

44. Other information

44.1 Special rights of the State Treasury and how these rights are exercised in companies

The Act on Special Rights Vested in the Minister Competent for the State Treasury and How Those Rights Should Be Exercised at Certain Companies or Groups of Companies Operating in the Power, Crude Oil and Gaseous Fuels Sectors, dated March 18th 2010 (Dz. U. No. 65, item 404) ("the Act"), introduced the institution of a special officer responsible for the protection of critical infrastructure. Under the Act, the minister competent for the State Treasury has the right to raise and objection against a resolution adopted, or any other act in law performed, by the Company's Management Board to make a disposition with respect to any of the assets included in the single list of facilities, installations, equipment, and services comprising critical infrastructure, referred to in Art. 5b.7.1 of the Polish Crisis Management Act of April 26th 2007, if such disposition constitutes a real threat for the operation, continuity of operation and integrity of critical infrastructure. The minister competent for the State Treasury may also raise an objection with respect to any resolution by the Company's governing body providing for:

- dissolution of the Company,
- changes in the intended use or discontinuation of use of any of the Company's assets⁽¹⁾ included in the single list of facilities, installations, equipment, and services comprising critical infrastructure, referred to in Art. 5b.7.1 of the Polish Crisis Management Act of April 26th 2007,
- change in the Company's business profile,
- sale or lease of the Company's business or its organised part, or creation of any proprietary interest therein,
- adoption of the budget, plan of investment activities, or a long-term strategic plan,
- relocation of the Company's registered office abroad,

If the implementation of any such resolution could constitute a real threat for the operation, continuity of operation and integrity of critical infrastructure.

⁽¹⁾ such assets comprise:

- in the power sector – infrastructure used for the purpose of generation or transmission of electricity;
- in the oil sector – infrastructure used for the purpose of production, refining, processing, storage and transmission via pipelines of crude oil and petroleum products, as well as seaports used for handling crude oil and petroleum products;
- in the gaseous fuels sector – infrastructure used for the purpose of production, refining, processing, storage and transmission via gas pipelines of gaseous fuels, as well as LNG terminals.

In accordance with the Act, the Company's Management Board, acting in consultation with the minister competent for the State Treasury and the Head of the Government Centre for Security, has the right to appoint and remove from office a special officer responsible for critical infrastructure protection at the Company. The special officer's duties include in particular providing the minister competent for the State Treasury with information on the execution by the Company's governing bodies of any of the acts in law referred to above, providing the Head of the Government Centre for Security with information on critical infrastructure whenever requested, and –in cooperation with the Head of the Government Centre for Security – providing and receiving to or from other entities information on any threats to the critical infrastructure.

The special officer responsible for protection of critical infrastructure is authorised to request from company governing bodies any documents or explanations regarding the issues referred to above, and, having analysed them, is required to submit the same to the minister competent for the State Treasury and the Head of the Government Centre for Security, along with the officer's written position, including grounds, regarding any issue at hand. On July 11th 2011, Grupa LOTOS S.A. received a notification to the effect that its assets have been included in the list of assets, facilities, installations, equipment, and services comprising critical infrastructure. On August 23rd 2011, the Management Board of Grupa LOTOS S.A. appointed a special officer responsible for protection of critical infrastructure.

44.2 Implementation of the National Indicative Target (NCW) in accordance with the Act on Biocomponents and Liquid Biofuels

In Poland, the biocomponent-related matters are regulated under a number of legal acts prepared within the legal framework created by the European Union's directives, by way of the direct transposition thereof in the Polish law:

- Act on Biocomponents and Liquid Biofuels dated August 25th 2006, Dz.U. of 2006, No. 169, item 1199;
- Act on Monitoring and Control of Fuel Quality dated August 25th 2006, Dz.U. of 2006 No. 169, item 1200, as amended;
- Act Amending the Act on Monitoring and Control of Fuel Quality and certain other acts dated May 27th 2011, Dz.U. No. 153, item 902;
- Regulation of the Polish Council of Ministers concerning the National Indicative Targets for 2008–2013 dated June 15th 2007, Dz.U. No. 110.

Pursuant to the provisions of the Act on Biocomponents and Liquid Biofuels, Grupa LOTOS S.A. is obliged to implement the National Indicative Target through achieving “the minimum required share of biocomponents and other renewable fuels in the total volume of sold, disposed of otherwise or used for its own needs liquid fuels and liquid biofuels”, expressed in percent of energy content at individual levels in accordance with the binding regulation:

2008	2009	2010	2011	2012	2013
3.45%	4.6%	5.75%	6.2%	6.65%	7.10%

Grupa LOTOS S.A. implements the National Indicative Targets with liquid fuels and liquid biofuels for which quality requirements are stipulated in the Act on Amending the Act on Monitoring and Control of Fuel Quality and certain other acts, that is for:

- BB gasolines , known as E-95/E98 gasolines , containing up to 5% v/v of pure bioethanol or bioethanol in ETBE
- diesel oils known as B-7 oils , containing up to 7% v/v of FAME(Fatty Acid Methyl Esters),
- B100 – 100% higher fatty acid esters , which are intrinsic fuels.

This is a translation of a document originally issued in Polish.