



# Annual Report 2016

UNIPETROL RPA, s.r.o.

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The Annual Report of UNIPETROL RPA, s.r.o., Company is processed in accordance with the provisions of Section 21 of Act no. 563/1991 Coll., On Accounting, as amended.

# 1 IDENTIFICATION DATA

Company: Unipetrol RPA, s.r.o.

Registered office: Litvínov, Záluží 1, Postal Code 436 70, Czech Republic

Company reg. No. (IČ): 275 97 075

## Share capital

11 147 964 000 CZK - registered 5 August 2014

## Company formation

Merger of CHEMOPETROL, a.s., registered office Litvínov - Záluží 1, district Most, Postcode: 43670, ID 25003887 and UNIPETROL RAFINÉRIE a.s. registered office Litvínov - Záluží 1, Postcode: 43670, ID: 25025139 created a successor company Unipetrol RPA, s.r.o. As a result of the merger of the abovementioned companies with the effective date of 1 January 2007, assets including rights and obligations from labour relations of the defunct company CHEMOPETROL, a.s. and the defunct company UNIPETROL RAFINÉRIE a.s. were transferred to Unipetrol RPA, s.r.o.

The information was entered into the Commercial Register on 1 August 2007.

The sole shareholder is the joint-stock company UNIPETROL, a.s., registered office Prague 4, Na Pankráci 127, Postcode 140 00; Company reg. No. (IČ): 616 72 190.

The Company is part of a consolidated group UNIPETROL, a.s. Since May 2005, Polski Koncern Naftowy ORLEN S.A. is the majority shareholder of UNIPETROL, a.s.

## Principal activities:

Unipetrol RPA is a leading Czech producer in the field of refinery, petrochemical and agrochemical raw materials, which is also reflected in the abbreviation RPA: refinery, petrochemistry, agrochemistry. The company supplies the market primarily with motor fuels, fuel oils, bitumen, liquefied petroleum products, oil hydrogenates, other refinery products, olefins and aromatics, agrochemicals, carbon black and sorbents and polyolefins (high-density polyethylene and polypropylene).

## Changes made in the course of business during 2016:

- Trade in gas
- Metal work
- Locksmithing, toolmaking
- Accounting consultancy, bookkeeping, tax records
- Providing services in occupational safety and health

## Additional changes incorporated in the Commercial Register in 2016:

- **Merger with BENZINA**

On 21 December 2015, the General Meetings of Unipetrol RPA, s.r.o. and BENZINA, s.r.o. approved merger with legal succession of Unipetrol RPA, s.r.o. The legal effects of the merger occurred on 1 January 2016.

- **Registration of the registered branches POLYMER INSTITUTE BRNO and BENZINA**

On 20 January 2016, following registered branches were entered into the Commercial Register:

Name	Address	Head of registered branch
UNIPETROL RPA, s.r.o. - POLYMER INSTITUTE BRNO, odštěpný závod (registered branch)	Tkalcovská 36/2, Zábrdovice, 602 00 Brno	JIŘÍ PÁC
UNIPETROL RPA, s.r.o. - BENZINA, odštěpný závod (registered branch)	Na Pankráci 1683/127, Nusle, 140 00 Prague 4	MAREK ZOUVALA – since 11 August 2016 VLADIMÍR DOČEKAL – 20 January until 11 August 2016

- **Merger of UNIPETROL SERVICES, s.r.o., UNIPETROL RAFINÉRIE, s.r.o. and CHEMOPETROL, a.s.**

On 2 August 2016, the merger of UNIPETROL RPA, s.r.o. with UNIPETROL SERVICES, s.r.o., UNIPETROL RAFINÉRIE, s.r.o. and CHEMOPETROL, a. s. was entered into the Commercial Register.

**Statutory representatives:**

**1. EXECUTIVES**

Mirosław Kastelik	in office since 6 February 2013
Łukasz Piotrowski	in office since 11 June 2014
Andrzej Kozłowski	in office since 1 May 2015
Andrzej Mikołaj Modrzejewski	in office since 22 June 2016
Robert Dominik Małek	in office since 23 June 2016
Krzysztof Jerzy Zdziarski	in office since 2 July 2016

**Changes made in the Commercial Register during 2016:**

Marek Świtajewski	the executive powers terminated on 1 July 2016
Marek Zouvala	the executive powers vested on 1 January 2016
	the executive powers terminated on 22 June 2016
Piotr Wielowieyski	the executive powers terminated on 17 May 2016
Andrzej Mikołaj Modrzejewski	the executive powers vested on 22 June 2016
Robert Dominik Małek	the executive powers vested on 23 June 2016
Krzysztof Jerzy Zdziarski	the executive powers vested on 2 July 2016

**Changes made in the Commercial Register by the date of compilation of the annual report:**

Martin Durčák	the executive powers terminated on 31 December 2016
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**2. MANAGEMENT**

In the time period to which the report relates the management of the company was formed by its executives.

## 2 INFORMATION ON THE LATEST DEVELOPMENTS

### 1. REFINERY BUSINESS UNIT

#### Market development

Based on the latest available data the Czech fuel market consumption was growing in two main product categories: gasoline and diesel. However, the company observed much higher pace of consumption of diesel than gasoline. This reflects the general tendency in the EU.

#### Market position

Despite the parallel limited throughput of capacities in Litvínov and Kralupy refineries the company struggled to maintain the former market share. It therefore enhanced its trading activities hereby replacing its own produced fuels with the imported ones, mainly from the other Orlen Group companies. Thanks to the above mentioned cooperation the company maintained its market position intact and at the same time it secured the proper fuel supply for the Czech market.

#### Motor fuels sales

Domestic and export sale of fuels was affected by the limited production of both refineries. All business developments were therefore suspended until the production restoration and supply stabilization in the fourth quarter of 2016. Despite the production limits the company successfully launched the business activities via its Hungarian entity established already in 2015. Further business development is planned for 2017 based on the revised wholesale strategy.

#### Other refining product sales

Other refinery product sales were performed according to the modified production mode of the refineries during the period of repair of production units which changed significantly the offered portfolio of products. Total sales volumes of other refinery products increased compared to the 2015 also due to the sale of petrochemical feedstock which given to the circumstances company was not able to process at the steam cracker unit.

### 2. MONOMERS AND CHEMICALS BUSINESS UNIT

The sale of steam cracker unit products and ammonia is the core business line of Business Units Monomers and Chemicals. The most important products of steam cracker unit include ethylene, propylene, C4 fractions and benzene. Sales of the products were significantly influenced by the steam cracker shutdown which followed after the extraordinary event of August 2015. The subsequently issued notice of force majeure which covered the supply of all steam cracker unit products remained in force till November 2016. This situation essentially meant the complete discontinuation of selling the steam cracker products until the fourth quarter of 2016. Restored supplies were almost exclusively to the traditional long-term strategic customers, or they were further processed in production units of Unipetrol RPA.

Ammonia production was not affected by the extraordinary event; the sales were at similar level as in previous years. Territorial division of sales did not change either thanks to existence of a long-term contract concluded with the largest domestic fertilizer manufacturer. As in previous years, the vast majority of the ammonia produced by Unipetrol RPA ended up on the domestic market.

Sales of high conductive carbon black Chezacarb AC remain of in the forefront of company's interest as well. Chezacarb AC is used primarily to modify electromagnetic properties, electrical and thermal conductivity of plastics, coating materials and rubber, for pigmentation of paints and varnishes and for coloring of plastics and rubbers. They also find their use in the environmental area as sorbents. When compared with the previous years, the volume of sold carbon black rose even over the threshold of 2,000 tons. It was due to the good level of demand, especially in Asia. Besides the stable markets in China and Korea, there was an increase especially in sales into Japan. More carbon black headed also to US markets.

### **3. POLYOLEFINS BUSINESS UNIT**

Polyolefin sales in 2016 were negatively impacted by the steam cracker unit reconstruction, which continued till August 2016. With the gradual launch of steam cracker unit operation since October, the operation of the polypropylene unit and both polyethylene units was restored as well. As a result the sales volumes in the first 10 months were on significantly lower levels due to the limited availability of the feedstock (HDPE on the level of 30% and PP on the level of 50% compared to the standard years with regular operation). During November and December, the production reached the standard level and sales volumes gradually increased accordingly. Total sales volumes in 2016 reached the level of 245 kt (104 kt of HDPE and 141 kt of PP).

From the European market situation perspective, the year 2016 was generally much better in respect of the production units availability. The supply side was much more stable compared with the extreme year 2015. The balance on the European market was also sustained by the increased imports.

Throughout the year the general situation on the European market was still favorable for the European producers although the petrochemical margins were gradually declining; nevertheless, they still remained at high levels. From the demand side, a healthy economic situation in Europe across most of the segments created a robust demand.

### **4. RETAIL SEGMENT**

Unipetrol RPA, s.r.o. - BENZINA, odštěpný závod (registered branch), operated the largest network of filling stations in the Czech Republic in 2016. As of 31 December 2016, the network comprised of 363 filling stations with a wide range of fuels with additives; a selected segment of the filling stations offers a range of VERVA premium fuels and a wide collection of other goods, refreshments and services. The network was renovated and upgraded mainly between the years 2006 and 2010 and is currently profiled into three segments: the premium, represented on the domestic market by BENZINA Plus filling stations, the standard brand portfolio of BENZINA filling stations and the self-service filling station segment under the brand name Expres 24.

Compared to 2015, Benzina's market share increased in 2016 from 16% to 17.6% (according to the data from the Czech Statistical Office as of October 2016).

#### **Fuel sales**

Benzina's key business is the sale of fuels and other goods and services at filling stations. The sales structure confirmed the long-term trend of a higher proportion of diesel fuel, which continued in 2016.

#### Structure of fuel sales at filling stations (%)

	2015	2016
Gasoline	35.5	35.8
Diesel	64.5	64.2

Compared to 2015, the sales of diesel in Benzina network recorded a growth of 15.8% in 2016. The range of diesel fuels contributing to the growth included both the standard TOP Q diesel (+12.9%) as well as the premium VERVA diesel (+27.4%).

Compared to 2015, the total sales of the gasoline fuels range grew by 14.6% in 2016. The main contributor remained to be Natural 95 accounting for 92% of total composition of the gasoline sold and showing a year-on-year increase of 12%. The sales of the high-octane VERVA 100 gasoline increased on a year-on-year basis by 54%. Since its introduction in 2006, its share of the gasoline sold has grown achieving 7.8% of the total gasoline sales in 2016.

As part of nationwide monitoring of the quality of the fuel sold at public filling stations carried out by the Czech Trade Inspection Authority and publication of the results by the CTIA, there was only one slight discrepancy in case of diesel out of the whole Benzina network of filling stations. All the controlled premium fuels were found to be compliant. Within the internal program "Seal of Quality", an independent accredited laboratory checked 1,821 samples from the Benzina network and 99.5% were free of defects.

The higher fuel sales at filling stations in 2016, including the increased share of the premium fuels with higher added value combined with the decrease in the prices of all types of the fuels sold, business strategy, marketing support and operating cost savings have all contributed to very good financial results of the retail segment. A positive impact on the results was also supported by improved competitiveness of market environment and favorable macroeconomic factors positively influencing the demand for both gasoline and diesel. The highly competitive environment in the retail market was in 2016 again attributable to a large number of filling stations in the Czech Republic.

#### **Non-fuel sales**

Compared to 2015 results, the total revenues from sales within the non-fuel segment increased considerably by 14.8% in 2016. Higher dynamics was recorded within the sub-segment of gastronomy where the revenue grew by 28.2%. This positive development was mainly due to the introduction of the Stop Cafe fast food concept, where customers can enjoy quality coffee, hot dogs, fresh sandwiches as well as hot meals.

#### **5. SPOLANA**

In June 2016 SPOLANA a.s. was sold by former owner ANWIL S.A. to UNIPETROL RPA, s.r.o. and became member of Unipetrol Group.

#### **Production**

Spolana is the only producer of polyvinylchloride and caprolactam in the Czech Republic. The company operates two production units – production unit PVC and production unit Caprolactam. Main products of PVC unit are polyvinylchloride and sodium hydroxide. Unit Caprolactam produces caprolactam, ammonium sulphate and sulphuric acid.

Production of PVC and sodium hydroxide in 2016 was strongly influenced by lack of ethylene as a result of the accident at steam cracker unit in Litvínov in August 2015. Due to the market situation and difficult transportation, replacement of ethylene deliveries was performed only to limited extent. Since October 2016 supplies of ethylene from Litvínov were restored and following production of PVC and sodium hydroxide were restored in full extent.

## Market position and sales

Polyvinylchloride (trademark Neralit) is produced and sold in four modifications and used for products from plasticized and unplasticized plastic mixtures. Final products are used in many applications as packaging, building industry, production of customer goods, etc. Sales of PVC were affected by above mentioned lack of ethylene, in consequence of which the company was able to meet the demand only partially. The return to the market after restoration of ethylene supplies is slowed down by seasonal effect when demand from building industry goes down at the beginning of winter.

Sodium hydroxide is produced as a by-product together with Polyvinylchloride, thus the sales were affected by lack of ethylene as well. In order to cover needs of main customers, Spolana has imported some amount of sodium hydroxide. Sodium hydroxide is used in wide range of manufacturing processes, e.g. in paper and cellulose production, artificial fibres production and food industry. Due to the significance of transportation costs the product is sold only in the Czech Republic and in the neighbouring countries.

Caprolactam is basic raw material for Polyamide 6 (PA6) which finds use in textile fibres manufacturing and in plastics industry. Caprolactam market was in 2015 affected by declining demand in China, which also influenced market in Europe. During 2016 market situation stabilized gradually thanks to increase demand from Asia, which also positively affected the European market. For 2017 gradual growth is also expected.

Ammonium sulphate (trademark Spolsan) is industrial fertilizer which is produced as by-product together with caprolactam and is used as stand-alone fertilizer or in fertilizer mixtures. Sale of ammonium sulphate is seasonal but from long-term point of view is relatively stable. Sold volumes in 2016 were determined by the drop of fertilizer market in Europe, especially in the first half of the year.

## Expected development in 2017

Strategy of Spolana's future development will be based on the following factors:

- Restoration of full production and sales of polyvinylchloride,
- Launch of new product SPOLSAN G at the end of 2017,
- Shutdown of chlorine production (mercury electrolysis) and continuation of polyvinylchloride production from EDC intermediate product.

# 3 INFORMATION ON ANTICIPATED DEVELOPMENTS

Unipetrol Group is completing the preparation of its strategy which specifies the key development trends for the years 2017 – 2021. Under this strategy, the group wants to improve its financial results and maintain them at positive sustainable level that will allow the company additional capital investment and developing their own resources.

Unipetrol RPA will focus on improving efficiency and operational excellence across all segments of the business. The goal, which stands for the whole strategy is to secure long-term growth of Unipetrol Group.

The main tasks for 2017 are ensuring smooth course of the new polyethylene unit (PE3) construction as well as uninterrupted takeover of filling stations in the Czech Republic on the basis of an agreement between Unipetrol RPA represented on the retail market by its Benzina brand and OMV.



## 4 EVENTS AFTER THE BALANCE SHEET DATE

On 21 September 2016, general meetings of Unipetrol RPA, s.r.o. and ČESKÁ RAFINÉRSKÁ, a. s. approved a merger with legal succession of UNIPETROL RPA. The legal effects of the merger occurred on 1 January 2017.

In February 2017 the Company as a legal successor of ČESKÁ RAFINÉRSKÁ, a.s. signed with insurer and reinsures the Payment on account agreement related to the claim of Fluid Catalytic Cracking unit accident from 17 May 2016 in the amount of USD 40 million. The payment amount is unallocated as between Physical Damage and Business Interruption.

In the period from 1 January 2017 until the time of preparing this report, there were no further special or significant facts or conditions in the company that could affect the expected development.

## 5 OTHER INFORMATION

### 1. RESEARCH AND DEVELOPMENT

Unipetrol's Research and development focus on three basic areas - plastics, petrochemistry, and refinery. In 2016, research and development in the area of plastics was carried out by the Polymer Institute Brno (PIB), odštěpný závod (registered branch) while the petrochemistry and refinery research areas were covered by Unipetrol Centre for Research and Education, a.s. (UniCRE). Aside from the aforementioned institutions, Unipetrol also closely cooperated with universities, especially the University of Chemistry and Technology, Prague (UCT Prague) and the Czech Technical University in Prague (CTU). The results of research and development are applied as part of technical support of production, preparation of individual strategies, or directly for introduction of new products into the product portfolio.

In 2016, UniCRE implemented the NSP (National Sustainability Program) and CATPRO (Large Infrastructures) programs. It followed up on or extended its collaboration with academic institutes and universities, both in the Czech Republic and abroad. It made a significant contribution in the area of education in collaboration with the University Center UCT Prague - Unipetrol in Litvínov – providing facilities for 11 students within the "Auxiliary Scientific Staff" program, and preparing new topics for Bachelor and Master Theses. It worked with high school students and provided laboratory exercises for students of the University Center.

UniCRE submitted applications for projects in the following programs: TRIO, Operational Programme Enterprises and Innovations for Competitiveness, Operational Programme for Research, Development and Education, Horizon 2020 and the Coal and Steel Development Fund.

Within the scope of its activities, it supported RDI (Research, Development and Innovation) in cooperation with the government, the Ministry of Trade and Industry, the Ministry of Education, Youth and Sports, and the Ústí Region (Strategy for RDI restructuring and measures).

UniCRE is hence viewed as one of the leaders in the area of applied chemistry research in the Czech Republic.

#### **Refinery area**

Research and development in the area of refinery technology and products followed two primary areas – production of motor fuels and processing of residual fractions.

Legislative pressure on reducing greenhouse gas emissions and increasing the share of renewable resources leads to the necessity to research and develop the use of various types of renewable energy sources, and this also applies on refinery technology. In 2016, an operation test for hydrogenation processing of plant oil was successfully prepared and carried out with the research, technological and analytical support of UniCRE. Researching the potentially usable renewable energy sources also continued; the goal is to implement new energy sources in the production of motor fuels. Development and testing in the area of desulphurization of fuel components, their blending and additivation also formed an integral part of this area.

The conversion of residual fractions is an important economic aspect of every refinery, and so emphasis was placed on its further improvement with a goal of increasing the production of light products. Projects also targeted the production of road asphalt, the basic material used for road construction. Possible ways of increasing the durability of asphalt binders were investigated along with possible improvements of other properties of asphalt using modern rheological and analytical methods. The expected reduction of sulphur contents in heating oils will limit their further applications and bring further pressure on alternative applications of residual fractions, and so options for potentially reducing their production or improving their quality were researched.

Regarding the area of projects with public support, a project continued in cooperation with CTU Prague whose primary goal is the recycling of waste material from the reconstruction of roads. Materials and methods were discovered which will allow the use of such material in the construction of the road network.

Last but not least, UniCRE specialists and experts in refinery production took part in UCT, Prague's teaching programme, both during laboratory work and by supervising Bachelor and Master theses.

#### **Petrochemical area**

##### **Olefins and chemicals**

Long-term plans in petrochemistry aim to improve the quality of product portfolio and improving of production efficiency.

In 2016, possible options were investigated for utilizing light carbohydrates originating from pyrolysis and their applications in the production of foaming agents. In the same period, the possible ways were also investigated for utilizing remaining unsaturated C5 carbohydrates using hydrogenation procedures.

Furthermore, possibilities for the production of pure carbohydrates from naphthalene concentrates were analyzed.

Research projects also targeted theoretical problems in pyrolysis and sought other possible ways of utilizing its secondary products; utilization of renewable energy sources in petrochemistry; searching for more efficient management and improving the economy of petrochemical production using modern, instrument-based analytical methods.

Projects covered within UniCRE institutional financing focused on the area of selective dehydrogenation of butane and butene to 1,3-butadiene and on the area of using liquid products from the pyrolysis of waste tires. The results of these are base documents for the preparation of research projects.

Work was also carried out on the implementation of development projects focusing on economic and environmental applications of used converters, and a nontrivial amount of work was also carried out in the area of energy savings.

##### **Polyolefins**

Research works in the field of polyolefins were carried out by Polymer Institute Brno (PIB) odštěpný závod (registered branch) and were focused on securing high-quality propylene for the production of polypropylene, on optimizing of production, and on implementing new catalytic systems meeting the requirements of REACH.

