

Corporate governance

Grupa LOTOS publishes the Management Board's annual statement on compliance with the corporate governance rules every year.

The major goals of corporate governance at Grupa LOTOS are:

- the transparency of its operation as a listed company,
- confidence in its relations with stakeholders,
- openness and consistent building of the Company's shareholder value.

Since its stock market debut in June 2005, Grupa LOTOS complied with most recommendations set out in the document entitled the *Best Practices of Public Companies*, and since January 1st 2008, it applied most corporate governance principles published as the *Code of Best Practice for WSE Listed Companies*, adopted by the Supervisory Board of Giełda Papierów Wartościowych w Warszawie S.A. (Warsaw Stock Exchange - WSE) on July 4th 2007. Since July 1st 2010, the Company has applied the *Code of Best Practice for WSE Listed Companies* as updated by WSE on May 19th 2010. The full text of the Code is publicly available on the WSE website and in the investor relations profile on the website of Grupa LOTOS.

Code of Best Practice for WSE Listed Companies [[link](#)]

Every year, Grupa LOTOS publishes the Management Board's annual statement on compliance with the corporate governance rules which is available on the Company's website.

Persuant to the "comply or explain" principle, based on which public companies should ensure compliance with all best practices and report only incidental or permanent non-compliance with them, the Company's Management Board published a list of corporate governance principles that were not complied with, including reasons for non-compliance, in 2008 and in the following years.

Management Board's annual statement on compliance with the corporate governance rules in 2008 [[link](#)]

In 2010, Grupa LOTOS did not publish any separate statements regarding non-compliance with the principles set out in the *Code of Best Practices for WSE Listed Companies*.

Grupa LOTOS takes steps to implement best practices for environmental protection, work safety and management systems, which go beyond the requirements provided for by the Polish law. Since November 19th 2009, the Company has been included in the first index of socially responsible companies in the Central and Eastern Europe – the RESPECT Index (Responsibility, Ecology, Sustainability, Participation, Environment, Community, Transparency) – comprising 16 companies listed in the regulated market of the Warsaw Stock Exchange which were awarded an A rating as leaders of sustainable development, information governance and capital market communication. In January 2011, the Company was once again chosen to be included in the RESPECT Index.

Also, Grupa LOTOS was named winner of the *Investor Relations* category in the *Listed Company of the Year 2010* ranking prepared by the *Pentor Research Institute* for the *Puls Biznesu* daily. The winner was selected by capital market experts - stock analysts, investment advisers and brokers representing brokerage houses and offices, insurance companies, investment funds, capital departments of banks and consulting firms located all over Poland – in acknowledgement of the quality of Grupa LOTOS' dialogue with retail and institutional investors, as well as the promptness of its response to investor queries.