

**Report on the recruitment procedure for the position of Vice President,
Chief Financial Officer of Grupa LOTOS S.A.'s Management Board of the 10th joint
term of office, carried out between May 18th and June 6th 2018**

The recruitment procedure for the position of Vice President, Chief Financial Officer of Grupa LOTOS S.A.'s Management Board of the 10th joint term of office (the "recruitment procedure") was conducted by the Supervisory Board, which as at the date of the decision to initiate the procedure had the following composition:

- 1) Beata Kozłowska-Chyła – Chair of the Supervisory Board,
- 2) Piotr Ciach – Deputy Chair of the Supervisory Board; as Mr Ciach was delegated to perform the duties of Management Board Member in the period March 19th – May 18th 2018, he did not participate in the vote on the resolution to initiate the recruitment procedure, but he joined the recruitment procedure at a later stage (his delegation was cancelled with effect from May 21st 2018),
- 3) Katarzyna Lewandowska – Secretary of the Supervisory Board,
- 4) Dariusz Figura – Member of the Supervisory Board,
- 5) Mariusz Golecki – Member of the Supervisory Board,
- 6) Adam Lewandowski – Member of the Supervisory Board,
- 7) Agnieszka Szklarczyk-Mierzwa – Member of the Supervisory Board.

Initiation of the recruitment procedure:

The Supervisory Board initiated the recruitment procedure by Resolution No. 62/X/2018, dated May 18th 2018.

On May 21st 2018, the announcement of the initiation of the recruitment procedure (the "Announcement") was published on the Company's and the Ministry of Energy's websites.

*The text of Resolution No. 62/X/2018 together with the appendix (i.e. the text of the announcement of initiation of the recruitment procedure) is attached as **Appendix 1** hereto.*

In accordance with the aforementioned Resolution of the Supervisory Board, the recruitment procedure was conducted in the following three stages:

- a) Stage 1 of the recruitment procedure — verification of whether the candidates met the requirements specified in the Announcement, review of written applications submitted by the candidates, and shortlisting of the candidates for the next stage;
- b) Stage 2 of the recruitment procedure – interviews with shortlisted candidates;
- c) Stage 3 of the recruitment procedure – selection of the best candidate for a given position on the Company's Management Board;

Time and place for acceptance of candidates' applications:

By the time and at the place specified in the announcement of initiation of the recruitment procedure, i.e. **by 3.00 p.m. on June 1st 2018**, five applications from five candidates had been submitted at the Company's registered office at ul. Elbląska 135, Gdańsk.

Stage 1 of the procedure:

On June 4th 2018, the applications submitted in the recruitment procedure were opened and reviewed for compliance with the requirements specified in the Announcement at the Company's offices in Warsaw, Plac Bankowy 1, by the Supervisory Board's Organisation and Management Committee („the OMC”), authorised to do so by the Supervisory Board Resolution No. 62/X/2018 of May 18th 2018.

Following the review, the OMC resolved to shortlist all of the five candidates for Stage 2 of the recruitment procedure, recommending that the Supervisory Board hold interviews with each of the shortlisted candidates on June 6th 2018, at the Company's offices in Warsaw, Plac Bankowy 1.

In compliance with the personal data protection requirements of Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation), the full list of candidates, including the candidates' first names and surnames, has been withheld from publication.

Stage 2 of the procedure:

In accordance with the Supervisory Board's decision, the candidates shortlisted for Stage 2 of the recruitment procedure were notified by telephone and email about the time and place of the recruitment interviews to be conducted by the Supervisory Board.

The interviews were held on June 6th 2018, at the Company's offices in Warsaw, Plac Bankowy 1.

Candidate No. IZ/P/F/2/2018 withdrew from further participation in the recruitment procedure in the course of being notified of having been shortlisted for Stage 2.

The other candidates invited for the interviews arrived at the time and place specified by the Supervisory Board.