Research in the field of polyethylene focused on two specific areas:

- Preparation of laboratory testing equipment (polymeration lines) for the new INEOS slurry technology, currently under construction in the Záluží facility.
- Selection of suitable catalytic systems for PE2 and PE3 units in order to prepare documentation for the innovation of the polymer types currently produced at the PE2 unit. Other areas of research included the start of work on developing selected types of matrices, currently produced at the PE1 unit, whose equivalents are not included in the INEOS license. Due to the requirements of customers on continued production of these materials even after the termination of production at the PE1 unit, a significant amount of attention is focused on this line of research and development.

The preparation for new production technologies also includes the necessity to develop new testing methods, since the characteristics of bimodal types of polymers significantly differ from standard unimodal polymers.

Documents were prepared for the restoration of certificates for piping materials for the region of Scandinavia, and documents supplied by the PE research group from PIB were used to prepare a matrix which successfully passed testing in Sweden and thus regained certification for this type of products in the given region.

Regarding the matrix additivation, a test sample for operations tests was prepared based on a recipe which is currently in development – the application of this recipe into production would lead to significant cost savings.

Research in the area of polypropylene production in 2016 targeted especially non-phthalate catalysts adhering to REACH which also allow increased production of polypropylene. During the long-term shutdown of the steam cracker unit in Litvínov and the FCC plant in Kralupy, propylene analyses from external sources were carried out and suitable recommendations for processing it were made in order to make polypropylene. Technical documentation was prepared for a new cleaning unit for propylene from external sources. New methods for preparing copolymers of polypropylene with better properties and the innovation of current types of polymers aiming on reducing operating costs were investigated.

Research also focused on additive recipes for polymer products and research of additivation/stabilization of produced polymer materials.

Research projects also targeted the area of polypropylene and polyethylene production. Pursued projects were related to production support, where the polypropylene and polyethylene technology department of PIB worked with the polyolefin production team of Unipetrol RPA in order to improve the production process and remove technological bottlenecks.

Aside from research activities, PIB also provided Unipetrol RPA with specialized technical service via its customer support.

A joint project carried out in 2016 focused on the possibility of using highly conductive Chezacarb soot as a filling agent for polymer materials manufactured at Unipetrol RPA. Furthermore, research carried out at PIB targeted the optimization of stabilization recipes for composite containing Chezacarb eliminating the effects of soot contaminated with transition metals and for Chezacarb composites with engineering plastics. Moreover, development of the Chezacarb/PP material with reduced flammability continued throughout the year for applications to pass the UL-94 flammability tests, and in this respect the multiphase compounds with lower contents of Chezacarb soot which maintained electrical conductivity of the system were also investigated (the results were presented at a conference organized by AMI).

As part of sales support for Chezacarb and the research of new materials with Chezacarb, recipes of conductive or antistatic compounds and masterbatches based on specific customer needs were developed. Two of these were then transferred to the production of composites in cooperation with an external compound manufacturer (external compounding company IQAP).

### **Chezacarb**

Last year, technical support for the application of conductive Chezacarb soot in plastics was carried out, and existing as well as new potential applications of Chezacarb in polyolefin materials produced by Unipetrol RPA and in engineering plastics were investigated.

Further works were carried out in the area of utilizing Chezacarb soot in conductive paint materials. Samples of these materials were prepared and procedures were developed for the production of such paint materials.

## **2. ACTIVITIES IN THE AREA OF ENVIRONMENT**

Protecting the environment, creating safe and healthy working conditions for employees and their continual improvement, including pollution prevention is among the highest priorities of the company. Basic principles of conduct in the environmental field are set out in the Policy of Responsible Care in chemistry and Integrated Management System of occupational safety and health, environmental protection and quality, which includes quality management systems, environmental protection, health and safety. To implement the policy the company management approved targets that were met in 2016 in accordance with approved plans.

In the second half of 2016, certification organization Lloyd's Register Quality conducted recertification audit. It found no major discrepancies against the requirements of international standards ISO 9001, 14001 and OHSAS 18001. In 2016, energy management system was introduced according to ISO 5001 and certified together with the recertification of other systems.

Unipetrol RPA once again became a member of the Association of Chemical Industry of the Czech Republic and will therefore be defending its right to continue to use the Responsible Care logo for the ninth time in 2017.

In 2016, Unipetrol RPA continued in implementing investment and non-investment schemes, aimed at reducing the negative impact of the production facilities on the environment. These were mainly investments to ensure repair and reconstruction of industrial sewage and handling areas at the technological facilities, preparation for the installation of the DENOX equipment and related technological equipment. There were ongoing preparatory works for the construction of new energy-block of the Steam Cracker and intensification of desulphurization of the T700 Heating Plant.

A number of changes to valid integrated permits has been issued for Unipetrol RPA equipment.

In the area of environmental protection there is a continuous decline in the emissions of pollutants. The decrease of emissions relates to the implementation of investment projects, optimisation of the operation of production facilities and end use technologies, and not least the decommissioning of inefficient equipment

## **3. LABOUR RELATIONS**

In 2016 the Company continued to consolidate the structure of Unipetrol Group which is one of the key objectives of the medium-term strategy and is a step towards simplifying organizational and administrative structure and a step towards greater efficiency. The ongoing process of increasing the efficiency of operation of the company corresponds with the development of the employment. As of 31 December 2016 the Company was employing 2 188 employees. At the end of 2016 the average age of employees of the Company was 45.69 years and the average monthly salary reached CZK 44,894. The Company initiated the process of generational change.

The employee education was in 2016 affected by the ongoing generation change. The company focused on the succession process and the associated individual employee development exemplified by two programs: operator trainee and operator graduate.

The health care for employees has been provided on a long-time basis by general practitioners contracted to a health care facility. Doctors also provide supervision of the working conditions of individual workplaces to ensure these are not harmful to health, conduct preventive medical examinations, including any compulsory health examinations.

The employees could use many advantages within the context of the social policy of the company, including for example the employer's contribution to canteen meals or provision of above standard medical care. In addition, it is possible to implement a system of optional employee benefits, through which the employees can benefit from the supplementary pension insurance, life insurance, education, sports, culture, recreation, relaxation and health, according to individual preferences. The company did not forget their former employees and financially supported the activities of senior clubs.

#### 4. SUBSIDIARIES AS OF 31 DECEMBER 2016

Name	Company reg. No (IČ)	Address	in %
UNIPETROL DOPRAVA, s.r.o.	64049701	Litvínov, Litvínov-Růžodol Descriptive no. (č. p.) 4, Postcode 436 70	99.80
HC VERVA Litvínov, a.s.	64048098	Litvínov, S. K. Neumanna 1598, Postcode 436 01	70.95
UNIPETROL Deutschland GmbH	TAX 04424705213	Langen/Hessen, Paul-Ehrlich-Str. 1B, Germany	99.90
UNIPETROL SLOVENSKO s.r.o.	35777087	Jašíkova 2, Ružinov, 821 03 Bratislava	86.96
UNIPETROL RPA Hungary Kft.	13-09-181774	2040 Budaörs, Puskás Tivadar utca 12, Hungary	100.00
PETROTRANS, s.r.o.	25123041	Střelnická 2221/50, Libeň, 182 00 Prague 8	99.40
SPOLANA a.s.	45147787	Neratovice, ul. Práce 657, Postcode 27711	100.00
Nadace Unipetrol	05661544	Záluží 1, 436 70 Litvínov	100.00

#### Changes in subsidiaries in 2016:

UNIPETROL RPA, s.r.o. acquired an ownership stake in PETROTRANS, s.r.o., as a result of merger with BENZINA.

UNIPETROL RPA, s.r.o. became the sole shareholder of SPOLANA a.s. as of 14 June 2016.

The company CHEMOPETROL, a.s. (defunct company) merged with Unipetrol RPA, s.r.o. (successor company) as of 2 August 2016.

Nadace Unipetrol was registered in the Registers of Foundations on 27 December 2016.

## 6 FINANCIAL STATEMENTS

An integral part of this report is the audit report which contains financial statements for 2016 in the following extent:

- Statement of profit or loss and other comprehensive income for 2016
- Statement of financial position as of 31 December 2016
- Statement of Changes in Equity for the period from 1 January 2016 to 31 December 2016
- Statement of Cash Flow for the period from 1 January 2016 to 31 December 2016
- Explanatory notes to the financial statement for the period from 1 January 2016 to 31 December 2016

## 7 REPORT ON RELATIONS BETWEEN RELATED PERSONS, AND ON RELATIONS BETWEEN THE CONTROLLED PERSON AND OTHER PERSONS CONTROLLED BY THE SAME CONTROLLING PERSON IN 2016

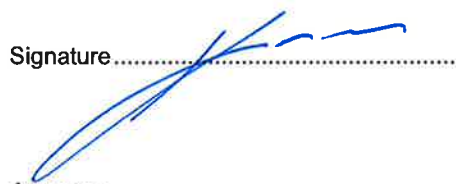
An integral part of this report is the report on relations between the controlling person and the controlled person and between the controlled person and other persons controlled by the same controlling person in 2016 (Report on relations).

Signature of the Statutory Authority of the Company:

Position: Mirosław Kastelik

Name: Statutory representative

Signature.....



Annexes:

1. Auditor's Report
2. Financial statements for 2016
3. Report on Relations for 2016

The names of the companies (e.g. UNIPETROL, a.s., UNIPETROL RPA, s.r.o. , etc.) are in this report mentioned also in simplified form (e.g. Unipetrol, Unipetrol RPA, etc.).



**UNIPETROL RPA, s.r.o.**

**SEPARATE  
FINANCIAL STATEMENTS**

Translation from the Czech original

**PREPARED IN ACCORDANCE WITH INTERNATIONAL  
FINANCIAL REPORTING STANDARDS AS ADOPTED BY  
THE EUROPEAN UNION**

**FOR THE YEAR**

**2016**

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SEPARATE FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS AS ADOPTED BY THE EUROPEAN UNION

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	2016	2015
<b>Statement of profit or loss</b>			
Revenues	3.	82 351 090	102 227 194
Cost of sales	4.1.	(79 686 910)	(91 706 615)
<b>Gross profit on sales</b>		<b>2 664 180</b>	<b>10 520 579</b>
Distribution expenses	4.2	(3 273 338)	(2 877 097)
Administrative expenses	4.2	(682 218)	(255 398)
Other operating income	5.1	8 292 163	59 138
Other operating expenses	5.2	(748 093)	(833 864)
<b>Profit from operations</b>		<b>6 252 694</b>	<b>6 613 358</b>
Finance income	6.1	928 985	1 477 844
Finance costs	6.2	(560 540)	(1 349 818)
<b>Net finance income</b>		<b>368 445</b>	<b>128 026</b>
<b>Profit before tax</b>		<b>6 621 139</b>	<b>6 741 384</b>
Tax expense	7.	(1 160 161)	(1 328 090)
<b>Net profit</b>		<b>5 460 978</b>	<b>5 413 294</b>
<b>Other comprehensive income</b>			
<b>items which will not be reclassified into profit or loss</b>			
Actuarial gains and losses		(4 330)	408
Deferred tax		(5 378)	503
		1 048	(96)
<b>items which will be reclassified into profit or loss under certain conditions</b>			
Hedging instruments		(808 186)	7 419
Deferred tax		(997 760)	9 159
		189 574	(1 740)
		<b>(812 516)</b>	<b>7 827</b>
<b>Total net comprehensive income</b>		<b>4 648 462</b>	<b>5 421 121</b>

The separate financial statements are to be read in conjunction with the notes forming part of the financial statements set out on pages 8 to 49.

## STATEMENT OF FINANCIAL POSITION

	Note	31/12/2016	31/12/2015
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	8.	24 378 538	12 913 892
Investment property	9.	267 843	153 787
Intangible assets	10.	1 192 298	1 095 701
Shares in related parties	11.	1 129 396	1 073 655
Other non-current assets	12.	96 828	308
		<b>27 064 903</b>	<b>15 237 343</b>
<b>Current assets</b>			
Inventories	14.	11 342 565	8 500 598
Trade and other receivables	15.	15 110 837	10 312 438
Other financial assets	16.	3 473 990	4 215 656
Current tax receivables	7.	-	26
Cash and cash equivalents	17.	100 535	61 581
		<b>30 027 927</b>	<b>23 090 299</b>
<b>Total assets</b>		<b>57 092 830</b>	<b>38 327 642</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	18.1	11 147 964	11 147 964
Hedging reserve	18.2	(263 000)	545 186
Retained earnings	18.3	12 454 831	3 033 059
<b>Total equity</b>		<b>23 339 795</b>	<b>14 726 209</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Loans, borrowings	19.	-	766 866
Provisions	20.	465 820	433 298
Deferred tax liabilities	7.	1 261 230	924 774
Other non-current liabilities	21.	167 485	871
		<b>1 894 535</b>	<b>2 125 809</b>
<b>Current liabilities</b>			
Trade and other liabilities	22.	21 155 242	13 923 299
Loans, borrowings	19.	2 389 935	134
Current tax liabilities	7.	442 184	555 849
Provisions	20.	425 832	610 988
Other financial liabilities	23.	7 445 307	6 385 354
		<b>31 858 500</b>	<b>21 475 624</b>
<b>Total liabilities</b>		<b>33 753 035</b>	<b>23 601 433</b>
<b>Total equity and liabilities</b>		<b>57 092 830</b>	<b>38 327 642</b>

The separate financial statements are to be read in conjunction with the notes forming part of the financial statements set out on pages 8 to 49.

## STATEMENT OF CHANGES IN EQUITY

	Share capital	Statutory reserves	Hedging reserve	Retained earnings	Total equity
01/01/2016	11 147 964	-	545 186	3 033 059	14 726 209
Net profit	-	-	-	5 460 978	5 460 978
Items of other comprehensive income	-	-	(808 186)	(4 330)	(812 516)
<b>Total net comprehensive income</b>	-	-	<b>(808 186)</b>	<b>5 456 648</b>	<b>4 648 462</b>
Merger with BENZINA, s.r.o.	-	-	-	3 852 193	3 852 193
Merger with UNIPETROL SERVICES, s.r.o., CHEMOPETROL, a.s. and UNIPETROL RAFINÉRIE, s.r.o	-	-	-	112 931	112 931
<b>31/12/2016</b>	<b>11 147 964</b>	<b>-</b>	<b>(263 000)</b>	<b>12 454 831</b>	<b>23 339 795</b>
01/01/2015	11 147 964	565 646	537 767	(3 328 026)	8 923 351
Net profit	-	-	-	5 413 294	5 413 294
Items of other comprehensive income	-	-	7 419	408	7 827
<b>Total net comprehensive income</b>	-	-	<b>7 419</b>	<b>5 413 702</b>	<b>5 421 121</b>
Transfer of statutory reserves to retained earnings	-	(565 646)	-	565 646	-
Spin - off merger with UNIPETROL DOPRAVA, s.r.o.	-	-	-	365 032	365 032
Merger with POLYMER INSTITUTE BRNO, s.r.o.	-	-	-	16 705	16 705
<b>31/12/2015</b>	<b>11 147 964</b>	<b>-</b>	<b>545 186</b>	<b>3 033 059</b>	<b>14 726 209</b>

The separate financial statements are to be read in conjunction with the notes forming part of the financial statements set out on pages 8 to 49.

**STATEMENT OF CASH FLOWS**

	Note	2016	2015
<b>Cash flows - operating activities</b>			
<b>Profit/loss before tax</b>		<b>6 621 139</b>	<b>6 741 384</b>
Adjustments for:			
Depreciation and amortisation		1 680 261	1 469 008
Foreign exchange (gain)/loss		43	215
Interest and dividends, net		(224 421)	(151 342)
(Profit)/Loss on investing activities		(481 899)	367 288
Change in provisions		219 915	601 160
Change in receivables and liabilities from insurance compensations		(1 355 021)	276 043
Other adjustments including change in financial instruments and deferred income		785 814	(603)
Change in working capital		(441 548)	3 272 182
<i>Inventories</i>		(2 535 524)	81 608
<i>Receivables</i>		(1 601 257)	1 691 424
<i>Liabilities</i>		3 695 233	1 499 150
Income tax (paid)		(839 684)	-
<b>Net cash from operating activities</b>		<b>5 964 599</b>	<b>12 575 335</b>
<b>Cash flows - investing activities</b>			
Acquisition of property, plant and equipment and intangible assets		(7 837 007)	(2 352 058)
Disposal of property, plant and equipment and intangible assets		88 551	2 899
Purchases of financial assets		(38 286)	(327)
Dividends received	11.	245 878	224 632
Cash acquired in merger with BENZINA, s.r.o.	34.	35 233	-
Cash acquired in merger with UNIPETROL SERVICES, s.r.o.		76 238	-
Settlement of financial derivatives		435 952	285 826
Proceeds/(outflows) from loans granted		412	-
Proceeds/(outflows) from cash pool assets		(171 426)	(2 704 022)
Other		2 951	1
<b>Net cash used in investing activities</b>		<b>(7 161 504)</b>	<b>(4 543 049)</b>
<b>Cash flows - financing activities</b>			
Proceeds/(outflows) from loans and borrowings		1 200 219	(12 000 000)
Proceeds/(outflows) from cash pool liabilities		85 429	4 043 428
Interest paid		(30 467)	(64 575)
Other		(19 279)	(15 234)
<b>Net cash provided by/(used in) financing activities</b>		<b>1 235 902</b>	<b>(8 036 381)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>38 997</b>	<b>(4 095)</b>
Effect of exchange rate changes		(43)	432
Cash and cash equivalents, beginning of the period		61 581	65 244
<b>Cash and cash equivalents, end of the year</b>	17.	<b>100 535</b>	<b>61 581</b>

The separate financial statements are to be read in conjunction with the notes forming part of the financial statements set out on pages 8 to 49.

## DESCRIPTION OF THE COMPANY AND PRINCIPLES OF PREPARATION OF FINANCIAL STATEMENTS

### 1. DESCRIPTION OF THE COMPANY

#### *Establishment of the company*

UNIPETROL RPA, s.r.o. (also the "Company") is a Czech limited liability company that was incorporated on 21 September 2006.

#### *Identification number*

275 97 075

#### *Registered office of the company*

UNIPETROL RPA, s.r.o.  
Záluží 1  
436 70 Litvinov  
Czech Republic

The Company's share capital amounts to CZK 11 147 964 thousand.

On 1 January 2007 UNIPETROL RPA, s.r.o. was merged with CHEMOPETROL, a.s., with its registered office at Litvinov, Litvinov-Zaluzi 1, Most, Identification No.: 250 03 887, and UNIPETROL RAFINERIE a.s., with its registered office at Litvinov, Litvinov-Zaluzi 1, Identification No: 250 25 139, where UNIPETROL RPA, s.r.o. is the legal successor. Due to the merger, the assets and liabilities, including rights and commitments from labour-law relations, of CHEMOPETROL, a.s. and UNIPETROL RAFINERIE a.s. were transferred to UNIPETROL RPA, s.r.o.

Registered on: 1 August 2007.

On 1 January 2016 UNIPETROL RPA, s.r.o. was merged with BENZINA, s.r.o. The information relating to the merger and other changes in the Company structure in 2016 is presented in the note 34.

#### *Principal activities*

The main scope of business activities pursued by the Company is the sale of product from crude oil, which is processed by CESKA RAFINERSKA, a.s. to oil products for a processing fee, as well as the production, processing and sale of chemicals, the production and final processing of plastics, and the production, processing, distribution and sale of energy, particularly heat, electricity and gas. Furthermore, the Company is due to merge with BENZINA, s.r.o. engaged in the distribution of fuels and operation of gas stations. In addition to these principal activities, the Company is engaged in other activities that are necessary to support the principal activities, advisory services relating to research and development, environmental protection, software and hardware advisory services and other services.

#### *Ownership structure*

The sole shareholder of the Company is UNIPETROL, a.s., with its registered office at Praha 4, Na Pankráci 127.

#### *Statutory representatives of the Company*

Statutory representatives of the Company as at 31 December 2016 were as follows:

Position	Name
Statutory representative	Miroslaw Kastelik
Statutory representative	Łukasz Piotrowski
Statutory representative	Andrzej Kozłowski
Statutory representative	Andrzej Mikołaj Modrzejewski
Statutory representative	Robert Dominik Małek
Statutory representative	Krzysztof Jerzy Zdziarski

Each statutory representative acts independently on behalf of the Company.

