

Anti-competitive behaviour

In 2011, Grupa LOTOS was a party to an anti-trust decision issued by the President of UOKiK (Polish Office for Competition and Consumer Protection) on March 21st 2005 in connection with a suspected agreement between Polski Koncern Naftowy ORLEN S.A. of Plock and Grupa LOTOS of Gdańsk concerning simultaneous termination of the production and distribution of the universal U95 gasoline, as described in detail in the 2010 Annual Report 2010 [Link →](#) (http://raportroczny2010.lotos.pl/en/statements/consolidated_non-financial_statement/social_performance#so7). On February 11th 2011, the court published a ruling dismissing the appeal lodged by Grupa LOTOS and PKN ORLEN. On March 10th 2011, the Company paid the liability of PLN 1,000 thousand under the court ruling of February 11th 2011, using the provision created earlier for the purpose. On May 30th 2011, Grupa LOTOS lodged a cassation complaint against the ruling, in which it appealed against the ruling in its entirety and requested that it be overruled. A cassation complaint by PKN ORLEN was filed on the same day. On June 17th 2011, a response to Grupa LOTOS' cassation complaint was filed by the President of UOKiK, in which the President requested that the complaint be dismissed and that UOKiK be awarded reimbursement of the cost of the proceedings. On December 2nd 2011, the Supreme Court refused to review the cassation complaints. The case was finally closed.

Furthermore, in 2011 Grupa LOTOS was a party to proceedings described in greater detail in the 2010 Annual Report [Link →](#) (http://raportroczny2010.lotos.pl/en/statements/consolidated_non-financial_statement/social_performance#so7), initiated following a petition filed on May 18th 2001 by PETROECCO JV Sp. z o.o., in which PETROECCO JV Sp. z o.o. sought to be awarded PLN 6,975 thousand together with statutory interest for the period from May 1st 1999 as compensation for the damage it had allegedly suffered as a result of the Company's monopolistic practices involving the sale of BS base oils in a way which put certain customers at an advantage, because a disproportionately higher volume of their orders were delivered as compared with those placed by PETROECCO JV Sp. z o.o. The monopolistic practices alleged against the Company were ascertained by a decision of the Anti-Trust Office of September 26th 1996. By the same decision, the Office ordered the Company to discontinue the practices. As part of the proceedings, the following developments took place in 2011: On May 16th 2011, Grupa LOTOS sent a response to the request to make a representation as to whether it maintains its petition to seek an expert opinion as evidence and to make a downpayment of PLN 23 thousand towards the cost of the expert opinion. On May 18th 2011, a court paper was filed by PETROECCO JV Sp. z o.o., in which the company upheld its previous position regarding the matter. On March 14th 2012, an opinion was filed by the Oil and Gas Institute in Kraków, to which Grupa LOTOS took a stance on March 28th 2012. On March 22nd 2012, a court paper was filed by PETROECCO JV Sp. z o.o. The case is pending.

In 2011, companies of the LOTOS Group did not pay any significant fines. Similarly, no significant non-monetary sanctions were imposed on any of the companies for legal or regulatory non-compliance. However, concerning this matter, the proceedings described above were pending in 2010-2011, and on March 10th 2011 Grupa LOTOS paid the liability of PLN 1,000 thousand imposed under the court ruling of February 11th 2011, using the provision earlier created for the purpose.