Prior to the interviews with the candidates, the Supervisory Board drew up a list of questions for recruitment interviews with the candidates shortlisted for Stage 2 of the recruitment procedure for the position of Vice President of the Management Board, Chief Financial Officer, and agreed upon the following procedure:

- a) The Supervisory Board asks identical questions, formulated in advance specifically for candidates for the position of Vice President of the Management Board, Chief Financial Officer on the Grupa LOTOS S.A. Management Board of the 10th joint term of office. The questions were formulated by the Organisation and Management Committee, in line with the general terms of the announcement of initiation of the recruitment procedure, published on the Company's and the Ministry of Energy's websites.
- b) Each member of the Supervisory Board makes their own evaluation of the candidates based on the candidates' knowledge of the matters covered in the interview;
- c) During the interviews, the Supervisory Board members evaluate the candidates by giving them a score of 0 to 5 points for their answer to each question;
- d) The evaluation referred to in item c) is recorded on individual score sheets;
- e) The scores achieved by each candidate are then transferred from the individual score sheets referred to in item d), filled in by the Supervisory Board members, to a collective score sheet. The result is the total of the scores obtained by a candidate;
- f) The best candidate is appointed by resolution of the Supervisory Board, with an evaluation of all candidates presented in the grounds for the resolution;
- g) The Supervisory Board selects the candidate with the highest final score. If two or more candidates have the same highest final score, the Supervisory Board conducts additional interviews with them;
- h) The recruitment procedure is recorded in the minutes;

In line with the adopted timetable of meetings with the candidates qualified for Stage 2 of the recruitment procedure, on June 6th 2018 the Supervisory Board interviewed the candidates, who presented their knowledge and experience relevant for the positions for which they had applied. During the interviews the Supervisory Board Members assessed:

- a) The candidates' knowledge of the Company's operations and the sector in which it operates;
- b) Knowledge of workforce management matters;
- c) knowledge of the rules governing the operations of commercial-law companies, in particular companies in which the State Treasury holds interests, and operations of groups of companies, as well as knowledge of the principles of owner's supervision;
- d) experience necessary for performing the duties of a member of the Company's Management Board; and
- e) directions of the Group's growth strategy presented by the candidate;
- f) knowledge of finance, accounting, controlling and reporting;

The Supervisory Board members used individual score sheets to evaluate the answers given by the individual candidates. In accordance with the procedure, a candidate could be awarded the maximum of 5 points for each answer by each of the seven Supervisory Board



members conducting the recruitment. Thus, the maximum obtainable score for a candidate was 175.

Having evaluated each candidate, the Supervisory Board members made an officially supervised calculation of the points and entered the scores into the collective score sheet.

*Forms of the individual score sheets and the collective score sheet are attached as **Appendices 2 and 3** hereto.*

Stage 3 of the procedure:

On June 6th 2018, after a summary and analysis of the results of the recruitment interviews with the candidates, the Supervisory Board decided that Mr Robert Sobków was the best candidate for the position of Vice President of the Management Board, Chief Financial Officer.

Following this, the Supervisory Board passed Resolution No. 90/X/2018 on the selection of the best candidate for Vice President of the Management Board, Chief Financial Officer. *The text of the resolution is attached as **Appendix 4** hereto.*

In view of the foregoing, the Supervisory Board notified Mr Robert Sobków that he had achieved the highest score and thus was considered the best candidate from among all those participating in the recruitment procedure. During a discussion with the Supervisory Board, Mr Robert Sobków agreed to hold the position on the Management Board of Grupa LOTOS S.A. specified in the announcement and submitted appropriate written statements.

The Supervisory Board then decided to close the recruitment procedure for the position of Vice President of the Management Board, Chief Financial Officer.

Having considered Mr Robert Sobków as the best candidate for the position of Vice President of the Management Board, Chief Financial Officer, on June 6th 2018 the Supervisory Board passed, in a secret ballot, Resolution No. 92/X/2018 on his appointment as Vice President, Chief Financial Officer of the Grupa LOTOS S.A. Management Board of the 10th joint term of office.