Changes in statutory representatives in 2016 were as follows:

Position	Name	Change	Date of change
Statutory representative	Piotr Wielowieyski	Recalled from the office	17 May 2016
Statutory representative	Andrzej Mikołaj Modrzejewski	Elected into the office	22 June 2016
Statutory representative	Robert Dominik Małek	Elected into the office	23 June 2016
Statutory representative	Marek Świtajewski	Resigned	1 July 2016
Statutory representative	Krzysztof Jerzy Zdziarski	Elected into the office	2 July 2016
Statutory representative	Martin Durčák	Resigned	31 December 2016
Statutory representative	Marek Zouvala	Elected into the office	1 January 2016
Statutory representative	Marek Zouvala	Recalled from the office	22 June 2016

## 1. DESCRIPTION OF THE COMPANY (CONTINUED)

### Group identification and consolidation

The Company is part of the consolidation group of UNIPETROL, a.s. ("the Group"). Pursuant to section 62(2) of Decree No. 500/2002 Coll., the financial statements of the Company and of all entities consolidated by the Company have been included in the consolidated financial statements of UNIPETROL, a.s. with its registered office at Prague 4, Na Pankráci 127, 140 00, ID No. 616 72 190. The consolidated financial statements of UNIPETROL, a.s. prepared in accordance with International Financial Reporting Standards as adopted by the European Union are published pursuant to section 62(3c) of Decree No. 500/2002 Coll. and section 21a of Act No. 563/1991 Coll., on Accounting.

## 2. PRINCIPLES OF PREPARATION OF FINANCIAL STATEMENTS

The separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and their interpretations approved by the International Accounting Standards Board (IASB) which were adopted by the European Union (EU) and were in force as at 31 December 2016. Financial statements have been prepared based on historical cost, except for: derivatives, financial instruments at fair value through profit and loss, financial assets available for sale, and investment properties stated at fair value.

The separate financial statements are compliant with all requirements of IFRSs adopted by the EU and present a true and fair view of the Company's financial position as at 31 December 2016, results of its operations and cash flows for the year ended 31 December 2016.

These separate financial statements have been prepared on a going concern basis. As at the date of approval of the statements there is no uncertainty that the Company will not be able to continue as a going concern in the foreseeable future.

The separate financial statements, except for the statement of cash flows, are prepared on the accrual basis of accounting.

Applied accounting policies are listed in note 30.3.

## EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

### 3. REVENUES

	2016	2015
Sales of finished goods	64 582 809	94 633 662
Sales of services	2 949 125	2 811 663
<b>Revenues from sales of finished goods and services,net</b>	<b>67 531 934</b>	<b>97 445 325</b>
Sales of merchandise	13 883 837	4 342 805
Sales of raw materials	935 319	439 064
<b>Revenues from sales of merchandise and raw materials,net</b>	<b>14 819 156</b>	<b>4 781 869</b>
	<b>82 351 090</b>	<b>102 227 194</b>

#### 3.1 Revenues from major products and services

	2016	2015
<b>Downstream</b>	<b>72 965 185</b>	<b>102 217 997</b>
Light distillates	16 599 401	23 048 517
Medium distillates	35 576 292	44 663 471
Heavy fractions	1 874 625	2 976 963
Monomers	1 584 027	3 486 316
Polymers	7 017 176	15 314 723
Aromas	566 003	2 511 617
Others	7 438 636	7 413 924
Services	2 309 024	2 802 465
<b>Retail*</b>	<b>9 161 918</b>	-
Light distillates	2 982 955	-
Medium distillates	5 735 219	-
Others	21 147	-
Services	422 597	-
<b>Corporate Functions</b>	<b>223 987</b>	<b>9 198</b>
	<b>82 351 090</b>	<b>102 227 194</b>

\* Information relating to the merger with BENZINA, s.r.o. is presented in note 34.1.

#### 3.2 Major customers

The Company generated revenues from sales of products and goods from segment Downstream to 1 recipient outside of the Group in the amount of CZK 10 325 034 thousand that individually exceeded 10% of total revenues (2015: CZK 11 795 170 thousands).

### 3.3 Geographical information

	2016	2015
Czech Republic	59 922 446	67 477 356
Germany	6 805 024	12 807 303
Poland	2 084 454	1 454 246
Slovakia	8 098 909	11 537 357
Other countries	5 440 257	8 950 932
	<b>82 351 090</b>	<b>102 227 194</b>

Revenues from the Czech Republic, Slovakia and Germany represented 10% or more of the Company's total revenues.

## 4. OPERATING EXPENSES

### 4.1 Cost of sales

	2016	2015
Cost of finished goods and services sold	(65 096 732)	(86 880 801)
Cost of merchandise and raw materials sold	(14 590 178)	(4 825 814)
	<b>(79 686 910)</b>	<b>(91 706 615)</b>

### 4.2 Cost by nature

	2016	2015
Materials and energy	(56 611 542)	(77 329 267)
Cost of merchandise and raw materials sold	(14 590 178)	(4 825 814)
External services	(9 804 016)	(9 498 772)
Employee benefits	(1 577 795)	(972 667)
Depreciation and amortisation	(1 680 261)	(1 469 008)
Taxes and charges	(270 203)	(355 032)
Other	(1 318 427)	(1 030 320)
	<b>(85 852 422)</b>	<b>(95 480 880)</b>
Change in inventories	1 272 830	(274 911)
Cost of products and services for own use	189 031	82 817
<b>Operating expenses</b>	<b>(84 390 561)</b>	<b>(95 672 974)</b>
Distribution expenses	3 273 338	2 877 097
Administrative expenses	682 218	255 398
Other operating expenses	748 093	833 864
<b>Cost of sales</b>	<b>(79 686 910)</b>	<b>(91 706 615)</b>

### 4.3 Employee benefits

	2016	2015
Wages and salaries	(1 115 295)	(700 234)
Change of employee benefits provision	(16 328)	(1 511)
Social and health insurance	(369 494)	(233 103)
Social expense	(76 678)	(37 819)
	<b>(1 577 795)</b>	<b>(972 667)</b>

Future benefits expenses include change in provisions for jubilee bonuses and retirement benefits.

### 4.4 Number of employees, managers and their remuneration

2016	Employees	Key Management	Statutories	Total
Wages and salaries	(1 022 582)	(91 244)	(1 469)	(1 115 295)
Social and health insurance	(346 105)	(22 828)	(561)	(369 494)
Social expense	(61 027)	(15 644)	(7)	(76 678)
Change of employee benefits provision	(16 071)	(257)	-	(16 328)
	<b>(1 445 785)</b>	<b>(129 973)</b>	<b>(2 037)</b>	<b>(1 577 795)</b>
Number of employees average per year	1 972	37		2 009
Number of employees as at balance sheet day	2 149	39		2 188

2015	Employees	Key Management	Statutories	Total
Wages and salaries	(673 144)	(26 450)	(640)	(700 234)
Social and health insurance	(227 089)	(5 821)	(193)	(233 103)
Social expense	(33 820)	(3 999)	-	(37 819)
Change of employee benefits provision	(1 511)	-	-	(1 511)
	<b>(935 564)</b>	<b>(36 270)</b>	<b>(833)</b>	<b>(972 667)</b>
Number of employees average per year	1 509	11		1 520
Number of employees as at balance sheet day	1 510	12		1 522



#### 4.4. Number of employees, managers and their remuneration (continued)

Increase of number of employees is caused by mergers with BENZINA, s.r.o and UNIPETROL SERVICES, s.r.o. and transfer of employees from ČESKÁ RAFINÉRSKÁ, a.s. and UNIPETROL, a.s.

### 5. OTHER OPERATING INCOME AND EXPENSES

#### 5.1 Other operating income

	2016	2015
Penalties and compensations earned	7 928 330	16 263
Revaluation of provision to CO <sub>2</sub> consumption	206 877	-
Profit on sale of non-current non-financial assets	83 084	2 717
Revaluation of investment properties	23 106	2 947
Reversal of provisions	11 107	10 141
Reversal of impairment allowances of property, plant and equipment and intangible assets	4 634	1 536
Reversal of receivables impairment allowances	264	-
Other	34 761	25 534
	<b>8 292 163</b>	<b>59 138</b>

During the year ended 31 December 2016 the Company recognized compensation from insurance in the amount of CZK 7 922 million in connection with the Steam cracker accident. Further information regarding the insurance claim and recoveries is presented in note 32.1.

The Company reversed part of the provision created in 2015 in respect of CO<sub>2</sub> allowances consumption due to lower price of the CO<sub>2</sub> allowances in 2016. Further information is presented in note 10.5.

#### 5.2 Other operating expenses

	2016	2015
Penalties, damages and compensation	(614 103)	(156 274)
Loss on sale of non-current non-financial assets	(30 846)	(25 036)
Recognition of provisions	(19 917)	(16 946)
Recognition of receivables impairment allowances	(12 826)	(31 634)
Recognition of impairment allowances of property, plant and equipment and intangible assets	(3 600)	(598 144)
Donations	(4 594)	(3 561)
Revaluation of investment properties	(30 540)	(1 320)
Other	(31 667)	(949)
	<b>(748 093)</b>	<b>(833 864)</b>

The other operating expenses incurred in connection with the accident of the steam cracker unit which took place at the Chempark Záluží in Litvínov on 13 August 2015, amounted to CZK 490 million during the year 2016 and CZK 156 million in 2015.

Information about impairment charge recognized in 2015 in relation to the steam cracker unit accident is presented in note 13.

### 6. FINANCE INCOME AND COSTS

#### 6.1 Finance income

	2016	2015
Interest	15 835	27 456
Dividends received	245 878	221 411
Settlement and valuation of financial instruments	667 236	1 228 936
Other	36	41
	<b>928 985</b>	<b>1 477 844</b>

#### 6.2 Finance costs

	2016	2015
Interest	(5 508)	(62 110)
Foreign exchange loss, net	(293 712)	(286 432)
Settlement and valuation of financial instruments	(231 139)	(967 780)
Fees for guaranties	(18 750)	(15 234)
Other	(11 431)	(18 262)
	<b>(560 540)</b>	<b>(1 349 818)</b>

## 7. TAX CREDIT/(EXPENSE)

	2016	2015
<b>Tax expense in the statement of profit or loss</b>		
Current tax	(690 083)	(570 924)
Deferred tax	(470 078)	(757 166)
	<b>(1 160 161)</b>	<b>(1 328 090)</b>
<b>Tax expense in other comprehensive income</b>		
Tax on effective portion of changes in fair value of cash flow hedges	189 554	(1 740)
Other	1 048	(96)
	<b>190 622</b>	<b>(1 836)</b>
	<b>(969 539)</b>	<b>(1 329 926)</b>

Domestic income tax is calculated in accordance with Czech tax regulations at the rate of 19% in 2016 (2015: 19%) of the estimated taxable income for the year. The deferred tax has been calculated using tax rate approved for the year 2017 and forward i.e. 19%.

The Company has current tax liability in amount of CZK 442 184 thousand as at 31 December 2016 (current tax liability in amount of CZK 555 849 thousand as at 31 December 2015).

### 7.1 The differences between tax expense recognized in profit or loss and the amount calculated based on tax rate from profit/(loss) before tax

	2016	2015
Profit for the year	5 460 978	5 413 294
Total tax credit (expense)	(1 160 161)	(1 328 090)
Profit/(loss) excluding tax	6 621 139	6 741 384
Tax using domestic income tax rate	(1 258 016)	(1 280 863)
Non-deductible expenses	(6 523)	(225 751)
Tax exempt income	48 969	221 411
Recognition of previously unrecognized deferred tax related to tax losses	-	(42 887)
Under (over) provided in prior periods	55 409	-
<b>Total tax expense</b>	<b>(1 160 161)</b>	<b>(1 328 090)</b>
<b>Effective tax rate</b>	<b>(17.52%)</b>	<b>(19.70%)</b>

### 7.2 Deferred tax

Deferred income tax result from future tax benefits and costs related to the differences between the tax basis of assets and liabilities and the amounts reported in the financial statements. The deferred income taxes have been calculated using the tax rate expected to apply to periods when the respective asset is realized or liability is settled (i.e. 19% in 2016 and onward).

The movements in deferred tax assets and liabilities were as follows:

	31/12/2015	Merger with UNIPETROL SERVICES	Merger with BENZINA	Deferred tax recognized in statement of profit or loss	Deferred tax recognized in other comprehensive income	31/12/2016
<b>Deferred tax assets</b>						
Inventory	101 776	-	-	(73 395)	-	28 381
Provisions	190 167	-	57	(30 953)	1 048	160 319
Financial instruments valuation	-	-	-	-	61 691	61 691
Other	16 018	1 537	3 501	39 179	-	60 235
	<b>307 961</b>	<b>1 537</b>	<b>3 558</b>	<b>(65 169)</b>	<b>62 739</b>	<b>310 626</b>
<b>Deferred tax liabilities</b>						
Property, plant and equipment	(1 050 924)	(9 541)	(52 497)	(457 042)	-	(1 570 004)
Financial instruments valuation	(127 883)	-	-	-	127 883	-
Other	(53 928)	-	(37)	52 113	-	(1 852)
	<b>(1 232 735)</b>	<b>(9 541)</b>	<b>(52 534)</b>	<b>(404 929)</b>	<b>127 883</b>	<b>(1 571 856)</b>
	<b>(924 774)</b>	<b>(8 004)</b>	<b>(48 976)</b>	<b>(470 098)</b>	<b>190 622</b>	<b>(1 261 230)</b>

Deferred tax assets and liabilities are offset when there is legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority.

## EXPLANATORY NOTES TO THE STATEMENT OF FINANCIAL POSITION

### 8. PROPERTY, PLANT AND EQUIPMENT

#### 8.1 Changes in property, plant and equipment

	Land	Buildings and constructions	Machinery and equipment	Vehicles and other	Construction in progress	Total
<b>01/01/2016</b>						
<b>Net book value</b>						
Gross book value	21 241	12 644 086	26 378 556	981 447	1 534 530	41 559 860
Accumulated depreciation and impairment allowances	(116)	(7 875 347)	(19 855 485)	(782 336)	(52 323)	(28 565 608)
Government grants	-	(57 375)	(22 986)	-	-	(80 361)
	<b>21 125</b>	<b>4 711 364</b>	<b>6 500 085</b>	<b>199 111</b>	<b>1 482 207</b>	<b>12 913 892</b>
<b>increase/(decrease) net</b>						
Investment expenditures	23 418	340 137	1 406 960	210 880	6 474 210	8 455 605
Depreciation	-	(459 340)	(1 028 519)	(90 815)	-	(1 578 674)
Borrowing costs	-	-	-	-	25 126	25 126
Merger with BENZINA, s.r.o.	415 904	3 876 592	329 301	29 332	111 474	4 762 603
Merger with UNIPETROL SERVICES, s.r.o.	-	6 057	27 895	9 702	405	44 059
Impairment allowances	(8 120)	(168 456)	158 255	17 041	-	(1 280)
Reclassifications	(8 750)	3 386	123	(123)	118	(5 246)
Sale	(1)	(16 258)	(68 300)	(469)	(4 842)	(89 870)
Liquidation	-	(2 614)	(111 618)	(26 231)	-	(140 463)
Government grants - received, settled	-	3 188	2 243	-	-	5 431
Other increases/(decreases)	1	(3 188)	(2 279)	(1)	(7 178)	(12 645)
	<b>31/12/2016</b>	<b>8 290 868</b>	<b>7 214 146</b>	<b>348 427</b>	<b>8 081 520</b>	<b>24 378 538</b>
<b>Net book value</b>						
Gross book value	451 813	19 675 526	30 378 909	1 158 895	8 124 488	59 789 631
Accumulated depreciation and impairment allowances	(8 236)	(11 330 472)	(23 144 019)	(810 468)	(42 968)	(35 336 163)
Government grants	-	(54 186)	(20 744)	-	-	(74 930)
	<b>443 577</b>	<b>8 290 868</b>	<b>7 214 146</b>	<b>348 427</b>	<b>8 081 520</b>	<b>24 378 538</b>
<b>01/01/2015</b>						
<b>Net book value</b>						
Gross book value	663	12 141 510	24 982 736	958 796	752 596	38 836 301
Accumulated depreciation and impairment allowances	(116)	(7 386 033)	(18 097 172)	(739 525)	(52 323)	(26 275 169)
Government grants	-	(26 283)	(25 700)	-	-	(51 983)
	<b>547</b>	<b>4 729 194</b>	<b>6 859 864</b>	<b>219 271</b>	<b>700 273</b>	<b>12 509 149</b>
<b>increase/(decrease) net</b>						
Investment expenditures	-	98 161	998 333	64 320	786 372	1 947 186
Depreciation	-	(262 317)	(1 006 057)	(72 385)	-	(1 340 759)
Borrowing costs	-	-	-	-	5 740	5 740
Merger with POLYMER INSTITUTE BRNO, s.r.o.	11 828	8 954	30 064	2 220	15	53 081
Impairment allowances	-	(72 314)	(516 845)	330	-	(588 829)
Reclassifications	-	(45 308)	-	-	-	(45 308)
Sale	-	(60)	(4 030)	(2)	-	(4 092)
Liquidation	-	(3 017)	(359)	(14 823)	-	(18 199)
Government grants - received, settled	-	3 050	2 714	-	-	5 764
Spin - off merger	8 750	257 872	139 115	181	-	405 918
Other increases/(decreases)	-	(2 851)	(2 714)	(1)	(10 193)	(15 759)
	<b>31/12/2015</b>	<b>4 711 364</b>	<b>6 500 085</b>	<b>199 111</b>	<b>1 482 207</b>	<b>12 913 892</b>
<b>Net book value</b>						
Gross book value	21 125	4 711 364	6 500 085	199 111	1 482 207	12 913 892

According to IAS 23 the Company capitalized those borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, as part of the cost of that asset. Borrowing costs capitalized in the year ended 31 December 2016 amounted to CZK 25 126 thousand (31 December 2015: CZK 5 740 thousand).

#### Material additions

The major additions in 2016 to non-current assets were the capitalized repairs of steam cracker unit after accident in amount of CZK 3 163 692 thousand and construction of new unit PE3 of CZK 2 862 794 thousand.

The major additions in 2015 to non-current assets were the capitalized repairs of steam cracker unit after accident in amount of CZK 317 965 thousand, construction of new unit PE3 of CZK 311 247 thousand, PP to 300 kt intensification of CZK 85 726 thousands, renovation of pyrolytic furnace BA-102 of CZK 49 042 thousand, renovation of international ethylene pipeline of CZK 35 366 thousand, renovation of substation R200 of CZK 29 117 thousand. The highest decrease of asset is liquidation of Katalco catalyst in carrying amount of CZK 6 186 thousand.

### 8.1. Changes in property, plant and equipment (continued)

#### Government grants

In 1994 the Company obtained a grant of CZK 260 030 thousand from the German Ministry for Environmental Protection and Safety of Reactors in order to execute a pilot environmental project targeted at limiting cross-border pollution, in connection with the reconstruction of the T700 power station and its desulphurization. The carrying amount as at 31 December 2016 was CZK 29 432 thousand (31 December 2015: CZK 31 862 thousand).

### 8.2 Changes in property, plant and equipment impairment

	Land	Buildings and constructions	Machinery and equipment	Vehicles and other	Construction in progress	Total
01/01/2016	116	1 294 608	2 010 256	59 484	52 323	3 416 787
Recognition	-	3 600	-	-	-	3 600
Reversal	-	(3 200)	(400)	-	(1 034)	(4 634)
Disposal	-	(18 198)	(165 133)	(17 041)	-	(200 372)
Merger with BENZINA, s.r.o.	8 120	186 254	7 278	-	1 034	202 686
Other decreases	-	-	-	-	(9 355)	(9 355)
	<b>8 236</b>	<b>1 463 064</b>	<b>1 852 001</b>	<b>42 443</b>	<b>42 968</b>	<b>3 408 712</b>
increase/(decrease) net*	8 120	168 456	(158 255)	(17 041)	-	1 280
01/01/2015	116	1 220 874	1 493 411	59 814	52 323	2 826 538
Recognition	-	77 312	520 832	-	-	598 144
Reversal	-	(1 536)	-	-	-	(1 536)
Disposal	-	(2 949)	(3 987)	(330)	-	(7 266)
Spin - off merger	-	1 420	-	-	-	1 420
Reclassifications	-	(513)	-	-	-	(513)
	<b>116</b>	<b>1 294 608</b>	<b>2 010 256</b>	<b>59 484</b>	<b>52 323</b>	<b>3 416 787</b>
increase/(decrease) net*	-	72 314	516 845	(330)	-	588 829

\*Increase/(decrease) net includes recognition, reversal, disposal and merger with BENZINA, s.r.o.

