

RESOLUTION NO. 293/XI/2022
OF THE SUPERVISORY BOARD OF GRUPA LOTOS S.A.
of May 19th 2022

concerning: adoption of the Report on Remuneration of Members of the Management Board and Supervisory Board for 2021

Acting pursuant to Art. 13.2 of the Articles of Association and Art. 90g.1 of the Act on Public Offering Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies of July 29th 2005 (Dz. U. od 2021, item 1983), in accordance with Art. 388.1(1) of the Commercial Companies Code, the Supervisory Board of Grupa LOTOS S.A. resolves as follows:

Section 1

1. The Supervisory Board adopts the Report on Remuneration of Members of the Management Board and Supervisory Board for 2021, attached as an appendix hereto.
2. The Supervisory Board resolves to submit the Report to the Annual General Meeting of Grupa LOTOS S.A.

Section 2

This Resolution shall become effective upon its adoption.

1. Votes in favour: _____6_____ Members of the Supervisory Board
2. Votes against: _____0_____ Members of the Supervisory Board
3. Abstaining votes: _____0_____ Members of the Supervisory Board

The resolution has been passed by open ballot.

Supervisory Board

1. Beata Kozłowska - Chyła
2. Piotr Ciach
3. Katarzyna Lewandowska
4. Dariusz Figura
5. Katarzyna Maćkowska
6. Grzegorz Rybicki
7. Rafał Włodarski



Report on remuneration of members of the Management Board and Supervisory Board for 2021

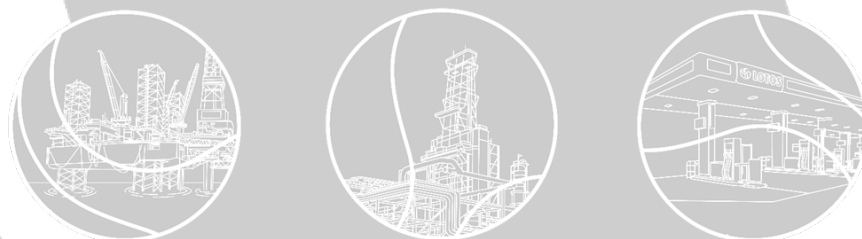


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1. INTRODUCTION

This report on remuneration of members of the Management Board and Supervisory Board of Grupa LOTOS S.A. (the "Report") presents an overview of remuneration, including all benefits, received by or due to members of those bodies in 2021. This Report has been prepared in accordance with the requirements of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies of July 29th 2005 (consolidated text: Dz.U. of 2021, item 1983, 2140) (the "Public Offering Act"), and refers to the internal regulations governing remuneration, i.e. the Remuneration Policy for Members of the Management Board and the Supervisory Board of Grupa LOTOS S.A. (the "Remuneration Policy").

The Remuneration Policy adopted by Grupa LOTOS S.A. (the "Company") has been prepared as a general and framework regulation and, in accordance with Art. 90d of the Public Offering Act, it sets forth the rules governing remuneration of members of the Company's Management Board and Supervisory Board. The Policy also refers to the rules of preparation of remuneration reports and thus addresses the statutory requirements arising from:

- the Public Offering Act, and
- the Act on Rules of Remunerating Persons Who Manage Certain Companies of June 9th 2016 (consolidated text: Dz.U. of 2020, item 1907) (the "Act on Remuneration Rules").

The document was adopted by the Company by Resolution No. 22 of the Annual General Meeting of Grupa LOTOS S.A. of June 30th 2020 with a view to defining transparent rules of remunerating the corporate bodies and contributing to the delivery of the Company's business strategy, its long-term interests and stability.

This remuneration report contains in particular:

- The amount of total remuneration, broken down into the components referred to in Art. 90d.3.1 of the Public Offering Act and Sections 3–7 of the Remuneration Policy, and the relative proportions of those remuneration components;
- An explanation of how the total remuneration is consistent with the adopted Remuneration Policy, including of how it contributes to the Company's long-term performance;
- Information on the application of performance criteria;
- Information on any changes occurring during the year with respect to the remuneration of the Management Board and Supervisory Board Members, the Company's performance, as well as the average remuneration paid to the Company's employees other than the Management Board or Supervisory Board Members, over the period of at least the last five financial years, presented cumulatively and in a manner enabling their comparison;

- Information to the effect that the Management Board Members are not remunerated by any other Group entities within the meaning of the Accounting Act of September 29th 1994 (Dz.U. of 2021, item 217, 2105, 2106);
- Information to the effect that no financial instruments have been granted or offered;
- Information on exercising the right to claim back Variable Remuneration;
- Information on any waivers of the Remuneration Policy implementation procedure and waivers applied in accordance with Art. 90f of the Public Offering Act and Section 13 of the Remuneration Policy, including explanation of the reasons for waivers, and as well as indication of the elements in respect of which such waivers have been applied.

