

Independence status

Grupa LOTOS has no information regarding independence of the Supervisory Board members of the 8th term.

The term "independent members of the Supervisory Board" in reference to public companies has been introduced by the Code of Best Practice for WSE Listed Companies, a set of rules which embody the tradition of Polish corporate governance and aim to enhance the transparency of listed companies.

In accordance with Rule 6 contained in Section III of the Code, at least two Supervisory Board members should meet the independence criteria set out in Annex II to the Commission Recommendation of February 15th 2005 on the role of non-executive or supervisory directors of listed companies and on the committees of the (supervisory) board. A person who is an employee of the company or its subsidiary or associated company, or a person having an actual and significant relationship with a shareholder who has the right to exercise 5% or more of the total vote at its General Shareholders Meeting, cannot be deemed to meet the independence criteria as defined in the Rule.

Accordingly, the status of an independent member of the Supervisory Board may only refer to persons having no relations whatsoever with the company, its shareholders or employees, which could potentially lead to a conflict of interest.

With regard to the last 6 months of the 7th term Supervisory Board's operation, which fell in the first half of 2011, Grupa LOTOS had information concerning independence about only one of the members of the Supervisory Board - Rafał Lorek. Therefore, Rule 6 was not fully observed by the Company in 2011.

Grupa LOTOS has no information regarding independence of the members of the 8th term Supervisory Board. Full compliance with Rule 6 will be ensured after the Company receives relevant confirmation that at least two existing or newly appointed members of the Supervisory Board satisfy the independence criteria, as stipulated by Annex II to the Commission Recommendation of February 15th 2005.