Recognition and release of impairment to property, plant and equipment is presented in other operating expenses and income.

### 8.3 Other information on property, plant and equipment

	31/12/2016	31/12/2015
The gross book value of all fully depreciated property, plant and equipment still in use	6 752 210	5 134 396

The Company reviews economic useful lives of property, plant and equipment and introduces adjustments to depreciation charge prospectively according to its accounting policy. Should the depreciation policy from the previous year be applied, the depreciation expense for 2016 would be higher by CZK 72 526 thousand.

## 9. INVESTMENT PROPERTY

	2016	2015
At the beginning of the year	153 787	99 032
Reclassification from property, plant, equipment	9 926	44 836
Sale	(164)	-
Fair value measurement	(7 433)	1 627
<i>increase</i>	31	1 627
<i>decrease</i>	(7 464)	-
Reclassification to property, plant, equipment	(4 562)	(235)
Merger with BENZINA, s.r.o.	116 289	-
Merger with POLYMER INSTITUTE BRNO, s.r.o.	-	8 527
	<b>267 843</b>	<b>153 787</b>

Rental income amounted to CZK 28 433 thousand in 2016 (2015: CZK 17 692 thousand). Operating costs related to the investment property amounted to CZK 3 206 thousand in 2016 (2015: CZK 2 429 thousand).

### 9.1 Fair value of investment property measurement

Investment property at 31 December 2016 comprised the land and buildings owned by the Company and leased to third parties, which fair value was estimated depending on the characteristics based on comparison or revenue approach. The comparison approach was applied assuming, that the value of assessed property was equal to the market price of similar property (such assets belong to Level 2 as defined by IFRS 13).

In the revenue approach the calculation was based on the discounted cash flow method. 10 year period forecasts were applied in the analysis. The discount rate used reflects the relation, as expected by the buyer, between yearly revenue from an investment property and expenditures required to purchase investment property. Forecasts of discounted cash flows relating to the property consider arrangements included in all rent agreements as well as external data, e.g. current market rent charges for similar property, in the same location, technical conditions, standard and designed for similar purposes (investment property valued under revenue approach belong to Level 3 as defined by IFRS 13).

	Carrying amount	Fair value	Fair value hierarchy	
			Level 2	Level 3
31/12/2016	267 843	267 843	116 125	151 718
31/12/2015	153 787	153 787	-	153 787

### 9.2 Sensitivity analysis of changes in fair value of investment property classified under Level 3 fair value

Analysis of the influence of potential changes in the fair value of investment property on profit before tax in relation to a hypothetical change in discount rate:

Level 3				
Change in discount rate	+1 pp	(5 502)	-1 pp	5 502
		(5 502)		5 502

## 10. INTANGIBLE ASSETS

### 10.1 Internally generated intangible assets

As at 31 December 2016 the net book value of internally generated intangible assets amounted to CZK 15 342 thousand, out of which the assets in the amount of CZK 2 000 thousand is under development. Amortization of 2016 amounted CZK 8 112 thousand.

In 2015 the Company recognized due to merger with POLYMER INSTITUTE BRNO, s.r.o. internally generated intangible assets amounted to CZK 23 454 thousand, which includes research studies, from which assets in amount of CZK 9 680 thousand is under development.

## 10.2 Changes in other intangible assets

	Software	Licences, patents and trade marks	Assets under development	CO <sub>2</sub> emission allowance	Other	Total
<b>01/01/2016</b>						
<b>Net book value</b>						
Gross book value	273 091	1 778 862	428 543	11 854	446 766	2 939 116
Accumulated amortisation and impairment allowances	(254 637)	(1 192 965)	-	-	(418 926)	(1 866 528)
Government grants	(341)	-	-	-	-	(341)
	<b>18 113</b>	<b>585 897</b>	<b>428 543</b>	<b>11 854</b>	<b>27 840</b>	<b>1 072 247</b>
<b>increase/(decrease) net</b>						
Investment expenditures	20 578	-	92 039	-	-	112 617
Amortization	(21 045)	(62 597)	-	-	(9 833)	(93 475)
Merger with BENZINA, s.r.o.	38 711	-	10 950	-	113	49 774
Merger with UNIPETROL SERVICES, s.r.o.	34 667	5 696	7 217	-	185	47 765
Impairment allowances	-	-	-	-	8 216	8 216
Reclassifications	-	-	(118)	-	-	(118)
Liquidation	-	-	-	-	(8 216)	(8 216)
Government grants - received, settled	79	-	-	-	-	79
Other increases/(decreases)	(79)	-	-	(11 854)	-	(11 933)
<b>31/12/2016</b>						
<b>Net book value</b>						
Gross book value	613 941	1 782 357	538 631	-	431 870	3 368 799
Accumulated amortisation and impairment allowances	(522 655)	(1 253 361)	-	-	(413 565)	(2 189 581)
Government grants	(262)	-	-	-	-	(262)
	<b>91 024</b>	<b>528 996</b>	<b>538 631</b>	<b>-</b>	<b>18 305</b>	<b>1 176 956</b>
<b>01/01/2015</b>						
<b>Net book value</b>						
Gross book value	263 615	1 778 862	355 853	337 958	1 196 794	3 933 082
Accumulated amortisation and impairment allowances	(244 553)	(1 130 688)	-	-	(1 102 074)	(2 477 315)
	<b>19 062</b>	<b>648 174</b>	<b>355 853</b>	<b>337 958</b>	<b>94 720</b>	<b>1 455 767</b>
<b>increase/(decrease) net</b>						
Investment expenditures	645	-	82 370	-	13 065	96 080
Amortization	(3 260)	(62 277)	-	-	(62 712)	(128 249)
Merger with POLYMER INSTITUTE BRNO, s.r.o.	666	-	(9 680)	-	(17 321)	(26 335)
Impairment allowances	-	-	-	-	423	423
Liquidation	-	-	-	-	(423)	(423)
Government grants - received, settled	79	-	-	-	-	79
Spin - off merger	1 000	-	-	-	88	1 088
Other increases/(decreases)	(79)	-	-	(326 104)	-	(326 183)
<b>31/12/2015</b>						
<b>Net book value</b>						
	<b>18 113</b>	<b>585 897</b>	<b>428 543</b>	<b>11 854</b>	<b>27 840</b>	<b>1 072 247</b>

### Material additions

The most important addition to intangible assets in 2016 was Aspentech licence of CZK 63 443 thousand.  
The most important additions to intangible assets in 2015 was new PE3 – licence – project of CZK 28 975 thousand.

## 10.3 Changes in impairment allowances of intangible assets

	Software	Licences, patents and trade marks	Assets under development	CO <sub>2</sub> emission allowance	Other	Total
01/01/2016	7 752	177 274	-	-	42 279	227 305
Disposal	-	-	-	-	(8 216)	(8 216)
	<b>7 752</b>	<b>177 274</b>	<b>-</b>	<b>-</b>	<b>34 063</b>	<b>219 089</b>
increase/(decrease) net*	-	-	-	-	(8 216)	(8 216)
01/01/2015	-	-	-	-	-	-
Recognition	7 752	177 274	-	-	42 702	227 728
Disposal	-	-	-	-	(423)	(423)
	<b>7 752</b>	<b>177 274</b>	<b>-</b>	<b>-</b>	<b>42 279</b>	<b>227 305</b>
increase/(decrease) net*	-	-	-	-	(423)	(423)

\*Increase/(decrease) net includes recognition, reversal and disposal.

Recognition and release of impairment to intangible assets is presented in other operating expenses and income.

#### 10.4 Other information

	31/12/2016	31/12/2015
The gross book value of all fully depreciated intangible assets still in use	589 207	614 616
The net book value of intangible assets with indefinite useful life	9 562	9 562

The Company reviews economic useful lives of intangible assets and introduces adjustments to amortization charge prospectively according to its accounting policy. Should the depreciation policy from the previous year be applied, the depreciation expense for 2016 would be higher by CZK 6 174 thousand.

#### 10.5 CO<sub>2</sub> emission allowances

Based on Czech National Allocation Scheme for the years 2013-2020 the Company was to obtain CO<sub>2</sub> allowances free of charge in amount of 1 279 465 tons in 2016.

	Value	Quantity (in tonnes)
01/01/2016	11 854	58 500
Grant of CO <sub>2</sub> allowances for 2016	172 451	1 279 465
Purchase	199 429	1 503 220
Settlement for 2015	(383 734)	(2 841 185)
<b>31/12/2016</b>	-	-
Estimated annual consumption	411 900	2 468 331

As at 31 December 2016 the market value of one EUA allowance (European Union Emission Allowance) amounted to EUR 6.54 (as at 31 December 2015: 8.22 EUR).

#### 11. SHARES IN RELATED PARTIES

	31/12/2016	31/12/2015
Unquoted shares	1 129 396	1 073 655
	<b>1 129 396</b>	<b>1 073 655</b>

Shares in related parties as at 31 December 2016:

Name of the entity	Registered office	Cost of investment	Ownership percentage	Impairment	Carrying amount	Dividend income for the year
<b>Subsidiaries</b>						
UNIPETROL DOPRAVA, s.r.o.	Litvinov	959 532	99.80	-	959 532	144 854
PETROTRANS, s.r.o.	Praha	19 346	99.38	-	19 346	7 953
Nadace UNIPETROL	Litvinov	500	100.00	-	500	-
HC VERVA Litvinov, a.s.	Litvinov	27 293	70.95	17 955	9 338	-
UNIPETROL SLOVENSKO s.r.o.	Bratislava	2 980	86.96	-	2 980	27 404
UNIPETROL Deutschland GmbH	Langen/Hessen	99 586	99.90	-	99 586	65 667
UNIPETROL RPA Hungary Kft.	Budapest	4 504	100.00	-	4 504	-
SPOLANA a.s.	Neratovice	33 610	100.00	-	33 610	-
<b>Total</b>		<b>1 147 351</b>		<b>17 955</b>	<b>1 129 396</b>	<b>245 878</b>

#### Acquisition of SPOLANA a.s.

On 10 June 2016 the Company concluded a purchase contract with ANWIL S.A., a company owned by PKN ORLEN S.A., under which it acquired the production company SPOLANA a.s. The transaction supports Unipetrol's reorganization of activities, which was triggered by taking full control over the ČESKÁ RAFINÉRSKÁ, a.s and will allow the UNIPETROL Group to be more flexible and resilient in terms of production optimization, production and sales of ethylene as well as facilitate better coordination and extension of the Company's value chain.

#### Foundation Unipetrol

Foundation Unipetrol was registered in the Register of Foundation on 27 December 2016. Start of the foundation activities is planned in 2017. It is planned that the foundation will focus mainly on promotion of education, supporting young people and their educational development and popularization of science and technology.

#### PETROTRANS, s.r.o.

After the merger with BENZINA, s.r.o. the Company presents share in PETROTRANS, s.r.o., further information is presented in note 34.1.

## 11. SHARES IN RELATED PARTIES (CONTINUED)

Shares in related parties as at 31 December 2015:

Name of the entity	Registered office	Cost of investment	Ownership percentage	Impairment	Carrying amount	Dividend income for the year
<b>Subsidiaries</b>						
UNIPETROL DOPRAVA, s.r.o.	Litvínov	959 532	99.80	-	959 532	99 876
POLYMER INSTITUTE BRNO, spol. s r.o.	Brno	-	-	-	-	37 760
CHEMOPETROL, a.s.	Litvínov	2 000	100.00	108	1 892	-
HC VERVA Litvínov, a.s.	Litvínov	27 293	70.95	17 955	9 338	-
UNIPETROL SLOVENSKO s.r.o.	Bratislava	2 980	86.96	-	2 980	30 296
UNIPETROL Deutschland GmbH	Langen/Hessen	99 586	99.90	-	99 586	53 479
UNIPETROL RPA Hungary Kft.	Budapest	327	100.00	-	327	-
<b>Total</b>		<b>1 091 718</b>		<b>18 063</b>	<b>1 073 655</b>	<b>221 411</b>

## 12. OTHER NON-CURRENT ASSETS

	31/12/2016	31/12/2015
Loans granted	257	-
Other long term receivables	198	297
<b>Financial assets</b>	<b>455</b>	<b>297</b>
Prepayments	96 373	11
<b>Non-financial assets</b>	<b>96 373</b>	<b>11</b>
	<b>96 828</b>	<b>308</b>

The non-current prepayments relate to the purchase of filling station in amount of CZK 69 890 thousand.

## 13. IMPAIRMENT TO NON-CURRENT ASSETS

As at 31 December 2016 in accordance with International Accounting Standard 36 "Impairment of assets" the Company has verified the existence of impairment indicators in relation to Cash Generating Units (CGUs) i.e. the smallest identifiable group of assets that generate cash inflows largely independent from other assets. In the Company CGUs are established at the level of operating activities: refining, petrochemical and retail.

As at 31 December 2016 the Company identified the external impairment indicators – change in macro-economic conditions on petrochemical and refinery markets comparing to previously approved mid-term plan. Based on that, the new projections for the years 2017-2021 were prepared and the impairment test were carried out for all CGUs.

During development of assumptions to impairment tests the possibility of estimation of the fair value and value in use of individual assets was considered. Lack of number of market transactions for similar assets to those held by the Company which would allow to reliably estimate their fair value makes this method of valuation not possible to implement.

As a result, it was concluded that the best estimate of the actual values of individual assets of the Company will be its value in use.

The recoverable amounts of CGUs were estimated based on their value in use. The analyses were performed based on available financial projections for the years 2017-2021 adjusted to exclude the impact of capital expenditures enhancing the assets' performance

The anticipated fixed annual growth rate of cash flows after 2021 year period is assumed at the level of the long term inflation rate for Czech Republic.

For determining the value in use as at given balance sheet date forecasted cash flows are discounted using the discount rates after taxation reflecting the risk levels specific for particular sectors to which the CGU belongs.

The Company's future financial performance is based on a number of factors and assumptions in respect of macroeconomics development, such as foreign exchange rates, commodity prices, interest rates, partially outside the Company's control. The change of these factors and assumptions might influence the Company's financial position, including the results of the impairment test of non-current assets, and consequently might lead to changes in the financial position and performance of the Company.

The discount rate is calculated as the weighted average cost of capital. The sources of macroeconomic indicators necessary to determine the discount rate were the publications of prof. Aswath Damodaran (source: <http://pages.stern.nyu.edu>), the officially listed government bonds and rating of agencies available at 31 December 2016.



### 13. IMPAIRMENT TO NON-CURRENT ASSETS (CONTINUED)

The structure of the discount rates applied in the testing for impairment of assets of individual CGUs as at 31 December 2016

	Refining CGU	Petrochemical CGU	Retail CGU
Cost of equity	11.88%	11.21%	14.07%
Cost of debt after tax	1.56%	1.56%	1.56%
Capital structure	62.44%	77.55%	47.10%
<b>Nominal discount rate</b>	<b>8.00%</b>	<b>9.04%</b>	<b>7.45%</b>
Long term inflation rate	1.98%	1.98%	1.98%

Cost of equity is determined by the profitability of the government bonds that are considered to be risk-free, with the level of market and operating segment risk premium (beta). Cost of debt includes the average level of credit margins and expected market value of money for Czech Republic. The period of analysis was established on the basis of remaining useful life of the essential assets for the particular CGU.

Periods of analysis adopted for the analysis of the individual CGUs as at 31 December 2016

	31/12/2016
Refining CGU	25
Petrochemical CGU	16
Retail CGU	15

Based on the test results it was confirmed that net book value of the tangible and intangible assets of Company's CGUs as at 31 December 2016 approximates its value in use.

#### Sensitivity analysis of the value in use as at 31 December 2016

The crucial elements influencing the value in use of assets within individual units responsible for generating cash flows are: operating profit plus depreciation and amortization (known as EBITDA) and the discount rate.

The effects of impairment sensitivity in relation to changes in these factors are presented below.

in CZK million		EBITDA		
change		-5%	0%	5%
DISCOUNT RATE	-0.5 p.p.	increase of impairment 840	decrease of impairment 1 094	decrease of impairment 1 631
	-0.0 p.p.	increase of impairment 1 887		decrease of impairment 1 631
	+0.5 p.p.	increase of impairment 2 875	increase of impairment 1 059	decrease of impairment 757

As at 31 December 2015 the Company has assessed the requirements presented in IAS 36 for determination of impairment indicators for single assets and for CGU's.

As at 31 December 2015 the Company had identified internal indicator, i.e. evidence of physical damage of an asset within a petrochemical CGU after the steam cracker accident from 13 August 2015.

The damage assets were part of Petrochemical CGU. After the fire, the Petrochemical CGU continued in operation at limited extent with external feedstock deliveries of ethylen and propylen. In relation to damage assets, the Company had selected a repair scenario which was going to secure the lowest estimated lost profit and shortest estimated shutdown duration.

The individually damaged assets were written down to its fair value less cost of disposal as required by IAS 36 and impairment of CZK 597 279 thousand was recognised in Other operating expenses in 2015.

### 14. INVENTORIES

	31/12/2016	31/12/2015
Raw materials	5 247 916	4 131 015
Work in progress	1 579 167	1 133 231
Finished goods	3 514 814	2 456 103
Merchandise	239 939	35 082
Spare parts	760 729	745 167
<b>Inventories, net</b>	<b>11 342 565</b>	<b>8 500 598</b>
Impairment allowances of inventories to net realisable value	136 850	522 747
<b>Inventories, gross</b>	<b>11 479 415</b>	<b>9 023 345</b>

#### 14.1 Change in impairment allowances of inventories to net realizable value

	2016	2015
At the beginning of the year	522 747	730 536
Recognition	531 302	614 399
Usage	(848 252)	(792 501)
Reversal	(68 947)	(32 873)
Merger with POLYMER INSTITUTE BRNO, s.r.o.	-	3 186
	<b>136 850</b>	<b>522 747</b>

Changes in the net realizable value allowances for inventories (excluding utilization movement) amounted to CZK 462 355 thousand (2015: CZK 581 526 thousand) and are included in cost of sales presented in note 4.

#### 15. TRADE AND OTHER RECEIVABLES

	31/12/2016	31/12/2015
Trade receivables	11 031 118	8 717 298
Short-term part of loan	-	21 847
Receivables from insurance compensation	1 355 021	-
Other	36 712	1 726
<b>Financial assets</b>	<b>12 422 851</b>	<b>8 740 871</b>
Excise tax and fuel charge receivables	3 379	203 379
Advances for construction in progress	2 260 430	1 005 295
Prepayments and deferred costs	424 177	362 893
<b>Non-financial assets</b>	<b>2 687 986</b>	<b>1 571 567</b>
<b>Receivables, net</b>	<b>15 110 837</b>	<b>10 312 438</b>
Receivables impairment allowance	164 918	134 542
<b>Receivables, gross</b>	<b>15 275 755</b>	<b>10 446 980</b>

Trade receivables result primarily from sales of finished goods and sales of merchandise. The management considers that the carrying amount of trade receivables approximates their fair value. The average credit period on sales of goods is 10 days. Trade receivables overdue bear a interest based on terms agreed in the selling contracts.

The Company exposure to credit and currency risk related to trade and other receivables is disclosed in note 24 and detailed information about receivables from related parties is presented in note 28.

The Company sets impairment allowances based on analysis of customers' creditworthiness and ageing of receivables. In determining the recoverability of a trade receivable, the Company considers any change in the credit quality of the debtor from the date credit was initially granted up to the reporting date. The management considers that there is no further credit risk allowance required in excess of the allowance for impairment charges.

Increases and reversals of impairment allowances in respect of the principal amount of trade and other receivables are included in other operating expense or income, and default interest is included in financial costs or income.