2.1 Total remuneration amount, broken down into the components referred to in Art. 90d.3.1 of the Public Offering Act, and the relative proportions of the remuneration components

In 2021, the remuneration of members of the Company's Management Board and Supervisory Board was determined in accordance with the Act on Remuneration Rules and resolutions adopted pursuant to that Act, as well as the Remuneration Policy for members of the Management Board and the Supervisory Board adopted by Resolution No. 22 of the Company's General Meeting of June 30th 2020 (the "Remuneration Policy").

In 2021, the composition of the Management Board and the Supervisory Board was as follows:

Table 1. Composition of the Management Board of Grupa LOTOS S.A. in 2021:

First name and surname	Position held	Length of service in the reporting year
Zofia Paryła	President of the Management Board	Jan 1 – Dec 31 2021
Krzysztof Nowicki	Vice President of the Management Board, Mergers and Acquisitions	Jan 26 – Dec 31 2021
Piotr Walczak	Vice President of the Management Board, Chief Refining and Marketing Officer	Jan 1 – Dec 31 2021
Jarosław Wittstock	Vice President of the Management Board, Corporate Affairs	Jan 1 – Dec 31 2021
Jarosław Wróbel	Vice President of the Management Board, Chief Investment and Innovation Officer	Mar 2 – Dec 31 2021
Artur Cieślak	Vice President of the Management Board, Chief Strategy and Development Officer	Jan 1 – Mar 15 2021
Marian Krzemiński	Vice President of the Management Board, Chief Investment and Innovation Officer	Jan 1 – Mar 1 2021

* On May 27th 2021, the Company's Supervisory Board shortened the tenth term of office of the Company's Management Board by removing the existing Management Board members as of May 27th, and appointed the Management Board of the 11th joint term of office as of May 28th 2021.

Table 2. Composition of the Supervisory Board of Grupa LOTOS S.A. in 2021:

First name and surname	Position held	Length of service in the reporting year
Beata Kozłowska-Chyła	Chair of the Supervisory Board	Jan 1 – Dec 31 2021
Piotr Ciach	Deputy Chair of the Supervisory Board	Jan 1 – Dec 31 2021
Katarzyna Lewandowska	Secretary of the Supervisory Board	Jan 1 – Dec 31 2021
Dariusz Figura	Member of the Supervisory Board	Jan 1 – Dec 31 2021
Adam Lewandowski	Member of the Supervisory Board	Jan 1 – Jun 29 2021
Grzegorz Rybicki	Member of the Supervisory Board	Jan 1 – Dec 31 2021
Katarzyna Maćkowska	Member of the Supervisory Board	Jun 30 – Dec 31 2021
Rafał Włodarski	Member of the Supervisory Board	Jun 30 – Dec 31 2021

In accordance with the Remuneration Policy, **members of the Company's Supervisory Board are entitled to monthly remuneration**, calculated as the product of the reference salary amount referred to in Art. 1.3.11 of the Act on Remuneration Rules and a multiplier of:

- 1.7 – for the Chair of the Supervisory Board,
- 1.5 – for other members of the Supervisory Board.

Members of the Supervisory Board are also entitled to reimbursement of costs related to their participation in the work of the Supervisory Board, in accordance with the Remuneration Policy and Art. 392 of the Commercial Companies Code.

Differences in remuneration resulted from the different positions held and the fact that the remuneration was due for a given month if the member of the Supervisory Board was present at the meeting or justified his or her absence, which was reflected in the resolutions passed by the Supervisory Board.

The remuneration of members of the Company's Management Board was determined based on Grupa LOTOS Supervisory Board's Resolution No.168/IX/2017 of March 8th 2017, as amended, with the Supervisory Board acting in compliance with Extraordinary General Meeting's Resolution No. 2 on determination of rules of remuneration for members of the Management Board, dated December 22nd 2016, taking into account subsequent changes resulting from:

- Resolution No. 5 of the Extraordinary General Meeting of March 17th 2017,
- Resolution No. 24 of the Annual General Meeting of June 28th 2019.

The remuneration was determined in accordance with the Act on Remuneration Rules. Since the adoption of the Remuneration Policy by the General Meeting, the rules of remuneration for members of the Management Board have also incorporated the rules set forth in that Policy.

In 2021, the total remuneration of members of the Company's Management Board consisted of Fixed Remuneration and Variable Remuneration, which represented additional remuneration for a given financial year and was granted based on individual members' delivery of management objectives. These rules were directly reflected in the Remuneration Policy, which also specified that in addition to Fixed Remuneration and Variable Remuneration the Management Board members could receive additional benefits, including in particular medical benefits, rental of premises, training, and severance pay on Contract termination.

