted. Following geological and economic analyses, in September 2020, a decision was made to discontinue further investment activities in the licence block 434-433 (resignation was submitted in the fourth quarter of 2020).

- Under the Bieszczady Project, implemented together with a partner (PGNiG S.A.), drilling of the Dylągowa-1 well, which commenced at the end of 2019/beginning of 2020, has continued. At the end of July 2020, the drill hole was perforated and after unsuccessful attempts at instrumentation it was decided to decommission the hole. Due to negative results of the economic analysis concerning the prospectivity of the area, it was decided to terminate the Bieszczady Project in the second quarter of 2020 (on April 30th 2020, a notice was submitted to terminate the joint operations agreement concerning three licences, and two joint licences were relinquished).

In 2020, In the Greater Poland Oil Province, work was being performed on two projects implemented under a joint operations agreement with PGNiG S.A.:

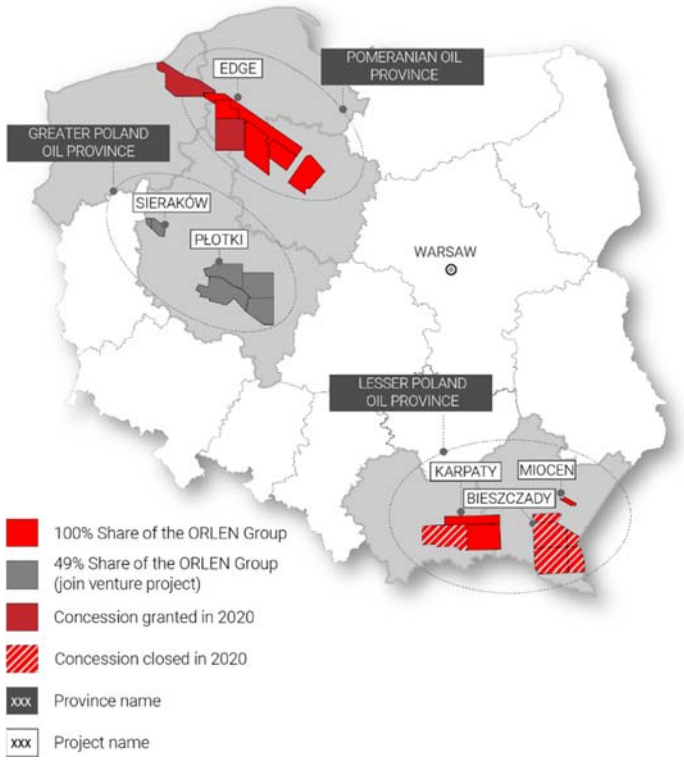
- Under the Sieraków Project, by the end of September 2020, drilling of the Sieraków-2H well was completed and short-term production tests were conducted on the horizontal well. The operator (PGNiG S.A.) also conducted administrative and procurement work related to the development of the Sieraków-2H well.

- Under the Płotki Project, in 2020, the processing and interpretation of the Brzezie-Gołuchów 3D seismic data acquired in last year's field works was completed. Drilling of the Pławce-3/3H well, which commenced in late 2019/2020 also continued. In May 2020, the well was decommissioned due to an earlier failure preventing the continuation of drilling. The drilling of the Grodzewo-1 well was completed with positive results and production tests were conducted. Analysis of the acquired data is underway. Drilling of another well in the area is planned for early 2021. Construction of the drilling

site for the Bystrzek-1 well was completed in 2020. Design and formal-legal work was also carried out for the development of the Chwalęcin natural gas field.

In the Pomeranian Oil Province, work was being carried out within five old licence areas. Two new licenses areas under the Edge Project were obtained. In 2020, the processing and interpretation of the Wilcze 3D seismic data acquired during field works performed in 2019 was carried out. Field works were also conducted for the Koczała-Miastko 3D seismic survey. Formal, administrative and conceptual works for future exploration drillings were carried out. As part of development, design and preparatory works were conducted for the development of the Tuchola and Bajerze deposits based on generating electricity from natural gas. Project documentation was prepared, applications were submitted for location of cable lines and obtaining rights to land for construction of cable lines, procurement procedures were completed and a supplier of power generating sets and contractors for production centres were selected. Both fields are expected to start production in December 2021.

The chart below presents upstream assets of the ORLEN Group in Poland:



Source: the Issuer

Canada

The ORLEN Group is engaged in upstream operations in Canada through its subsidiary, ORLEN Upstream Canada Ltd. (**OUC**).

OUC's 2020 capex programme focused primarily on the key areas of Ferrier and Kakwa in the Province of Alberta:

- in the Ferrier area, drilling of 5 wells (4.87 net) commenced. Additionally, 3 wells (2.87 net) have been fractured and connected to production;

- in the Kakwa area, drilling of 3 wells (2.75 net) commenced. Additionally, 4 wells (3.75 net) have been fractured and connected to production;

- in the Lochend area, 2 wells (1.0 net) have been connected to production.

In addition to drilling and fracturing operations, actions aimed at optimizing of production and reducing operating costs through the installation of dedicated downhole development in the Kakwa, Ferrier and Lochend areas were carried out. In all areas, environmental activities continued to reduce greenhouse gas emissions and comply with all environmental requirements introduced by the Canadian federal government and the Alberta provincial administration, including flaring restriction, measures aimed at limiting methane emissions, regular inspections and adjustments to infrastructure, and upgrading engines and other equipment affecting emissions.

In 2020, the average output was 17.0 thousand boe/d, of which 46 per cent. were liquid hydrocarbons (crude oil and NGL, including condensate).

Good reservoir properties of the assets and their location in a well-surveyed area minimise the operational risks of the projects. The Canadian upstream market is very mature and characterized by high data availability, relatively well-developed operational solutions and cost optimizations 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.

In order to achieve operational synergies and focus on the most profitable areas, OUC actively monitors the local market. In 2020, selected assets located in key business areas of OUC - Ferrier and Kakwa - were subject to detailed technical and economic analysis. Due to fluctuations in the macroeconomic situation, no final purchase offer was made in any of the transactions under consideration. In order to secure the partially expiring exploration and production rights in the southern part of the Blackstone area, OUC decided to enter into a cooperation with Tourmaline in February 2020. OUC, in exchange for the transfer of a portion of its interest in selected sections of the Blackstone asset, acquired well data that allowed it to maintain its concession rights without capital expenditures. As part of the divestment of areas of secondary importance, in May 2020 OUC decided to sell sections located in the Chambers area north of the Ferrier area, where OUC has no producing assets and no plans to conduct investment activities.

OUC also holds a 2.3 per cent. interest in Pieridae Energy, an integrated company developing an LNG export terminal in Nova Scotia. As at the date of this Offering Circular, Pieridae Energy estimates that the terminal will be put into operation in 2025/2026. Despite the relatively high degree of advancement of the project (having obtained required permits, obtained a contract with a major customer in Germany, advanced negotiations with contractors, completed consultations with local communities and the acquisition by Pieridae Energy of natural gas deposits in Alberta), due to, among others, problems with raising capital for investments in the current market situation, the decision regarding the implementation of the Goldboro LNG project is still uncertain as at the date of this Offering Circular.

The chart below presents upstream assets of the ORLEN Group in Canada:

Source: the Issuer

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 PKN ORLEN in the integrated management system.

The 2030 Strategy, which aims to achieve the maximum possible environmental neutrality for the immediate environment while minimising the environmental impact of the ORLEN Group's products, 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 limit their consequences; and
- raise the environmental awareness of staff carrying out work that has or may have an impact on the environment.

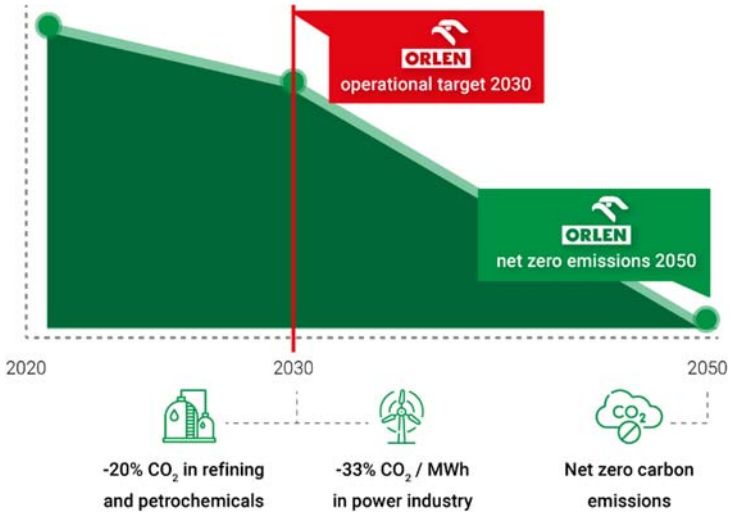
Emission reduction targets

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 20 per cent. and cut down carbon emissions per megawatt-hour of electricity by 33 per cent. by 2030. ORLEN Group's net zero emissions strategy is based on four pillars: energy efficiency in production, zero-emission power generation, fuels of the future, and green finance.

ORLEN aims to invest more than PLN 30 billion in sustainability projects in 2020–2030, including over PLN 25 billion to be spent on CO_2 emission reduction initiatives. Over the next ten years, ORLEN aims to spend up to 3 per cent. of its growth capex on innovation, research and development, with a particular focus on green technologies. In order to achieve emissions neutrality by 2050, PKN ORLEN plans to focus on the 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: LNG / CNG, H2, (vi) circular economy, (vii) pilot projects for selected technologies supporting CO_2 emissions reduction and (viii) "green" financing and corporate governance.

The chart below presents the ORLEN Group's operational emission reduction targets:



Source: the Issuer

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. Sulphur dioxide, nitrogen oxides, carbon monoxide, carbon dioxide and dust 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 dust to air in 2020 for the ORLEN Group amounted to 37.1 thousand Mg, and CO2 - over 17.0 million Mg, 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 2020 and 2019, respectively:

	2020	**2019**
Carbon dioxide	17,009,515	15,919,204
Sulphur dioxide	18,071	17,250
Nitrogen oxide	10,116	9,824
Carbon monoxide	8,011	5,400
Dust	900	888

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.

Renewable energy

The most important renewable energy sources (**RES**) project as at the date of this Offering Circular is the construction of an offshore wind farm with a capacity of up to 1,200 MW located in the Polish exclusive economic zone of the Baltic Sea (approximately 22 km off the Polish coast).

In addition, in July 2020, the 31 MW Przykona wind farm project was completed. It consists of nine wind turbines, with a capacity of 3.45 MW each. The work are also progressing on the Czaplinek wind farm with a capacity of 15-21 MWe. The project is scheduled to be completed in 2022.

In 2020, the construction of an up to 100 MWe solar photovoltaic farm Mitra in gmina Przykona in Greater Poland was commenced. A tender procedure was launched for the construction of a solar farm with a capacity of up to 4.8 MW at the PKN ORLEN's site in Płock. Solar photovoltaic projects are also carried out by other companies in the ORLEN Group, including Energa Ciepło Ostrołęka Sp. z o.o., which is developing an 18.48 kW unit in Ostrołęka.

Low emission biofuels

The ORLEN Group is currently in process of constructing production and distillation lines for used cooking oil (**UCO**) and fatty acid methyl esters (**FAME**) and lactic acid. The Biodiesel unit is also being upgraded. The purchase of a biogas plant and construction of a complex of the second generation bioethanol installations commenced in 2020. It is expected that the projects will mostly contribute to achieving lower emission levels of CO_2 of the ORLEN Group's products basket and contribute to the achievement of the national indicative target for transport fuels, by ensuring the production of bio-methane, bio-hydrogen or the second generation bioethanol.

Electric vehicle charging infrastructure

In Poland, as at the end of 2020, the ORLEN Group operated 83 public charging stations, with capacities of 50 kW and 100 kW. Equipped with all three most frequent types of connectors, they can be used to charge almost any electric car model available on the market. At the end of 2020, seven charging stations were available at the ORLEN Deutschland's German service stations, including two superchargers constructed in cooperation with the US producer TESLA. On the Czech market, electric vehicle chargers operated at 23 ORLEN Group's stations. By the end of 2021, the ORLEN Group aims to make EV charging service available at approximately 150 of the ORLEN Group's charging stations across Poland.