#### 16. OTHER FINANCIAL ASSETS

	31/12/2016	31/12/2015
Cash flow hedge instruments		
<i>foreign currency forwards</i>	1 679	29 573
<i>commodity swaps</i>	143 794	670 235
Derivatives not designated as hedge accounting		
<i>foreign currency forwards</i>	32 592	13 622
Loans granted	412	-
Cash pool	3 192 890	3 021 464
Receivables on settled cash flow hedge instruments	102 623	480 762
	<b>3 473 990</b>	<b>4 215 656</b>

The Company is part of the PKN Group's cash pool system, closing balances are shown in the table.

The Company provides related parties within the Group with short-term cash pool loans. The interest rates were based on appropriate inter-bank rates and the fair value of loans approximates their carrying amount.

Information regarding cash flow hedge instruments and derivatives not designated as hedge accounting is presented in note 24.4.

#### 17. CASH AND CASH EQUIVALENTS

	31/12/2016	31/12/2015
Cash on hand and in bank	100 535	61 581
	<b>100 535</b>	<b>61 581</b>

Cash includes the restricted cash regarding to the provision for land restoration in amount of CZK 51 157 thousand as at 31 December 2016 (31 December 2015: CZK 51 167 thousand).

## 18. EQUITY

### 18.1 Share capital

The registered capital of the Company as at 31 December 2016 amounted to CZK 11 147 964 thousand (31 December 2015: CZK 11 147 964 thousand).

### 18.2 Hedging reserve

The amount of the hedging reserve CZK (263 000) thousand as at 31 December 2016 relates to the fair value of derivatives meeting the requirements of cash flows hedge accounting (31 December 2015: CZK 545 186 thousand) and the related deferred tax.

### 18.3 Retained earnings

On 12 April 2016 UNIPETROL, a.s. as the sole member decided on distribution of profit for 2015 in amount of CZK 5 413 294 thousand to the accumulated loss from previous years in amount of CZK 2 380 235 thousand and to the retained earnings from previous years in amount of CZK 3 033 059 thousand.

### 18.4 Equity management policy

Equity management is performed on the Group level in order to protect the Group's ability to continue its operations as a going concern while maximizing returns for shareholders.

The Company monitors equity debt ratio (net financial leverage). As at 31 December 2016 and 31 December 2015 the Company's financial leverage amounted to 39% and 48%, respectively.

Net financial leverage = (net debt / equity) x 100%

Net debt = non-current loans and borrowings + current loans and borrowings + cash pool liabilities - cash and cash equivalents.

## 19. LOANS AND BORROWINGS

	Non-current		Current		Total	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Česká rafinérská, a.s. - initial oil filling	-	766 866	1 189 578	-	1 189 578	766 866
Borrowings	-	-	1 200 000	-	1 200 000	-
Bank loans	-	-	357	134	357	134
	-	766 866	2 389 935	134	2 389 935	767 000

### ČESKÁ RAFINÉRSKÁ, a.s – the initial oil filling

The interest-free liability to ČESKÁ RAFINÉRSKÁ, a.s relates to the initial filling of oil placed in MERO IKL pipeline, which was transferred to UNIPETROL RPA, s.r.o. (as the successor of UNIPETROL RAFINÉRIE a.s.) on 1 August 2003 in connection with the start of the processing refinery project.

Due to the merger between the Company and ČESKÁ RAFINÉRSKÁ, a.s. with decisive day as at 1 January 2017 is the loan presented under current liabilities.

The fair value of the liability from IKL initial filling amounted to CZK 1 189 578 thousand as at 31 December 2016 and to CZK 766 866 thousand as at 31 December 2015.

### Financing provided by the parent company UNIPETROL, a.s.

Based on a loan agreement with the parent company UNIPETROL, a.s., the Company may utilise short-term unsecured loans in the form of overdrafts (cash pool) or borrowings.

In the case of borrowings, interest is paid together with principal at the end of the interest period specified by an interest schedule. The total amount, including accrued interest, was CZK 1 200 000 thousand as at 31 December 2016 (as at 31 December 2015: zero).

The interest rates are defined based on corresponding inter-bank markets, and their fair value approximates their carrying amount.

### Current bank loans

As at 31 December 2016 the Company has a short-term bank loan in amount of CZK 357 thousand (31 December 2015: CZK 134 thousand). Short-term bank loans are subject to normal credit terms and their carrying amounts approximate fair values.

### 19.1 Loans

By currency (translated into CZK)/by interest rate

	31/12/2016	31/12/2015
CZK/PRIBOR	357	134
	357	134

## 19.2 Borrowings

By currency (translated into CZK)/by interest rate

	31/12/2016	31/12/2015
CZK/PRIBOR	1 200 000	-
	<b>1 200 000</b>	-

Disclosures resulting from IFRS 7 relating to loans and borrowings are included in note 24 and are presented together with other financial instruments.

## 20. PROVISIONS

	Non-current		Current		Total	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Environmental provision	372 305	357 535	-	-	372 305	357 535
Jubilee bonuses and retirement benefits provision	70 694	45 834	5 580	3 576	76 274	49 410
Provision for CO <sub>2</sub> emission	-	-	411 900	588 344	411 900	588 344
Other provision	22 821	29 929	8 352	19 068	31 173	48 997
	<b>465 820</b>	<b>433 298</b>	<b>425 832</b>	<b>610 988</b>	<b>891 652</b>	<b>1 044 286</b>

### Changes in provisions in 2016

	Environmental provision	Jubilee bonuses and retirement benefits provision	Provision for CO <sub>2</sub> emission	Other provision	Total
<b>01/01/2016</b>	357 535	49 410	588 344	48 997	1 044 286
Recognition	11 025	26 226	414 167	8 892	460 310
Discounting	4 880	-	-	-	4 880
Utilization	(1 135)	(4 409)	(383 734)	(15 909)	(405 187)
Release	-	(110)	(206 877)*	(11 107)	(218 094)
Merger with BENZINA, s.r.o.	-	559	-	300	859
Merger with UNIPETROL SERVICES, s.r.o.	-	4 598	-	-	4 598
	<b>372 305</b>	<b>76 274</b>	<b>411 900</b>	<b>31 173</b>	<b>891 652</b>

\* Information regarding revaluation of CO<sub>2</sub> is presented in note 5.1.

### Changes in provisions in 2015

	Environmental provision	Jubilee bonuses and retirement benefits provision	Provision for CO <sub>2</sub> emission	Other provision	Total
<b>01/01/2015</b>	349 784	46 814	590 242	45 692	1 032 532
Recognition	3 500	1 817	588 592	13 446	607 355
Discounting	6 018	-	-	-	6 018
Utilization	(1 767)	(809)	(590 490)	-	(593 066)
Release	-	-	-	(10 141)	(10 141)
Merger with POLYMER INSTITUTE BRNO, s.r.o.	-	1 588	-	-	1 588
	<b>357 535</b>	<b>49 410</b>	<b>588 344</b>	<b>48 997</b>	<b>1 044 286</b>

### 20.1 Environmental provision

The provision for land restoration is created as a result of the legal obligation to restore the fly-ash dump after it is discontinued, which is expected to happen after 2043. The provision amounted to CZK 342 758 thousand as at 31 December 2016 (31 December 2015: CZK 339 014 thousand). Additionally a provision for the compensation of damage to Lesy České republiky, s.p. (Forests of the Czech Republic), totalling CZK 23 546 thousand, was included in the environmental provision as at 31 December 2016 (31 December 2015: CZK 18 521 thousand).

## 20.2 Provisions for jubilee bonuses and retirement benefits

The Company realizes the program of paying out retirement benefits and jubilee bonuses in line with remuneration policies in force. The jubilee bonuses are paid to employees after elapse of a defined number of years in service. The retirement benefits are paid as one-time payments at retirement. The amount of retirement benefits as well as jubilee bonuses depends on the number of years of service and an employee's average remuneration. The base for the calculation of provision for an employee is expected benefit which the Company is obliged to pay in accordance with internal regulation.

The present value of these obligations is estimated at the end of each reporting year and adjusted if there are any material indications impacting the value of the obligations. The accrued liabilities equal discounted future payments, considering employee rotation.

Employment benefit provisions for retirement received by employees were created using discount rate 0.56% p.a. in 2016 (2015: 0.54%), assumptions used were based on Collective agreement. Should the prior year's assumptions be used, the provision for the jubilee bonuses and retirement benefits would be higher by CZK 129 thousand.

### 20.2.1 Change in employee benefits obligations

	Provision for jubilee bonuses		Retirement benefits		Total	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015	31/12/2016	31/12/2015
At the beginning of the year	-	-	49 410	46 814	49 410	46 814
Current service cost	26	-	2 085	2 023	2 111	2 023
Interest expense	1	-	266	297	267	297
Actuarial gains and losses net	(24)	-	5 378	(503)	5 354	(503)
<i>demographic assumptions</i>	-	-	-	-	-	-
<i>financial assumptions</i>	-	-	(129)	460	(129)	460
<i>other issues</i>	(24)	-	5 507	(963)	5 483	(963)
Past employment costs	22 152	-	(3 768)	-	18 384	-
Merger with BENZINA, s.r.o.	185	-	374	-	559	-
Merger with UNIPETROL SERVICES, s.r.o.	-	-	4 598	-	4 598	-
Merger with POLYMER INSTITUTE BRNO, s.r.o.	-	-	-	1 588	-	1 588
Payments under program	(2 270)	-	(2 139)	(809)	(4 409)	(809)
	<b>20 070</b>	<b>-</b>	<b>56 204</b>	<b>49 410</b>	<b>76 274</b>	<b>49 410</b>

The carrying amount of employee benefits liabilities is identical to their present value as at 31 December 2016 and as at 31 December 2015.

### 20.2.2 Division of employee benefits liabilities by employees

	Active employees		Pensioners		Total	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Czech Republic	76 274	49 410	-	-	76 274	49 410
	<b>76 274</b>	<b>49 410</b>			<b>76 274</b>	<b>49 410</b>

### 20.2.3 Geographical division of employee benefits liabilities

	Provision for jubilee bonuses		Retirement benefits		Total	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Czech Republic	20 070	-	56 204	49 410	76 274	49 410
	<b>20 070</b>	<b>-</b>	<b>56 204</b>	<b>49 410</b>	<b>76 274</b>	<b>49 410</b>

### 20.2.4 Sensitivity analysis to changes in actuarial assumptions

The Company carried out the employee benefit payments from current resources. As at 31 December 2016 there were no funded plans and the Company paid no contributions to fund liabilities.

Actuarial assumptions	Assumed variations as at 31/12/2016	Czech Republic	
		Influence on provision for jubilee 2016	Influence on retirement benefits 2016
Demographic assumptions (+)	+0,5 pp	(736)	(2 504)
<i>staff turnover rates, disability and early retirement</i>	+0,5 pp	(736)	(2 504)
Financial assumptions (+)	+0,5 pp	(778)	(3 212)
<i>discount rate</i>	+0,5 pp	(778)	(3 212)
		<b>(1 514)</b>	<b>(5 716)</b>
Demographic assumptions (-)	-0,5 pp	780	2 681
<i>staff turnover rates, disability and early retirement</i>	-0,5 pp	780	2 681
Financial assumptions (-)	-0,5 pp	835	3 526
<i>discount rate</i>	-0,5 pp	835	3 526
		<b>1 615</b>	<b>6 207</b>

## 20.2.4 Sensitivity analysis to changes in actuarial assumptions (continued)

Actuarial assumptions	Assumed variations as at 31/12/2015	Czech Republic	
		Influence on provision for jubilee 2015	Influence on retirement benefits 2015
Demographic assumptions (+)	+0,5 pp	-	(2 226)
<i>staff turnover rates, disability and early retirement</i>	+0,5 pp	-	(2 226)
Financial assumptions (+)	+0,5 pp	-	(2 819)
<i>discount rate</i>	+0,5 pp	-	(2 819)
		-	<b>(5 045)</b>
Demographic assumptions (-)	-0,5 pp	-	2 404
<i>staff turnover rates, disability and early retirement</i>	-0,5 pp	-	2 404
Financial assumptions (-)	-0,5 pp	-	3 097
<i>discount rate</i>	-0,5 pp	-	3 097
		-	<b>5 501</b>

## 20.2.5 Employee benefits maturity and payments of liabilities analysis

### 20.2.5.1 Ageing analysis of employee benefits obligations

	Provision for jubilee bonuses		Retirement benefits		Total	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Less than one year	1 869	-	3 711	3 576	5 580	3 576
Between one and three years	3 178	-	5 587	4 986	8 765	4 986
Between three and five years	2 923	-	4 473	4 318	7 396	4 318
Later than five years	12 099	-	42 434	36 530	54 533	36 530
					<b>76 274</b>	<b>49 410</b>
Weighted average duration of liability (years)			14	13	14	13

### 20.2.5.2 Aging of employee benefits payments analysis

	Provision for jubilee bonuses		Retirement benefits		Total	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Less than one year	1 923	-	3 752	3 624	5 675	3 624
Between one and three years	3 742	-	6 149	5 632	9 891	5 632
Between three and five years	3 974	-	5 610	5 412	9 584	5 412
Later than five years	46 968	-	160 694	127 402	207 662	127 402
	<b>56 607</b>	<b>-</b>	<b>176 205</b>	<b>142 070</b>	<b>232 812</b>	<b>142 070</b>

### 20.2.5.3 Total employee benefits expenses recognized in the statement of profit or loss and other comprehensive income

	31/12/2016	31/12/2015
<b>In profit and loss</b>		
Current service cost	(2 111)	(2 023)
Interest expense	(267)	(297)
Actuarial gains and losses net	24	-
<i>other issues</i>	24	-
Past employment costs	(18 384)	-
Payments under program	4 409	809
	<b>(16 328)</b>	<b>(1 511)</b>
<b>In components of other comprehensive income</b>		
Gains and losses arising from changes	(5 378)	503
<i>financial assumptions</i>	129	(460)
<i>other issues</i>	(5 507)	963
	<b>(5 378)</b>	<b>503</b>
	<b>(21 708)</b>	<b>(1 008)</b>

Provisions for employee benefits recognized in profit or loss were accounted as follows:

	31/12/2016	31/12/2015
Cost of sales	(14 039)	(1 242)
Distribution expenses	(1 979)	(127)
Administrative expenses	(310)	(142)
	<b>(16 328)</b>	<b>(1 511)</b>

On the basis of existing legislation, the Company is obliged to pay contributions to the national pension insurance. These expenses are recognized as social security and healthcare insurance costs. The Company has no other obligations in this respect. Additional information about the post-employment benefits is in note 30.3.18.2.

### 20.3 Provision on CO<sub>2</sub> allowances

A provision for CO<sub>2</sub> allowances is created for estimated CO<sub>2</sub> emissions in the reporting period.

### 20.4 Other provisions

The Company created other provisions in respect of future liabilities related to dismantling costs connected with liquidation of unused assets and in respect of expected future outflows arising from legal disputes with third parties where the Company is a defendant. A significant portion of the provisions relates to the shutdown of certain production units – as at 31 December 2016: CZK 15 000 thousand related to the shutdown of the T200 heating plant (31 December 2015: CZK 28 800 thousand) and CZK 7 000 thousand for the liquidation of a urea production unit (31 December 2015: CZK 7 411 thousand).

## 21. OTHER NON-CURRENT LIABILITIES

	31/12/2016	31/12/2015
Investment liabilities	270	541
<b>Financial liabilities</b>	<b>270</b>	<b>541</b>
Guarantee received	167 215	330
<b>Non-financial liabilities</b>	<b>167 215</b>	<b>330</b>
	<b>167 485</b>	<b>871</b>

The Company received cash advances from business partners presented as Guarantee payments received in connection with operation of fuel stations.

## 22. TRADE AND OTHER LIABILITIES

	31/12/2016	31/12/2015
Trade liabilities	9 799 308	7 436 244
Investment liabilities	3 461 368	1 120 179
Other	4 347 177	3 596 232
<b>Financial liabilities</b>	<b>17 607 853</b>	<b>12 152 655</b>
Prepayments for deliveries	62 334	106 772
Payroll liabilities	170 526	124 141
Excise tax and fuel charge	1 676 217	989 569
Value added tax	1 480 284	468 974
Other taxation, duties, social security and other benefits	60 846	53 611
Accruals	97 182	27 577
holiday pay accrual	20 060	8 299
wages accrual	77 049	19 278
Other	73	-
<b>Non-financial liabilities</b>	<b>3 547 389</b>	<b>1 770 644</b>
	<b>21 155 242</b>	<b>13 923 299</b>

The management considers that the carrying amount of trade and other liabilities approximates their fair value.

## 23. OTHER FINANCIAL LIABILITIES

	31/12/2016	31/12/2015
Cash flow hedge instruments		
foreign currency forwards	4	-
commodity swaps	470 161	26 759
Derivatives not designated as hedge accounting		
foreign currency forwards	24 028	5 203
Cash pool	6 705 121	6 288 580
Liabilities on settled cash flow hedge instruments	245 993	64 812
	<b>7 445 307</b>	<b>6 385 354</b>

The Company can draw short-term cash pooling loans within the Group, which are paid by the first working day after the end of the reporting period. The interest rates were based on appropriate inter-bank rates and the fair value of loans approximates their carrying amount. Information about cash flow hedge instruments and derivatives not designated as hedge accounting is presented in note 24.3.

In the case of cash pool presented under note 24 Financial Instruments, interest is paid on the first working day after the close of the reporting period. Its total amount, including accrued interest, was CZK 6 705 121 thousand as at 31 December 2016 (as at 31 December 2015: CZK 6 288 580 thousand).