The Supervisory Board determined Fixed Remuneration taking into account the position held and the market practice of energy and fuel sector companies. The Supervisory Board also considered professional experience and responsibilities assigned as part of the management function.

These rules were directly reflected in the Management Services Contracts signed with each member of the Management Board of Grupa LOTOS S.A.

Table 3 presents the remuneration of each member of the Supervisory Board and Management Board in 2021, broken down into the components referred to in Art. 90d.3.1 of the Public Offering Act, and the relative proportions of those remuneration components.

Table 3. Gross remuneration of the Supervisory Board members in 2021 (PLN)

No.	Surname	First name	Position	Remuneration*
Members who served on the Supervisory Board as at December 31st 2021				
1	Ciach	Piotr	Deputy Chair	79,268
2	Figura	Dariusz	Member	79,268
3	Kozłowska-Chyła	Beata	Chair	89,837
4	Lewandowska	Katarzyna	Secretary	79,268
5	Włodarski	Rafał	Member	33,249
6	Maćkowska	Katarzyna	Member	33,249
7	Rybicki	Grzegorz	Member	79,268
Member who ceased to serve on the Supervisory Board in 2021²				
8	Lewandowski	Adam	Member	46,020
Total				519,426

¹ Supervisory Board remuneration as specified in the resolution of Grupa LOTOS S.A. General Meeting

² Served as member of the Supervisory Board until June 29th 2021.

Table 4. Gross remuneration of the Management Board members in 2021 (PLN)

No.	Surname	First name	Position	(I) Fixed remuneration	(II) Variable remuneration ¹	(III) Other			(IV) Total remuneration	(V) Proportion of components (%)		Difference relative to 2020
						severance pay	non-compete compensation	other additional benefits ⁵		(II) / (IV)	(III) / (IV)	
Members who served on the Management Board as at December 31st 2021												
1	Paryła	Zofia	President of the Management Board	738,983	422,732	0	0	37,227	1,198,942	35%	3%	41%
2	Nowicki	Krzysztof	Vice President of the Management Board	583,941	0	0	0	27,891	611,832	0%	5%	
3	Walczak	Piotr	Vice President of the Management Board	686,990	136,557	0	0	31,200	854,747	16%	4%	396%
4	Wittstock ⁸	Jarosław	Vice President of the Management Board	686,990	696,528	0	0	1,370	1,384,888	50%	0%	96%
5	Wróbel	Jarosław	Vice President of the Management Board	515,242	0	0	0	22,419	537,662	0%	4%	
Members who ceased to serve on the Management Board in 2021												
6	Cieślak ²	Artur	Vice President of the Management Board	200,372	149,180	0	0	8,710	358,262	42%	2%	83%
7	Krzemiński ⁵	Marian	Vice President of the Management Board	173,656	420,000	0	171,747	7,821	773,224	54%	23%	-8%
Members who ceased to serve on the Management Board in previous years												
8	Demski ³	Patryk	Vice President of the Management Board	0	0	0	0	13,359	13,359	0%	100%	-93%
9	Kawula ⁴	Jarosław	Vice President of the Management Board	0	243,279	0	0	7,428	250,706	97%	3%	-73%
10	Majewski ⁶	Paweł	President of the Management Board	0	355,683	0	0	0	355,683	100%	0%	-41%
11	Sobków ⁷	Robert	Vice President of the Management Board	0	145,461	0	0	4,460	149,921	97%	3%	-42%
Total				3,586,173	2,569,421	0	171,747	161,885	6,489,226			20.3%

¹ For delivery of the management objectives for 2020 (Sobków: 2019, Wittstock: 2019 and 2020).

² Served as Vice President of the Management Board from August 24th 2020 to March 15th 2021.

³ Served as Vice President of the Management Board from May 22nd 2018 to July 11th 2019.

⁴ Served as Vice President of the Management Board from January 12th 2017 to July 30th 2020.

⁵ Served as Vice President of the Management Board from July 25th 2019 to March 1st 2021.

⁶ Served as President of the Management Board from February 3rd 2020 to November 11th 2020.

⁷ Served as Vice President of the Management Board from June 11th 2018 to July 11th 2019, remuneration for delivery of the management objectives for 2019.

⁸ Remuneration for delivery of the management objectives for 2019 and 2020.

⁹ Including reimbursement of old age and disability pension contributions and partial coverage of the cost of rented accommodation.

2.2 Explanation of how the total remuneration is consistent with the Remuneration Policy, including of how it contributes to the Company's long-term performance

In the financial year 2021, the rules of remunerating members of the Management Board and Supervisory Board were determined in accordance with the Public Offering Act and the Remuneration Policy.

