

JUSTIFICATION
of the draft resolutions of the Annual General Meeting of Grupa LOTOS S.A.
of June 30th, 2014

In connection with the Annual General Meeting of Grupa LOTOS S.A. convened for June 30th, 2014, the Management Board of Grupa LOTOS S.A. presents below the justification of the draft resolutions of the Annual General Meeting.

Re: Item 10 of the agenda.

Coverage of the Company's loss for 2013.

Due to the fact that the Company recorded a net loss in its financial statements for 2013 amounting to PLN 14,774,128.10, the Management Board of Grupa LOTOS S.A. submits a proposal that the net loss shall be covered out of the Company's supplementary capital.

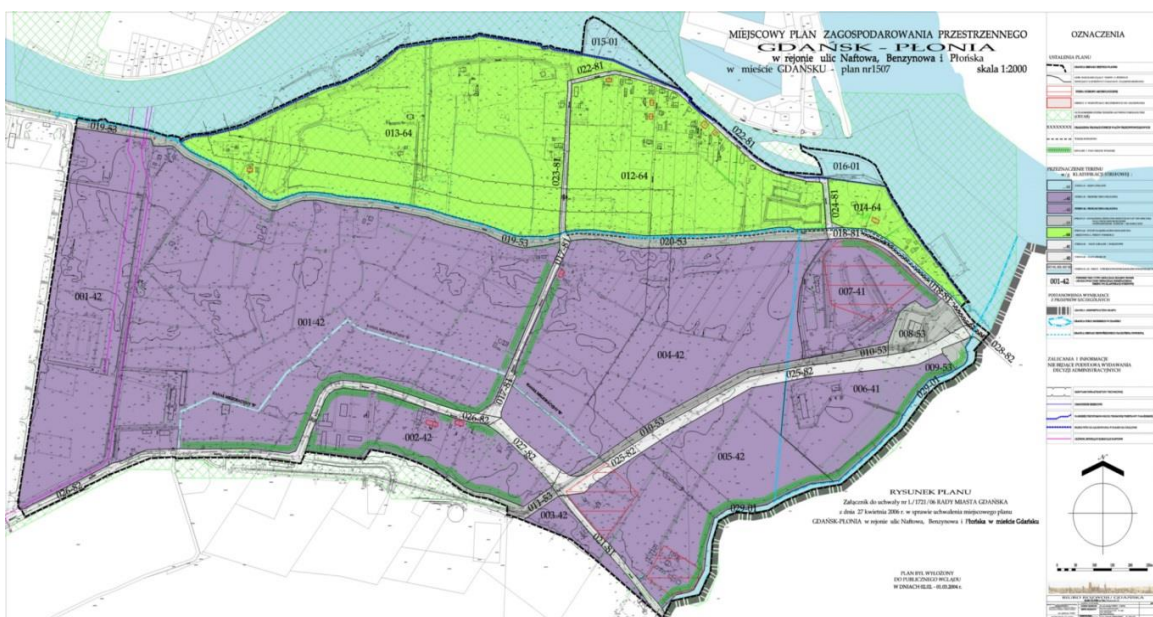
Re: Item 13 of the agenda.