Development in alternative fuels, including H2

The ORLEN Group is currently constructing hydrogen hubs in Poland, i.e. units in which hydrogen is produced and purified to achieve fuel cell grade. Commissioning of the hub in Trzebinia is scheduled for the second half of 2021, while the one in Włocławek is to be completed in 2022. PKN ORLEN is preparing to build a hydrogen purification plant that will allow the fuel to be marketed in the future. Since the hydrogen output is to be sold mainly to the transport market, PKN ORLEN is also developing hydrogen fuel storage, transport and distribution technologies. In pursuit of this strategy, PKN ORLEN has signed letters of intent to advance zero-emission public transport with the City of Płock, Upper Silesian Metropolitan Area, Włocławek, Kraków, Poznań, Łódź, Olsztyn and Piła. A tender procedure for the construction of the first hydrogen station in Poland is going to be announced in the near future, and the first three hydrogen refuelling stations are already under construction in the Czech Republic. PKN ORLEN also engages in projects designed to develop hydrogen applications in the future. To this end it has signed of a letter of intent on the construction of a hydrogen-powered locomotive with PESA Bydgoszcz.

Circular economy

The ORLEN Group is implementing various projects and programmes aimed at the additional use of alternative and waste raw materials in addition to those from fossil fuels. These projects include:

- PIGOZ - The Project for Intensifying the Use of Waste Materials in a Circular Economy, which in synergy with other initiatives, focuses on recycling and reuse of plastic raw materials generated within the framework of PKN ORLEN's core business, as well as those generated outside the organisation.

- COMBO - Comprehensive management of all municipal waste fractions through implementation of appropriately scaled technologies taking into account the morphological structure of the waste. The project is considering:

  – pyrolysis of plastics as feedstock for refinery and petrochemical processes;

  – thermal treatment of waste, e.g. gasification for hydrogen, energy production; and

  – biogas plants using biogas for electricity production or as biofuel (biohydrogen).

- PIROLIZA - the possibility of introducing chemical recycled products as a raw material in the plastics production technology at the ORLEN Unipetrol Group.

The above initiatives are in the initial project phase. An analysis has been undertaken to investigate the possibilities of obtaining and using waste materials.

Other environmental projects

In 2020, a number of environmental projects were implemented by the ORLEN Group, including, among others:

- expansion of the treatment plant and reconstruction of the sewage system for the development of the production plant, together with a significant reduction in VOC emissions from the sewage treatment plant;

- installation of a continuous flue gas monitoring system on olefin furnaces and the paraxylene plant;

- modernisation of the central waste storage facility; and

- preparatory work for the construction of a hydrogen sulphide gas utilisation plant at the Claus and TGTU plants (tail gas treatment unit).

- repairs of sewage systems and drainage channels near road tanker loading facilities and in distribution facilities, and air-tightening of process units and fuel storage tanks to ensure the required tightness;

- upgrade of the wastewater treatment plant and air-tightening of technological processes and operational activities at the loading facilities at the fuel terminal in Świnoujście;

- upgrade of a broad-gauge siding for unloading rail tankers at the fuel terminal in Sokółka, with soil protection and volatile compound recovery ensured;

- alteration of the distillation column slop tank at ORLEN Unipetrol;

- construction of a new energy unit, modernisation of the plate closures at the sewage treatment plant, reconstruction of the sewage system and flood protection in Spolana;

- overhaul of separators, tanks and water treatment stations as well as the construction of sealed surfaces at fuel station facilities in ORLEN Deutschland;
- neutralisation of odour nuisance from the road tanker filling facility in ORLEN Asfalt Sp. z o.o.'s plant in Trzebinia;
- overhaul of oil tanks at ORLEN OIL Sp. z o.o.;
- modernisation and automation of technology for washing rail tank cars at ORLEN KolTrans S.A.;
- installation of two electric vehicle charging stations, using the existing lighting supply infrastructure, at Energa Oświetlenie Sp. z o.o.;
- modernisation of electrostatic precipitators and construction of Flue Gas Desulphurisation Unit II at Energa Elektrownie Ostrołęka S.A.;
- heat recovery from process waste water from the PVC Plant at ANWIL S.A.; and
- overhaul of trays of catchment, retention and product tanks and modernisation of wastewater management (modernisation of control, monitoring and visualisation of the wastewater treatment process, including automation of preparation and dosing of coagulant and flocculant, continuous measurement of wastewater quality and modernisation of the sludge dewatering unit) at ORLEN Południe.

The amount of expenditures incurred by the ORLEN Group on investments and activities related to environmental protection in 2020 amounted to EUR 49 million.

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; specific regulations on chemicals; as well as competition and consumer protection. The most important administrative measures are licenses, 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 licenses and applicable law and regulations.

Legal requirements for the 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.

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

PKN ORLEN is subject to numerous obligations involving the maintenance of emergency stocks of crude oil and fuels, imposed by the Act on Emergency Stocks. As of 31 December 2017, the Act on Emergency Stocks introduced an obligation to hold mandatory stocks equivalent to 53 days' average daily production and imports of crude oil and liquid fuels.

Lithuanian law requires companies importing fuel into Lithuania including the PKN ORLEN's subsidiary, ORLEN Lietuva, to maintain stocks of crude oil and certain petroleum products in Lithuania equivalent to the greater of 90 days' average daily net imports and 61 days' average daily domestic consumption, with 30 days' stocks to be maintained by the competent government agency in Lithuania.

Under the laws of the Czech Republic, mandatory oil stocks must be maintained only by a dedicated government agency.

Energy tariffs

According to Polish law, energy tariffs should cover the reasonable operation costs and protect customers from unjustified price increases. Licensed energy utilities 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 DSO -- 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.

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. The process of agreeing and issuing a decision begins in the fall of each year by commencing a dialogue with DSO and the President of the Energy Regulatory Office. 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.

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.

Material Contracts

Material contracts that were not entered into in the ordinary course of PKN ORLEN's business, which could result in any member of the ORLEN Group being under an obligation or entitlement that is material to PKN ORLEN's ability to meet its obligations under Notes to be issued under the Programme are presented below:

The agreement for building the Visbreaking Installation at the production plant in Plock

PKN ORLEN announced that on 5 February 2020, as a part of investment project called: "Visbreaking Installation at production plant in Plock", it signed an agreement with a consortium of companies (being KTI

Poland S.A. and IDS-BUD S.A.) for the design, delivery and building in the "turn key formula" of the Visbreaking Basic Installation for a total amount of approximately PLN 750 million.

The project's implementation aims to improve crude oil production efficiency by increasing the yield of high-margin products as a result of in-depth conversion of vacuum residue from the Crude Distillation Unit. The cost of investment will amount to approximately PLN 1 billion. The completion of the investment is scheduled to take place by the end of 2022.

The agreement on general rules for continued collaboration on the Ostrołęka C Power Plant construction project

PKN ORLEN announced that on 2 June 2020 it concluded an agreement with Energa S.A. and ENEA S.A. with its registered office in Poznan (**ENEA**) on general rules for continued collaboration on the Ostrołęka C Power Plant construction project that is being carried out by Elektrownia Ostrołęka sp. z o.o. with its registered office in Ostrołęka. The agreement provides for the continuation of the investment with the change in the technological assumptions for the investment to gas-based technology.

In the agreement, PKN ORLEN expressed its desire to participate in the investment through contributing to its financing and, after obtaining the relevant corporate consents, to join the company Elektrownia Ostrołęka sp. z o.o. as a shareholder. The agreement provides for changes in the organisational structure of Elektrownia Ostrołęka sp. z o.o. that will reflect the value of the shareholders involvement, including the limitation of ENEA's share to a minority shareholder in the investment with limited capital involvement as a result of which ENEA will not be a jointly controlling entity in Elektrownia Ostrołęka sp. z o.o. The amount of commitment of the parties to the agreement as well as the capital involvement in Elektrownia Ostrołęka sp.z o.o. and the rights of shareholders will be the subject of further talks and negotiations, leading to the conclusion of the final shareholders' agreement. The agreement assumes that PKN ORLEN will not participate in settlements with existing investment contractors, which will be made according to the current arrangements, but as the future partner of Elektrownia Ostrołęka sp.z o.o. it will jointly decide on their scope. The conclusion of the agreement will allow for further talks of the partners on the investment, which will lead to the conclusion of an investment agreement on the detailed rules regarding the management, financing and realisation of the investment.

The investment agreement on general rules of cooperation in the construction of Ostrołęka C Power Plant

PKN ORLEN announced that on 22 December 2020 it signed with PGNiG S.A. (**PGNiG**) and Energa S.A. an investment agreement on directional principles of cooperation in construction of the Ostrołęka C gas power plant. The parties of the investment agreement declared their intention to cooperate in the implementation of a gas project by setting up a new company that will acquire selected assets and liabilities necessary to carry out the gas project from Elektrownia Ostrołęka Sp. z o.o. headquartered in Ostrołęka (**EOC**). Acquisition of the selected assets and liabilities necessary to perform the gas project will be possible due to the agreement concluded on 22 December 2020 between the EOC shareholders, i.e., between Energa S.A. and Enea S.A. and EOC.

Under the investment agreement signed by the parties, PKN ORLEN and Energa will acquire jointly 51 per cent. of shares in the share capital of the newly established company and the same percentage of the total number of votes at its shareholders meeting, and PGNiG will acquire the remaining 49 per cent. of shares in the share capital of the newly established company and the same percentage of the total number of votes at its shareholders meeting. The exact breakdown of the number of shares between Energa and PKN ORLEN will be agreed separately by Energa and PKN ORLEN when acquiring the shares. Shares in the newly established company will not be preferred and shareholding rights will be exercised according to the principles described in the Commercial Companies Code.

Moreover, the parties of the investment agreement specified the structure of the newly established company, including the principles of disposal of its shares, personal rights of its shareholders regarding appointments

and dismissals of members of the management and supervisory boards, principles of exercising voting rights on its corporate bodies meetings and other principles of its functioning.

The limit of financial exposure of the parties in implementing the gas project will be determined proportionally to the share in the share capital of the newly established company.

The parties assume that all factors enabling the establishment of the new company, including approvals of the relevant antitrust authorities, will be completed by 30 June 2021. Additionally, PKN ORLEN concluded with PGNiG an annex to the agreement for gas deliveries to the ORLEN Group by the end of 2027 (with the option of extension to the end of 2028), including the future demand of the Ostrołęka C gas power plant.

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

PKN ORLEN announced that on 29 January 2021, PKN 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 2023 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.

According to the terms of the agreement, NP Baltic Wind B.V. will ultimately acquire 49 per cent. of the shares in Baltic Power, and the remaining 51 per cent. of the shares in Baltic Power will stay in the possession of PKN ORLEN. As a part of the contributions in cash to cover the Baltic Power shares that are to be acquired by NP Baltic Wind B.V., NP Baltic Wind B.V. plans to invest approximately PLN 290 million in 2021 for Baltic Power's development.

The agreement was approved at a shareholders' meeting of Baltic Power. All the conditions precedent to the agreement including adoption of a resolution amending Baltic Power's Articles of Association, subscription for shares in the increased share capital by the investor and obtaining antitrust clearance were fulfilled by 24 March 2021. The registration of the share capital increase in the Polish National Court Register is still pending.

Share purchase agreement for 100 per cent. of shares in Nowotna Farma Wiatrowa Sp. z o.o.

PKN ORLEN announced that on 26 February 2021 Orlen Wind 3 Sp. z o.o. (**ORLEN Wind 3**) signed with investment funds Taiga Inversiones Eolicas SCR SA and Santander Energias Renovables SCRA SA, headquartered in Madrid, Spain, a share purchase agreement for 100 per cent. of the shares in Nowotna Farma Wiatrowa Sp. z o.o., owner of the Kobylnica, Subkowy, and Nowotna onshore wind farms. The total power generated by the wind farms that are to be purchased amounts to 89.4 MW. The value of the agreement amounts to approximately PLN 380 million. The agreement was signed under the condition that the approval of the relevant antitrust authorities will be obtained.