The Remuneration Policy lays down the general rules of remunerating members of both the Management Board and the Supervisory Board of Grupa LOTOS S.A., specifying in detail the structure of remuneration of the two governing bodies. The document was prepared as a general and framework regulation which, on the one hand, served to perform an obligation arising under Art. 90d of the Public Offering Act and, on the other hand, did not conflict with the rules of remunerating members of the Management Board and Supervisory Board as set out in the remuneration rules previously in force at Grupa LOTOS S.A., adopted in compliance with the Act on Remuneration Rules.

The document addressed the statutory requirements, but the adoption of the Remuneration Policy did not change the existing remuneration model for members of the Management Board and Supervisory Board, developed at the Company pursuant to the provisions of the Act on Remuneration Rules.

The Remuneration Policy includes in particular:

- a) description of Fixed Remuneration and Variable Remuneration components, as well as bonuses and other monetary and non-monetary benefits that may be awarded to members of the Management Board and Supervisory Board,
- b) relative proportions of the remuneration components referred to in item (a) above,
- c) explanation of how the terms of work and remuneration of employees other than Management Board and Supervisory Board members have been taken into account in developing the Remuneration Policy,
- d) description of the main features of supplementary pension schemes and early retirement schemes,
- e) description of measures taken to avoid or manage conflicts of interest relating to the Remuneration Policy,
- f) explanation of how the Remuneration Policy contributes to the delivery of the company's business strategy, its long-term interests and stability.

At the same time, given that the Remuneration Policy provides for the possibility of granting Variable Remuneration to members of the Management Board, it also includes:

- a) clear, comprehensive and diverse criteria in terms of financial and non-financial, performance for the granting of variable remuneration, including the criteria related to taking into account public interest, the Company's contribution to environmental protection, and taking measures to prevent and mitigate any adverse social impacts of the Company's operations,
- b) explanation of how the criteria set out in item (a) above contribute to the delivery of the Company's business strategy, its long-term interests and stability,

- c) methods used to measure the extent to which the criteria set out in item (a) above are met;
- d) payment deferral periods and option to claim back Variable Remuneration by the Company.

The rules of remunerating members of the Company's Supervisory Board, defined in the Remuneration Policy, were determined in accordance with the Act on Remuneration Rules. In the financial year 2021, all Supervisory Board members, including the Supervisory Board members meeting the independence criteria, were entitled to receive remuneration, which supported the development of proper business relations with due regard for the rights of investors, with no influence from the majority shareholder or the Company's management.

Total remuneration paid to members of the Company's Management Board in 2021 consisted of Fixed Remuneration and Variable Remuneration for the delivery of the management objectives set for the members of the Grupa LOTOS S.A. Management Board for 2020. Fixed Remuneration was determined at a level appropriate to the position held and in accordance with the market practice followed in this respect by companies from the energy and fuel sectors. The remuneration system was uniform for all members of the Management Board and followed the rules of remunerating members of the management boards and supervisory boards set out in the Remuneration Policy.

Variable Remuneration payable in connection with management objectives defined for members of the Management Board of Grupa LOTOS S.A. for 2021 will be paid after the relevant corporate decisions concerning delivery of the objectives and determination of the Variable Remuneration amounts are made and after the Directors' Report on the Company's operations and the Company's financial statements for the previous financial year are approved and the General Meeting grants discharge from liability to the Manager(s).

Below are presented the key guidelines the Supervisory Board followed in determining the Variable Remuneration for the individual members of the Company's Management Board as part of the process of defining the management objectives for 2021:

- a Management Board member's Variable Remuneration for a given financial year could not exceed 100% of his or her Fixed Remuneration,
- the objectives were defined with a view to fostering long-term performance and stability of the company, driving the Company's strategic activities and growth direction, and were therefore related to quantitative or qualitative objectives,
- the management objectives for 2021 were defined in Supervisory Board Resolution No. 107/XI/2021 of March 29th 2021 (and subsequently amended by Supervisory Board Resolutions No. 111/XI/2021 of April 19th 2021, 199/XI/2021 of August 11th 2021, 220/XI/2021 of October 27th 2021), based on the general list of objectives set out in a resolution of the General Meeting, specifying their weights and delivery criteria,
- additionally, the Supervisory Board set separate objectives to be met as a precondition to payment of Variable Remuneration for 2021.

In 2021, members of the Management Board had a general list of objectives relating to:

- increase in LIFO-based EBITDA at the LOTOS Group,
- implementation of strategic projects in line with the approved budget and timetable of investment projects at the LOTOS Group.
- improvement of cost efficiency at the LOTOS Group,
- maintaining the LOTOS Group's debt ratios at specified levels,

Such a mechanism of determining the management objectives translated directly into the achievement of the assumed financial ratios and had a direct impact on activities of strategic and key importance to the Company. It was pursued paying due regard to the rights of the Company's stakeholders, e.g. its employees and customers, as well as to the principles of social responsibility. It also contributed to the implementation of the business strategy in the context of working in the interest of all groups of shareholders.

