

MERGER PLAN

drawn up and signed in Wysogotowo on January 31st 2019 by and between:

PBG Spółka Akcyjna of Wysogotowo (address: ul. Skórzewska 35, Wysogotowo, 62-081 Przeźmierowo, Poland), entered in the Business Register maintained by the District Court for Poznań-Nowe Miasto and Wilda of Poznań, 8th Commercial Division of the National Court Register, under KRS No. 0000184508, Tax Identification Number (NIP): 7772194746, Industry Identification Number (REGON): 631048917 with the share capital of PLN 16,368,406.26 (the „**Acquirer**”),

represented by:

Mariusz Łożyński – Vice President of the Management Board

Kinga Banaszak-Filipiak - Member of the Management Board,

and

PBG oil and gas Spółka z ograniczoną odpowiedzialnością of Wysogotowo (address: ul. Skórzewska 35, Wysogotowo, 62-081 Przeźmierowo, Poland), entered in the Business Register maintained by the District Court for Poznań-Nowe Miasto and Wilda of Poznań, 8th Commercial Division of the National Court Register, under KRS No. 0000353767, Tax Identification Number (NIP): 7811849537, Industry Identification Number (REGON): 301405570, with the share capital of PLN 20,000.00 (the “**Acquiree**”),

represented by:

Przemysław Szkudlarczyk – President of the Management Board,

Zbigniew Świzik – Vice President of the Management Board.

The Acquirer and the Acquiree are hereinafter jointly referred to as the “**Companies**”.

Recitals

Whereas:

- The Management Board of the Acquirer and the Management Board of the Acquiree made arrangements to determine the content of and prepare this plan of merger of the Acquiree and the Acquirer (the „Merger Plan”);
- The Acquirer holds 100% of shares of the Acquiree;
- The Acquirer is a public company within the meaning of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments

to Organised Trading, and Public Companies of July 29th 2005 (Dz. U. No. 184, item 1539, as amended);

- The simplified merger procedure referred to in Art. 516.6 of the Commercial Companies Code of September 15th 2000 (the “**CCC**”) will apply to the planned merger;

On this basis, the Management Boards of the two Companies adopted the following Merger Plan:

ART. 1

Legal basis of the merger:

1. The Merger Plan has been prepared pursuant to Art. 498 and Art. 499.1 of the CCC.
2. The merger specified in the Merger Plan will be carried out through acquisition in accordance with Art. 492.1.1) of the CCC, in line with the simplified merger procedure set out in Art. 516.6 of the CCC, without increasing the Acquirer's share capital in compliance with Art. 515.1 thereof.
3. The merger will be carried out on the basis of:
 - 3.1. a resolution of the Extraordinary General Meeting of the Acquiree, to be recorded in the minutes prepared by a notary public, which will include consent of the Acquiree's General Meeting to the merger and consent to the wording of the Acquirer's Articles of Association, pursuant to Art. 516.6 in conjunction with Art. 516.1 in conjunction with Art. 506.1 of the CCC,
 - 3.2. a resolution of the Extraordinary General Meeting of the Acquirer as a public company. The text of the resolution will be recorded in the minutes prepared by a notary public and will contain a consent of the Acquirer's General Meeting for the merger, pursuant to Art. 516.1 of the Commercial Companies Code.

ART. 2

Merger procedure

1. The merger will be effected through the transfer of all assets of the Acquiree to the Acquirer without increasing the share capital of the Acquirer.
2. The following steps will be taken as part of the merger procedure:
 - 2.1. The Merger Plan will be filed with the Registry Court by the Companies' Management Boards in accordance with Art. 500.1 of the CCC.
 - 2.2. The Merger Plan will be published on the Companies' websites pursuant to Art. 500.2¹ of the CCC.
 - 2.3. The Merger Plan will not be audited by a qualified auditor in accordance with Art. 516.6 in conjunction with Art. 516.5 of the CCC in conjunction with Art. 502.1 thereof.