PKN ORLEN holds 100 per cent. of the shares in ORLEN Wind 3, which has been set to conduct the ORLEN Group's activity in the area of renewable energy in relation to the 2030 Strategy.

COVID-19's impact on the ORLEN Group's operations

The outbreak of COVID-19 has had a significant impact on the global economy and caused the introduction of significant restrictions on a global scale. During the period from March to June 2020 in particular, the COVID-19 pandemic caused a blockade of transport on a global scale and an unprecedented drop in global demand for jet fuel, diesel and gasoline, which, as a consequence, led to a drop in demand for crude oil. The excess of crude oil supply over crude oil demand on a scale exceeding available storage capacities caused a

sharp and deep decline in crude oil prices between the first and second quarter of 2020, which was in time and scale faster than price adjustments on the markets of fuel and crude oil products. Crude oil prices started to rise in May 2020 as a result of the reduction in production by the OPEC and Russia as well as a decline in production due to economic reasons, mainly in the USA, as well as due to the increase in demand resulting from the thaw of global economies.

The coronavirus pandemic had a significant impact on the results achieved by the ORLEN Group in the financial year 2020 across all operating segments. In particular, during the period from March to June 2020, the ORLEN Group noted both a decrease in crude oil prices and a sharp drop in demand for its products and, consequently, a decrease in their prices in the Refinery, Petrochemical, Retail and Upstream segments. The effects of the COVID-19 pandemic are also noticeable in the Energy segment, where a significant decrease in demand for electricity occurred, especially for end customers from the A, B and C tariff groups, as well as a decline in the production volume.

In the second and third quarter of 2020, due to the return of growth of global economies and reduced restrictions imposed on social activities, as well as communities adapting to functioning in pandemic conditions, the ORLEN Group observed a gradual increase in demand. Unfortunately, the second wave of the COVID-19 pandemic in the autumn of 2020 stopped this trend and brought the Polish economy to a halt again, which adversely affected the ORLEN Group's results in the fourth quarter of 2020.

Throughout 2020 and to the date of this Offering Circular, all ORLEN petrol stations have remained open, and there have been no disruptions in any area of ORLEN's operations or other production plants of the ORLEN Group in Poland. There were also no material disruptions in the ORLEN Group's operations on foreign markets as a result of the COVID-19 pandemic. In the ORLEN Group's opinion, currently there are no threats to the supply chain, both with respect to the purchase of raw materials and goods, as well as in the field of internal logistics processes (among others, supply of liquid fuels from the production plant to fuel terminals and then to petrol stations).

Since the outbreak of the COVID-19 pandemic, PKN ORLEN and entities comprising the ORLEN Group have taken a number of actions in order to adapt to the constantly changing business environment, as well as to prevent the spread of COVID-19 infections among employees and to support the Polish government's measures to combat the COVID-19 pandemic.

Actions taken by the ORLEN Group in connection with the COVID-19 pandemic

PKN ORLEN and entities comprising the ORLEN Group have taken a number of actions in connection with the COVID-19 pandemic.

When the first cases of COVID-19 appeared in Poland, the ORLEN Group developed emergency action plans to ensure the continuity of operations of critical infrastructure and the provision of key services provided by PKN ORLEN. Crisis management plans were developed depending on the effects that may be caused by the increasing number of cases and coordinated with institutions responsible for the protection of critical infrastructure.

With respect to ongoing purchases, the ORLEN Group has implemented additional actions in order to limit the risk of potential breach of contractual terms and delivery terms by suppliers as a result of a change in the economic situation, especially:

- in the area of direct purchases, actions were taken in order to extend supplier databases for emergency situations, managing supplies from alternative sources as well as cooperation with key suppliers with respect to ongoing reporting of inventory stock and appearing risks in the supply chain and ad hoc preparation of alternative action plans in order to assure operational continuity;

- in the area of investment purchases, additional procedures regarding ongoing monitoring of the fulfilment of contractual terms and deadlines as well as the financial condition of suppliers have been implemented along with procedures regarding initiating purchasing processes for substitute contractors, if needed; and

- procedures were implemented regarding ongoing analysis of liquidity risk with respect to key suppliers and their current ability to settle liabilities to subcontractors for construction works on the basis of declarations and taking appropriate actions, including shortening payment terms in individual cases, if needed.

The ORLEN Group has taken a number of preventive measures in order to limit the spread of the virus at its business premises and for the protection of employees, including:

- the implementation of a number of new procedures and guidelines with respect to personnel and material movement that were especially aimed at minimising direct contact and implementing temperature control with respect to personnel staying on the premises;

- where possible, giving employees the opportunity to work remotely together with the implementation of procedures ensuring availability of key personnel of the ORLEN Group;

- the limitation of business trips and participation in business meetings and recommending the use of tools such as phones, Internet messaging services and videoconferences instead;

- equipping employees with personal protective equipment (such as protective masks and gloves) as well as disinfectants, together with the implementation of hygiene, sanitation and disinfection procedures; and

- in order to ensure the continuity of the operation of ORLEN petrol stations (own and franchised): the introduction of regular disinfections, limiting the number of clients who could be at the petrol station at the same time and temperature controls; the installation of plexiglass barriers at the checkouts; the exclusion of restaurant areas from use; the preparation of solutions to accelerate refuelling and the introduction of new methods of payments directly at distributors through the ORLEN Pay application; and in the fourth quarter petrol stations were equipped with specialized air purifying and filtering devices to further increase the safety of customers and employees.

The ORLEN Group estimates that the total cost incurred in the year ended 31 December 2020 due to the above-described actions amounted to approximately PLN 92 million.

The ORLEN Group adjusts its operations on an ongoing basis taking into account the changing epidemiological situation.

Legal and arbitration proceedings

Any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which PKN 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 PKN ORLEN's or the PKN ORLEN Group's financial position or profitability are described below.

I.P.-95 s.r.o. compensation claim against ORLEN Unipetrol RPA s.r.o.

On 23 May 2012, ORLEN Unipetrol RPA s.r.o. received from the District Court in Ostrava notice of a claim brought by I.P.-95 s.r.o. for compensation related to the filing by ORLEN Unipetrol RPA s.r.o. of a motion for bankruptcy of I.P.-95 s.r.o. in November 2009. The total amount of the claim is approximately PLN 319 million, converted using the exchange rate as at 31 March 2021 (representing CZK 1,789 million). ORLEN

Unipetrol RPA s.r.o. is one of eight defendants which were jointly and severally sued. At the request of I.P.-95 s.r.o., the proceedings were held concerning NESTARMO TRADING LIMITED joining the claim as a co-plaintiff. The court rejected such request. In February 2018, the court dismissed the claim in its entirety, ruling in favour of ORLEN Unipetrol RPA s.r.o. On 3 April 2018, I.P.-95 s.r.o. appealed the decision of the court of first instance. On 22 May 2018, the District Court in Ostrava ordered I.P. - 95 s.r.o. to pay the appeal fee. On 11 December 2018, the court of second instance dismissed I.P.-95 s.r.o.'s appeal of the judgment of the District Court in Ostrava. The judgment is therefore binding. On 20 March 2019, I.P. -95 s.r.o. filed a cassation appeal against the judgment of the court of second instance. According to the ORLEN Group, the claim is without merit.

Claim of Warter Fuels S.A. (formerly: OBR S.A.) against PKN ORLEN for compensation

On 5 September 2014, OBR S.A. (currently: Warter Fuels S.A.) filed an action against PKN ORLEN with the District Court in Łódź for a claim for payment in respect of an alleged breach by PKN ORLEN of patent rights. The amount of the claim in the lawsuit was estimated by Warter Fuels S.A. in the amount of approximately PLN 84 million. The claim covers the sum of money awarded from PKN ORLEN for Warter Fuels S.A. in an amount corresponding to the value of the license fee for the use of the solution under the above patent and the obligation to repay the benefits derived from the use of this solution. On 16 October 2014, PKN ORLEN responded to the lawsuit. In the pleading from 11 December 2014, the value of the dispute was referred to by the plaintiff in the amount of approximately PLN 247 million. So far, several hearings have been held (the last on 28 September 2018), during which the court heard the parties' witnesses. . On 19 December 2018, a hearing took place during which the court heard the parties' position in the scope of the grounds for a repeal of the injunction. By a decision of 2 January 2019, the Regional Court set aside the order granting security for the claims. Warter Fuels S.A. filed a complaint against this decision on 5 February 2019. PKN ORLEN submitted a response to the complaint. The matter is currently being heard by the Court of Appeal in Łódź. The injunction has been validly repealed. Legal counsel representing PKN ORLEN submitted a request to suspend the proceedings due to parallel proceedings for determining the right to the disputed patent, the outcome of which will have an impact on the case on appeal. The request has not been considered yet. The court is currently looking for an expert or institute to issue an opinion, including among foreign entities; hence, the translation of part of the case documentation into German was commissioned. A full assessment of the risk of an unsuccessful decision may be made at a later stage of the proceedings, taking into account the arguments of PKN ORLEN. According to the ORLEN Group, the claims of Warter Fuels S.A. are without merit.

UAB Baltpool claim against ORLEN Lietuva

In May 2019, UAB Baltpool (an entity administering the funds and responsible for collecting fees for the so-called the Public Service Obligation (PSO) in Lithuania) filed a claim against ORLEN Lietuva for the payment of system fees (so–called PSO fees) related to electricity consumption for the period from February 2013 to March 2019 (excluding May 2017). The claim relates to ORLEN Lietuva's unpaid system fees for the electricity generated and consumed by ORLEN Lietuva for its own needs. ORLEN Lietuva believes that such system fees (self-producer fees) are not due.

The case is connected with 8 administrative cases brought by ORLEN Lietuva (since 2013), in which ORLEN Lietuva challenges the legality of charging PSO on electricity generated and consumed for its own needs. All these administrative cases are suspended in connection with proceedings pending before the Court of Justice of the EU. The outcome of the case brought by UAB Baltpool depends to a large extent on the outcome of these administrative proceedings and proceedings before the Court of Justice of the EU. The Court of Justice of the EU decided that the Lithuanian PSO program constitutes state aid. In order to participate in the PSO fee reimbursement plan, which started on 1 July 2020, the Supervisory Board of ORLEN Lietuva decided to settle the arrears. A reduction of overdue interest was negotiated. On 25 June 2020, ORLEN Lietuva settled the arrears in the amount of PLN 64 million, converted at the exchange rate as at 31 March 2021 (i.e., EUR 13.7 million), which is equivalent to the total dispute value as at 31 March 2021. UAB Baltpool withdrew the lawsuit, which was confirmed by the court decision of 3 November 2020. Therefore, ORLEN Lietuva will participate in the PSO reimbursement plan, as one of the conditions of participation is the lack of debt to UAB

Baltpool. The case concerning PSO for 2017 has been appealed. The date of the appeal hearing has not been determined yet. If ORLEN Lietuva wins the case, the PSO paid to date will be returned to ORLEN Lietuva by the State Treasury. According to the ORLEN Group, the claims are without merit.