2.3 Explanation of how performance criteria were applied

Acting pursuant to Art. 4.7 of the Act on Remuneration Rules, Section 3.1 in conjunction with Section 3.3 of Resolution No. 2 of the Extraordinary General Meeting of Grupa LOTOS S.A. on determination of the rules of remuneration for members of the Management Board, dated December 22nd 2016, as amended by Resolution No. 5 of the Extraordinary General Meeting of March 17th 2017 and Resolution No. 24 of the Annual General Meeting of June 28th 2019, and Sections 1.5 and 1.8 of Resolution No. 168/IX/2017 of the Supervisory Board of Grupa LOTOS S.A. on remuneration for members of the Company's Management Board, dated March 8th 2017, as amended, the Supervisory Board passed Resolution No. 107/XI/2021 of March 29th 2021 (subsequently amended by Supervisory Board Resolutions No. 111/XI/2021 of April 19th 2021, 199/XI/2021 of August 11th 2021, 220/XI/2021 of October 27th 2021), in which it determined:-

- the objectives that needed to be met as a precondition to payment of Variable Remuneration in 2021: a) formulation and application of the rules of remuneration for members of the management and supervisory bodies of subsidiaries in a manner reflecting the rules stipulated in the Act on Remuneration Rules – in the case of companies which, for objective reasons, did not implement the rules in 2017–2020 and there will be grounds for implementing the rules in 2021, as well as in the case of companies for which the obligation to implement the remuneration rules will arise in 2021; b) performance of the obligations referred to in Art. 17-20, Art. 22, Art. 23 and Art. 23a of the Act on State Property Management (Dz. U. of 2021, item 1933), general management objectives of members of the Management Board, as set out in the list of management objectives specified in Resolution No. 2 of the Extraordinary General Meeting of Grupa LOTOS S.A. on determination of the rules of remuneration for members of the Management Board, dated December 22nd 2016, as amended by Resolution No. 5 of the Extraordinary General Meeting of March 17th 2017 and Resolution No. 24 of the Annual General Meeting of June 28th 2019, and weights of those management objectives:

Table 5. General management objectives for Management Board members in 2021

No.	Management objective
1.	Increase in LIFO-based EBITDA at the LOTOS Group
2.	Implementation of strategic projects in line with the approved budget and timetable of investment projects at the LOTOS Group
3.	Maintaining the LOTOS Group's debt ratios at specified levels.
4.	Improvement of cost efficiency at the LOTOS Group

In accordance with the Supervisory Board's resolution referred to above, in addition to the list of general objectives, four detailed management objectives were set, along with deadlines for their delivery and criteria for assessing their achievement, of which one concerned management of projects of strategic importance to the operation of the LOTOS Group and three concerned economic performance. In accordance with the Remuneration Policy, in specifying in detail the management objectives the Supervisory Board contributes, as far as possible, to the delivery of the purpose of the Remuneration Policy, i.e. the delivery of the Company's business strategy, its long-term interests and stability, with due consideration given to public interest, contribution to environmental protection and taking measures to prevent and eliminate any adverse social impacts of the Company's operations.

Variable Remuneration of Grupa LOTOS S.A. Management Board members for the financial year 2021 may not exceed 100% of their Fixed Remuneration for the previous financial year. This matter is expressly provided for in the Management Services Contracts signed with each member of the Company's Management Board.

The delivery of management objectives by individual members of the Company's Management Board will be assessed on the basis of a resolution of the Supervisory Board, based on the following:

- a) the Directors' Report on the Company's operations and the Company's financial statements for the financial year 2021, approved by the Annual General Meeting,
- b) discharge from liability granted to members of the Grupa LOTOS S.A. Management Board in respect of their duties in 2021,
- c) the "Report on Delivery of Management Objectives set for Grupa LOTOS S.A. Management Board for 2021", submitted by the Company's Management Board,
- d) audit of delivery of management objectives carried out by an independent auditor, and the auditor's report prepared following the performance of the procedures.