- 2.4. The Management Boards of the merging Companies will not be obliged to prepare separate reports justifying the merger in accordance with Art. 516.6 in conjunction with Art. 516.5 of the CCC in conjunction with Art. 501.1 thereof.
- 2.5. The Management Boards of the merging Companies will twice notify the shareholders of the Acquirer and the shareholder of the Acquiree of the intention to merge, in accordance with the procedure for convening General Meetings of the Acquirer and General Meetings of the Acquiree, as provided for in Art. 504.1 of the CCC.
- 2.6. The Acquiree's General Meeting will pass a resolution on the merger in accordance with Art. 516.6 in conjunction with Art. 516.1 in conjunction with Art. 506.1 of the CCC.
- 2.7. The Acquirer's General Meeting will pass a resolution on the merger in accordance with Art. 506.1 and Art. 506.2 in conjunction with Art. 516.1 of the CCC.
- 2.8. The resolution on the merger together with a request to announce the merger will be filed with the Registry Court by the Companies' Management Boards in accordance with Art. 507.1 and Art. 508 of the CCC.

ART. 3

Material aspects of the merger

1. As a result of the merger, the Acquirer will take over all assets of the Acquiree.
2. The share capital of the Acquirer will not be increased as a result of the merger, as the Acquirer holds 100% of shares in the Acquiree's share capital and no increase in the Acquirer's share capital is required.
3. On the basis of the second sentence of Art. 516.6 of the CCC:
 - 3.1. no share exchange ratio between the Acquiree and Acquirer shares is defined as the Acquirer holds 100% of shares in the Acquiree;
 - 3.2. no rules of allotment of shares to the shareholder of the Acquiree are defined as the Acquirer is the sole shareholder of the Acquiree;
 - 3.3. no date as of which shares in the Acquiree entitle its shareholders to profit distributions is set as the Acquirer is the sole shareholder of the Acquiree.
4. As the Acquirer's share capital will not be increased as a result of the merger (Art. 515.1 of the CCC) and, further, the merger will not give rise to any new circumstances that would need to be disclosed in the Articles of Association of the Acquirer, the Acquirer's Articles of Association will not be amended in connection with the merger. In view of the above, Art. 499.1.2) of the CCC does not apply to the merger. Therefore, no draft amendments to the

Acquirer's Articles of Association are required to be attached to the Merger Plan.

5. As the Acquirer is a public company and, in accordance with the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, it publishes and makes available to shareholders its half-year financial statements, no statement on its financial position is required to be prepared on the basis of Art. 499.4 of the CCC.
6. No rights are planned to be granted by the Acquirer to the shareholders of, or persons holding special rights in, the Acquiree.
7. No special benefits are granted to members of the governing bodies of the merging Companies or to any other persons participating in the merger.

ART. 4

Consequences of the merger

As a result of the merger, pursuant to Art. 494 and Art. 493.1 of the CCC:

- 1.1. As of the merger date, the Acquirer will assume all the rights and obligations of the Acquiree;
- 1.2. As of that date, the Acquirer will take over in particular any permits, licences and exemptions granted to the Acquiree unless applicable statutory laws or the decision to grant a given permit, licence or exemption provides otherwise.
- 1.3. The Acquiree will be dissolved, without liquidation proceedings, as of the date of deletion of the Acquiree from the business register.

ART. 5

Final provisions

1. Pursuant to Art. 499.2 of the CCC in conjunction with Art. 516.6 thereof, the following are attached to this Merger Plan:
 - 1.1. draft of the merger resolution of the Acquirer's General Meeting;
 - 1.2. draft of the merger resolution of the Acquiree's General Meeting;
 - 1.3. statement on the value of the Acquiree's assets, prepared for the purposes of the merger as at December 1st 2018;
 - 1.4. statement on the financial position of the Acquiree, prepared for the purposes of the merger as at December 1st 2018.
2. The Appendices hereto form an integral part of the Merger Plan.
3. Any amendments to this Merger Plan shall be null and void unless made in writing.
4. This Merger Plan has been made in four counterparts, two for each Company.

Signature:

For the Acquirer:

For the Acquiree:

Appendix 1 to the Merger Plan – draft of the merger resolution of the Extraordinary General Meeting of PBG S.A. of Wysogotowo

Resolution No. [•]
of the Extraordinary General Meeting of
PBG S.A. of Wysogotowo
dated [•]
*on the merger of PBG S.A.
with PBG oil and gas Sp. z o.o. of Wysogotowo*

