

Dialogue with customers

[G4-PR5]

We measure our customers' satisfaction

Our key objective is to build lasting customer relationships through understanding customers' needs and delivering the expected product quality and safety. The level of customer satisfaction is measured in cooperation with our Marketing segment companies. We regularly conduct surveys which focus on: factors taken into account in the supplier appointment process, cooperation with the supplier's personnel, their accessibility and competences, quality and availability of products, time of response to requests for proposals (RFPs), pricing against competitive products, and the image.

Business customers satisfied with our services

Marketing surveys show a high level of satisfaction of LOTOS Group companies' business customers. In 2016 – as in 2015 – the level of customer satisfaction measured in accordance with the TRI*M¹ Index reached 76.

TRI*M Index, in mathematical terms, is a weighted average of answers to the following four questions:

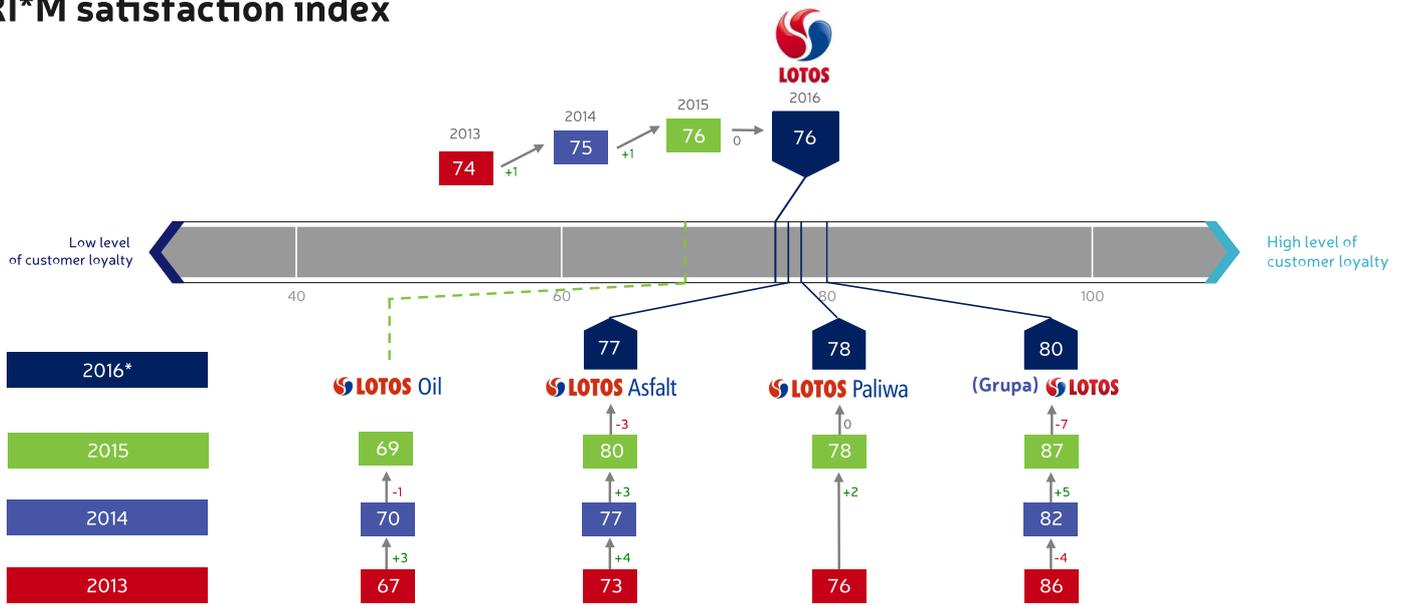
- overall rating,
- probability of recommendation,
- product/service repeat purchase probability,
- competitive advantage.

The higher the average, the higher level of customer satisfaction and loyalty.

In 2016, Grupa LOTOS and LOTOS Asphalt recorded a decline in customer satisfaction levels. The highest satisfaction levels, despite the decline, were reported by customers of Grupa LOTOS.

¹ According to TRI*M Index, being a single digit score, which measures customer satisfaction with the quality of services, calculated for each respondent covered by the survey.