POLWAX S.A. - ORLEN Projekt S.A. dispute

On 19 April 2019, ORLEN Projekt S.A. (**ORLEN Projekt**) filed a claim against POLWAX S.A. with the District Court in Rzeszów for payment of the amount of PLN 6.7 million together with due statutory interest for delay in commercial transactions in respect of remuneration for construction works received by POLWAX in connection with the agreement concluded on 7 April 2017 for "Construction and start-up of the paraffin wax solvent deoiling installation together with auxiliary installations for POLWAX S.A." On 23 May 2019, the District Court issued a payment order to ORLEN Projekt in writ of payment proceedings covering the entire amount claimed, thanks to which ORLEN Projekt subsequently obtained a bailiff's security for this amount in the POLWAX bank account. The motion submitted by POLWAX for overturning the warrant of payment was dismissed by the decision of the court of first instance. POLWAX appealed the decision of the court of first instance; however, on 16 March 2020 the Court of Appeal in Rzeszów issued a decision rejecting POLWAX's complaint. The case was remanded to the District Court in order to carry out evidentiary proceedings. On 27 November 2020, the District Court issued a judgment in the case, according to which (i) it mostly upheld the payment order of 23 May 2019, i.e., in full for the main claim in the amount of PLN 6.7 million and with regard to overdue interest for delay in commercial transactions from 1 October 2019 to the date of payment; (ii) it revoked the order for payment issued on 23 May 2019 for the payment of overdue interest in the amount of PLN 2.9 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; (iii) it ordered POLWAX to pay ORLEN Projekt additional litigation costs. On 22 February 2021 ORLEN Projekt filed an appeal against the judgment, objecting to the revocation by the Court of the payment order as regards the payment of statutory interest for delay in commercial transactions from the amounts: (i) PLN 2.9 million from 11 January 2019 to 1 October 2019 and (ii) PLN 3.7 million from 25 January 2019 to 1 October 2019.

On 31 May 2019, ORLEN Projekt filed another claim against POLWAX with the District Court in Rzeszów for payment of a further PLN 6.5 million together with due statutory interest for delay in commercial transactions in respect of another part of the remuneration for construction works received by POLWAX. This claim was then extended three times, once on 20 September 2019 by the amount of PLN 13.9 million for groundless reimbursement of a performance guarantee and covering the costs of its execution, once again on 6 November 2019 by the amount of PLN 25 million for other claims related to withdrawal from the Agreement by ORLEN Projekt due to POLWAX's fault, and once again on 19 February 2021 for the amount of PLN 22.5 million for further claims related to the termination of the Agreement by ORLEN Projekt due to fault of POLWAX, up to the total amount of PLN 67.9 million. Further hearings are scheduled for May and June 2021.

On 2 March 2020, POLWAX filed a lawsuit against ORLEN Projekt with the District Court in Rzeszów for payment of PLN 132 million plus accrued interest for delay. The total amount investigated by the defendant includes PLN 84 million for damage in the form of actual loss incurred by POLWAX and PLN 48 million for lost benefits resulting from improper performance and failure to perform the agreement by ORLEN Projekt. In the opinion of ORLEN Projekt, the POLWAX claims pursued in the lawsuit are unfounded; therefore, in response to the lawsuit dated 3 September 2020 ORLEN Projekt requested that the claim be dismissed in its entirety.

According to information from ORLEN Projekt, before filing the lawsuit, POLWAX filed a request to the District Court in Rzeszów for securing the claims it intended to pursue from ORLEN Projekt; however, the court entirely dismissed that request by the order of 6 February 2020. Following the filing by POLWAX of a letter entitled extension of claim together with a reply to the statement of defence, ORLEN Projekt requested that the extension of claim is declared inadmissible. On 25 February 2021 the District Court in Rzeszów supported ORLEN Projekt's motion and issued a decision declaring the extension of POLWAX's claim by PLN 2 million as inadmissible. The date of the preparatory hearing in the case was set for 19 May 2021.

On 11 March 2020, POLWAX filed a lawsuit against ORLEN Projekt with the District Court in Rzeszów for payment of PLN 9.7 million plus accrued interest for late payment: (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. In the opinion of ORLEN Projekt, the POLWAX claims pursued in the above lawsuit are unfounded; hence, in response to the lawsuit of 19 June 2020 ORLEN Projekt requested that the claim be dismissed in its entirety. The case was suspended at the joint request of the parties. By letter dated 1 March 2021 POLWAX requested that the suspended proceedings be resumed. On 17 March 2021, the Court issued a decision to resume the suspended proceedings, setting the date of the preparatory hearing in the case for 14 June 2021.

On 22 June 2020, a copy of another suit filed by POLWAX with the District Court in Tychy was delivered to ORLEN Projekt. In that lawsuit, POLWAX demanded that the Court order ORLEN Projekt to empty warehouses transferred to ORLEN Projekt in order to store equipment and materials for the purposes of the conducted investment. On 3 July 2020, the court extended the deadline for ORLEN Projekt to submit a response to the lawsuit to 24 July 2020. On 24 July 2020, ORLEN Projekt submitted a response to the statement of claim in this case, requesting that the claim be dismissed as totally unfounded. By the order of 16 August 2020, the court directed the case to mediation, which both parties agreed to. On 9 April 2021, the mediator prepared a protocol on the conclusion of the mediation, returning the files to the District Court in Tychy for further proceedings in the case.

As a result of the above, the ORLEN Group recognised contingent liabilities resulting from the debit notes issued by POLWAX including (i), potential contractual penalties in the amount of PLN 20.7 million, (ii) costs related to the export and development of waste material in the amount of PLN 9.7 million and (iii) remuneration for non-contractual use of the property in the amount of PLN 0.2 million.

ORLEN Projekt challenges the legitimacy of the above-mentioned notes and the legal grounds for their issuance. In the opinion of the ORLEN Projekt, the claim is without merit, therefore a provision has not been recognised in the financial statements of the ORLEN Projekt.

Technip Italy S.p.A. v ORLEN Unipetrol RPA, s.r.o.

In connection with the delay in execution of the agreement concluded between Technip Italy S.p.A. (**Technip**) and ORLEN Unipetrol RPA, s.r.o. (**ORLEN Unipetrol**) for the construction of the Polyethylene Plant in Litvinov, Technip was obliged to pay contractual penalties for the delay in the amount of PLN 107 million, converted using the exchange rate as at 31 March 2021 (representing EUR 23 million). Technip did not pay the above mentioned contractual penalties to ORLEN Unipetrol; therefore, ORLEN Unipetrol exercised the bank guarantee in the amount of PLN 98 million, converted using the exchange rate as at 31 March 2021 (representing EUR 21 million).

On 17 August 2020, Technip requested arbitration. In November 2020, ORLEN Unipetrol claimed an offset of the remaining contractual interest from the invoice issued by Technip for the remaining part of the contractual remuneration: the outstanding amount of contractual interest for delay is PLN 8.3 million converted using the exchange rate as at March 2021 (corresponding to EUR 1.8 million).

On 30 November 2020, ORLEN Unipetrol submitted a reply to the statement of claim and filed a counterclaim for the outstanding contractual interest for delay in the amount of PLN 8.3 million converted using the exchange rate as at 31 March 2021 (corresponding to EUR 1.8 million).

On 5 January 2021, Technip submitted an amendment to the demand for arbitration increasing the total amount of the claim to PLN 134 million converted using the exchange rate of 31 March 2021 (corresponding to EUR 28.8 million).

Technip, by filing for arbitration taking into account the submitted amendment, wants to obtain:

- payment of the amount of PLN 99 million, converted using the exchange rate as at 31 March 2021 (corresponding to EUR 21.3 million), representing the amount of unjustified payment under the bank guarantee by ORLEN Unipetrol;

- payment of the amount of PLN 34 million, converted using the exchange rate as at 31 March 2021 (corresponding to EUR 7.3 million) representing additional claims of Technip based on various circumstances and legal grounds mainly concerning works and additional services provided by Technip in connection with the Polyethylene Plant construction project;

- payment of the amount of PLN 0.9 million, converted using the exchange rate as at 31 March 2021 (corresponding to EUR 0.2 million) from the invoice issued by Technip, representing the remaining part of the contractual remuneration (which was offset by ORLEN Unipetrol in November 2020);

- payment of the amount of statutory interest for the entire due payment;

- dismissal of ORLEN Unipetrol's counterclaim.

The arbitration proceedings are pending before the Court of Arbitration at the International Chamber of Commerce in Vienna. In the opinion of the ORLEN Group, Technip's claim is without merit.

Arbitration between Elektrobudowa S.A. and PKN ORLEN

Elektrobudowa S.A. filed a suit against PKN 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 PKN 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;

- 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 PKN ORLEN under bank guarantees.

On 17 April 2020, PKN ORLEN submitted its defence. The arbitration tribunal has issued the following rulings:

- The interim award of 7 January 2021, which concerns Elektrobudowa S.A.'s claims for recovery of PLN 0.3 million for the development of the "Post-overhaul Unit Commissioning and Start-up Manual" and for recovery of a PLN 0.1 million surcharge for delivery of a stainless steel FA-2202 Nitrogen Treater adsorption unit in place of a carbon steel one.

In the award, the arbitration panel found both these claims to be justified in principle. The award is not dispositive as to whether PKN ORLEN has to pay the plaintiff PLN 0.3 million in consideration for the development of the manual and/or the PLN 0.1 million surcharge for delivery of the adsorption unit, but establishes, in view of the panel's findings, that Elektrobudowa S.A. may reasonably expect to be paid by PKN ORLEN for rendering the aforesaid additional and/or substitute performance.

The exact amounts of the payments due to Elektrobudowa S.A. from PKN ORLEN for that performance are to be determined at the next stage of the ongoing proceedings. Accordingly, on 18 January 2021 the arbitration tribunal decided to admit expert evidence in order to determine the value of the manual as developed by Elektrobudowa S.A. and the amount of the surcharge due for delivery of the stainless steel Adsorption Unit in place of a carbon steel one.

- The partial award of 8 January 2021, which concerns PKN ORLEN's counterclaim for reduction of the consideration due to Elektrobudowa S.A. was for a total of PLN 0.01 million and EUR 4.6 million and was related to the defects found in the K-2302A and K-2302B compressors and in the drinking and utility water pipelines. The arbitration tribunal dismissed PKN ORLEN's counterclaim, made under the implied warranty statute, for reduction by a total of PLN 0.01 million and EUR 4.6 million of the lump-sum consideration due to the plaintiff for delivery of the K-2302A and K-2302B compressors with a shaft power of 11.4 kW and for the construction of the PEHD drinking and utility water pipelines under the "Engineering, Procurement and Construction (Turnkey) Contract for a Metathesis Unit at Polski Koncern Naftowy ORLEN S.A.'s Production Plant in Płock" of 1 August 2016, having found the counterclaim to be without merit. The partial award is not equivalent to an actual award of PLN 0.01 million and EUR 4.6 million to the plaintiff from PKN ORLEN as the arbitration tribunal did not rule on whether the plaintiff had standing to claim payment of those amounts as part of the consideration due under the contract, nor is it equivalent to a ruling that PKN ORLEN's notice of reduction under the implied warranty statute of the contractual consideration by the same amounts on account of defects in contract deliverables should be deemed ineffective.

- In a partial award (No. 2) of 3 February 2021, the arbitration tribunal awarded PKN ORLEN for Elektrobudowa S.A. the amount of PLN 4.3 million (in respect of 17 invoices) and the amount of PLN 7 million (equivalent to EUR 1.62 million in respect of 5 invoices) for VAT (in total: PLN 11.3 million), together with statutory interest for delay, and determined that the deductions made by the defendant were unjustified for the amount of EUR 0.7 million and the amount of PLN 3.5 million. As regards part of the invoices, the arbitration tribunal stated that they had not been paid without explaining the reasons for their payment. Moreover, the arbitration tribunal stated that the EPC Agreement allowed only deductions to be made to the net value. Therefore, it concluded that VAT, as a public law debt, cannot be set off against a civil law debt and such amounts cannot be retained.

- In the partial award (No. 3) of 3 February 2021, the arbitration tribunal ordered PKN ORLEN to pay the bankruptcy trustee the total amount of PLN 1.2 million net for partial payment of contractual remuneration (in respect of 6 invoices), including statutory interest for delay until the date of payment. The arbitration tribunal ruled on 6 invoices which were already examined in the partial judgment (no. 2). The arbitration tribunal stated that PKN ORLEN did not indicate why the amounts were not paid. It also stated that the lawsuit was limited and that it does not include the amounts retained as a substitute deposit related to the failure to submit the performance guarantee during the guarantee period. However, the arbitration tribunal awarded the trustee the amount of PLN 1.2 million.