ART. 1

Acting pursuant to Art. 492.1.1 and Art. 516 in conjunction with Art. 506 of the Commercial Companies Code of September 15th 2000, the Extraordinary General Meeting of PBG Spółka Akcyjna of Wysogotowo (the “**Acquirer**”) approves the merger of the Acquirer with **PBG oil and gas Spółka z ograniczoną odpowiedzialnością** of Wysogotowo (address: ul. Skórzewska 35, Wysogotowo, 62-081 Przeźmierowo, Poland), entered in the Business Register maintained by the District Court for Poznań - Nowe Miasto and Wilda of Poznań, 8th Commercial Division of the National Court Register, under KRS No. 0000353767, Tax Identification Number (NIP): 781 1849537, Industry Identification Number (REGON): 301405570, with the share capital of PLN 20,000.00 (the “**Acquiree**”), in accordance with Art. 492.1.1 of the CCC, i.e. through transfer of all assets of the Acquiree to the Acquirer on the terms and conditions set out in the Merger Plan, which was agreed and signed by the Management Boards of the Acquirer and the Acquiree on January 31st 2019 (the “Merger Plan”).

ART. 2

Acting pursuant to Art. 506.4 of the Commercial Companies Code, the Extraordinary General Meeting of the Acquirer approves the Merger Plan, according to which:

- 1) the Acquirer and the Acquiree will merge by way of the procedure set out in Art. 492.1.1 of the CCC in conjunction with Art. 515.1 of the CCC and in conjunction with Art. 516 of the CCC, through the transfer of all assets of the Acquiree to the Acquirer, i.e. the Acquirer’s sole shareholder;
- 2) the merger will be effected without a share capital increase at the Acquirer;
- 3) the value of assets of the Acquiree was determined as at December 1st 2018, using the net asset value method;

- 4) no special rights will be granted to members of the merging companies' governing bodies or to any other persons participating in the merger;
- 5) the Acquirer's Articles of Association will not be amended.

ART. 3

The Extraordinary General Meeting of PBG S. A. hereby authorises the Company's Management Board to take any practical and legal steps that may be required in the merger procedure, in particular to notify the merger to the Business Register of the National Court Register.

ART. 4

This Resolution has been passed by open ballot and shall come into force as of its date.

Appendix 2 to the Merger Plan – draft of the merger resolution of the Extraordinary General Meeting of PBG oil and gas Sp. z o.o of Wysogotowo

Resolution No. [•]
of the Extraordinary General Meeting of
PBG oil and gas Sp. z o.o. of Wysogotowo
dated [•]
on the merger of PBG oil and gas Sp. z o.o.
with PBG S.A. of Wysogotowo

ART. 1

Acting pursuant to Art. 492.1.1) and Art. 516 in conjunction with Art. 506 of the Commercial Companies Code (the “**CCC**”) of September 15th 2000, the Extraordinary General Meeting of PBG oil and gas Spółka z ograniczoną odpowiedzialnością of Wysogotowo (the “**Acquiree**”) resolves to merge the Acquiree with **PBG Spółka Akcyjna** of Wysogotowo (address: ul. Skórzewska 35, Wysogotowo, 62-081 Przeźmierowo, Poland), entered in the Business Register maintained by the District Court for Poznań-Nowe Miasto and Wilda of Poznań, 8th Commercial Division of the National Court Register, under KRS No. 0000184508, Tax Identification Number (NIP): 7772194746, Industry Identification Number (REGON): 631048917, with the share capital of PLN 16,68.406.26 (the “**Acquirer**”), in accordance with Art. 492.1.1 of the Commercial Companies Code, i.e. through transfer of all assets of the Acquiree to the Acquirer on the terms and conditions set out in the Merger Plan, which was agreed and signed by the Management Boards of the Acquirer and the Acquiree on January 31st 2019 (the “**Merger Plan**”).

ART. 2

Acting pursuant to Art. 506.4 of the Commercial Companies Code, the Extraordinary General Meeting of the Acquiree approves the Merger Plan, according to which:

- 1) the Acquirer and the Acquiree will merge by way of the procedure set out in Art. 492.1.1 of the CCC in conjunction with Art. 515.1 of the CCC and in conjunction with Art. 516 of the CCC, through the transfer of all assets of the Acquiree to the Acquirer, i.e. the Acquirer's sole shareholder;
- 2) the merger will be effected without a share capital increase at the Acquirer;

- 3) the value of assets of the Acquiree was determined as at December 1st 2018, using the net asset value method;
- 4) no special rights will be granted to members of the merging companies' governing bodies or to any other persons participating in the merger;
- 5) the Acquirer's Articles of Association will not be amended.