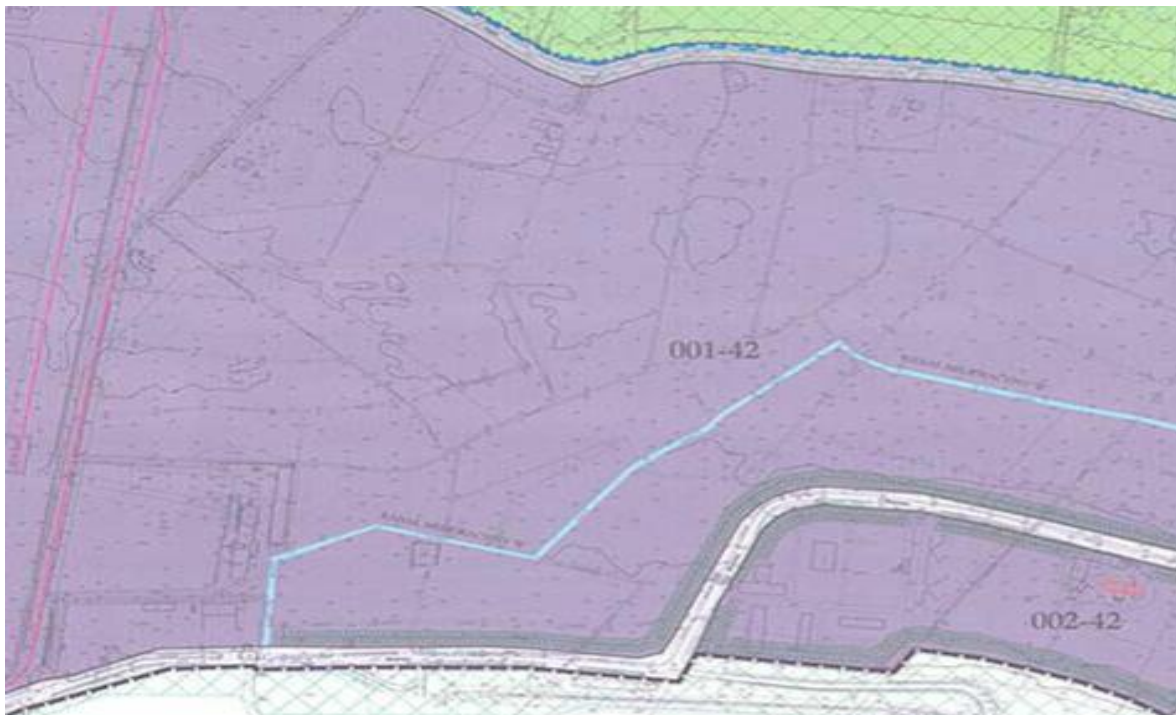
Granting consent for the purchase of land properties for implementation of future investment projects.

Land with a total area of approx. 65 hectares is necessary for the implementation of projects under the "2013 - 2015 Growth and Efficiency Programme" including construction of the petrochemical complex. The above means that the Company has to purchase additional 47 hectares of land. The presently implemented coking plant investment has completely exhausted the refinery's investment areas. Location of each potential investment combined in terms of energy and products with the existing refinery, should be in the immediate vicinity of the plant. To the north, south and west the refinery is restricted by rivers. Due to the natural barriers, expansion of the plant is possible only to the east of the GL SA site, therefore, the Company is interested in both developed and undeveloped land properties located in Gdańsk near the Benzynowa and Płońska Streets.

According to the local zoning plan for Gdańsk-Płońia in the area of Naftowa, Benzynowa and Płońska Streets in Gdańsk, approved by Resolution No. L/1721/2006 adopted by the Gdańsk City Council on April 27th, 2006, the real property of interest to the company lies in the area marked with 001-42 symbol and it is classified as: production and service area.

These plots of land are presented in the maps below.





Due to the fact that it is possible to purchase these plots of land, a comprehensive concept of the lands' purchase in several stages has been developed, these stages result from both the financial capacity of the Company and the availability of individual plots of land.

Taking into account all the circumstances connected with this concept, the land acquisition project has been divided into two stages:

- Stage I - purchase of plots of land from Gdańska Agencja Rozwoju Gospodarczego Sp. z o.o. (The Gdansk Economic Development Agency Ltd.) bordering on Grupa LOTOS S.A., as well as purchase of plots of land from natural persons,
- Stage II - purchase of the remaining plots of land from the municipality of the City of Gdańsk, the State Treasury and from the Gdansk Economic Development Agency Ltd.

The proposal of the Company's Management Board submitted to the General Meeting refers to the plots of land covered by Stage I of the undertaking. Purchase of these plots of land, together with the plots of land already owned by GL S.A. to the east of the refinery, will ensure approx. 47% of the area required for the planned investment.

According to the appraisal made by the Company as regards value of the real property on the market - total cost of the transaction of the first Stage shall not exceed the amount of PLN 17.5 million net.

As the Gdansk Economic Development Agency Ltd. has declared, part of the amount obtained from this transaction shall be used for modernization of the Benzynowa Street in order to improve access road to the future investments site and the existing fuel fillers belonging to the Company, which is an additional benefit for Grupa LOTOS S.A.