## EXPLANATORY NOTES TO FINANCIAL INSTRUMENTS

### 24. FINANCIAL INSTRUMENTS

#### 24.1 Financial instruments by category and class

##### Financial assets

31/12/2016

Financial instruments by class	Note	Financial instruments by category			Total
		Financial assets at fair value through profit or loss	Loans and receivables	Hedging financial instruments	
Trade receivables	15.	-	11 031 118	-	11 031 118
Receivables from insurance compensation	15.	-	1 355 021	-	1 355 021
Loans granted	12.,16.	-	669	-	669
Cash pool	16.	-	3 192 890	-	3 192 890
Financial derivatives	16.	32 592	-	145 473	178 065
Receivables from settled financial derivatives	16.	-	102 623	-	102 623
Cash and cash equivalents	17.	-	100 535	-	100 535
Other	12.,15.	-	36 910	-	36 910
		<b>32 592</b>	<b>15 819 766</b>	<b>145 473</b>	<b>15 997 831</b>

31/12/2015

Financial instruments by class	Note	Financial instruments by category			Total
		Financial assets at fair value through profit or loss	Loans and receivables	Hedging financial instruments	
Trade receivables	15.	-	8 717 298	-	8 717 298
Cash pool	16.	-	3 021 464	-	3 021 464
Financial derivatives	16.	13 622	-	699 808	713 430
Receivables from settled financial derivatives	16.	-	480 762	-	480 762
Cash and cash equivalents	17.	-	61 581	-	61 581
Other	12.,15.	-	23 870	-	23 870
		<b>13 622</b>	<b>12 304 975</b>	<b>699 808</b>	<b>13 018 405</b>

##### Financial liabilities

31/12/2016

Financial instruments by class	Note	Financial instruments by category			Total
		Financial liabilities at fair value through profit or loss	Financial liabilities measured at amortised cost	Hedging financial instruments	
Non-current borrowings	19.	-	-	-	-
Non-current investment liabilities	21.	-	270	-	270
Current borrowings	19.	-	2 389 578	-	2 389 578
Current loans	19.	-	357	-	357
Trade liabilities	22.	-	9 799 308	-	9 799 308
Investment liabilities	22.	-	3 461 368	-	3 461 368
Financial derivatives	23.	24 028	-	470 165	494 193
Cash pool	23.	-	6 705 121	-	6 705 121
Liabilities from settled financial derivatives	23.	-	245 993	-	245 993
Other	22.	-	4 347 177	-	4 347 177
		<b>24 028</b>	<b>26 949 172</b>	<b>470 165</b>	<b>27 443 365</b>

31/12/2015

Financial instruments by class	Note	Financial instruments by category			Total
		Financial liabilities at fair value through profit or loss	Financial liabilities measured at amortised cost	Hedging financial instruments	
Non-current borrowings	19.	-	766 866	-	766 866
Non-current investment liabilities	21.	-	541	-	541
Current loans	19.	-	134	-	134
Trade liabilities	22.	-	7 436 244	-	7 436 244
Investment liabilities	22.	-	1 120 179	-	1 120 179
Financial derivatives	23.	5 203	-	26 759	31 962
Liabilities from settled financial derivatives	23.	-	64 812	-	64 812
Cash pool	23.	-	6 288 580	-	6 288 580
Other	22.	-	3 596 232	-	3 596 232
		<b>5 203</b>	<b>19 273 588</b>	<b>26 759</b>	<b>19 305 550</b>



## 24.2 Income, (costs), gains and (loss) in statement of profit or loss and other comprehensive income

2016	Note	Financial instruments by category				Total
		Financial assets and liabilities at fair value through profit or loss	Loans and receivables	Financial liabilities measured at amortised cost	Liabilities excluded from the scope of IAS 39	
Interest income	6.1.	-	15 835	-	-	15 835
Interest costs	6.2.	-	-	(5 503)	(5)	(5 508)
Foreign exchange gain/(loss)	6.	-	36 410	(330 122)	-	(293 712)
Recognition/reversal of receivables impairment allowances recognized in: other operating income/(expenses)	5.	-	(12 562)	-	-	(12 562)
Settlement and valuation of financial instruments	6.	436 097	-	-	-	436 097
Other	6.	-	36	(25 301)	-	(25 265)
		<b>436 097</b>	<b>39 719</b>	<b>(360 927)</b>	<b>(5)</b>	<b>114 885</b>
<b>other, excluded from the scope of IFRS 7</b>						
Provisions discounting		-	-	-	-	(4 880)
						<b>(4 880)</b>

2015	Note	Financial instruments by category				Total
		Financial assets and liabilities at fair value through profit or loss	Loans and receivables	Financial liabilities measured at amortised cost	Liabilities excluded from the scope of IFRS 7	
Interest income	6.1.	-	27 456	-	-	27 456
Interest costs	6.2.	-	-	(62 110)	-	(62 110)
Foreign exchange gain/(loss)	6.	-	(60 423)	(226 009)	-	(286 432)
Recognition/reversal of receivables impairment allowances recognized in: other operating income/(expenses)	5.	-	(31 634)	-	-	(31 634)
Settlement and valuation of financial instruments	6.	261 156	-	-	-	261 156
Other	6.	-	41	(27 478)	-	(27 437)
		<b>261 156</b>	<b>(64 560)</b>	<b>(315 597)</b>		<b>(119 001)</b>
<b>other, excluded from the scope of IFRS 7</b>						
Provisions discounting	6.	-	-	-	-	(6 018)
						<b>(6 018)</b>

## 24.3 Fair value measurement

	Note	31/12/2016		31/12/2015	
		Fair value	Carrying amount	Fair value	Carrying amount
<b>Financial assets</b>					
Trade receivables	15.	11 031 118	11 031 118	8 717 298	8 717 298
Receivables from insurance compensation	15.	1 355 021	1 355 021	-	-
Borrowings granted	12., 16.	669	669	-	-
Cash pool	16.	3 192 890	3 192 890	3 021 464	3 021 464
Financial derivatives	16.	178 065	178 065	713 430	713 430
Receivables from settled financial derivatives	16.	102 623	102 623	480 762	480 762
Cash and cash equivalents	17.	100 535	100 535	61 581	61 581
Other	12., 15.	36 910	36 910	23 870	23 870
		<b>15 997 831</b>	<b>15 997 831</b>	<b>13 018 405</b>	<b>13 018 405</b>
<b>Financial liabilities</b>					
Non-current investment liabilities	21.	270	270	541	541
Loans	19.	357	357	134	134
Borrowings	19.	2 389 578	2 389 578	766 866	766 866
Cash pool	23.	6 705 121	6 705 121	6 288 580	6 288 580
Trade liabilities	22.	9 799 308	9 799 308	7 436 244	7 436 244
Investment liabilities	22.	3 461 368	3 461 368	1 120 179	1 120 179
Financial derivatives	23.	494 193	494 193	31 962	31 962
Liabilities from settled financial derivatives	23.	245 993	245 993	64 812	64 812
Other	22.	4 347 177	4 347 177	3 596 232	3 596 232
		<b>27 443 365</b>	<b>27 443 365</b>	<b>19 305 550</b>	<b>19 305 550</b>

For other classes of financial assets and liabilities presented in note 24 fair value represents their carrying amount.

### 24.3.1 Methods applied in determining fair values of financial instruments (fair value hierarchy)

Fair value of shares quoted on active markets is determined based on market quotations (so called Level 1). In other cases, fair value is determined based on other input data, apart from market quotations, which are directly or indirectly possible to observe (so called Level 2) and data to valuation, which aren't based on observable market data (Level 3). Financial assets and liabilities carried at fair value by the Company belong to Level 2 as defined by IFRS.

In the year ended 31 December 2016 and the comparative period there were no transfers between Levels 1, 2 and 3 in the Company.

As at 31 December 2016 and 31 December 2015 the Company held unquoted shares in entities amounting to CZK 1 129 396 thousand and CZK 1 073 655 thousand, for which fair value cannot be reliably measured, due to the fact that there are no active markets for these entities and no comparable transactions in the same type of instruments.

### 24.4 Hedge accounting

The Company hedges its cash flows from operating revenues due to sale of petrochemical and refinery products as well as operating expenses due to purchases of crude oil against changes in exchange rates (EUR/CZK for sale and USD/CZK for purchases and sale). Foreign exchange forwards are used as hedging instruments.

The Company has derivative financial instruments, which serve as a hedging instrument pursuant to the Company's risk management strategy. Changes in the fair value of derivatives that do not meet the hedge accounting criteria are included in derivatives held for trading and their fair value changes are reported in the Statement of profit or loss and other comprehensive income.

The fair value of derivative instruments are designated as hedging instruments according to the cash flow hedge accounting planned realization date and the planned date of the influence on the result of the hedged cash flow as well as the net fair value which will be recognized in the profit or loss at the realization date:

Cash flows hedge instruments	31/12/2016	31/12/2015	Hedging strategies
Currency forwards	1 679	29 573	operating and investing activity; sales of products and purchase of crude oil operational inventories; refining margin, time mismatch occurring on purchases of crude oil by sea, risk of crude oil prices on arbitrage transactions cash & carry, offering customers the goods for which price formulas are based on fixed price
Commodity swaps	(326 371)	643 476	
	<b>(324 692)</b>	<b>673 049</b>	

	31/12/2016	31/12/2015
<b>Planned realization date of hedged cash flow</b>		
Currency operating exposure		
2016	-	29 573
2017	1 675	-
Commodity risk exposure		
2016	-	643 476
2017	(326 367)	
	<b>(324 692)</b>	<b>673 049</b>

### 24.5 Risk identification

The Company's activities are exposed to the risks of changes in foreign currency exchange rates, commodity prices and interest rates.

The UNIPETROL group's Corporate Treasury function provides services to UNIPETROL RPA, s.r.o., coordinates access to domestic and international financial markets, monitors and manages the risks outlined below relating to the operations of the Company through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other market risks), credit risk and liquidity risk.

The Company seeks to minimize the effects of these risks by using natural hedging. The Company does not use derivative financial instruments to hedge these risk exposures. The potential use of financial derivatives is governed by the UNIPETROL group's policies, which provide written principles on currency risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess funds. Compliance with policies and exposure limits is reviewed by the UNIPETROL group's internal auditors on regular basis. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

## 24.5.1 Commodity risks

### Sensitivity analysis for commodity risk

Analysis of the influence of potential changes in the book values of financial instruments on profit before tax and hedging reserve in relation to a hypothetical change in prices of crude oil:

31/12/2016

	Influence on hedging reserve			
	Increase of price by	Influence	Decrease of price by	Influence
Crude oil USD/BBL	5 USD/BBL	(274 080)	5 USD/BBL	274 080

31/12/2015

	Influence on hedging reserve			
	Increase of price by	Influence	Decrease of price by	Influence
Crude oil USD/BBL	5 USD/BBL	(308 724)	5 USD/BBL	308 724

## 24.5.2 Currency risk management

The currency risk arises most significantly from the exposure of trade payables and receivables denominated in foreign currencies, and the foreign currency denominated loans and borrowings. Foreign exchange risk regarding trade payables and receivables is mostly covered by natural hedging of trade payables and receivables denominated in the same currencies. Hedging instruments (forwards, currency swaps) also could be used, to cover significant foreign exchange risk exposure of trade payables and receivables not covered by natural hedging.

### Currency structure of financial instruments denominated in main foreign currencies:

Financial instruments by class	EUR		USD		Total after translation to CZK	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015	31/12/2016	31/12/2015
<b>Financial assets</b>						
Trade receivables	110 866	76 099	31 505	19 937	3 803 347	2 551 489
Receivables from insurance compensation	-	-	52 850	-	1 355 021	-
Cash pool	116 147	92 366	1 658	20 802	3 180 805	3 012 593
Financial derivatives	-	-	6 945	27 548	178 065	683 857
Receivables from settled financial derivatives	-	-	4 003	19 367	102 623	480 762
Cash and cash equivalents	3	7	1	-	102	198
Other	7	3	-	-	178	84
	<b>227 023</b>	<b>168 475</b>	<b>96 962</b>	<b>107 022</b>	<b>8 620 141</b>	<b>6 728 983</b>
<b>Financial liabilities</b>						
Trade liabilities	37 973	46 735	242 684	110 516	7 248 198	4 006 468
Investment liabilities	106 333	20 147	2 869	165	2 946 682	548 557
Financial derivatives	-	-	19 275	1 288	494 193	31 962
Liabilities from settled financial derivatives	-	-	9 594	2 611	245 993	64 812
Other	4	-	-	11 120	115	276 044
	<b>144 310</b>	<b>66 882</b>	<b>274 422</b>	<b>125 700</b>	<b>10 935 181</b>	<b>4 927 843</b>

### Sensitivity analysis for currency changes risk

The influence of potential changes in carrying amounts of financial instruments as at 31 December 2016 and 2015 arising from hypothetical changes in exchange rates of relevant currencies in relation to functional currency on profit before tax and hedging reserve:

Assumed variation +15%	EUR/CZK		USD/CZK		Total	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Influence on profit before tax	335 231	411 833	141 726	272 358	476 957	684 191
Influence on hedging reserve	(263 572)	(132 186)	14 659	122 351	(248 913)	(9 835)
<b>Total influence on profit or loss and other comprehensive income</b>	<b>71 659</b>	<b>279 647</b>	<b>156 386</b>	<b>394 709</b>	<b>228 045</b>	<b>674 356</b>

At variation of currency rates by -15%, sensitivity analysis assumes the same value as in the table above only with the opposite sign.

Variations of currency rates described above were calculated based on historical volatility of particular currency rates and analysts' forecasts.

Sensitivity of financial instruments for currency risk was calculated as a difference between the initial carrying amount of financial instruments (excluding derivative instruments) and their potential carrying amount calculated using assumed increases/(decreases) in currency rates. In case of derivative instruments, the influence of currency rate variations on fair value was examined at constant level of interest rates. The fair value of foreign currency forward contracts is determined based on discounted future cash flows of the transactions, calculated based on the difference between the forward rate and the transaction price.

### 24.5.3 Interest rate risk

#### Interest rate structure of financial instruments:

	PRIBOR		EURIBOR		LIBOR		Carrying amount	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015	31/12/2016	31/12/2015	31/12/2016	31/12/2015
<b>Financial assets</b>								
Loans granted	669	-	-	-	-	-	669	-
Cash pool	12 086	8 871	3 138 284	2 496 195	42 520	516 398	3 192 890	3 021 464
	<b>12 755</b>	<b>8 871</b>	<b>3 138 284</b>	<b>2 496 195</b>	<b>42 520</b>	<b>516 398</b>	<b>3 193 560</b>	<b>3 021 464</b>
<b>Financial liabilities</b>								
Loans	357	134	-	-	-	-	357	134
Borrowings	2 389 578	766 866	-	-	-	-	2 389 578	766 866
Cash pool	6 705 121	6 288 580	1	-	-	-	6 705 122	6 288 580
	<b>9 095 056</b>	<b>7 055 580</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9 095 057</b>	<b>7 055 580</b>

#### Sensitivity analysis for interest rate risk

The influence of financial instruments on profit before tax due to changes in significant interest rates:

Interest rate	Assumed variation		Influence on profit before tax	
	31/12/2016	31/12/2015	2016	2015
EURIBOR	+0.5 pp	+0.5 pp	15 691	12 481
LIBOR	+0.5 pp	+0.5 pp	213	2 582
PRIBOR	+0.5 pp	+0.5 pp	(45 412)	(35 234)
			<b>(29 508)</b>	<b>(20 171)</b>

At variation of interest rates by -0,5 pp, sensitivity analysis assumes the same value as in the table above only with the opposite sign.

The above interest rates variations were calculated based on observations of interest rates fluctuations in the current and prior year as well as on the basis of available forecasts.

The sensitivity analysis was performed on the basis of instruments held as at 31 December 2016 and 31 December 2015. The influence of interest rates changes was presented on annual basis.

### 24.5.4 Liquidity risk

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities using the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

#### Maturity analysis of financial liabilities

	Note	31/12/2016				Total	Carrying amount
		Up to 1 year	From 1 to 3 years	From 3 to 5 years	Above 5 years		
Loans - undiscounted value	20.	357	-	-	-	357	357
Borrowings - undiscounted value	19.	2 389 578	-	-	-	2 389 578	2 389 578
Cash pool - undiscounted value	24.	6 705 121	-	-	-	6 705 121	6 705 121
Trade liabilities	22.,24.	9 799 308	-	-	-	9 799 308	9 799 308
Investment liabilities	22.,24.	3 461 368	270	-	-	3 461 638	3 461 638
Financial derivatives	24.	494 193	-	-	-	494 193	494 193
Liabilities from settled financial derivatives	24.	245 993	-	-	-	245 993	245 993
Other	22.,24.	4 347 177	-	-	-	4 347 177	4 347 177
		<b>27 443 095</b>	<b>270</b>	<b>-</b>	<b>0</b>	<b>27 443 365</b>	<b>27 443 365</b>

	Note	31/12/2015				Total	Carrying amount
		Up to 1 year	From 1 to 3 years	From 3 to 5 years	Above 5 years		
Loans - undiscounted value	20.	134	-	-	-	134	134
Borrowings - undiscounted value	19.	-	-	-	766 866	766 866	766 866
Cash pool - undiscounted value	24.	6 288 580	-	-	-	6 288 580	6 288 580
Trade liabilities	22.,24.	7 436 244	-	-	-	7 436 244	7 436 244
Investment liabilities	22.,24.	1 120 179	541	-	-	1 120 720	1 120 720
Financial derivatives	24.	31 962	-	-	-	31 962	31 962
Liabilities from settled financial derivatives	24.	64 812	-	-	-	64 812	64 812
Other	22.,24.	3 596 232	-	-	-	3 596 232	3 596 232
		<b>18 538 143</b>	<b>541</b>	<b>-</b>	<b>766 866</b>	<b>19 305 550</b>	<b>19 305 550</b>

Ultimate responsibility for liquidity risk management rests with the Company's statutory representatives, who have built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate liquid funds, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

#### 24.5.4 Liquidity risk (continued)

As at 31 December 2016 and 31 December 2015 the maximum available credit facilities relating to bank loans and guarantees amounted to CZK 150 000 thousand and CZK 150 000 thousand respectively, of which as at 31 December 2016 and 31 December 2015 CZK 6 483 thousand and CZK 6 780 thousand respectively remained unused.

#### 24.5.5 Credit risk

The Company's credit risk is primarily attributable to its trade receivables. The amounts presented in the statement of financial position are net of impairment losses, estimated by the Company's management based on prior experience and their assessment of the credit status of its customers.

The Company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of dealing only with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. This information is supplied by independent rating agencies where available and, if not available, the Company uses other publicly available financial information and its own trading records to rate its major customers.

The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management. Before accepting any new customer, the Company uses own or external credit scoring system to assess the potential customer's credit quality and defines credit limits by customer.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of debtors. Where appropriate, credit guarantee insurance cover is purchased or sufficient collateral on debtor's assets obtained.

The Company does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Company defines counterparties as having similar characteristics if they are related entities. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

Based on the analysis receivables, the counterparties were divided into following groups:

- Group I – counterparty with good or very good history of cooperation in the current year,
- Group II – other counterparties.

#### The division of not past due receivables

	Note	31/12/2016	31/12/2015
Group I		12 239 908	8 634 983
	12., 15.	12 239 908	8 634 983

#### The ageing analysis of receivables past due, but not impaired

	Note	31/12/2016	31/12/2015
Up to 1 month		172 773	79 027
From 1 to 3 months		4 005	1 242
From 3 to 6 months		1 494	14 405
From 6 to 12 months		(1 562)	1 852
Above 1 year		6 431	9 659
	12., 15.	183 141	106 185

#### Changes in the impairment allowances of trade and other receivables

	2016	2015	
At the beginning of the year	134 542	108 921	
Recognition	12 826	31 634	
Merger with BENZINA, s.r.o.	33 426	-	
Merger with POLYMER INSTITUTE BRNO, s.r.o.	-	136	
Reversal	(264)	-	
Usage	(15 609)	(5 492)	
Foreign exchange differences	(3)	(657)	
	12., 15.	164 918	134 542

#### 24.5.6 Emission allowances risk

The Group monitors the emission allowances granted to the Group under the National Allocation Plan and CO<sub>2</sub> emissions planned. The Group might enter into transactions on emission allowances market in order to cover for shortages or utilize the excess of obtained emission allowances over the required amount.

## OTHER EXPLANATORY NOTES

### 25. LEASE

#### 25.1 The Company as a lessee

##### Operating lease

At the balance sheet date, the Company had future minimum lease payments under non-cancellable operating leases for the following periods:

	31/12/2016	31/12/2015
Less than one year	52 456	1 413
Between one and five years	130 251	2 762
Later than five years	280 810	-
	<b>463 517</b>	<b>4 175</b>

The Company leases vehicles, land, filling stations and offices under operating leases. Lease payments are adjusted annually to reflect market conditions. None of the leases includes contingent rentals.

Payments recognized as an expense were as follows:

	2016	2015
Non-cancellable operating lease	52 456	2 014
Cancellable operating lease	133 760	81 905
	<b>186 206</b>	<b>83 919</b>

Due to the merger with BENZINA, s.r.o. the non-cancellable operating lease increased by CZK 48 184 thousand and the cancellable operating lease by CZK 18 013 thousand. Future minimum lease payments increased by CZK 455 686 thousand as at 31 December 2016.

#### 25.2 The Company as a lessor

As at 31 December 2016 and as at 31 December 2015 the Company did not possess any finance or operating lease agreements as a lessor.

### 26. INVESTMENT EXPEDITURES INCURRED AND FUTURE COMMITMENTS RESULTING FROM SIGNED INVESTMENT CONTRACTS

The total value of investment expenditure with borrowing costs amounted to CZK 8 593 379 thousand to 31 December 2016 and CZK 2 050 633 thousand to 31 December 2015, including environmental expenditures of CZK 58 952 thousand and CZK 46 854 thousand.

Future investment liabilities value from contracts signed to 31 December 2016 and 31 December 2015 amounted to CZK 5 384 707 thousand and CZK 10 236 816 thousand. As at 31 December 2016 the major item related to the new polyethylene unit (PE3) at the Litvínov plant in amount of CZK 4 720 630 thousand (31 December 2015: CZK 6 645 801 thousand).

### 27. GUARANTEES AND SECURITIES

#### Guarantees

The Company guarantees the obligations of HC Verva Litvínov, a.s. to the Association of Professional Ice Hockey Clubs CZK 7 000 thousand as at 31 December 2016 (31 December 2015: CZK 7 000 thousand).

UNIPETROL, a.s. issued a guarantee for the company UNIPETROL RPA, s.r.o. in favour of ČEPRO, a.s. to ensure the excise tax in the amount of CZK 150 000 thousand.

Guarantees to ensure the excise tax at custom office were issued in total amount of CZK 136 220 thousand as at 31 December 2016 (31 December 2015: CZK 136 220 thousand).

#### Past environmental liabilities

The Company undertakes environmental clean-up efforts based on the environmental audit completed in 1999. The clean-up costs are covered by the Ministry of Finance of the Czech Republic, acting as a successor to the National Property Fund of the Czech Republic, pursuant to Contract No.184/97 dated 25 July 1997.

