

The major goal of the Company's management is to act in accordance with the Company's interest, understood as the asset value growth entrusted thereto by shareholders, and including rights and interests of entities other than shareholders involved in the Company's operations, including, in particular, the Company's employees. Conduct is determined by the following principles:

- **honest intentions and non-abuse of authorisations** – the exercise of rights and the application of legal institutions are based on honest intentions and do not exceed the goal and business justification of such institutions;
- **independence of third party opinions** – the Company selects entities providing expert services, including, in particular, auditors, financial and tax advisers and lawyers, monitoring the risk of emergence of any possible circumstances limiting the independence of such entities during the performance of their duties.

The Management Board ensures that the Company's management system is transparent and effective and all the Company's affairs are managed in adherence to law and best practices. While making decisions on the Company's affairs, Management Board members act within the limits of a reasonable business risk, i.e. review all information, analyses and opinions, including those justified by the long-term perspective of expectations of key groups of [stakeholders](#).

In order to unify management standards and behaviours, as well as ethical guidance, the Capital Group applies and complies with codified standards of conduct:

- **"Corporate Decalogue"**: the statement of values and principles considered as fundamental for the entire Capital Group by the Management Board of Grupa LOTOS. These principles apply both to business operations and interpersonal relations. The "Corporate Decalogue" indicates the necessity to follow the rules of [corporate social responsibility](#) and [sustainable development](#). In addition, it stresses the need for continuous development of employees, promotes effective communication, employee commitment, and partnership relations.
- **"Employee Code of Conduct"**: confirms the organisation's principles and is a guide for employees and business partners of the LOTOS Group. It also applies to third parties acting on behalf of the Capital Group companies whenever the Company is liable for their behaviour. The Code refers, in particular, to professional ethics, attention to Company's interests, employees' attitudes towards their duties, relations among employees, as well as the reliability and transparency in dealing with customers and business partners. The full

text of the Code is publicly available in Polish [in the corporate profile of Grupa LOTOS' web site](#).

- **"LOTOS Group Manager's Code"**: describes desired skills, personality strengths and rules of proceeding for managers. Managing both business processes and [human capital](#) is perceived as the most important and most difficult aspect of requirements managers need to face. The Code points out that the LOTOS Group's managers should build their authority by complying with ethics in professional contacts and interpersonal relations.

In 2003, Grupa LOTOS, as the first company in the chemical sector and the second entity in Poland, obtained the certificate of the Polish Research and Certification Centre for its Integrated Management System based on the requirements of the following standards:

- PN-EN [ISO](#) 9001: 2001 Quality Management System,
- PN-EN [ISO](#) 14001: 2005 Environmental Management System,
- PN-N-18001: 2004 Health and Safety Management System.

## Integrated Management System

**For customers: guaranteed consideration for product and service quality**

**For the environment: proven consideration for the environment**

**For employees: ensured safety at work**

The Integrated Management System has been implemented and certified in 9 LOTOS Group companies. It is an integral part of the organisation management system and provides for the continuous improvement of the efficiency and effectiveness of the Company's operation.

Management systems at the LOTOS Group

31.03.2010 **Company name**                      **Management systems in place**

Grupa LOTOS

Implemented and certified Integrated Management System consists

	with <a href="#">ISO 9001</a> , <a href="#">ISO 14001</a> , PN-N-18001. Implemented system consistent with the Allied Quality Assurance Publication (AQAP) 2110, as required by NATO.
LOTOS Asfalt	Implemented and certified Integrated Management System consistent with <a href="#">ISO 9001</a> , <a href="#">ISO 14001</a> , PN-N-18001. Implemented and certified Internal Production Control system.
LOTOS Kolej	Implemented and certified Integrated Management System consistent with <a href="#">ISO 9001</a> , <a href="#">ISO 14001</a> , PN-N-18001. Implemented Railway Transport Safety Management System (SMS).
LOTOS Lab	Implemented and certified Integrated Management System consistent with <a href="#">ISO 9001</a> , <a href="#">ISO 14001</a> , PN-N-18001. Accreditation of the Polish Centre for Accreditation consistent with PN-EN ISO/IEC 17025:2005.
LOTOS Ochrona	Implemented and certified Integrated Management System consistent with <a href="#">ISO 9001</a> , <a href="#">ISO 14001</a> , PN-N-18001.
LOTOS Oil	Implemented and certified Integrated Management System consistent with <a href="#">ISO 9001</a> (re: branches in Gdańsk, Czechowice, Jasło), <a href="#">ISO 14001</a> , PN-N-18001. Implemented system consistent with the Allied Quality Assurance Publication (AQAP) 2110.
LOTOS Parafiny	Implemented and certified Integrated Management System consistent with <a href="#">ISO 9001</a> , <a href="#">ISO 14001</a> , PN-N-18001.
LOTOS Petrobaltic	Implemented and certified Integrated Management System consistent with <a href="#">ISO 9001</a> , <a href="#">ISO 14001</a> , PN-N-18001. Implemented systems: ISM Code (Safe Ship Operation and Pollution Prevention Management System), ISPS Code (Ship and Port Facility Security System).
LOTOS Serwis	Implemented and certified Integrated Management System consistent with <a href="#">ISO 9001</a> , <a href="#">ISO 14001</a> , PN-N-18001.
LOTOS Straż	Implemented and certified Integrated Management System consistent with <a href="#">ISO 9001</a> , <a href="#">ISO 14001</a> , PN-N-18001.
LOTOS Czechowice	Implemented Integrated Management System consistent with <a href="#">ISO 9001</a> , <a href="#">ISO 14001</a> , PN-N-18001.

LOTOS Paliwa

Implemented and certified Integrated Management System consistent with [ISO 9001](#).

LOTOS Jaslo

The Company is currently implementing the requirements of the Integrated Management System.

LOTOS Tank

The Company is currently implementing the requirements of the Integrated Management System.

The LOTOS Group carries out audits to evaluate its management system compliance with the requirements. Several types of audits exist:

- internal audits within Capital Group companies,
- corporate audits carried out by Grupa LOTOS' auditors at subsidiaries to verify whether corporate requirements are met,
- supplier audits.

Audits provide information, for example, on strengths and weaknesses of business processes, the efficiency of management systems, problems and threats, as well as irregularities in the Capital Group, in addition to flow of information gaps between individual companies. Audit conclusions enable relevant management decisions to be made aimed at further organisation improvement.

<b>Number of audits carried out in the years 2005-2009</b>	<b>AUDIT</b>	2005	2006	2007	2008	2009
	<b>TYPE</b>					
	Audits at 26		16	38	37	37
	Grupa LOTOS					
	Corporate audits	11	5	16	13	17

at the  
Capital  
Group  
companies

Audits of -      15      6      7      10

suppliers  
working  
for  
Grupa  
LOTOS

Number	15	21	22	31	35	
of	(84	audit	(132	(142	(144	(200
auditors	days)	audit	audit	audit	audit	audit
		days)	days)	days)	days)	days)