Prior to start of the task consisting in construction of the petrochemical complex, the plots of land purchased at Stage I shall be used as a temporary plant and facilities for companies constructing the coking plant complex. Should the petrochemical project not be implemented, the aforementioned plots of land may be used for expansion of the tank base and for the implementation of other refinery, petrochemical and chemical installation projects.

Thanks to the purchase of the plots of land at Stage I of the project, Grupa LOTOS S.A. will have a compact investment area at its disposal. The failure to obtain these plots of land will limit the possibility of the Company expansion while exploiting synergies with the refinery, because the City of Gdańsk has its own investment plans related to the construction of Benzynowa Technological Park on this land.

In connection with the above, on June 2nd, 2014, in its Resolution No. 48/VIII/2014, the Management Board asked the General Meeting to give its consent to purchase of the land

properties comprising Stage I, and the Supervisory Board to express its prior opinion in this regard.

In its Resolution No. 132/VIII/2014, the Supervisory Board expressed its positive opinion regarding the aforementioned proposal of the Management Board.

Within this item of the General Meeting's agenda it is assumed that two resolutions shall be adopted regarding:

- granting consent to purchase of land properties for implementation of future investment projects,
- expressing consent to increase of the real property purchase costs.

Specification, in the wording of the resolution concerning expressing consent to purchase of land properties for implementation of future investment projects, of the total price of the land properties' purchase would result in the necessity to purchase the aforementioned land properties within one transaction in the same place and at the same time, and before the same notary public, which would significantly impede implementation of the resolutions of the General Meeting and negatively affect the amount of these properties final purchase prices for the Company.

Re: Item 14 of the agenda.

Granting of a jubilee award to the President of the Management Board.

On September 7th, 2013, Mr. Paweł Olechnowicz, President of the Management Board, acquired his rights to a jubilee award for 35 years of work.

Pursuant to the provisions of the Regulation of the President of the Council of Ministers of January 21st, 2003 which provides a detailed list of additional benefits that can be granted to the managers of certain legal entities and the procedure for granting them (Journal of Laws of 2003, No. 14, Item 139), a jubilee award for 35 years of work shall amount to 200% of the monthly remuneration. In the case of Mr. Paweł Olechnowicz, the jubilee award amounts to PLN 41,454.96.

Additionally, in accordance with provisions of the Act on Remuneration for Management Staff of Certain Legal Entities, of March 3rd, 2000 (Journal of Laws of 2000, No. 26 point 306, as amended), Section 3.1 point 1 and Section 2.2 point 1d of the aforementioned Regulation as well as Section 13.2 of the Company's Articles of Association, the decision on granting a jubilee award to the President of the Management Board shall be taken by the General Meeting upon request of the Supervisory Board.

Consequently, on September 24th, 2013, the Supervisory Board adopted a resolution on a motion asking the General Meeting to grant a jubilee award to Mr. Paweł Olechnowicz, President of the Management, for 35 years of work in the amount specified above.

Re: Items 15 and 16 of the Agenda

Determination of the Number of Supervisory Board Members for the 9th term of office.

Appointment of the Supervisory Board for the 9th term of office.

Due to the end of the 8th term of office of the Supervisory Board of Grupa LOTOS S.A., it shall be necessary to appoint the Supervisory Board for the next joint ninth term of office.

In consideration of the above, pursuant to Articles 385.1 and 385.2 of the Commercial Companies Code and Sections 9.4 and 11.2 of the Company's Articles of Association, the General Meeting appoints Members of Grupa LOTOS S.A. Supervisory Board. Notwithstanding the fore going, as long as the State Treasury remains a shareholder of the Company, it shall be entitled to appoint and dismiss one member of the Supervisory Board.

Additionally, in accordance with Section 11.1 of the Company's Articles of Association and Section 9.1. of the Rules of Procedure for General Meetings, while appointing the Supervisory Board, the General Meeting of Grupa LOTOS S.A. shall also specify the number of the Supervisory Board Members which may range from five to nine.