An overview of funds provided for the environmental purposes is provided below:

	Total amount of funds to be provided	Used funds as at 31/12/2016	Unused funds as at 31/12/2016
UNIPETROL RPA, s.r.o.	1 349 160	480 778	868 382

## 28. RELATED PARTY TRANSACTIONS

### 28.1 Material transactions concluded by the Company with related parties

In 2016 and 2015 there were no transactions concluded by the Company with related parties on other than market terms.

### 28.2 Transactions with key management personnel

In 2016 and 2015 the Company did not grant to key management personnel and their relatives any advances, loans, guarantees and commitments or other agreements obliging them to render services to the Company and related parties. In 2016 and 2015, there were no significant transactions concluded with members of statutory bodies or with their family members or other related parties.

### 28.3 Transactions with related parties concluded by key management personnel of the Company

In 2016 and 2015 the members of the key executive personnel, based on the submitted statements, did not conclude any transactions with their related parties.

### 28.4 Transactions and balances of the Company with related parties

#### Ultimate controlling party

The ultimate controlling party is Polski Koncern Naftowy ORLEN S.A., which held 62.99% of shares in the parent company UNIPETROL, a.s. in 2016 and 2015.

2016	UNIPETROL, a.s.	Parties under control or significant influence of UNIPETROL, a.s.	Parties under control or significant influence of the Company	PKN Orlen	Entities under control or significant influence of PKN Orlen
Sales	13 992	2 545 286	9 312 569	1 649 616	3 967 951
Purchases	82 252	5 752 577	1 181 545	45 604 676	1 753 435
Finance income, including Dividends	34	(362)	245 913	-	2 916
Finance costs	50 416	(20)	-	-	3 430

31/12/2016	UNIPETROL, a.s.	Parties under control or significant influence of UNIPETROL, a.s.	Parties under control or significant influence of the Company	PKN Orlen	Entities under control or significant influence of PKN Orlen
Other financial assets	122 814	-	-	-	3 070 077
Trade and other receivables	3 736	970 913	1 297 381	438 439	464 479
Trade and other liabilities, including borrowings	7 943 406	5 440 277	169 830	6 079 403	7 548

2015	UNIPETROL, a.s.	Parties under control or significant influence of UNIPETROL, a.s.	Parties under control or significant influence of the Company	PKN Orlen	Entities under control or significant influence of PKN Orlen
Sales	4 190	11 338 132	12 786 050	531 512 62 848	6 929 339
Purchases	104 834	9 680 037	306 641	059	401 523
Finance income, including Dividends	-	360	221 451	-	445
Finance costs	84 210	(22)	-	-	10 079

31/12/2015	UNIPETROL, a.s.	Parties under control or significant influence of UNIPETROL, a.s.	Parties under control or significant influence of the Company	PKN Orlen	Entities under control or significant influence of PKN Orlen
Other financial assets	13 171	-	-	-	3 008 293
Trade and other receivables	1 515	1 268 881	822 208	188 720	491 775
Trade and other liabilities, including borrowings	6 340 403	4 754 785	90 083	2 558 668	49 720

## 29. REMUNERATION PAID AND DUE OR POTENTIALLY DUE TO THE KEY EXECUTIVE PERSONNEL AND STATUTORY REPRESENTATIVES

The remuneration of the key executive personnel and statutory representatives includes short-term employee benefits, post-employment benefits, other long-term employee benefits and termination benefits paid, due and potentially due during the period.

## 29.1 Key management personnel and statutory bodies' members' compensation

	2016		2015	
	Short-term benefits	Termination benefits	Short-term benefits	Termination benefits
Remuneration of current period (costs)	129 757	2 253	36 354	750
Paid for previous year	30 856	-	10 221	-
Potentially due to be paid in the following year	35 710	-	8 923	-

Further detailed information about benefits of the key personnel and statutory representatives are presented in note 4.4.

## 29.2 Bonus system for key executive personnel of the Company

In 2016 the key executive personnel was participating in the annual MBO bonus system (management by objectives). The regulations applicable to statutory representatives, directors directly reporting to statutory representatives and other key positions have certain common features. The persons subject to the above mentioned system are remunerated for the accomplishment of specific goals set at the beginning of the bonus period, by the statutory representatives for the key executive personnel. The bonus systems are structured in such way, so as to promote the cooperation between individual employees in view to achieve the best possible results for the Company. The goals so-said are qualitative or quantitative (measurable) and are evaluated following the end of the year for which they were set, based on the rules adopted in the applicable Bonus System Regulations. Regulation gives the possibility to promote employees, who significantly contribute to results generated by the Company.

## 30. ACCOUNTING PRINCIPLES

### 30.1 Impact of IFRS amendments and interpretations on separate financial statements of the Company

#### 30.1.1 Binding amendments and interpretations to IFRSs

The amendments to standards and IFRS interpretations, in force from 1 January 2016 until the date of publication of these separate financial statements had no impact on the foregoing separate financial statements.

#### 30.1.2 IFRSs, amendments and interpretations to IFRSs endorsed by the European Union, not yet effective

Standards and Interpretations adopted by the EU	Possible impact on financial statements
IFRS 9 - Financial Instruments	impact*
IFRS 15 - Revenue from Contracts with Customers	impact**

#### 30.1.3 Standards, amendments and interpretations adopted by International Accounting Standards Board (IASB), waiting for approval of the European Union

Standards and Interpretations waiting for approval of the EU	Possible impact on financial statements
Amendments to IFRS 10 - Consolidated Financial Statements and IAS 28 - Investments in Associates: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	no impact expected
IFRS 16 - Leasing	impact***
Amendments to IAS 12 Income Taxes - Recognition of Deferred Tax Assets for Unrealized Losses	no impact expected
Amendments to IAS 7 Statement of Cash Flows - Disclosure initiative	no impact expected
Amendments to IFRS 15 - Revenue from Contracts with Customers	impact**
Amendments to IFRS 2 - Classification and Measurement of Share-based Payment Transaction	no impact expected
Amendments to IFRS 4 - Applying IFRS 9 Financial Instruments with IFRS 4 Insurance contracts	no impact expected
Improvements to IFRS (2014-2016)	no impact expected
IFRIC 22 - Foreign Currency Transactions and Advance Consideration	no impact expected
Amendments to IAS 40 - Investment Property	no impact expected

\*At the time of the implementation of the new IFRS 9, allocation of the appropriate financial assets to the new categories of financial instruments will be made.

\*\* The Company has started to analyse how the key concepts of IFRS 15 would affect the sales revenues recognized in 2016. The sales revenues were split into particular main revenue streams (refinery, petrochemical and retail) for which typical contractual relationships are analysed from point of view of existing performance obligations, allocation of the transaction price between the identified performance obligations and moment of revenue recognition. The Company expects to have the result of the analysis available in first half of 2017.

At the time of the new standard implementation, i.e. on 1 January 2018, the impact of the new IFRS 15 will depend on the specific facts and conditions of the contracts with customers, to which the Company will be a party.

\*\*\*At the time of implementation, the impact of the new IFRS 16 will depend on the specific facts and circumstances relating to the lease contracts, which the Company will be a party.

## 30.2 Functional currency and presentation currency

These separate financial statements are presented in Czech crowns (CZK), which is the Company's functional and presentation currency. All financial information presented in CZK has been rounded to the nearest thousand.



### 30.3 Applied accounting policies

#### 30.3.1 Change in accounting policies, estimates and prior period errors

An entity shall change an accounting policy only if the change:

- is required by an IFRS, or
- results in the financial statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the financial position, financial performance or cash flows.

In case of change in accounting policy it is assumed that the new policy had always been applied. The amount of the resulting adjustment is made to the equity. For comparability, the entity shall adjust the financial statements (comparative information) for the earliest prior period presented as if the new accounting policy had always been applied, unless it is impracticable to determine either the period-specific effects or the cumulative effect of the change.

Items of financial statements based on an estimate may need revision if changes occur in the circumstances on which the estimate was based or as a result of new information or more experience.

The correction of a material prior period error is made to the equity. When preparing the financial statements it is assumed that the errors were corrected in the period when they occurred.

#### 30.3.2 Transactions in foreign currency

A foreign currency transaction is recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items including units of currency held by the Company as well as receivables and liabilities due in defined or definable units of currency are translated using the closing rate, i.e. spot exchange rate as at the end of the reporting period,
- non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition as finance income or expense in the period in which they arise, except for monetary items which hedge the currency risk are accounted in accordance with cash flow hedge accounting principles.

#### 30.3.3 Business combinations

Business combinations under common control, including the acquisition of an organized part of the enterprise is settled by adding together, the particular items of assets and liabilities, revenues and costs of the combined companies, as at the date of the merger.

Other business combinations are accounted for by applying the acquisition method. Applying the acquisition method requires:

- identifying the acquirer,
- determining the acquisition date,
- recognising and measuring the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquire, and
- recognising and measuring goodwill or a gain from a bargain purchase.

Assets, liabilities and contingent liabilities for the purpose of allocating the acquisition cost are determined at the fair value at the acquisition date with the following exceptions:

- deferred assets and liabilities arising from the assets acquired and liabilities assumed in a business combination are recognized according to general principles of deferred tax,
- assets and liabilities related to the acquiree's employee benefit arrangements are recognized according to general principles of IAS 19 Employee benefits,

non-current assets (or disposal group) that are classified as held for sale at the acquisition date are recognized according to the general principles for non-current assets held for sale.

#### 30.3.4 Revenues

Revenues from sales (from operating activity) comprise revenues that relate to core activity, i.e. activity for which the Company was founded, revenues are recurring and are not of incidental character.

Revenues from sales are recognised when the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the sale transaction will flow to the Company and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Revenues from sale of goods and services are recognized when the Company has transferred to the buyer the significant risks and rewards of ownership and the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold. Revenues include received or due payments for delivered goods and services decreased by the amount of any trade discounts, value added tax (VAT), excise tax and fuel charges.

Revenues are measured at fair value of the received or due payments. Revenues from sale are adjusted for profit or loss from settlement of cash flows hedging instruments related to above mentioned revenues.

Revenues and expenses relating to services for which the start and end dates fall within different reporting periods are recognized based on the percentage of completion method, if the outcome of a transaction can be measured reliably, i.e. when total contract revenue can be measured reliably, it is probable that the economic benefits associated with the contract will flow to the Company and the stage of completion can be measured reliably. If those conditions are not met, revenues are recognized up to the cost incurred, but not greater than the cost which are expected to be recovered by the Company.

#### 30.3.5 Costs

Costs (relating to operating activity) comprise costs that relate to core activity, i.e. activity for which the Company was founded, costs are recurring and are not of incidental character.

Cost of sales comprises costs of finished goods, merchandise and raw materials sold and adjustments related to inventories written down to net realizable value.

Distribution expenses include selling brokerage expenses, trading expenses, advertising and promotion expenses as well as distribution expenses.

Administrative expenses include expenses relating to management and administration of the Company as a whole.

#### 30.3.6 Other operating income and expenses

Other operating income in particular includes income from liquidation and sale of non-financial non-current assets, surplus of assets, return of court fees, penalties earned, surplus of grants received to revenues over the value of costs, assets received free of charge, reversal of receivable impairment allowances and some provisions, compensations earned and revaluation gains, gain on sale of investment property.

Other operating expenses include in particular loss on liquidation and sale of non-financial non-current assets, shortages of assets, court fees, contractual penalties and fines, penalties for non-compliance with environmental protection regulations, cash and tangible assets transferred free of charge, impairment allowances (except those that are recognized as financial costs and cost of sales), compensations paid, write-off of construction in progress which have not produced the desired economic effect, cost of recovery of receivables and revaluation losses, loss on sale of investment property.

#### 30.3.7 Finance income and costs

Finance income includes, in particular, income from the sale of shares and other securities, dividends received, interest earned on cash in bank accounts, term deposits and loans granted, increase in the value of financial assets and net foreign exchange gains.

Dividend income from investments is recognized when the shareholders' rights to receive payment have been established.

Finance costs include, in particular, loss on sale of shares and securities and costs associated with such sale, impairment losses relating to financial assets such as shares, securities and interest, net foreign exchange losses, interest on own bonds and other securities issued, interest on finance lease, commissions on bank loans, borrowings, guarantees.

#### 30.3.8 Tax expense

Income tax expenses include current tax and deferred tax.

Current tax is determined in accordance with the relevant tax law based on the taxable profit for a given period and is recognized as liability, in the amount which has not been paid or receivable, if the amount of the current and prior periods income tax paid exceeds the amount due.

Deferred tax assets and liabilities are accounted for as non-current and are not discounted and are offset in the statement of financial position, if there is legally enforceable right to set off the recognized amounts.

The transactions settled directly in equity are recognized in equity.

### 30.3.9 Property, plant and equipment

Property, plant and equipment are assets that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and are expected to be used during more than one period (one year or the operating cycle, if longer than one year).

Property, plant and equipment include both fixed assets (assets that are in the condition necessary for them to be capable of operating in the manner intended by management) as well as construction in progress (assets that are in the course of construction or development necessary for them to be capable of operating in the manner intended by management).

Property, plant and equipment are initially stated at cost, including grants related to assets (IAS20). The cost of an item of property, plant and equipment comprises its purchase price, including any costs directly attributable to bringing the asset into use.

The cost of an item of property, plant and equipment includes also estimated costs of dismantling and removing the item and restoring the site/land on which it is located, the obligation for which is connected with acquisition or construction of an item of property, plant and equipment and capitalized borrowing costs.

Property, plant and equipment are stated in the statement of financial position prepared at the end of the reporting period at the carrying amount, including grants related to assets. The carrying amount is the amount at which an asset is initially recognised (cost) after deducting any accumulated depreciation and accumulated impairment losses.

Depreciation of an item of property, plant and equipment begins when it is available for use that is from the month it is in the location and condition necessary for it to be capable of operating in the manner intended by the management, over the period reflecting their estimated useful life, considering the residual value.

Components of property, plant and equipment which are material for the whole item are depreciated separately in accordance with their useful lives.

The following standard useful lives are used for property, plant and equipment:

Buildings and constructions	10-40 years
Machinery and equipment	4-35 years
Vehicles and other	2-20 years

Residual values, estimated useful lives and depreciation methods are reassessed annually. The adjustments to depreciation expenses are accounted for in subsequent period (prospectively).

The costs of significant repairs and regular maintenance programs are recognized as property, plant and equipment and depreciated in accordance with their useful lives. The costs of current maintenance of property, plant and equipment are recognized as an expense when they are incurred.

Property, plant and equipment are tested for impairment, when there are indicators or events that may imply that the carrying amount of those assets may not be recoverable.

### 30.3.10 Investment property

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both.

Investment property shall be recognized as an asset when, and only when:

- it is probable that the future economic benefits that are associated with the investment property will flow to the Company, and
- the cost of the investment property can be measured reliably.

An investment property shall be measured initially at its cost. Transaction costs shall be included in the initial measurement. The cost of a purchased investment property comprises its purchase price and any directly attributable expenditure. Directly attributable expenditure includes, for example, professional fees for legal services, property transfer taxes and other transaction costs. For internally constructed investment property the cost is set at the date of construction completion when the asset is brought into use, in accordance with rules set for property, plant and equipment.

After initial recognition investment property shall be measured at fair value. Gains and losses resulting from changes in fair value of investment property are presented in the statement of profit or loss and other comprehensive income in the period which they arise. The Company determines fair value without any deduction for transaction costs it may incur on sale or other disposal.

If the Company determines that the fair value of an investment property is not reliably determinable on a continuing basis, the Company shall measure that investment property at cost in accordance with rules set for property, plant and equipment.

An investment property is derecognized on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected.

### 30.3.11 Intangible assets

Intangible assets include identifiable non-monetary assets without physical substance. An asset is identifiable if it is either separable, i.e. is capable of being separated or divided from the Company and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable asset or liability, regardless of whether the Company intends to do so, or arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the Company or from other rights and obligations.

Intangible assets are recognized if it is probable that the expected future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably.

An intangible asset arising from development (or from development phase of an internal project) shall be recognised if, and only if, the Company can demonstrate all of the following: the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete the intangible asset and use or sell it, its ability to use or sell the intangible asset, how the intangible asset will generate probable future economic benefits, among other things, the Company can demonstrate the existence of a market for the output of the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset, the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset, its ability to measure reliably the expenditure attributable to the intangible asset during its development.

If the definition criteria of an intangible asset are not met, the cost incurred to acquire or self develop an asset are recognised in profit or loss when incurred. An intangible asset that is acquired in a business combination, the cost of that intangible asset is its fair value at the acquisition date.

An intangible asset shall be measured initially at cost, including grants related to assets (IAS20). An intangible asset that is acquired in a business combination, is recognised initially at fair value.

After initial recognition, an intangible asset shall be presented in the financial statements in its net carrying amount, including grants related to assets.

Intangible assets are measured at acquisition or at construction cost less amortization and impairment allowances. Intangible assets with a finite useful life are amortized when they become available for use that is when they are in the location and condition necessary for them to be capable of operating in the manner intended by the management over their estimated

useful life. The depreciable amount of an asset with a finite useful life is determined after deducting its residual value. Excluding particular cases, the residual value of an intangible asset with a finite useful life shall be assumed to be zero.

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset, e.g. interest, commissions, are part of the initial cost.

The following standard useful lives are used for intangible assets:

Acquired licenses, patents, and similar intangible assets	2-15 years
Acquired computer software	2-10 years

Appropriateness of the applied amortization periods and rates is periodically reviewed, at least at the end of the reporting year, and potential adjustments to amortization allowances are made in the subsequent periods. Intangible assets with an indefinite useful life are not amortized. Their value is decreased by the eventual impairment allowances. Additionally, the useful life of an intangible asset that is not being amortized shall be reviewed each period to determine whether events and circumstances continue to support an indefinite useful life assessment for that asset.

#### 30.3.11.1 Carbon dioxide emission allowances

By the virtue of The Kyoto Protocol, the countries, which decided to ratify the Protocol, obliged themselves to reduce emissions of greenhouse gases, i.e. carbon dioxide (CO<sub>2</sub>).

In the European Union countries, the plants and companies, which reach productivity exceeding 20 MW and some other industrial plants were obliged to participate in emissions trading system. All mentioned entities are allowed to emit CO<sub>2</sub> or they are partially granted free of charge in a specified quantity under the derogations provided in article 10a and 10c of the EU Directive 2009/29/EC and are obliged to redeem them in a number corresponding to the size of emission realized in a given year.

CO<sub>2</sub> emission rights are initially recognised as intangible assets, which are not amortized (assuming the high residual value), but tested for impairment.

Granted emission allowances should be presented separately as intangible assets in correspondence with deferred income at fair value as at the date of registration (grant in scope of IAS 20). Purchased allowances should be presented as intangible assets at purchase price.

For the estimated CO<sub>2</sub> emission during the reporting period, a provision should be created (taxes and charges).

Grants should be recognised on a systematic basis to ensure proportionality with the related costs which the grants are intended to compensate.

Outgoing of allowances is recognised using FIFO method (First In, First Out) within the individual types of rights (EUA - European Union Allowances, ERU – Emission Reductions Units, CER – Certified Emission Reduction).

### 30.3.11.2 Impairment of property, plant and equipment and intangible assets

At the end of the reporting period the Company assesses whether there are any indicators that an asset or cash generating unit (CGU) may be impaired. If any such indicator exists, the entity shall estimate the recoverable amount of the asset (CGU).

The recoverable amount of other assets is the higher of the fair value less costs to sell and value in use.

Fair value less costs to sell is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, less costs to sell.

Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Assets that do not generate the independent cash flows are grouped on the lowest level on which cash flows, independent from cash flows from other assets, are generated (cash generating units).

To the cash generating unit following assets are allocated:

- goodwill, if it may be assumed, that the cash generating unit benefited from the synergies associated to a business combination with another entity,
- corporate assets, if they may be allocated on a reasonable and coherent basis.

If there are external or internal indicators that the carrying amount of an asset as at the end of the reporting period may not be recoverable, the impairment tests are carried out. The tests are carried out also annually for intangible assets with the indefinite useful life and for goodwill.

When carrying amount of an asset or a cash generating unit exceeds its recoverable amount, the carrying amount is decreased to the recoverable amount by an adequate impairment allowance charged against cost in profit or loss. The recoverable amount is the higher of its fair value less costs to sell and its value in use.

