

Remuneration and employee benefits

Employees may receive an individual annual bonus in accordance with the rules laid down in the Collective Bargaining Agreement and a special bonus for outstanding professional achievements. Once a year, a periodic payroll review is undertaken.

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The terms of remuneration offered by the Company include:

- employees are paid according to the job type as well as the qualifications and competencies required to perform it;
- differentiating individual remuneration according to the level of output,
- achievement of the assumed objectives and targets,
- rewarding employees for outstanding professional achievements, generating considerable, unexpected added value for the Company.

In addition to the base pay, consistent with the assigned pay grade, a staff member is entitled to additional remuneration calculated and paid in accordance with the generally applicable labour law, i.e. for overtime and night work.

At the same time, Grupa LOTOS takes care of the professional development of its employees, offering individual training plans and providing talent with promotion and career paths.

Benefits available to employees include:

- medical and dental care plans and medical plans for members of their immediate families;
- unit-linked group life insurance with the premium paid by Grupa LOTOS for all employees (PLN 250);
- personal and professional development under the LOTOS Academy, which offers training, development programmes, a knowledge sharing culture, assistance with the cost of studies and language courses;
- an option to purchase MultiSport and OK System cards;
- price discounts at LOTOS service stations;
- participation in company sports teams (volleyball, sailing, tennis, football, bowling and chess teams and LOTOS Running Team).

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We regularly review our remuneration system based on payroll reports published by leading consultancy firms and the statistical data published by Statistics Poland. The job valuation exercise completed in 2019 allowed the Company to establish a new employee pay grade system. Covering all positions at the Company from senior management to operational roles, its findings were used to validate and develop a new pay scale. Since December 11th 2019, Grupa LOTOS has been bound by an updated Collective Bargaining Agreement covering **97%** of Grupa LOTOS **employees**.

Grupa LOTOS employees can accumulate additional pension savings from employer-funded contributions through a unit-linked group life insurance. The Company also provides an attractive package of social benefits, medical care and financial assistance to cover a part of holiday expenses for employees and their children. In 2019, Grupa LOTOS had also selected a financial institution with which agreements were concluded on the management and operation of Employee Capital Plans (PPK).

The ratio of the annual total remuneration of the LOTOS Group's highest-paid individual to the median annual total remuneration of all employees in 2019 was 7.6, down 5.5% year on year.

GDP OF THE EMPLOYEES IN 2010 WAS 7.0, GROWING 0.0% YEAR ON YEAR.