In accordance with the Remuneration Policy, the extent to which management objectives have been delivered by Management Board members will be assessed based on the weights of the respective objectives as well as measurable criteria of their delivery and settlement (KPIs), as

specified in the Supervisory Board's resolution, based on the following methods used to determine the degree of achievement of management objectives:

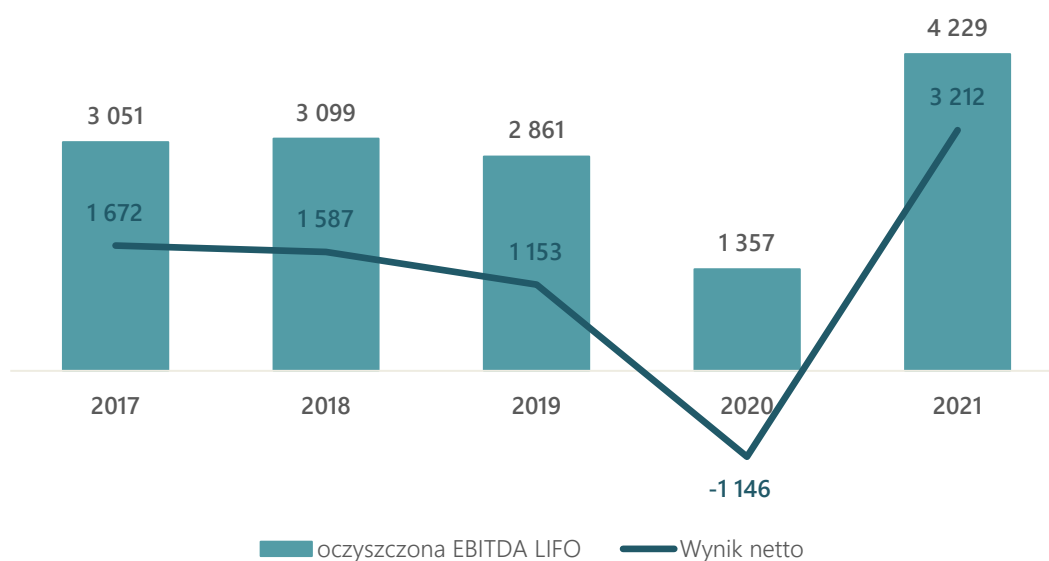
- a) acceptance of resolutions of the competent governing bodies of the Company or the other LOTOS Group companies as evidence of achievement of management objectives;
- b) should any objective circumstances occur preventing the achievement of a management objective due to legislative reasons – adoption of a report documenting the measures taken and presenting the factual and legal grounds thereof,
- c) adoption of objectively verifiable and measurable factual and legal circumstances as criteria for assessing the achievement of management objectives.

3 Information on any changes occurring during the year with respect to remuneration of Management Board and Supervisory Board members, the Company’s performance, as well as the average remuneration paid to the Company’s employees other than Management Board or Supervisory Board members, over the period of at least the last five financial years, presented cumulatively and in a manner enabling comparison

2017–2021

In the reporting period, the Company’s consolidated operating results mostly showed an upward trend, with LIFO-based EBITDA adjusted for one-offs (key performance indicator) having grown from PLN 3.1 billion in 2017 to PLN 4.2 billion in 2021. As was the case with other players in the refining sector, the Company’s operations in 2021 were driven by the improving external environment as economies recovered after the outbreak of COVID-19. Operating cash flows in 2021 exceeded PLN 2.9 billion. As at the end of 2021, the net debt/adjusted LIFO-based EBITDA ratio was 0.16x, well below the strategic target of ≤ 1.5 . In 2021, net profit came in at PLN 3.2 billion, which means a recovery after the declines seen in 2017–2020.

Figure 1. Development of adjusted LIFO-based EBITDA *and net profit in 2017–2021 (PLNm)



Oczyszczona EBITDA LIFO	Adjusted LIFO-based EBITDA
Wynik netto	Net profit/(loss)

**Effect and nature of one-off events in individual years*

- 2016: (-) 0.4bn: foreign exchange differences on operating activities, reversal of inventory write-downs and impairment losses on assets
- 2017: (+) 0.1bn: cost of the refinery maintenance shutdown, impairment losses on assets, foreign exchange differences on operating activities, and reversal of inventory write-downs
- 2018: (-) 0.1bn: net impairment losses/write-downs and provisions, foreign exchange differences on operating activities
- 2019: (-) 0.2bn: net impairment losses/write-downs and provisions, exchange differences on operating activities
- 2020: (+) 0.9bn: impairment losses on assets and foreign exchange differences on operating activities.
- 2021: (-) 0.04bn: net impairment losses/write-downs and provisions, foreign exchange differences on operating activities

Tables 6 and 7 present in detail changes in the remuneration of members of the Management and Supervisory Boards in 2017–2021.