- In the partial award (No. 4) of 3 February 2021, the arbitration tribunal ordered PKN ORLEN to pay the plaintiff the total amount of PLN 2.1 million and the amount of EUR 1.4 million for partial payment of contractual remuneration, together with statutory interest for delay until the date of payment and establishing the unjustified deductions made by PKN ORLEN for contractual penalties in the amount of EUR 1.9 million. The judgment concerns the amounts deducted by PKN ORLEN in connection with the imposition of contractual penalties for the late performance of the EPC agreement with regard to intermediate deadlines. The arbitration tribunal found that:

- contractual penalty for delay in providing the documentation was partially incorrectly charged, and therefore awarded Elektrobudowa S.A. the amounts deducted in connection with the incorrectly calculated penalty;

- contractual penalty for delay in delivery of the reactor specified in the agreement is justified and dismissed the claim for payment of remuneration to the extent that it was deducted to cover this contractual penalty;

- contractual penalty for delay in delivery of the Cold Station was calculated incorrectly and awarded Elektrobudowa S.A. claims for the remuneration deducted to satisfy this contractual penalty.

- In the partial award (No. 5) of 12 February 2021, the arbitration tribunal ordered PKN ORLEN to pay the plaintiff the total amount of PLN 1.3 million and the amount of EUR 2.5 million for partial payment of contractual remuneration (part of the net receivables resulting from 6 invoices, the VAT amounts of which were previously ordered in partial award No. 2), together with statutory interest for delay until the date.

PKN ORLEN is not entitled to any appeal against the abovementioned judgments in the proceedings before the arbitration tribunal. As at 31 March 2021, on the basis of the above-mentioned awards PKN ORLEN is obliged to pay to the bankruptcy trustee of Elektrobudowa S.A. approximately PLN 59 million with interest. As at 31 March 2021, for amounts not yet covered by the judgments, the ORLEN Group recognised provisions in the amount of PLN 22 million.

Lawsuit for reimbursement of excess contractual consideration – Energa Kogeneracja Sp. z o.o. (plaintiff) vs Mostostal Warszawa SA (defendant)

Energa Kogeneracja Sp. z o.o. sued Mostostal Warszawa S.A. for a total of PLN 114.4 million, including: PLN 22.6 million in liquidated damages, PLN 90.3 million in reimbursement of excess consideration, and PLN 1.5 million in capitalised interest. On 15 December 2017, Mostostal Warszawa S.A. submitted its defence and requested dismissal of all of the plaintiff's claims, and filed a counterclaim of PLN 7.8 million, including: PLN 7.4 million in reimbursement of funds wrongfully drawn down under a bank guarantee and PLN 0.4 million in capitalised interest.

To date, only one hearing has been held in the case, during which the court heard Mostostal Warszawa S.A.'s objection to intervention by the Minister of Energy (substituted by the Minister of Climate and Environment following reorganisation of the Polish governmental ministries) in the lawsuit. As the objection was dismissed, the Minister continues to act as an intervener in the case.

The court also admitted into evidence a pre-trial expert opinion from a scientific and research institute. However, no such opinion has yet been provided as none of the institutes (in Poland or abroad) asked by the court for an opinion has confirmed its ability to prepare one. The parties are currently waiting for replies from various institutes based in Stockholm, Hamburg and Vienna.

Settlement negotiations between the parties have so far been unsuccessful.

Lawsuit to repeal Resolution No. 3 of the Extraordinary General Meeting of Energa S.A. held on November 29, 2020 – Energa shareholders (plaintiffs) vs Energa S.A. (defendant)

On 9 December 2020, the Management Board of Energa S.A. was notified that on 7 December 2020 the Circuit Court in Gdańsk, 9th Commercial Division, had granted a preliminary injunction to Energa S.A. shareholders seeking the repeal of Resolution No. 3 of the Extraordinary General Meeting of Energa S.A. held on 29 October 2020 to delist 269,139,114 Series AA ordinary bearer shares in the company, registered with the depository maintained by the Central Securities Depository of Poland under ISIN code PLENERG00022, from the

regulated market operated by the Warsaw Stock Exchange, thereby enjoining Energa S.A. from implementing the resolution until the case is decided. Due to the injunction, the resolution cannot enter into force. The motion for injunction was included in the lawsuit to repeal the resolution. Energa S.A. appealed the injunction and filed a statement of defence within the time limit and in the manner prescribed by applicable provisions of law (on 7 January and 21 January 2021, respectively). The President of the Polish Financial Supervision Authority has joined the case.

Lawsuit to repeal Resolution No. 3 of the Extraordinary General Meeting of Energa S.A. held on November 29, 2020 – Energa shareholders (plaintiffs) vs Energa S.A. (defendant)

The lawsuit seeks the award of non-monetary property claims. On 16 December, 2020, the Management Board of Energa S.A. was notified that on 10 December 2020 the Circuit Court in Gdańsk, 9th Commercial Division, issued a decision that granted a preliminary injunction to Energa S.A. shareholders seeking the repeal of Resolution No. 3 of the Extraordinary General Meeting of Energa S.A. held on 29 October 2020 to delist 269,139,114 Series AA ordinary bearer shares in the company, registered with the depository maintained by the Central Securities Depository of Poland under ISIN code PLENERG00022, from the regulated market operated by the Warsaw Stock Exchange (the "**Resolution**"), thereby enjoining Energa S.A. from implementing the Resolution until the case is decided. Due to the injunction, the Resolution cannot enter into force. The motion for injunction was included in the lawsuit to repeal or void the Resolution. On 12 January 2021, Energa S.A. appealed the injunction.

The application for injunctive relief in the above mentioned case was filed together with a statement of claim for repealing or annulling the Resolution. Energa S.A. filed a complaint against the injunctive relief and a statement of defence within the time limit and in the manner prescribed by the applicable legal regulations (on 12 January 2021 and 25 February 2021, respectively).

Agencja Wydawnicza Technopol sp. z o.o. vs RUCH S.A.

In September 2018, Agencja Wydawnicza Technopol sp. z o.o. (**Technopol**) filed a suit with the Circuit Court in Warsaw against RUCH S.A. for the recovery of PLN 12 million plus statutory interest accrued from 5 September 2015 until payment. The amount in dispute included: (a) a PLN 8 million claim for unjust enrichment as a result of RUCH's failure to comply with the judgment of the Court of Appeals in Kraków of 9 November 2006 (the claim covered the period of alleged non-compliance from 1 April 2012, to 4 September 2015); b) PLN 4 million in damages for RUCH's alleged violation of the injunction granted against it to Technopol for selling certain crossword puzzles by the Court of Appeals in Kraków on 9 November 2006. On 31 July 2020, Technopol extended the lawsuit to include further claims of PLN 20 million under the same causes of action (as listed above), covering, however, the period from 5 September to 31 July 2020. The new claims include: (i) PLN 12 million plus statutory interest accrued from 30 October 2018 until payment; (ii) PLN 8 million plus statutory interest accrued from the service on RUCH of the lawsuit extension notice (25 September 2020) until payment. In total, Technopol has sued RUCH for PLN 32 million plus statutory interest.

RUCH has filed a statement of defence, requesting that all of the plaintiff's claims be dismissed. RUCH has also requested that the court stay the proceedings on the grounds that the Public Prosecutor General filed an extraordinary appeal with the Supreme Court against the judgment of the Court of Appeals in Kraków of 9 November 2006 , which Technopol's claims arise from. The request has not been heard yet.

To date, only one hearing has been held in the case, during which testimony was taken from a witness. The case was scheduled to resume on 17 February 2021; however, the hearing was cancelled as the presiding judge had ceased to serve on the Circuit Court. The case will be resumed following its reassignment to a new presiding judge by lot. In RUCH's opinion, Technopol's claims are without merit.

State Treasury represented by Mayor of the Capital City of Warsaw vs RUCH S.A.

On 29 April 2015, the State Treasury represented by the mayor of the Capital City of Warsaw sued RUCH S.A. in the Circuit Court in Warsaw for PLN 20,421,154.40, plus statutory interest (PLN 12,666,621.40 as at 31 December 2020), in compensation for occupying the property located at ul. Nowy Świat 15/17, Warsaw, (plot No. 106) without a contract in the period from 1 December 2009 to 30 April 2014. The total amount in dispute is approximately PLN 33 million.

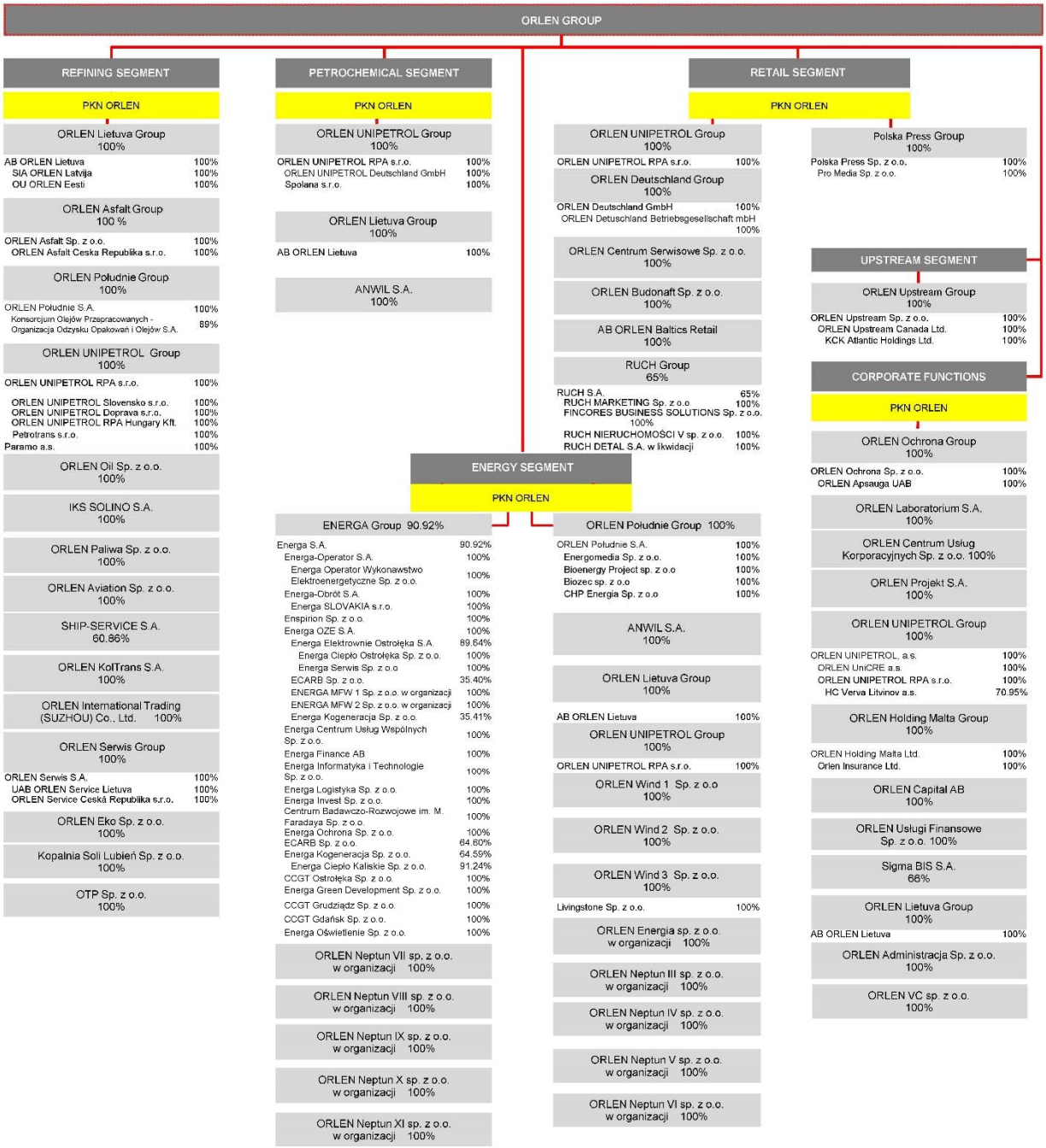
On 12 May 2015, the Circuit Court in Warsaw issued a payment order against the defendant in summary proceedings. RUCH appealed the order, requesting that all of the plaintiff's claims be dismissed, whereby the order was rendered ineffective. In the appeal, RUCH requested that the case be stayed until its adverse possession petition concerning the property located at ul. Nowy Świat 15/17, Warsaw, has been decided. On 5 August 2015, the Circuit Court of Warsaw issued an order staying the case until a final and unappealable decision is entered on RUCH's petition. As the adverse possession proceedings are still pending before the trial court, i.e., the District Court for Warsaw-Śródmieście in Warsaw, the compensation action should not be expected to resume in the near future.