*Resolution No. 92/X/2018 is attached as **Appendix 5** hereto.*



Appendices to the Minutes:

- from 1 to 5 (specified in the Minutes)

Supervisory Board:

1. Beata Kozłowska-Chyła _____
2. Piotr Ciach _____
3. Katarzyna Lewandowska _____
4. Dariusz Figura _____
5. Mariusz Golecki _____
6. Adam Lewandowski _____
7. Agnieszka Szklarczyk-Mierzwa _____

**RESOLUTION NO. 62/X/2018
OF THE SUPERVISORY BOARD OF GRUPA LOTOS S.A.
dated May 18th 2018**

on initiation of the recruitment procedure for the position of Vice President, Chief Financial Officer of the Grupa LOTOS S.A. Management Board

Acting pursuant to Art. 14.2.3 of the Company's Articles of Association, the Supervisory Board of Grupa LOTOS S.A. resolves as follows:

Section 1

1. The Supervisory Board of Grupa LOTOS S.A. resolves to initiate the recruitment procedure for the position of Vice President, Chief Financial Officer of the Grupa LOTOS S.A. Management Board of the 10th joint term of office.
2. The announcement of initiation of the procedure shall be published on the Ministry of Energy's and the Company's websites on May 21st 2018. The text of the announcement is attached hereto as an appendix.
3. Applications shall be accepted by 3.00 pm on June 1st 2018 (this time limit for physical delivery to the Company's registered office at ul. Elbląska 135, Gdańsk, must not be exceeded).
4. Applications shall be opened on June 4th 2018.
5. Candidates shall be interviewed beginning from June 6th 2018 at the Company's office at Plac Bankowy 1, Warsaw, Poland.
6. Matters to be discussed in the interviews:
 - a) the candidates' knowledge of the Company's operations and sector;
 - b) knowledge of workforce management matters;
 - c) knowledge of the rules governing the operations of commercial-law companies, in particular companies in which the State Treasury holds interests, and operations of groups of companies, as well as knowledge of the principles of owner's supervision;
 - d) experience necessary for performing the duties of a member of the Company's Management Board; and
 - e) directions of the Group's growth strategy presented by the candidate;
 - f) knowledge of finance, accounting, controlling and reporting;
7. Information on the Company is available to the candidates at the Company's website (www.lotos.pl).
8. The results of the procedure shall be sent to the candidates in writing or in electronic form to the address provided by the candidate.

Section 2

The Supervisory Board resolves that the recruitment procedure shall be as follows:

1. The recruitment procedure shall be divided into stages and shall be conducted even if only one candidate applies for a given position:



- a) Stage 1 of the recruitment procedure — review of written applications submitted by candidates in terms of their formal correctness, assessment of candidates' competencies, knowledge and skills, as well as shortlisting of candidates for the next stage;
 - b) Stage 2 of the recruitment procedure – interviews with shortlisted candidates;
 - c) Stage 3 of the recruitment procedure – selection of the best candidate for a given position on the Company's Management Board;
2. The Organisation and Management Committee shall open the applications and shall check whether the applications have been submitted within the prescribed time limit and meet the formal requirements specified in the announcement of initiation of the recruitment procedure.
 3. The Organisation and Management Committee shall assess the applications in terms of the candidates' competencies, knowledge and skills specified in the announcement and shall submit the results of the assessment to the Supervisory Board.
 4. Applications which do not meet the requirements specified in the announcement or submitted after the time limit set for their acceptance shall not be considered.
 5. The candidates shortlisted by the Organisation and Management Committee for Stage 2 of the procedure shall be notified of the date and time of the interview by telephone or by e-mail sent to the address specified in their applications.
 6. The Organisation and Management Committee shall prepare a list of interview questions for the individual positions covered by the recruitment procedure.
 7. Each member of the Supervisory Board shall make their own evaluation of the candidates based on the candidates' knowledge of the matters covered in the interview.
 8. During the interviews, the Supervisory Board members shall evaluate the candidates by giving them a score of 0 to 5 points for their answer to each question.
 9. The score shall be recorded in individual score sheets.
 10. The scores assigned by the Supervisory Board members to each candidate shall be then transferred from the score sheets filled in by the Supervisory Board members to a collective score sheet. The final score of a given candidate is the sum of the points assigned to them by Supervisory Board members.
 11. The Supervisory Board shall select the candidate with the highest final score as the best candidate for a given position. If two or more candidates have the same highest final score, the Supervisory Board shall conduct additional interviews with them.
 12. The best candidate for a given position on the Company's Management Board is appointed by resolution of the Supervisory Board.
 13. Minutes of the recruitment procedure shall be taken.