Table 6. Changes in Fixed Remuneration and Variable Remuneration (excluding severance payments) paid to members of the Grupa LOTOS S.A. Management Board in 2017–2021

No.	Surname	First name	Term in office	2017 vs 2016	2018 vs 2017	2019 vs 2018	2020 vs 2019	2021 vs 2020
Members who served on the Management Board as at December 31st 2021								
1	Paryła	Zofia	from Jul 25 2019	-	-	-	247%	44%
2	Nowicki	Krzysztof	from Jan 26 2021	-	-	-	-	-
3	Walczak	Piotr	from Sep 4 2020	-	-	-	-	396%
4	Wittstock	Jarosław	from Sep 11 2018	-	-	428%	-14%	99%
5	Wróbel	Jarosław	from Mar 2 2021	-	-	-	-	-
Members who ceased to serve on the Management Board in 2021								
6	Cieślik	Artur	Aug 24 2020 – Mar 15 2021	-	-	-	-	87%
7	Krzemiński	Marian	Jul 25 2019 – Mar 1 2021	-	-	-	278%	-27%
Members who ceased to serve on the Management Board in previous years								
8	Demski	Patryk	May 22 2018 – Jul 11 2019	-	-	83%	-78%	-
9	Kawula	Jarosław	Jan 12 2017 – Jul 30 2020	-	12%	107%	-48%	-67%
10	Majewski	Paweł	Mar 2 2020 – Nov 11 2020	-	-	-	-	-38%
11	Sobków	Robert	Jun 11 2018 – Jul 11 2019	-	-	30%	-49%	-33%
12	Bonca	Mateusz	Jun 1 2016 – Dec 6 2019	49%	7%	103%	-81%	-
13	Machajewski	Mariusz	Jun 19 2006 – Sep 5 2017	-34%	-	-	-	-
14	Jastrzębski	Marcin	May 13 2016 – Mar 19 2018	75%	-71%	69%	-	-
15	Ciach	Piotr	Mar 19 2018 – May 21 2018	-	-	-	-	-
16	Marchlewicz	Przemysław	May 17 2016 – Dec 14 2016	-97%	-	-	-	-
17	Olechnowicz	Paweł	Mar 12 2002 – Apr 13 2016	-	-	-	-	-
18	Sokołowski	Marek	Apr 19 2002 – Apr 13 2016	-	-	-	-	-
19	Szozda	Maciej	Jul 1 2009 – Jul 21 2016	-	-	-	-	-
20	Paszkwicz	Zbigniew	Mar 12 2002 – Apr 13 2016	-	-	-	-	-
21	Pietryszyn	Robert	May 13 2016 – Nov 9 2016	-	-	-	-	-
Change in remuneration y/y-1				-45%	-2%	116%	-14%	29%
Total (PLNm)				2.6	2.6	5.6	4.8	6.2

* No value means that the remuneration was paid only in one of the years under review and therefore it is not possible to calculate the year-on-year change.

**The remuneration of members of the Grupa LOTOS S.A. Management Board includes remuneration paid for some of the members' serving on the governing bodies of the subsidiaries of Grupa LOTOS S.A., which was the case in 2016 and, partly, in 2017.

*** Payments of Variable Remuneration for the delivery of management objectives for previous years are described in the footnotes for Table 5.

In 2017–2021, change in total remuneration of the Company's Management Board (excluding severance payments) was negative in three periods (in 2017, 2018, 2020) and positive in two periods (in 2019 and 2021). The rate includes outstanding Variable Remuneration granted for the achievement of management objectives in previous years, which increased the total amount of payments in 2019 and 2021 compared with previous years (table 6). Change in the remuneration of members of the Grupa LOTOS S.A. Supervisory Board, excluding additional benefits, in 2020–2021 was negative, which means a 16 and 2% decrease in the total remuneration of the Supervisory Board compared with the previous years (Table 7).

Table 7. Change in remuneration excluding additional benefits paid in 2017–2021 to members of the Grupa LOTOS S.A. Supervisory Board