Structure and Organisation of the ORLEN Group as at 31 March 2021

The ORLEN Group includes PKN ORLEN as the parent company and entities located in Poland, Germany, the Czech Republic, Lithuania, Malta, Sweden, the Netherlands, Slovakia, Hungary, Estonia, Latvia, China and Canada.

PKN 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 2021 and allocates them according to reporting segment or to corporate functions:



Acquisitions

Completed acquisitions

Acquisition of Energa Group

On 5 December 2019, PKN ORLEN announced a tender offer to subscribe for the sale of all shares of Energa S.A. (**Energa**) at the price of PLN 7 per share. On 15 April 2020, as a result of negotiations with the Ministry of State Assets, PKN ORLEN increased the price in a tender offer to PLN 8.35 per share.

The tender offer was announced under the following conditions:

- that PKN ORLEN obtain an unconditional decision of the European Commission (or another competent anti-monopoly authority) approving the merger involving the takeover of control of Energa, which was fulfilled on 31 March 2020;

- that the number of Energa shares subscribed for in the tender offer correspond to at least 66 per cent. of the aggregate number of votes at the General Meeting of Energa, which was fulfilled on 20 April 2020; and

- that the General Meeting adopt a resolution amending Energa's Articles of Association, that the Energa Supervisory Board adopt a resolution adopting a consolidated text of the Articles of Association and that PKN ORLEN and Energa enter into an agreement concerning a due diligence review of Energa, each of which were fulfilled on 22 April 2020.

The tender offer covered:

- 33,533,320 ordinary bearer shares of Energa, corresponding to 33,533,320 votes,

- 152,851,762 ordinary bearer shares of Energa, corresponding to 152,851,762 votes,

- 144,928,000 certificated registered shares of Energa, corresponding to 289,856,000 votes.

On 30 April 2020, PKN ORLEN completed the process of acquisition of 331,313,082 shares of Energa representing approximately 80 per cent. of the share capital of Energa and corresponding to approximately 85 per cent.of the total number of votes at the General Meeting of Energa. The price amounted to PLN 8.35 per share and the total price for the shares purchased by PKN ORLEN amounted to approximately PLN 2,766 million and was covered by PKN ORLEN by cash from its own resources and a consortium credit line.

On 21 September 2020, PKN ORLEN announced a tender offer (delisting offer) for those shares issued by Energa that were held by all remaining Energa shareholders. At the same time, PKN ORLEN submitted a request to Energa to convene an extraordinary general meeting and include an item on the agenda concerning the adoption of a resolution regarding the delisting of Energa shares from trading.

On 30 November 2020, the tender offer (delisting offer) of 21 September 2020 was settled. PKN ORLEN acquired 45,175,558 dematerialized ordinary shares of Energa, representing approximately 10.91 per cent. of the share capital of Energa and corresponding to approximately 8.08 per cent. of the total number of votes at the General Meeting of Energa.

The Energa Group is one of the leading energy groups and a supplier of electricity and services for approximately one quarter of the Polish market. Almost 40 per cent.of the energy produced by the Energa Group comes from renewable energy sources. Energa is a company listed on the Warsaw Stock Exchange.

The core business lines of the Energa Group involve Energa Operator (responsible for the distribution of electricity and of key importance to Energa's operating profitability), Energa OZE (responsible for electricity generation) and Energa Obrót (responsible for sales). The main assets of the Energa Group, located in the northern and central parts of Poland, are, among others, heating networks, combined heat and power plants, wind farms, hydropower plants and photovoltaic farms.

In connection with PKN ORLEN taking control of the Energa Group, PKN ORLEN signed an agreement with the State Treasury in which it declared its intent to continue strategic projects of the Energa Group with simultaneous verification of the conditions for their continuation as well as maintaining an employment policy assuring proper operation of the companies within the Energa Group. Additionally, PKN ORLEN undertook to perform the obligations of companies within the Energa Group resulting from development plans accepted by the President of the Energy Regulatory Office including, among others, maintaining total installed capacity from renewable energy sources, providing production services and assuring the continuity of heat delivery, supplying power from a generating unit located near Ostrołęka and proper operation of the distribution network. As of the date of the Offering Circular, in the ORLEN Group's opinion there is no risk that the conditions included in the agreement with the State Treasury would not be met.

PKN ORLEN plans to further develop the areas in which PKN ORLEN and Energa are already active such as electromobility and renewable energy sources, as well as take on new projects, such as offshore wind farms.

PKN ORLEN has started integrating Energa's activities within the enlarged ORLEN Group, which will allow, among others, synergies in terms of reducing operating costs, including those related to energy trading on the Polish Power Exchange by using the production surpluses in the Energa Group and increasing the sales of products and services, in particular in the segment of retail customers by combining the customer base of both groups.

Acquisition of RUCH S.A.

On 11 April 2019, PKN ORLEN approached RUCH with a conditional financing proposal relating to the intended acquisition of a controlling interest in RUCH. This decision was preceded by a due diligence process in respect of RUCH and preparation of a framework for restructuring measures. Since then, steps have been taken to adopt and approve restructuring arrangements, which was one of the pre-conditions to PKN ORLEN providing financing to RUCH. In the meantime, a detailed restructuring plan for RUCH was developed, and an investment agreement was negotiated with the other partners on the project, being PZU S.A., PZU Życie S.A. and Alior Bank S.A. The signing of investment agreement in June 2020 and the receipt of clearance from the anti-trust regulator for PKN ORLEN to acquire control of RUCH have enabled the acquisition process to move forward. The issue of the final and binding decision by the court on the performance of restructuring arrangements with creditors by RUCH in November 2020 as part of two accelerated arrangement proceedings was the last condition and enabled PKN ORLEN to finalise the acquisition of a majority stake in RUCH.

On 24 November 2020, the General Meeting of RUCH adopted a resolution to increase RUCH's share capital by the amount of PLN 109,189,617 through the issuance of 109,189,617 shares with a nominal value of PLN 1 each. The issue price of 1 share was PLN 1.83. As part of the adopted resolution, PKN ORLEN acquired and at the same time paid for 70,973,251 shares of RUCH for the consideration of PLN 130 million, representing 64.94 per cent. of the share capital of RUCH and corresponding to 64.94 per cent. of the total number of votes at the General Meeting of RUCH. Therefore, PKN ORLEN obtained control over RUCH and its subsidiaries (the **RUCH Group**) on 24 November 2020.

Acquisition of Polska Press sp. z o. o.

In March 2021, the ORLEN Group acquired Polska Press sp. z o.o. (**Polska Press**). The acquisition was in line with the ORLEN Group's 2030 Strategy, which, among other things, aims to grow the ORLEN Group's retail sales by advancing modern communication channels, expanding the network of parcel collection points, digital transformation of its retail formats and building an e-commerce platform around the RUCH network.

The acquisition of Polska Press fits into this strategy, particularly where it seeks to build an integrated digital services platform based on the existing customer base. These efforts will strengthen customer relationships and drive profit growth.

According to a November 2020 survey by Mediapanel Polska, Polska Press' websites are read by 17.4 million users each month. This is a solid target group for PKN ORLEN, potentially enabling the Group to win new and retain existing customers. PKN ORLEN is acquiring one of the largest publishers in Poland, with its 2019 revenue in excess of PLN 398.4 million. Polska Press owns 20 out of the total 24 regional daily newspapers and nearly 120 local weekly newspapers published in Poland. They successfully operate in 15 out of the 16 voivodeships (or provinces) in Poland and are market leaders in terms of readership and sales in most of them. Polska Press' portfolio also includes 500 websites, making it one of the leaders of online news and journalism in Poland and the major player on local and regional news media markets.

Incorporating a media company into its service portfolio is expected to help the ORLEN Group to significantly expand its advertising offer for external customers. The acquisition of a media group offering print media and online advertising services may generate additional advertising cost savings. The acquisition of Polska Press by PKN ORLEN may also improve the efficiency of the ORLEN Group's advertising and marketing activities. The acquisition of Polska Press by PKN ORLEN may generate significant savings on the costs of video production services across the entire ORLEN Group. This type of service is costly and Polska Press has a network of state-of-the-art video production studios located throughout Poland. Sigma Bis provides PKN ORLEN with social media video production services, and the ORLEN Group has also built its own internal media production capabilities. These major cost synergies could be replicated across the entire ORLEN Group. The ORLEN Group's presence in the media and advertising market could also optimise logistics costs. In order to maximise synergies, the ORLEN Group will consider developing RUCH logistics centres at Polska Press' modern printing facilities. It is important to note that the ORLEN Group will also have full access to in-house printing resources that can be used for the purposes of large-scale marketing campaigns and other activities.

On 17 March 2021 the RPO published an announcement stating that the RPO had appealed to the Regional Court in Warsaw (the Court of Competition and Consumer Protection) against the decision of the UOKiK President of 5 February 2021 concerning the approval of PKN ORLEN's takeover of Polska Press. In the announcement, the RPO also pointed out that under the current regulations, the appeal itself is submitted to the court via UOKiK. At the same time the RPO submitted - directly to the Regional Court in Warsaw - a motion to suspend the execution of the decision (including a ban on PKN ORLEN's shareholding in Polska Press).

On 8 April 2021, the Regional Court in Warsaw issued the decision to suspend the execution of the decision of UOKiK President of 5 February 2021 until the court decides on the appeal of the RPO. In the opinion of PKN ORLEN the said decision does not influence the effectiveness of the purchase of shares in Polska Press by PKN ORLEN as the purchase was effected before the court issued such decision. In PKN Orlen's opinion, the court's decision also does not restrict PKN ORLEN from exercising its rights in its shares in Polska Press.

Acquisition of OTP sp. z o.o.

On 31 March 2021, PKN ORLEN acquired 100 per cent. of the shares in OTP Sp. z o.o. (**OTP**), with its headquarters in Płock, from Trans Polonia Group.

OTP is one of the largest road transport service providers in Poland.

In 2019, OTP transported almost 6 million m^3 of fuels, aviation fuels and LPG. It operates a modern fleet of over 200 sets for the transport of dangerous goods by road (ADR) of class II and III. It employs nearly 700 employees, including over 550 drivers. The acquisition is expected to enable dynamic development and optimization of logistics processes. The reconstruction of own transport capacity within the ORLEN Group's structures and the planned centralization of road logistics management should also have a positive impact on ORLEN Group's results. In this way, the ORLEN Group aims to strengthen its position on the road transport

market. The purchase price amounted to PLN 89 million. The book value of the net assets acquired at the moment of taking control amounted to PLN 17 million.

Acquisition of Livingstone sp. z o.o.

On 11 February 2021, ORLEN Wind 3 sp. z o.o. w organizacji (**ORLEN Wind 3**) acquired 100 per cent. of the shares in Livingstone sp. z o.o., with its headquarters in Warsaw, from foreign investment funds for the price of PLN 25 million. Furthermore, on the same day, ORLEN Wind 3 signed a loan agreement with Livingstone sp. z o.o. in the amount of PLN 76 million, which was designated for the repayment of liabilities of Livingstone sp. z o.o., as indicated in the share purchase agreement, including (in particular) liabilities towards former shareholders under granted loans and bank credits in the amount of PLN 34 million and PLN 41 million, respectively. The core business of Livingstone sp. z o.o. is the generation of electricity from renewable energy sources at the Kanin wind farm located in the West Pomeranian province, which has a capacity of 20 MW. The acquisition was executed as part of the ORLEN Group's strategy aimed at, among other things, expanding its portfolio of zero-emission energy sources. The book value of the net assets acquired at the moment of taking control amounted to PLN 9 million.