Section 3

This Resolution shall become effective as of its date.

This Resolution has been passed by open ballot.

1. Votes in favour: _____6_____ Members of the Supervisory Board voted in favour of the resolution
2. Votes against: _____0_____ Members of the Supervisory Board voted against the resolution
3. Abstaining votes: _____0_____ Members of the Supervisory Board abstained from voting on the resolution

Appendix to Resolution No. 62/X/2018 of the Supervisory Board of Grupa LOTOS S.A.
dated May 18th 2018

The Supervisory Board of Grupa LOTOS S.A. of Gdańsk announces the initiation of a recruitment procedure for the position of **Vice President, Chief Financial Officer**, on the Grupa LOTOS S.A. Management Board of the 10th joint term of office.

1. Candidates for the position must meet all of the following conditions:
 - a) have a university degree obtained in Poland or a university degree obtained abroad and recognised in Poland under separate legislation,
 - b) have a period of employment of at least five years pursuant to a contract of employment, election, appointment, contract of employment for cooperative members, provision of services under another agreement, or conducting business activities for their own account,
 - c) have at least three years of experience serving in managerial or senior positions or as business owners conducting business activities for their own account,
 - d) meet other applicable legal requirements, including not being subject to any legal limitations or bans on serving on the management board of a commercial-law company,
 - e) have full capacity to exercise civil rights and perform acts in law,
 - f) have no criminal record and be able to prove that no criminal or criminal and fiscal proceedings have been initiated or are pending against them,
 - g) must submit to the relevant Minister a vetting statement or information that they have submitted such statement previously (applicable to candidates born before August 1st 1972), pursuant to the Act on disclosure of information on documents of the state security authorities from 1944-1990 and contents of such documents, dated October 18th 2006,
 - h) have knowledge of the Company's operations and the sector in which it operates,
 - i) have a command of a foreign language sufficient to effectively communicate in that language at work (knowledge of English or German is preferred),
 - j) have organisational and communication skills and be able to work in complex management teams.
2. In addition, candidates should:
 - a) have knowledge of workforce management matters,
 - b) have knowledge of the rules governing the operations of commercial-law companies, in particular companies in which the State Treasury holds interests and public companies, as well as of the remuneration rules applicable at companies in which the State Treasury holds interests,
 - c) have specialist knowledge of the Company's operations relevant for the position for which the candidate applies.
3. A person who meets at least one of the following conditions may not be a candidate:
 - a) works at the office of a member of the Polish Parliament (Sejm (lower house) or Senate (upper house)) or of a member of the European Parliament as a volunteer or under an employment, temporary employment or similar contract,
 - b) is a member of a political party's body representing the party before third parties and authorised to assume obligations,