No.	Surname	First name	Term in office	2017 vs 2016	2018 vs 2017	2019 vs 2018	2020 vs 2019	2021 vs 2020
Members who served on the Supervisory Board as at December 31st 2021								
1	Ciach	Piotr	Dec 22 2016 – Dec 31 2021	-	-12%	21%	0%	0%
2	Figura	Dariusz	Jan 27 2016 – Dec 31 2021	78%	2%	0%	0%	0%
3	Kozłowska-Chyła	Beata	May 25 2016 – Dec 31 2001	229%	3%	0%	0%	0%
4	Lewandowska	Katarzyna	Jan 27 2016 – Dec 31 2021	78%	2%	0%	0%	0%
5	Włodarski	Rafał	Jun 30 2021 – Dec 31 2021	-	-	-	-	-
6	Maćkowska	Katarzyna	Jun 30 2021 – Dec 31 2021	-	-	-	-	-
7	Rybicki	Grzegorz	Jun 28 2018 – Dec 31 2021	-	-	135%	0%	0%
Member who ceased to serve on the Supervisory Board in 2021								
8	Lewandowski	Adam	Dec 22 2016 – Jun 29 2021	-	6%	0%	0%	-42%
Members who ceased to serve on the Supervisory Board in previous years								
9	Golecki	Mariusz	Jun 28 2016 – Oct 11 2019	256%	2%	-14%	-	-
10	Witkowska	Katarzyna	Jun 30 2015 – Dec 22 2016	-94%	-	-	-	-
11	Sierpińska	Maria	Jan 27 2016 – Dec 22 2016	-93%	-	-	-	-
12	Szklarczyk-Mierzwa	Agnieszka	Jun 28 2016 – Jun 30 2020	256%	2%	0%	-42%	-
13	Jastrzębski	Marcin	Apr 12 2016 – May 13 2016	-	-	-	-	-
14	Krasodomski	Cezary	Jan 27 2016 – Jun 28 2016	-	-	-	-	-
15	Pawłowski	Oskar	Jan 1 2014 – Jan 27 2016	-	-	-	-	-
16	Pietryszyn	Robert	Dec 23 2015 – May 13 2016	-	-	-	-	-
17	Rumiński	Michał	Jan 1 2014 – Jan 27 2016	-	-	-	-	-
18	Skwarko	Wiesław	Jan 1 2014 – Jan 27 2016	-	-	-	-	-
19	Trzaskalska	Agnieszka	Jan 1 2014 – Jan 27 2016	-	-	-	-	-
20	Hirszel	Małgorzata	Jan 1 2014 – Jan 27 2016	-	-	-	-	-
Change in remuneration y/y-1				66%	6%	8%	-16%	-2%
Total				0.6	0.6	0.6	0.5	0.5

* No value means that the remuneration was paid only in one of the years under review and therefore it is not possible to calculate the year-on-year change.

Table 8 compares change in average remuneration of employees other than members of the Management or Supervisory Boards and the key financial measure of the LOTOS Group in 2017–2021, and presents change of the pay equality ratio for employees.

Table 8 Year on year change of: remuneration of employees other than members of the Management and Supervisory Boards in 2017–2021, pay equality ratio and adjusted LIFO-based EBITDA

	2017 vs 2016	2018 vs 2017	2019 vs 2018	2020 vs 2019	2021 vs 2020
Average remuneration of employees ⁽¹⁾	5.4%	1.2%	14.8%	-4.9%	4.6%
Pay equality ratio	2.5%	2.1%	0.5%	-0.1%	1.9%
LIFO-based EBITDA adjusted for one-off items	17.8%	1.6%	-7.7%	-52.6%	211.7%

(1) Annual average remuneration of employees (including base salary, bonuses, awards) excluding remuneration of members of the Supervisory Board and the Management Board. In 2019, a one-off bonus equal to one base salary was paid.

4. OTHER INFORMATION

- Amount of remuneration received from entities of the same group within the meaning of the Accounting Act of September 29th 1994:
Not applicable to members of Grupa LOTOS S.A. Management Board and Supervisory Board in the financial year 2021
- Number of financial instruments granted or offered and the main conditions for the exercise of rights under those instruments, including the exercise price and date and their changes:
Not applicable to members of Grupa LOTOS S.A. Management Board and Supervisory Board in the financial year 2021
- Information on any waivers of the Remuneration Policy implementation procedure and waivers applied in accordance with Art. 90f of the Public Offering Act, including explanation of reasons for waivers, and as well as indication of the elements in respect of which waivers were applied: **Not applicable to Grupa LOTOS S.A. in the financial year 2021.**
- Information on exercising the right to claim back Variable Remuneration:
Management Services Contracts signed with the individual Management Board members provided that the Company was entitled to claim back (the whole or an appropriate part of) Variable Remuneration paid if, following the payment, it was demonstrated that (the whole or an appropriate part of) Variable Remuneration was granted to a Management Board Member based on data which proved to be false.

In the financial year 2021, there were no grounds for the Company using this entitlement.

- Information on how this report reflects a resolution in accordance with Art. 90g.6 or a discussion referred to in Art. 90g.7, relating to the previous remuneration report:

On June 30th 2021, the Annual General Meeting of Grupa LOTOS S.A. passed Resolution No. 22/2021 concerning an opinion on the 'Report on Remuneration of Members of the Grupa LOTOS S.A. Management Board and Supervisory Board for 2019 and 2020', prepared by the

Supervisory Board, in which a positive opinion was issued on that report, with no additional comments or qualifications. Therefore, the method of presenting information on the remuneration of members of the Management and Supervisory Boards continues to be applied in this report.

Signatures of the members of Grupa LOTOS S.A. Supervisory Board

Beata Kozłowska-Chyła

Piotr Ciach

Dariusz Figura

Katarzyna Lewandowska

Rafał Włodarski

Katarzyna Maćkowska

Grzegorz Rybicki