

Remuneration of the Board

Remuneration of the Company's Board is regulated by the provisions of the so-called public sector salary cap act.

As the State Treasury's equity interest in the Company exceeds 50% (50% of the total number of shares), remuneration paid to members of Grupa LOTOS' Board is regulated by the Act on Remunerating Persons Who Manage Certain Legal Entities dated March 3rd 2000 (Journal of Laws of 2000 No 26, item 306, as amended). Under the Act, the body authorised to determine the monthly remuneration payable to President of the Board is the General Shareholders Meeting. Remuneration paid to the other Board members is determined by the Supervisory Board, as provided for under the Company's Articles of Association.

In view of the foregoing, in 2009 the Supervisory Board – acting within the powers vested in it by Par. 13.2.1 of the Company's Articles of Association and the Act of March 3rd 2000 – decided that Vice-Presidents of the Company's Board would receive remuneration equal to six-fold the average monthly salary in the non-financial corporate sector, net of bonuses paid from profit in the fourth quarter of the preceding year, as announced by President of the GUS (Central Statistics Office), and proposed that the General Shareholders Meeting determine the remuneration for President of the Board at the same level.

Concurring with the proposal of the Supervisory Board, in 2009 the Extraordinary General Shareholders Meeting determined the remuneration policy for President of the Board, while repealing the General Shareholders Meeting's resolution adopted in 2000, which until then defined the rules of remuneration for members of the Board.

Furthermore, pursuant to individual employment contracts, members of the Board are entitled – for the duration of their respective employment contracts – to fringe benefits including:

- the costs of life insurance (incl. monthly premiums),
- above-standard medical care, provided by non-public healthcare establishments in Poland and abroad, for members of the Board and their families.

In addition, the President of the Board and Vice-President of the Board, Chief Commercial Officer, are entitled to a fringe benefit in the form of tied accommodation in the Gdańsk-Gdynia-Sopot conglomeration (incl. payment of rent and service charges), although the above persons have not yet claimed that benefit.

Additionally, pursuant to the said Act and the Regulation of the Minister of State Treasury concerning Detailed Rules and Procedure for Granting Annual Bonuses to Management Staff of Certain Legal Entities, dated March 12th 2001 (Journal of Laws of 2001, No. 22, item 259), members of the Board may be awarded annual bonuses. Annual bonuses may be awarded if the Company has:

- improved its financial performance,
- strengthened its position on the market or in the industry,
- successfully implemented restructuring or growth plans,
- not exceeded the maximum annualised average monthly remuneration growth ratio,
- settled its public charges in a timely manner.

Annual bonuses may only be granted after the financial statements have been approved. Eligibility to receive an annual bonus is limited to members of the Board who served in that capacity for the full financial year and during that time were not found guilty of gross dereliction of duty, their employment was not terminated for reasons attributable to them, their management contracts were not terminated or they were not removed from office for reasons constituting grounds for summary dismissal. In accordance with the applicable regulations, the maximum amount of annual bonus is equal to three-fold the average monthly salary in the year preceding the bonus award. A decision to grant an annual bonus to the President of the Board rests with the General Shareholders Meeting, upon a proposal from the Supervisory Board. Under the Company's Articles of Association, a decision to award annual bonuses to other Board members rests with the Supervisory Board.

In line with the amended Compensation Cap Act, in 2011 the Board members were entitled to receive remuneration in the amounts fixed in 2010.

Remuneration of the Board members in 2011

	Amount (PLN)
Paweł Olechnowicz	315,156.00
Marek Sokołowski	315,156.00
Mariusz Machajewski	315,156.00
Maciej Szozda	316,011.00