TRI*M satisfaction index

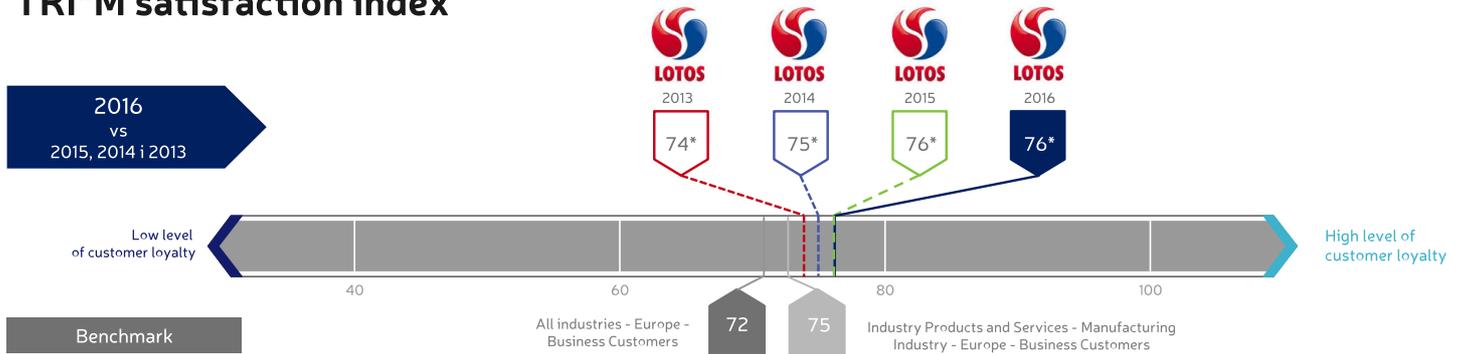


In 2016, Grupa LOTOS and LOTOS Asphalt rec-ordered a decline in customer satisfaction levels. The highest satisfaction levels, despite the decline, were reported by customers of Grupa LOTOS.

* In the year 2016 LOTOS Oil customers were not surveyed.

Compared to 2015, only minor changes were recorded in the survey findings.

TRI*M satisfaction index



The LOTOS Group's business customer satisfaction index stands at 76, indicating a high level of customer satisfaction, on a par with the last year's figure.

* The aggregate index for the LOTOS Group was calculated based on indices for individual LOTOS Group companies, adjusted for the number of their customers.

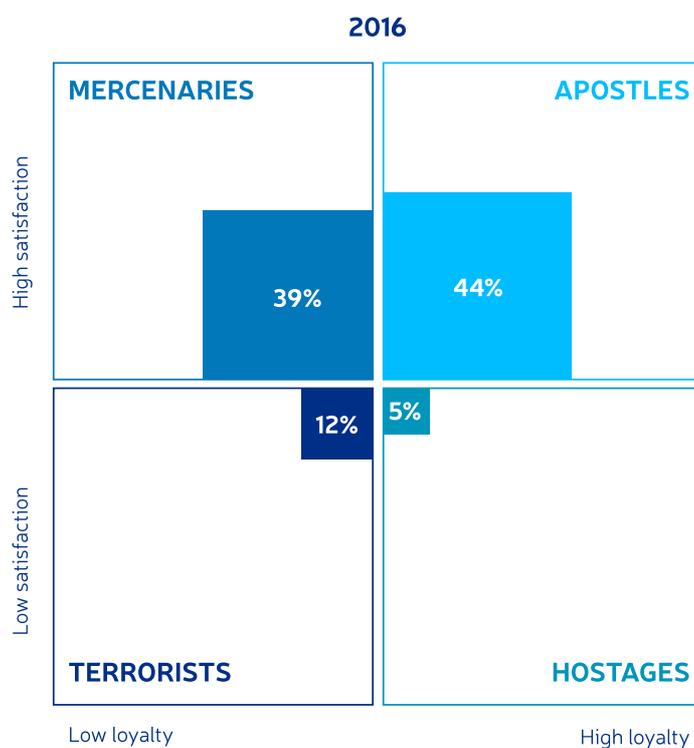
The same applies to the classification of our business customers based on the level of their satisfaction and loyalty, which indicates that:

44% are the 'Apostles', i.e. the most loyal and satisfied group of customers, who are emotionally tied with the brand and disseminate positive opinions about it. In this group, the probability of success of up-selling and cross-selling strategies is the highest.

39% are the 'Mercenaries', that is customers hunting for bargains and best offers. Their relationship with the LOTOS brand stems from their short-term interest in the pricing offer. Such customers are often costly to acquire (costs of promotion and advertising) and are highly disloyal.

12% are the 'Terrorists', i.e. customers who had bad experience with the LOTOS brand in the past and, wishing to take revenge, spread negative opinions about it. The likelihood of severing the connection with the brand in this group is relatively high.

5% are the 'Hostages'. They continue their relationship with the LOTOS brand, despite relatively low satisfaction with the services. In the case of such customers, there is typically some sort of an obstacle to their switching to another supplier.



Customers appreciate the stores and services at the LOTOS service stations

In the 'Monitoring of Service Station CHAIN Customers' Satisfaction' survey, comparing the satisfaction of LOTOS customers vs the competition, we were ranked above the market average in the following areas:

- satisfaction with the food and beverage offering – 2nd place in the Polish market,
- pricing image ('value for money' for fuels) – 2nd place,
- satisfaction with service station stores and extra services – 1st place,
- Loyalty solutions. The Navigator loyalty scheme receives higher ratings than similar solutions offered by other brands in each category assessed by customers: prizes to be won by scheme participants, customers actually acquired under the scheme, and customer satisfaction derived from participation in the scheme.

The survey was conducted in February and March 2016 by ARC Rynek i Opinia Sp. z o.o., an opinion polling company.