- c) works for a political party under an employment, temporary employment or similar contract,
 - d) holds an elected position in a trade union operating at the Company or any Group company,
 - e) the candidate's social or professional/business activities give rise to a conflict with the interests of the Company.
4. In order to confirm the fulfilment of the requirements specified in Sections 1 and 2, the candidate must submit the following documents and representations with the application:
- a) a document confirming holding a university degree in accordance with Section 1.a,
 - b) documents confirming a period of employment of at least five years, including employment certificates, certificates confirming that the candidate conducts business activity, or copies of entries in the National Court Register or other certificates confirming length of service in accordance with Section 1.b;
 - c) documents confirming at least three years of experience serving in managerial or senior positions or as a sole trader, including employment certificates, certificates confirming that the candidate conducts business activity, or copies of entries in the National Court Register or other certificates confirming the required experience in accordance with Section 1.c;
 - d) the candidate's representation to the effect that he/she is not subject to any legal limitations or bans on holding a position on the management board of a commercial-law company, including the representation that he/she has not violated any legal limitations or bans on holding a position on the management board of a commercial-law company, in accordance with Section 1.d;
 - e) the candidate's representation to the effect that he/she has full capacity to exercise civil rights and perform acts in law in accordance with Section 1.e;
 - f) valid certificate of no criminal record and the candidate's representation to the effect that no criminal or criminal and fiscal proceedings have been initiated or are pending against them, in accordance with Section 1.f;
 - g) the candidate's representation to the effect that he/she has submitted to the relevant Minister a vetting statement or a statement on previous submission of a vetting statement (applicable to candidates born before August 1st 1972) in accordance with Section 1.g;
 - h) documents confirming the additional skills and knowledge specified in Section 1.h–j and Section 2 (e.g. recommendations, credentials, university/training completion diplomas, certificates of completed courses, other certificates).
5. In order to confirm the fulfilment of the requirements specified in Section 3, the candidate must submit, with their application, the representation to the effect that none of the circumstances referred to in Section 3 applies to them.
6. The candidate's representations specified in Sections 4 and 5 must be submitted in original copies, while the documents specified in 4 may be submitted in the form of a photocopy confirmed by the candidate as true copy; in such a case, a candidate who meets the formal requirements may be asked to present the originals of these documents during the interview.
7. Irrespective of the representations and documents referred to in Sections 4–6, the candidate shall submit along with the application:
- a) the original of the cover letter, containing a statement signed by the applicant and granting consent to personal data processing for the purposes of the recruitment procedure, including the phone number and e-mail address for the purposes of the procedure;



- b) a biographical note with the candidate's employment record and professional achievements;
- c) copy of an identification document (for the purposes of identifying the candidate);
- d) a representation on the absence of any health-related counter-indications to holding the position for which the candidate applies.

Information on Grupa LOTOS S.A. is available at www.lotos.pl

The candidate's written applications together with the required documents, representations and statements should be delivered to the Company's address: Grupa LOTOS S.A., Management Board Office, ul. Elbląska 135, 80-718 Gdańsk, Poland, in sealed envelopes with the following annotation: *"Recruitment procedure for the position of Vice President of the Management Board, Chief Financial Officer, at Grupa LOTOS S.A."*.

Applications shall be accepted by **3.00 pm on June 1st 2018** (this time limit for physical delivery to the Company's registered office at ul. Elbląska 135, Gdańsk must not be exceeded).

Applications submitted or delivered after the above deadline as well as applications which fail to meet the requirements specified herein shall not be considered.

Applications shall be opened on **June 4th 2018**.

Candidates who satisfy the requirements stipulated in the announcement shall be invited to recruitment interviews to be held **beginning from June 6th 2018** at the Company's Office situated at Plac Bankowy 1, Warsaw, Poland. The time and date of the recruitment interview shall be communicated to the candidates meeting the requirements via telephone or email sent to the address provided in the application. A candidate's failure to attend the interview at the specified time, date and place shall mean that they have decided not to participate in the procedure.

The following matters shall be discussed during the recruitment interviews:

- a) the candidates' knowledge of the Company's operations and sector;
- b) knowledge of workforce management matters,
- c) knowledge of the rules governing the operations of commercial-law companies, in particular companies in which the State Treasury holds interests, and operations of groups of companies, as well as knowledge of the principles of owner's supervision;
- d) experience necessary for performing the duties of a member of the Company's Management Board, and
- e) directions of the Group's growth strategy presented by the candidate.
- f) knowledge of finance, accounting, controlling and reporting.

The Company's Supervisory Board shall notify the candidates, by letter or email sent to the address specified in their applications, of the results of the recruitment procedure.