Acquisitions under consideration

LOTOS Group

On 27 February 2018, PKN ORLEN signed a letter of intent with the State Treasury concerning the takeover by PKN ORLEN of Grupa LOTOS S.A. and its subsidiaries (**LOTOS Group**) by way of PKN ORLEN's direct or indirect purchase of a minimum 53 per cent. stake in LOTOS Group share capital.

On 26 August 2019, an agreement was signed between the State Treasury, PKN ORLEN and LOTOS Group in relation to a transaction for the purchase of shares in Grupa LOTOS S.A. by PKN ORLEN from the State Treasury, which was intended to give PKN ORLEN direct or indirect control over LOTOS Group.

The agreement is non-binding and does not create any obligations for the State Treasury, PKN ORLEN or LOTOS Group with respect to the execution of the transaction, but only defines their common understanding of the anticipated structure of the transaction and further cooperation in its execution. The parties to the agreement may specify or set out the structure of the transaction in separate contracts or other agreements in a different manner. The agreement is not an offer or preliminary contract under the Polish civil code and it does not form any other type of legal act obligating the State Treasury to implement the transaction.

The agreement confirms the transaction structure specified in the letter of intent concluded on 27 February 2018 between the State Treasury and PKN ORLEN, although the structure will be clarified at a later stage on the basis of a merger approval from the European Commission. It also indicates the further direction of the consolidation project of PKN ORLEN and LOTOS Group to achieve complete consolidation of the abovementioned companies and their enterprises in order to obtain the maximum effect of synergies.

In the agreement, LOTOS Group confirmed its knowledge regarding the planned consolidation project as well as declared its intent to fully cooperate with the State Treasury PKN ORLEN within the framework of generally applicable law, including cooperation in the process of obtaining the European Commission's approval for the acquisition and the submission of a statement of the LOTOS Group Management Board on the planned tender offer for its shares.

The draft notification on the acquisition was filed with the European Commission in November 2018 with the notification filed in July 2019. On 14 July 2020, PKN ORLEN obtained a positive conditional decision from the European Commission on the clearance of an acquisition consisting of PKN ORLEN taking control over LOTOS Group.

The European Commission's decision was issued on the basis of Article 8(2), second paragraph of Council Regulation (EC) No. 139/2004 of 20 January 2004 on the control of concentrations between undertakings (the **EC Merger Regulation**) (EU Official Journal L No. 24, p. 1). With regard to the above, PKN ORLEN is required to fulfill the requirements specified in the decision, aimed at preventing negative effects of the proposed acquisition on competition in the relevant markets.

In August 2020, an agreement was signed between the State Treasury, PKN ORLEN and LOTOS Group in relation to a transaction for the purchase of shares in LOTOS Group by PKN ORLEN from the State Treasury, the transaction being aimed at giving PKN ORLEN direct or indirect control over LOTOS Group.

The State Treasury and PKN ORLEN confirmed their intention to carry out the transaction and indicated that on the day of signing the agreement the scope and structure of the transaction was not yet defined. The State Treasury and PKN ORLEN agreed to cooperate and continue talks to specify detailed terms and conditions of the transaction.

On 12 May 2021, an agreement on cooperation between PKN ORLEN, the LOTOS Group, PGNiG S.A. and the State Treasury concerning the takeover by PKN ORLEN of the LOTOS Group and PGNiG was signed. In that agreement, the parties confirmed that the planned structure of the transaction is a merger between PKN ORLEN, the LOTOS Group and PGNiG with PKN ORLEN as the surviving entity.

Polskie Górnictwo Naftowe i Gazownictwo S.A.

On 14 July 2020, PKN ORLEN and the State Treasury signed a letter of intent concerning PKN ORLEN's takeover of PGNiG.

By signing the letter of intent, PKN ORLEN and the State Treasury confirmed that PKN ORLEN will play the leading role in the capital and organizational consolidation of PKN ORLEN and PGNiG through PKN ORLEN's takeover of control of PGNiG. PKN ORLEN and the State Treasury also agreed to start good faith discussions aimed at implementing the transaction. As of the day of signing of the letter of intent, the transaction model and the timetable had not been set yet. PKN ORLEN and the State Treasury started cooperating immediately after the signing and formed teams to establish the model of the transaction, the timetable and coordination of works.

Finalization of the transaction will be possible after the parties receive the relevant corporate approvals and approvals of the competition authorities regarding the acquisition.

The letter of intent is not a binding commitment to execute the transaction. PKN ORLEN announced that on 23 July 2020 a cooperation and confidentiality agreement was signed between PKN ORLEN and PGNiG in connection with the launch of the process to acquire control of PGNiG by PKN ORLEN. Pursuant to the agreement and to the extent permitted by applicable laws, PKN ORLEN and PGNiG will work together to provide PKN ORLEN with information required to:

- properly prepare a notification to the European Commission of the intended concentration involving PKN ORLEN and PGNiG, and to conduct concentration control proceedings initiated as a result of its submission, and, if necessary, prepare and implement remedial measures;

- conduct due diligence of PGNiG.

PKN ORLEN agreed to keep confidential the information provided to it by PGNiG. The parties agreed to take all necessary measures to ensure that information connected with the performance of the agreement is disclosed in compliance with applicable laws, including, without limitation, competition laws. On 10 May 2021, a notification requesting the initiation of proceedings regarding the acquisition was submitted to the Polish Office of Competition and Consumer Protection (**UOKiK**). For further information on the planned merger of

PKN ORLEN, LOTOS Group and PGNiG please see *Description of the Issuer – Acquisitions – Acquisitions under consideration - LOTOS Group*.

ADMINISTRATIVE, MANAGING AND SUPERVISORY BODIES

According to the Polish Commercial Companies Code, the Management Board and the Supervisory Board are PKN 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 PKN 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 PKN ORLEN's affairs not reserved by either the Code of Commercial Partnerships and Companies or Articles of Association of PKN ORLEN. All Management Board members are obliged and authorised to manage PKN ORLEN's affairs.

The PKN ORLEN Management Board consists of between five and nine 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 PKN ORLEN Management Board is appointed and recalled by the Supervisory Board at the request of a minister responsible for the State Treasury, for as long as the State Treasury holds at least one share in PKN ORLEN. 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 PKN 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	45	President of the Management Board, CEO	6 February 2018	2022
2. Zbigniew Leszczyński	43	Member of the Management Board, Development	8 February 2016	2022
3. Józef Węgrecki	67	Member of the Management Board, COO	23 March 2018	2022
4. Patrycja Klarecka	46	Member of the Management Board, Retail Sales	24 June 2018	2022
5. Michał Róg	47	Member of the Management Board, Wholesale and International Trade	1 September 2018	2022
6. Armen Konrad Artwich	34	Member of the Management Board, Corporate Affairs	1 September 2018	2022
7. Jan Szewczak	67	Member of the Management Board, CFO	3 February 2020	2022
8. Adam Burak	37	Member of the Management Board, Communication and Marketing	3 February 2020	2022

Daniel Obajtek, Chief Executive Officer and President of the Management Board

Daniel Obajtek is President of the Management Board and Chief Executive Officer of PKN 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 PKN 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 an award of the Most Reliable CEO. He was also named Person of the Year during the Karpacz Economic Forum held in September 2020.

Zbigniew Leszczyński, Member of the Management Board, Development

Zbigniew Leszczyński has been a member of the Management Board since 8 February 2016. At the meeting held on 29 June 2017, the Supervisory Board reappointed him to the Management Board for another term of office.

He graduated from the Warsaw University, the Faculty of Accounting and Finance. He also completed the following postgraduate courses: EU Business Management at the Warsaw School of Economics, Computer Networks Design and Operation at the Nicolaus Copernicus University in Toruń, and Project Management at the Leon Koźmiński Academy of Entrepreneurship and Management in Warsaw.

He has extensive managerial experience in the fuels industry. During his more than a decade long career with the ORLEN Group, he has been responsible for such areas as logistics, construction and development of the service station chain, wholesale of refinery and petrochemical products and development of the wholesale business. He has also implemented many strategic projects for PKN ORLEN. In addition to his roles at PKN ORLEN, He also served as president of the management boards of Wodociągi i Kanalizacja w Opolu Sp. z o.o., Rynex Sp. z o.o., and Wisła Płock S.A., and Sales and Marketing Director at Kompania Węglowa S.A. He also owned his own business providing project management, supervision and advisory services.

He has served as Chairman of the Supervisory Board of ORLEN Deutschland GmbH, Chairman and Member of the Supervisory Board of ORLEN Unipetrol, and Chairman of the Supervisory Board of ORLEN Paliwa.

At present, he serves as Deputy Chairman of the Board of the Polish Chamber of Chemical Industry, and member of the Board of the European Petroleum Refiners Association.

Józef Węgrecki, Member of the Management Board, Chief Operating Officer

Józef Węgrecki is 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 PKN 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 PKN 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 PKN ORLEN Management Board, she has been responsible, among others, for retail sales and retail chain development. Her responsibilities also covers 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 Cracow 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 Cracow 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 S.A.

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 counsel. 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 others, 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 Polish Financial Supervision Authority (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 8th 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 PKN 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.

Supervisory Board's Operation

The Supervisory Board supervises PKN 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 PKN ORLEN's Statute. The Supervisory Board takes appropriate action to obtain regular and exhaustive information from the Management Board on all significant matters regarding PKN 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 PKN 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 PKN 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 ten members. 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 Supervisory Board is comprised of 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	5 March 2020	2021
2.	Andrzej Szumański	63	Member of the Supervisory Board (Vice-Chairman of the Supervisory Board)	14 June 2019	2021
3.	Anna Wójcik	45	Member of the Supervisory Board (Secretary of the Supervisory Board)	14 June 2019	2021
4.	Barbara Jarzembowska	68	Member of the Supervisory Board	14 June 2019	2021
5.	Andrzej Kapała	49	Member of the Supervisory Board	14 June 2019	2021
6.	Michał Klimaszewski	46	Member of the Supervisory Board	14 June 2019	2021
7.	Roman Kusz	52	Member of the Supervisory Board	29 October 2019	2021
8.	Jadwiga Lesisz	46	Member of the Supervisory Board	14 June 2019	2021
9.	Anna Sakowicz-Kacz	67	Member of the Supervisory Board	14 June 2019	2021
10.	Dominik Kaczmarski	31	Member of the Supervisory Board	05 March 2020	2021

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 PKN ORLEN S.A. from 16 December 2015 till 5 February 2018. From June 2018 till July 2019, he held the position of proxy of the Management Board of Energa S.A. 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.

Andrzej Szumański

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 of 15 September 2000. 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

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, 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 programs 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

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

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 standardization 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 has been 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

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

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 conducts 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 January 9, 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 is 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 2nd term of the Silesian Forum of Self-Governments of Public Trust Professions in 2018.

Since 2014, he has been an organizer 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-organizer 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

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

Anna Sakowicz-Kaczis 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 advisor 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.

Dominik Kaczmarski

Dominik Kaczmarski completed his master's degree in law at the University of Warsaw, Faculty of Law and Administration. He is a licensed tax adviser.

He has gained professional experience working for the largest international consulting firms (PwC in 2012-2014 and Deloitte in 2014-2016) as an expert in financial sector taxation. Between February 2016 and January 2020, he was employed at the Polish Ministry of Finance, first as Deputy Director of the Sectoral, Local and Gaming Taxes Department, and then as Deputy Director and Director of the Tax System Department. He was involved in work to enhance CIT and VAT tax compliance. He served as Secretary of the Tax Avoidance Prevention Council, member of the State Examination Board for Tax Advisers and member of the General Tax Law Codification Commission. Currently, he is a member of the Expert Group on Corporate Law of the Corporate Governance Reform Commission. Dominik Kaczmarski has authored a number of publications on tax matters.