ART. 3

The Extraordinary General Meeting of PBG oil and gas Sp. z o.o. hereby authorizes the Management Board of the Company to take any practical and legal steps required in the merger procedure, in particular to notify the merger to the Business Register of the National Court Register.

ART. 4

This Resolution has been passed by open ballot and shall come into force as of its date.

Appendix 3 to the Merger Plan

Statement on the value of assets and liabilities of PBG oil and gas Sp. z o.o. prepared for the purposes of the merger as at December 1st 2018

The Management Board of **PBG oil and gas spółka z ograniczoną odpowiedzialnością** of Wysogotowo (address: ul. Skórzewska 35, Wysogotowo, 62-081 Przeźmierowo, Poland), entered in the Business Register maintained by the District Court for Poznań-Nowe Miasto and Wilda of Poznań, 8th Commercial Division of the National Court Register, under KRS No. 0000353767, Tax Identification Number (NIP): 7811849537, Industry Identification Number (REGON): 301405570, with the share capital of PLN 20,000.00 (the "**Acquiree**"), in conjunction with Art. 499.2.3 of the Commercial Companies Code, represents that as at December 1st 2018 the value of the Acquiree's assets was PLN **3,084,877.46** (three million, eighty-four thousand, eight hundred and seventy-seven złoty, 46/100).

The Company prepares its financial statements in accordance with the Accounting Act of September 19th 1994 (as amended), based on consistently applied accounting policies compliant with the International Financial Reporting Standards.

The key items disclosed in the financial statements as at December 1st 2018 were as follows:

- total assets: **PLN 105,529,339.17**;
- current assets: **PLN 90,674,892.11**;
- equity: **PLN 3,084,877.46**;
- liabilities and provisions for liabilities: **PLN 102,444,461.71**.

The Management Board determined the amount of the Acquiree's assets using the net asset method.

The Management Board believes that this method is appropriate considering the nature of the Company's business and best reflects the value of its assets.

The net asset valuation method consists in establishing the value of a company's assets on the basis of its most recent financial statements (balance sheet) and then subtracting the company's liabilities from the assets.

Valuations using an asset-based approach do not take into account intangible assets, such as the company's organisational structure, synergies, financial condition, qualifications of its employees, etc.

For the Acquiree:

Appendix 4 to the Merger Plan

Statement on the financial position of PBG oil and gas Sp. z o.o., prepared for the purposes of the merger as at December 1st 2018.

The Management Board of **PBG oil and gas spółka z ograniczoną odpowiedzialnością** of Wysogotowo (address: ul. Skórzewska 35, Wysogotowo, 62-081 Przeźmierowo, Poland), entered in the Business Register maintained by the District Court for Poznań-Nowe Miasto and Wilda of Poznań, 8th Commercial Division of the National Court Register, under KRS No. 0000353767, Tax Identification Number (NIP): 7811849537, Industry Identification Number (REGON): 301405570, with the share capital of PLN 20,000.00 (the "**Acquiree**"), represents that pursuant to Art. 499.2.4 of the Commercial Companies Code, and in keeping with the requirements laid down in of Art. 499.3 of the Code, the following statement on the financial position of the Acquiree was prepared for the purposes of the merger as at December 1st 2018.

	November 30th 2018
A. NON-CURRENT ASSETS	14,854,447.06
I. Intangible assets	211,444.08
II. Property, plant and equipment	804,847.42
III. Long-term receivables	3,023,756.08
IV. Long-term investments	10,578,793.28
V. Non-current prepayments and accrued income	235,606.20
B. CURRENT ASSETS	90,674,892.11
I. Inventories	967,712.94
II. Short-term receivables	31,494,543.93
III. Short-term investments	57,933,313.88
IV. Current prepayments and accrued income	279,321.36
TOTAL ACTIVITIES	105,529,339.17
	November 30th 2018
A. EQUITY	3,084,877.46
B. LIABILITIES AND PROVISIONS FOR LIABILITIES	102,444,461.71
I. Provisions for liabilities	3,554,302.53
II. Non-current liabilities	20,786,258.51
III. Current liabilities	78,073,157.60
IV. Accruals and deferrals	30,743.07
TOTAL EQUITY AND LIABILITIES	105,529,339.17

For the Acquiree:
