

## 31. Related parties

### 31.1 Transactions with related entities in which the Group holds equity interests

Equity-accounted joint ventures		2016	2015
Sales		209,926	200,263
Purchases		43	117
	<b>Note</b>	<b>Dec 31 2016</b>	<b>Dec 31 2015</b>
Receivables	16	16,149	12,219
Liabilities		188	-

In 2016 and 2015, material transactions were made by the Group with LOTOS-Air BP Polska Sp. z o.o. and involved mainly sale of aviation fuel. The aggregate value of these transactions executed in 2016 was PLN 209,710 thousand (2015: PLN 198,816 thousand). As at December 31st 2016, the balance of outstanding receivables under these transactions was PLN 16,141 thousand (December 31st 2015: PLN 12,219 thousand).

For general information on joint ventures in which the Group holds interests, see [Note 14](#).

### 31.2 Entity having control of the Group

As at December 31st 2016 and December 31st 2015, the State Treasury held a 53.19% interest in Grupa LOTOS S.A. In 2015 and 2016, no transactions were concluded between Grupa LOTOS S.A. and the State Treasury.

### 31.3 Transactions with related entities of which the State Treasury has control or joint control or on which the State Treasury has significant influence

In 2016 and 2015, the Group executed transactions with parties related to it through the State Treasury, the aggregate value of which was material. They were concluded on an arm's length basis in the course of the Group's day-to-day operations and involved mainly sale of fuels, sale and purchase of storage services, sale and purchase of transport services, purchase of electricity, natural gas and other fuels.

		2016	2015
Sales		370,118	335,843
Purchases		1,237,567	1,757,779
		<b>Dec 31 2016</b>	<b>Dec 31 2015</b>
Receivables		28,894	27,859
Liabilities		247,109	130,356

## 31.4 Remuneration of members of the Management and Supervisory Boards; loans and other similar benefits granted to members of the management and supervisory staff

Remuneration paid to members of the Company's Management and Supervisory Boards	2016	2015
<b>Management Board</b>		
Short-term employee benefits (salaries)	1,493	1,183
<b>Management Board - subsidiaries <sup>(1)</sup></b>		
Short-term employee benefits (salaries)	2,986	3,631
<b>Supervisory Board</b>		
Short-term employee benefits (salaries)	338	252
<b>Total <sup>(2)</sup></b>	<b>4,817</b>	<b>5,066</b>
<b>Other employee benefits</b>	<b>Dec 31 2016</b>	<b>Dec 31 2015</b>
<b>Management Board</b>		
Post-employment benefits, length-of-service awards and other benefits	334	654
Current liabilities under annual bonus <sup>(3)</sup>	77	311
<b>Total</b>	<b>411</b>	<b>965</b>

<sup>(1)</sup> Remuneration paid to members of the Company's Management Board for serving on governing bodies of direct and indirect subsidiaries.

<sup>(2)</sup> The amount reflects changes in the composition of the Company's Management and Supervisory Boards.

<sup>(3)</sup> Pursuant to the Act on Remunerating Persons Who Manage Certain Legal Entities (the Public Sector Salary Cap Act).

In 2016 and 2015, the Group did not enter into material transactions with any Management Board or Supervisory Board members, did not advance any loans, make any advance payments, issue any guarantees to or conclude any other agreements with any Management Board or Supervisory Board member, which would be advanced, made, issued or concluded otherwise than on an arm's length basis or which would have a material bearing on these financial statements.

Based on representations submitted by members of the Company's Management and Supervisory Boards, in 2015 and 2016 Grupa LOTOS S.A. was not aware of any transactions concluded with the Company or another company of the LOTOS Group by the spouses, relatives, or relatives by affinity in the direct line up to the second degree, of members of the Management and Supervisory Boards, or persons related to them through guardianship or adoption or other persons with whom they have personal relationships.

## 31.5 Remuneration paid or payable to other members of key management staff

Remuneration paid to members of key management staff (other than members of the Grupa LOTOS Management Board)	2016	2015
Short-term employee benefits (salaries), including:	33,660	26,032
- annual bonus paid	7,377 <sup>(1)</sup>	3,339 <sup>(2)</sup>
- length-of-service award paid	572	777

<b>Other employee benefits</b>	<b>Dec 31 2016</b>	<b>Dec 31 2015</b>
Post-employment benefits, length-of-service awards and other benefits	11,483	11,903
Current liabilities under annual bonus	8,972	7,171
Loans and other similar benefits	5	26
<b>Total</b>	<b>20,460</b>	<b>19,100</b>

<sup>(1)</sup> Remuneration paid in 2016 on account of annual bonus for 2015.

<sup>(2)</sup> Remuneration paid in 2015 on account of annual bonus for 2014.

In 2016 and 2015, the Group did not advance any loans to its key management personnel.

## **31.6 Transactions with parties related to the Group through members of the Management and Supervisory Boards**

In 2016, the Group executed transactions with parties related to it through members of the Management Board and Supervisory Board. The transactions were executed on an arm's length basis in connection with the Group's day-to-day operations, and included mainly purchase of civil liability and property insurance policies for a total amount of PLN 9,935 thousand. As at December 31st 2016, unsettled transactions with parties related to the Group through members of the Management and Supervisory Boards totalled PLN 792 thousand.

In the comparative period, the Group did not execute any material transactions with parties related to it through members of the Management and Supervisory Boards.

The Notes to the consolidated financial statements are an integral part of the statements.  
(This is a translation of a document originally issued in Polish)