Since July 2020, he has been Chairman of the Board of the Warsaw Stock Exchange. Currently, he is also Director of the Analysis and Reporting Department at the Polish Ministry of State Assets.

As far as is known to PKN ORLEN, no potential conflicts of interest exist between any duties to PKN ORLEN of the members of the Supervisory Board and their private interests or other duties.

Supervisory Board's committees

The Supervisory Board of PKN 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 Nomination and Remuneration Committee, the Audit Committee, the Corporate Governance Committee, the Strategy and Development Committee, and the Corporate Social Responsibility Committee (the **CSR Committee**). Below is an overview of the activities each of the Supervisory Board Committees.

Nomination and Remuneration Committee

The aim of the Nomination 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 Nomination 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 Nomination 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 Nomination 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 PKN 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; and
- Michał Klimaszewski.

Andrzej Kapała, Barbara Jarzembowska 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 PKN ORLEN's corporate documents; and

e) monitoring the management of PKN ORLEN in terms of its legal and regulatory compliance, including PKN 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);
- Dominik Kaczmarski;
- 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 PKN 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 PKN 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;
- Dominik Kaczmarski; and
- Anna Sakowicz-Kacz.

Corporate Social Responsibility Committee

The aim of the Corporate Social Responsibility Committee is to support the achievement of PKN ORLEN's strategic objectives by considering the social, ethical and environmental issues that relate to PKN ORLEN's operations and PKN ORLEN's contacts with other stakeholders. The Corporate Social Responsibility Committee's tasks include:

a) supervision of the implementation of the Corporate Social Responsibility (**CSR**) strategy;

b) monitoring the management of PKN ORLEN in terms of its compliance with the requirements of PKN ORLEN's internal policy document "Values and Principles of Conduct";

c) periodic assessment of PKN ORLEN's activities in the field of CSR, including the drafting of the relevant sections of the annual report which summarise the CSR activities completed by PKN ORLEN.

The Corporate Social Responsibility Committee is appointed by the Supervisory Board from among its members. The Corporate Social Responsibility Committee consists of between three and five members. The Corporate Social Responsibility 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 Social Responsibility Committee comprises the members listed below:

- Jadwiga Lesisz (Chairwoman);
- Anna Wójcik;
- Michał Klimaszewski; and
- Roman Kusz.

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 PKN ORLEN, of material significance to PKN 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, PKN 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

PKN 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 indexes WIG20, WIG30 and WIG as well as the industry index WIG-PALIWA (WIG-FUELS). From 19 November 2009 to 1 January 2020, PKN 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, PKN 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 PKN ORLEN shares.

The table below provides a list of PKN 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 PKN 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	117,710,196	117,710,196	27.52%	27.52%
Nationale-Nederlanden OFE	31,391,297	31,391,297	7.34%	7.34%
Aviva OFE Aviva Santander	26,898,000	26,898,000	6.29%	6.29%
Others	251,709,568	251,709,568	58.85%	58.85%
Total	**427,709,061**	**427,709,061**	100%	100%

Currently, the majority shareholder in PKN ORLEN is the State Treasury with a total of 27.52 per cent. of shares. According to the provisions of PKN ORLEN's Statute, as long as the State Treasury is a shareholder in PKN ORLEN, i.e., holds at least one share, then:

a) one member of the PKN ORLEN Management Board is appointed and recalled by the Supervisory Board at the request of a minister responsible for the State Treasury; and

b) the minister responsible for the State Treasury also has the right to appoint and dismiss one member of the PKN ORLEN Supervisory Board and the related right to veto Supervisory Board resolutions approving the sale or encumbrance, in any way, of shares in the companies Naftoport Sp. z o.o. and Inowroclawskie Kopalnie Soli S.A. The resolutions require an 'in favour' vote to be cast by a Supervisory Board member appointed by the State Treasury.

The voting rights of PKN 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 PKN ORLEN's shares under an agreement with PKN ORLEN (whereby the depositary bank exercises voting rights in respect of PKN 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 centre 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.

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 organisational 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) unrealised 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.

Given the above, each situation should be analysed to determine whether interest earned by a Polish tax resident individual from the Notes is considered to be income sourced in Poland and whether the entity operating the securities account for the individual will withhold the tax.

It could be argued that interest from securities admitted to public trading in a country other than Poland should be considered as income (revenue) not earned in Poland, applying argumentum a contrario to point (h) above; however, the tax authorities would be more likely to consider the interest from the Notes as sourced in Poland, because the Issuer is a Polish company. If this is the case, it should be expected that, as a rule, a Polish entity operating the securities account for the individual will withhold the tax but a non-Polish entity operating the securities account for the individual will not withhold the tax. This is because although this is not clearly regulated in Polish tax law, according to the established practice, foreign entities (not conducting their operations in Poland) do not act as Polish withholding tax remitters and in practice Polish withholding tax is not withheld by them. Therefore, it should be expected that if a non-Polish entity operates the securities account outside Poland for the individual it 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. If neither the entity operating the securities account for the individual nor the Issuer withholds the tax, the noteholders should be obliged to settle tax on their own in line with Art. 45.3b of the PIT Act, which provides that if the tax is not withheld by the tax remitter, the individual is obliged to settle the tax himself/herself. The individuals should settle the tax by 30 April of the following year.

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.

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 recognised 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.

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 recognised 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 recognised 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 recognised 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. The above specific withholding tax obligations do not apply to foreign omnibus accounts. Furthermore, according to the established tax practice, only Polish tax resident entities or individuals, or entities acting through a permanent establishment in Poland, are considered remitters of the Polish withholding tax. 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 a Polish tax resident corporate income taxpayer, to receive a refund of such tax, the entity should contact its tax advisor.

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 organisational 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

- unrealised 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.

It could be argued that interest from securities admitted to public trading in a country other than Poland should be considered as income (revenue) not earned in Poland, however, it is understood that it is likely that the tax authorities would consider the interest from the Notes as sourced in Poland, because the Issuer is a Polish company.

If the payment is considered as interest sourced in Poland, the following applies:

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.

Under Art. 26.1aa-1ac of the CIT Act, remitters are not obliged to withhold tax on interest or discount in respect of the notes meeting the above requirements, provided that the issuer submits to the tax authority a declaration that it has acted with due diligence in informing affiliates, within the meaning of the transfer pricing provisions, about the exemption conditions applying to those affiliates. The declaration is made once in relation to a given issue of notes, not later than the date of the payment of interest or discount on the notes.

Analogous provisions apply to personal income tax (Art. 21.1.130c and Art. 41.24-26 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.

If the interest from the Notes are 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. This is because although this is not clearly regulated in Polish tax law, according to the established practice, foreign entities do not act as Polish withholding tax remitters and in practice Polish withholding tax is not withheld by them. Therefore, it should be expected that if a non-Polish entity operates the securities account it will not withhold the tax (except for foreign entities which have permanent establishment in Poland as mentioned above).

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. 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.

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, if a payment under the Notes is 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 and the scale of the tax remitter's activity shall be taken into account. In principal due diligence includes 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 legally or actually 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.

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 Article 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 Article 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).

Special provisions on withholding tax on large payments

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 paid out on account of the items listed in Art. 21.1 of the CIT Act (including interest/discount on notes) and Art. 22.1 of the CIT Act to the same taxpayer exceeds PLN 2,000,000 in the tax year of the payer, payers are, as a general rule, required to withhold, on the day of payment, a flat-rate income tax at the basic rate (20 per cent. in the case of interest/discount on notes) from the excess over that amount, 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**).

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, not 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, in particular it is not aware of the existence of circumstances preventing the fulfilment of certain conditions referred to in other regulations, including the fact that the interest/discount recipient is their beneficial owner and, if the

interest/discount is obtained in connection with the business activity conducted by the taxpayer, that in the country of tax residence the taxpayer carries on the actual business activity.

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), specifying his/her position. 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).

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).

Pursuant to the Regulation of the Minister of Finance dated 31 December 2018 regarding the exclusion or limited application of Art. 26.2e of the CIT Act (as amended, the **Regulation**), the application of the Obligation to Withhold Tax is excluded, *inter alia*, in relation to the following interest/discount payments:

(a) to central banks not having their registered office or management in the territory of the Republic of Poland, obtained from interest or discount on treasury bonds issued by the State Treasury on the domestic market and acquired from 7 November 2015;

(b) to economic units established by a state administration body jointly with other States under an agreement or contract, unless those agreements or contracts provide otherwise;

(c) to international organisations of which the Republic of Poland is a member;

(d) to entities with which the Republic of Poland has concluded cooperation agreements, if they have been exempted from corporate income tax on the receivables in question; and

(e) to entities exempt from corporate income tax, provided that their name is indicated in double tax treaties to which the Republic of Poland is a party.

In addition, until 30 June 2021, the Obligation to Withhold Tax is excluded in respect of interest/discount on notes for taxpayers having their registered office or management in the territory of a state being a party to a double tax treaty with the Republic of Poland which regulates the taxation of income from dividends, interest and royalties, if there is a legal basis for exchanging tax information with the state of the taxpayer's registered office or management.

Analogous provisions apply to personal income tax, including Art. 41.12 of the PIT Act which provides for an analogous tax withholding obligation, while the Regulation of the Minister of Finance of 31 December 2018 (as amended) regarding the exclusion or limited application of Art. 41.12 of the PIT Act is in principle the equivalent of the Regulation.

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 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.

– Although this is not clearly addressed in law, in principle the Notes should be considered as rights exercisable 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 organised trading; or

– outside organised trading by investment firms or foreign investment firms if the proprietary rights were acquired by those firms through organised 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

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.

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 13 May 2021, 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.

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 (or Pricing Supplement, in the case of Exempt Notes) 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 in respect of any Notes (or Pricing Supplement, in the case of Exempt 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 (or

Pricing Supplement, as the case may be) in relation thereto to any retail investor in the European Economic Area. 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 (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; or

(iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the **Prospectus Regulation**); and

(b) the expression an **offer** includes 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.

If the Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each Member State of the European Economic Area, 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 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.

United Kingdom

Prohibition of sales to UK Retail Investors

Unless the Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt 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 (or Pricing Supplement, as the case may be) in relation thereto 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 domestic law 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 domestic law by virtue of the EUWA; or

(iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation; and

(b) the expression an **offer** includes 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.

If the Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt 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 domestic law 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 (or Pricing Supplement, in the case of Exempt Notes), 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)(B) 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 establishment of the Programme has been duly authorised by a resolution of the Management Board of the Issuer dated 20 April 2021 and by a resolution of the Supervisory Board of the Issuer dated 29 April 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 13 May 2021. 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/InvestorRelations/Bonds/EMTN_Programme_2021/Pages/default.aspx :

(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 2019 and 31 December 2020 (with an English translation thereof);

(c) the auditor's review report and the reviewed consolidated interim financial statements of the Group as at and for the three month period ended 31 March 2021 (with an English translation thereof);

(d) the Deed of Covenant and the forms of the Global Notes, the Notes in definitive form, the Receipts, the Coupons and the Talons;

(e) a copy of this Offering Circular; and

(f) any future offering circulars, prospectuses, information memoranda, supplements, Final Terms and Pricing Supplements (in the case of Exempt Notes) (save that Pricing Supplements will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer or the Paying Agent as to its holding of Notes and identity) to this Offering Circular and any other documents incorporated herein or therein by reference.

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 (or Pricing Supplement, in the case of Exempt Notes). If the Notes are to clear through an additional or alternative

clearing system the appropriate information will be specified in the applicable Final Terms or Pricing Supplement.

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 2021 and there has been no material adverse change in the financial position or prospects of the Issuer or the Group since 31 December 2020.

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 each of the two financial years ended on 31 December 2019 and 31 December 2020 have been audited by Piotr Sokołowski (certified auditor, license No. 9752) and Monika Jakubczyk (certified auditor, license No. 13600), respectively.

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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