The candidates who are not selected for a position on the Management Board following the completion of the recruitment procedure shall be returned all of their documents either personally against confirmation of receipt or by registered mail.

The Company shall not reimburse any costs incurred by the candidates in connection with their participation in the recruitment procedure.

The Supervisory Board of Grupa LOTOS S.A. reserves the right to change the dates specified in this announcement. The candidates will be notified of such change by phone or email.



The Supervisory Board of Grupa LOTOS S.A. reserves the right to close the recruitment procedure without selecting any candidate for a position at any time and without stating the reasons for doing so.

Individual score sheet
for the position of Vice President of the Management Board, Chief Financial Officer,
on the Grupa LOTOS S.A. Management Board of the 10th joint term of office

.....
Candidate's name and surname

Question – in accordance with Appendix 1 hereto	Score					
	0	1	2	3	4	5
1						
2						
3						
4						
5						
SUMMARY						

**RESOLUTION NO. 90/X/2018
OF THE SUPERVISORY BOARD OF GRUPA LOTOS S.A.
dated June 6th 2018**

on selection of the best candidate for the position of Vice President, Chief Financial Officer, of the Grupa LOTOS S.A. Management Board of the 10th joint term of office

In the performance of Resolution No. 62/X/2018 of the Supervisory Board of May 18th 2018, acting pursuant to Art. 14.2 of the Company's Articles of Association, the Supervisory Board resolves as follows:

Section 1

The Supervisory Board selects Mr Robert Sobków as the best candidate for the position of Vice President, Chief Financial Officer, of the Grupa LOTOS S.A. Management Board of the 10th joint term of office.

Section 2

- 1) Mr Robert Sobków scored 158 points, which is the highest score from among the candidates participating in the recruitment procedure for the position of Vice President, Chief Financial Officer, of the Grupa LOTOS S.A. Management Board of the 10th joint term of office.
- 2) The evaluation of all the candidates shortlisted the second stage of the recruitment procedure for the position of Vice President, Chief Financial Officer, of the Grupa LOTOS S.A. Management Board is presented in the collective score sheet for the second stage of the recruitment procedure for the position of Vice President, Chief Financial Officer, of the Grupa LOTOS S.A. Management Board of the 10th joint term of office, attached as an appendix hereto.

Section 3

This Resolution shall become effective as of its date.

1. Votes in favour of the resolution: 7 Members of the Supervisory Board voted in favour of the resolution
2. Votes against: 0 Members of the Supervisory Board voted against the resolution
3. Abstaining votes: 0 Members of the Supervisory Board abstained from voting on the resolution

This Resolution has been passed by open ballot.

**RESOLUTION NO. 92/X/2018
OF THE SUPERVISORY BOARD OF GRUPA LOTOS S.A.
dated June 6th 2018**

on appointment of Vice President, Chief Financial Officer, of the Management Board of Grupa LOTOS S.A. of the 10th joint term of office

Following the completion of the recruitment procedure for the positions of Members of the Management Board of Grupa LOTOS S.A. of the 10th joint term of office, conducted on the basis of Resolution No. 62/X/2018 of May 18th 2018, pursuant to Art. 368.4 of the Commercial Companies Code, in conjunction with Art. 13.2.1, Art. 14.2, Art. 14.4 and Art. 14.5 of the Company's Articles of Association, the Supervisory Board hereby resolves as follows:

Section 1

The Supervisory Board resolves to appoint Mr Robert Sobków (Personal ID (PESEL) No. 67022808892) as Vice President, Chief Financial Officer, of the Management Board of Grupa LOTOS S.A. of the 10th joint term of office, with effect from June 11th 2018.

Section 2

This Resolution shall become effective as of its date.

1. Votes in favour: _____7_____ Members of the Supervisory Board voted in favour of the resolution
2. Votes against: _____0_____ Members of the Supervisory Board voted against the resolution
3. Abstaining votes: _____0_____ Members of the Supervisory Board abstained from voting on the resolution

This Resolution has been passed by secret ballot.