The impairment loss shall be allocated to the carrying amount of the assets of the unit in the following order:

- first, to reduce the carrying amount of any goodwill allocated to the cash-generating unit; and
- then, to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit.

At the end of each reporting period an assessment shall be made whether an impairment loss recognized in prior periods for an asset shall be partly or completely reversed. Indications of a potential decrease in an impairment loss mainly mirror the indications of a potential impairment loss in prior periods.

A reversal of an impairment loss for an asset other than goodwill shall be recognised immediately in profit or loss, unless the asset is carried at revalued amount in accordance with another standard.

### 30.3.12 Inventories

Inventories are assets held for sale in the ordinary course of business, or in the process of production for such sale, or in the form of materials or supplies to be consumed in the production process or in the rendering of services.

Inventories comprise products, semi-finished products and work in progress, merchandise and materials.

Finished goods, semi-finished products and work in progress are measured initially at production cost. Production costs include costs of materials and costs of conversion for the production period. Costs of production include also a systematic allocation of fixed and variable production overheads estimated for normal production level.

Finished goods, semi-finished products and work in progress shall be measured at the end of the reporting period at the lower of cost and net realisable value, after deducting any impairment losses.

Disposals of finished goods, semi-finished products and work in progress is determined based on the weighted average cost formula, the cost of each item is determined from the weighted average of the cost of similar items produced during the reporting period.

Merchandise and materials are measured initially at acquisition cost.

As at the end of the reporting period merchandise and raw materials are measured at the lower of cost and net realizable value, considering any impairment allowances. Disposals of merchandise and raw materials is determined based on the weighted average acquisition cost or production cost formula. Impairment tests for specific items of inventories are carried out on a current basis during an annual reporting period. Write-down to net realizable value concerns raw materials and merchandise that are damaged or obsolete.

Raw materials held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. However, when a decline in the price of materials indicates that the cost of the finished products exceeds net realisable value, the materials are written down to net realisable value.

Expenses and revenues connected with inventories write-offs or establishment and release of allowances are included in cost of sales.

### 30.3.13 Trade and other receivables

Trade and other receivables are recognized initially at a fair value increased by transaction costs and subsequently at amortized cost using the effective interest method less impairment allowances.

Impairment allowances of receivables are based on the individual analysis on the value of held collaterals, and based on the possible compensations of debts, allowances.

Recognition and reversal of impairment losses on receivables are recognized in other operating activity in relation to the principal amount and in financial activities in relation to interest for delayed payments.

### 30.3.14 Cash and cash equivalents

Cash comprises cash on hand and in a bank accounts. Cash equivalents are short-term highly liquid investments (of original maturity up to three months) that are readily convertible to known amounts of cash and are subject to an insignificant risk of change in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

### 30.3.15 Non-current assets held for sale and discontinued operation

Non-current assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than continuing use are classified as held for sale.

Non-current assets are classified as held for sale when the following criteria are simultaneously met:

- the sales were declared by the appropriate level of management;
- the assets are available for an immediate sale in their present condition;
- an active program to locate a buyer has been initiated;
- the sale transaction is highly probable and can be settled within 12 months following the sale decision;
- the selling price is reasonable in relation to its current fair value;
- it is unlikely that significant changes to the sales plan of these assets will be introduced.

The classification of asset into this category is made in the reporting period when the classification criteria are met. If the criteria for classification of a non-current asset as held for sale are met after the reporting period, an entity shall not classify a non-current asset as held for sale in those financial statements when issued.

Immediately before classification as held for sale, the assets (or components of a disposal group) are remeasured in accordance with the Company's accounting policies. Thereafter generally the assets (excluding financial assets) are measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group first is allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, investment property, which continue to be measured in accordance with the Company's accounting policies. While a non-current asset is classified as held for sale it shall not be depreciated (or amortised). A gain is recognised for any subsequent increase in fair value less costs to sell of an asset, but not in excess of the cumulative impairment loss that has been previously recognised.

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations,
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, or
- is a subsidiary acquired exclusively with a view to resale.

The Company shall re-present the disclosures presented with refer to discontinued operation for prior periods presented in the separate financial statements so that the disclosures relate to all operations that have been discontinued by the end of the reporting period for the latest period presented.

If the Company ceases to classify a discontinued operation, the results of operations previously presented in discontinued operations shall be reclassified and included in the results from continuing operations for all periods presented. The amounts for prior periods shall be described as having been re-presented.

### 30.3.16 Equity

Equity is recorded in accounting records by type, in accordance with statutory regulations and the Company's articles of association. Equity includes:

#### 30.3.16.1 Share capital

The share capital is paid by shareholders and is stated at nominal value in accordance with the Company's articles of association and the entry in the Commercial Register.

#### 30.3.16.2 Statutory reserve

The Company can establish a reserve fund for possible future losses.

#### 30.3.16.3 Hedging reserve

Hedging reserve relates to valuation and settlement of hedging instruments that meet the criteria of cash flow hedge accounting. The Company applies cash flow hedge accounting to hedge commodity risk, exchange rate risk and interest rate risk. Changes in fair value, which are an ineffective part of the hedge relationship, are recognized in the statement of profit or loss.

#### 30.3.16.4 Revaluation reserve

Revaluation reserve comprises revaluation of items, which, according to the Company's regulations, relates to the revaluation reserve, including particularly:

- change of the fair value of the available-for-sale financial assets;
- differences between the net book value and the fair value of the investment property at the date of reclassification from the property occupied by the Company to the investment property.

### 30.3.16.5 Retained earnings

Retained earnings include:

- the amounts arising from profit distribution/loss cover,
- the undistributed result for prior periods,
- the current reporting period profit/loss,
- the corrections (profit/loss) of prior period errors,
- changes in accounting principles,
- other reserve capital as additional payments to equity,
- the actuarial gains and losses from retirement benefits.

### 30.3.17 Trade and other liabilities

Liabilities, including trade liabilities, are initially stated at fair value, increased by, in the case of financial liability not qualified as those measured at fair value through profit or loss, transaction cost and subsequently, at amortized cost using the effective interest rate method.

Accruals are liabilities due for goods received or services provided, but not paid, invoiced or formally agreed with the seller, together with amounts due to employees.

Although it is sometimes necessary to estimate the amount or timing of accruals, the related uncertainty is generally much lower than it is for provisions.

### 30.3.18 Provisions

A provision is a liability of uncertain timing or amount. Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be measured reliably. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

Provisions are not recognised for the future operating losses.

#### 30.3.18.1 Environmental provision

The Company creates provisions for future liabilities due to reclamation of contaminated land or water or elimination of harmful substances if there is such a legal or constructive obligation. Environmental provision for reclamation is periodically reviewed on the basis of contaminated assessment.

#### 30.3.18.2 Jubilee bonuses and retirement benefits

Under the Company's remuneration plans, its employees are entitled to jubilee bonuses and retirement benefits. Jubilee bonuses are paid to employees after elapse of a defined number of years in service. The retirement benefits are paid once at retirement. The amount of retirement benefits and jubilee bonuses depends on the number of years of service and an employee's average remuneration.

The jubilee bonuses are other long-term employee benefits, whereas retirement and pension benefits are classified as retirement defined benefit plans.

The provision for jubilee bonuses, retirement and pension benefits is created in order to allocate costs to relevant periods. The present value of those liabilities is estimated at the end of each reporting period by an independent actuary and adjusted if there are any material indications impacting the value of the liabilities. The accumulated liabilities equal discounted future payments, considering the demographic and financial assumption including employee rotation, planned increase of remuneration and relate to the period ended at the last day of the reporting year. Actuarial gains and losses from:

- post employment benefits are recognized in components of other comprehensive income,
- other employment benefits, including jubilee bonuses, are recognized in the statement of profit and loss.

#### 30.3.18.3 Shield programs

Shield programs provision (restructuring provision) is created when the Company initiated a restructuring plan or announced the main features of the restructuring plan to those affected by it in a sufficiently specific manner to raise a valid expectation in them that the restructuring will be carried out. A restructuring provision shall include only the direct expenditures arising from the restructuring, i.e. connected with the termination of employment (paid leave payments and compensations), termination of lease contracts, dismantling of assets.

#### 30.3.18.4 CO<sub>2</sub> emissions costs

The Company creates provision for the estimated CO<sub>2</sub> emission during the reporting period in operating activity costs (taxes and charges).

### 30.3.18.5 Other provisions

Other provisions include mainly provisions for legal proceedings and are recognized after consideration of all available information, including opinions of independent experts. If on the basis of such information it is more likely than not that a present obligation exists at the end of the reporting period, the Company recognizes a provision (if the recognition criteria are met).

If it is more likely that no present obligation exists at the end of the reporting period, the Company discloses a contingent liability, unless the possibility of an outflow of resources embodying economic benefits is remote.

### 30.3.19 Government grants

Government grants are transfers of resources to the Company by government, government agencies and similar bodies whether local, national or international in return for past or future compliance with certain conditions relating to the activities of the entity.

Government grants are recognized in the statement of financial position as deferred income when there is reasonable assurance that it will be received and that the Company will comply with the conditions attached to it.

Grants related to costs are presented as compensation to the given cost at the period they are incurred. Surplus of the received grant over the value of the given cost is presented as other operating income.

If the government grants relates to assets, it is presented net with the related asset and is recognized in statement of profit or loss on a systematic basis over the useful life of the asset through the decreased depreciation charges. The treatment regarding Carbon dioxide emission allowances granted is described in note 30.3.10.1.

### 30.3.20 Separate statement of cash flows

The separate statement of cash flows is prepared using indirect method.

Cash and cash equivalents presented in the separate statement of cash flows include cash and cash equivalents less bank overdrafts, if they form an integral part of the Company's cash management.

Dividends received are presented in cash flows from investing activities.

Dividends paid are presented in cash flows from financing activities.

Interest received from finance leases, loans granted, short-term securities and cash pooling system are presented in cash flows from investing activities. Other interests received are presented in cash flows from operating activities.

Interest paid and provisions on bank loans and borrowings received, cash pool facility, debt securities issued and finance leases are presented in cash flows from financing activities. Other interests paid are presented in cash flows from operating activities.

### 30.3.21 Financial instruments

#### 30.3.21.1 Measurement of financial assets and liabilities

At initial recognition, the Company measures financial assets and liabilities at its fair value plus, in the case of a financial asset or a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

At the end of the reporting period the Company measures loans and receivables including trade receivables at amortized cost using effective interest rate method. Effective interest is the rate which discounts estimated future cash flows or payments made in expected periods until financial instrument expiration, and in justified situations in shorter period, up to net book value of financial asset or liability.

At the end of the reporting period the Company measures its financial liabilities at amortized cost using the effective interest rate method.

#### 30.3.21.2 Transfers

In the Company there were no particular circumstances for the reclassification of the financial instruments measured at fair value through profit or loss.

#### 30.3.21.3 Hedge accounting

Derivatives designated as hedging instruments whose cash flows are expected to offset changes cash flows of a hedged item are accounted for in accordance with cash flow hedge accounting, if all of the following conditions are met:

- at the inception of the hedge there is formal designation and documentation of the hedging relationship and the Company's risk management objective and strategy for undertaking the hedge,
- the hedge is expected to be highly effective in achieving offsetting changes in fair value or cash flows attributable to the hedged risk, consistently with the originally documented risk management strategy for that particular hedging relationship,
- for cash flow hedges, a forecast transaction that is the subject of the hedge must be highly probable and must present an exposure to variations in cash flows that could ultimately impact profit or loss,
- the effectiveness of the hedge can be reliably measured,
- the hedge is assessed on an ongoing basis and determined actually to have been highly effective throughout the financial reporting periods for which the hedge was designated.

The Company does not apply hedge accounting in case when embedded derivative instrument is separated from the host contract.



### 30.3.21.3 Hedge accounting (continued)

The Company assesses effectiveness at the inception of the hedge and later, at minimum, at each reporting date. The Company assesses hedge as effective, for external reporting purposes only if the actual results of the hedge are within a range of 80% - 125%. The Company uses statistical methods, in particular regression analysis, to assess effectiveness of the hedge. The Company uses simplified analytical methods, when a hedged item and a hedging instrument are of the same nature i.e. maturity dates, amounts, changes affecting fair value risk or cash flow changes.

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction and could impact profit or loss. A forecast transaction is an uncommitted but anticipated future transaction.

If a cash flow hedge is used, it is accounted for as follows:

- the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized in other comprehensive income, and
- the ineffective portion of the gain or loss on the hedging instrument is recognised in profit or loss.

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains or losses that were recognized in other comprehensive income are reclassified to profit or loss in the same period or periods during which the asset acquired or liability assumed affect profit or loss. However, if the Company expects that all or a portion of a loss recognized in other comprehensive income will not be recovered in one or more future periods, it reclassifies the amount that is not expected to be recovered to profit or loss.

If a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, or a forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, the Company removes the associated gains and losses that were recognized in the other comprehensive income and includes them in the initial cost or other carrying amount of the asset or liability.

If a hedge of a forecast transaction results in recognition of revenues from sales of finished goods, merchandise, materials and services the Company removes the associated gains and losses that were recognised in the other comprehensive income and adjusts these revenues.

The Company discontinues cash flow hedge accounting if:

- the hedging instrument expires, is sold, terminated or exercised - in this case, the cumulative gain or loss on the hedging instrument recognized in other comprehensive income remain separately recognized in equity until the forecast transaction occurs,
- the hedge no longer meets the criteria for hedge accounting - in this case, the cumulative gain or loss on the hedging instrument recognized in other comprehensive income remains separately recognized in equity until the forecast transaction occurs,
- the forecast transaction is no longer expected to occur, in which case any related cumulative gain or loss on the hedging instrument recognized in other comprehensive income are recognized in profit or loss,
- the designation is revoked – in this case the cumulative gain or loss on the hedging instrument recognised in other comprehensive income remain separately recognized in equity until the forecast transaction occurs or is no longer expected to occur.

The gain or loss on the hedging instrument relating to the effective portion of the hedge that has been recognized in other comprehensive income shall be reclassified from equity to profit or loss as a reclassification adjustment on a disposal of the foreign operations.

### 30.3.22 Fair value measurement

The Company maximises the use of relevant observable inputs and minimizes the use of unobservable inputs to meet the objective of fair value measurement, which is to estimate the price at which an orderly transaction to transfer the liability or equity instrument would take place between market participants as at the measurement date under current market conditions.

The Company measures derivative instruments at fair value using valuation models for financial instruments based on generally available exchange rates, interest rates, forward and volatility curves, for currencies and commodities quoted on active markets.

Fair value of derivatives is based on discounted future flows related to contracted transactions as the difference between term price and transaction price.

Forward rates of exchange are not modeled as a separate risk factor, but they are calculated as a result of spot rate and a forward interest rate for foreign currency in relation to CZK.

Derivative instruments are presented as assets, when their valuation is positive and as liabilities, when their valuation is negative.

Gains and losses resulting from changes in fair value of derivative instruments, for which hedge accounting is not applicable, are recognized in a current year profit or loss.

As compared to the previous reporting period the Company has not changed valuation methods concerning derivative instruments.

### 30.3.23 Lease

A lease is an agreement whereby a lessor conveys to the lessee in return for a payment or series of payments the right to use an asset for an agreed period of time.

Assets used under the operating lease, that is under the agreement that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee, are recognised as assets of the lessor. Determining whether the transfer or risks and rewards exists depends on the assessment of essence of the economic substance of the transaction.

### 30.3.24 Contingent assets and liabilities

Contingent liabilities are defined as possible obligations that arise from past events and which are dependent on the occurrence or non-occurrence of some uncertain future events not wholly within the control of the Company or present obligations that arise from past events but is not recognised because it is not probable that an outflow of resource embodying economic benefits will be required to settle the obligations or the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are not recognized in the statement of financial position however the information on contingent liabilities is disclosed unless the probability of outflow of resources relating to economic benefits is remote. Contingent liabilities acquired as the result of a business combination are recognized as provisions in the statement of financial position.

Contingent assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent assets are not recognized in the statement of financial position as it may lead to recognition of the income, which will never be gained; however the respective information on the contingent receivable is disclosed if the inflow of assets relating to economic benefits is probable the Company discloses respective information on the contingent asset in the additional information to financial statements and if practicable, estimates the influence on financial results, as according to accounting principles for valuation of provisions.

Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it becomes virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements of the period in which the change occurs. If an inflow of economic benefits has become probable, an entity discloses the contingent asset.

### 30.3.25 Subsequent events after the reporting date

Subsequent events after the reporting date are those events, favourable and unfavourable that occur between end of the reporting period and date of when the financial statements are authorized for issue. Two types of subsequent events can be identified:

- those, that provide evidence of conditions that existed as the end of the reporting period (events after the reporting period requiring adjustments) and
- those that are indicative of conditions that arose after the reporting period (events after the reporting period not requiring adjustments).

## 31. APPLICATION OF PROFESSIONAL JUDGEMENT AND ASSUMPTIONS

The preparation of separate financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, equity, revenues and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

In the matters of considerable weight, the Company's management bases its estimates on opinions of independent experts.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of IFRSs that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in notes: 7. Tax credit/(expense), 8. Property, plant and equipment, 9. Investment property, 10. Intangible assets in relation to impairment, 13 Impairment of property, plant and equipment and intangible assets, 14.1 Changes in impairment allowances of inventories to net realizable value, 24. Financial instruments and 32. Contingent assets and liabilities.

The accounting policies described above have been applied consistently to all periods presented in these separate financial statements.

## 32. CONTINGENT ASSETS AND LIABILITIES

### 32.1 Contingent assets

#### Steam cracker unit accident

As a consequence of the steam cracker unit accident which took place at the Chempark Záluží in Litvínov on 13 August 2015, the Company recognized in the 3rd quarter 2015 an impairment charge of CZK 597 million in relation to damaged assets. During the 4th quarter 2016 the unit was restored to normal modes of operation.

The Company is insured against property and mechanical damage as well as loss of business profits (business interruption) and is in the process of seeking recourse from the insurer. The Company expects that, based on the insurance policies and the internal estimates made at the end of December 2016, it should be in a position to recover repair costs estimated at approximately CZK 3 923 million, as well as recoverable lost business profits estimated at CZK 10 066 million. Out of these amounts in the period ended 31 December 2016, the Company has already recognized CZK 7 911 million in Other operating income. The Company has received CZK 6 556 million, CZK 1 355 million is presented in Trade and other receivables in the Statement of financial position and in Other adjustments in the operating activities of the Statement of cash flows. The Company estimates the value of the contingent asset from an insurance claim in the amount of CZK 6 078 million as at 31 December 2016. The final amount of compensation will depend on the final agreement with insurers.

### 32.1 Contingent assets (continued)

#### Fluid Catalytic Cracking unit accident

Following the accident of the Fluid Catalytic Cracking unit at the Kralupy refinery which occurred on 17 May 2016, crude oil processing in the Kralupy refinery was suspended and trading activity of the Company with refinery products was limited. In October 2016 the Kralupy refinery achieved full standard processing capacity.

The Company is insured against loss of business profits (business interruption) and is in the process of seeking recourse from the insurer. The Company expects that, based on the insurance policies and the internal estimates made at the end of December 2016, it should be in a position to recover lost business profits estimated at CZK 896 million. The final amount of compensation will depend on the final agreement with insurers.

#### Tax proceeding

UNIPETROL RPA, s.r.o., acting as a legal successor of CHEMOPETROL, a.s., is a party in a tax proceeding related to the validity of investment tax relief for 2005. UNIPETROL RPA, s.r.o. claims the return of income tax paid in 2006 for the fiscal year 2005 by CHEMOPETROL, a.s. The claim concerns unused investment relief attributable to CHEMOPETROL, a.s. The total value of the claim amounts to approximately CZK 325 million.

On 14 October 2015, the Czech Supreme Administrative Court annulled the Regional Court in Ústí nad Labem judgment and decided to return the case back to the Regional Court in Ústí nad Labem for re-examination. The Supreme Administrative Court commented that the Regional Court did not correctly deal with the legitimate expectations objection raised by UNIPETROL RPA, s.r.o. On 30 November 2016 the Regional Court in Ústí nad Labem resolved to annul the Appellate Tax Authority decision dated 27 October 2010. The case is now pending with the Appellate Tax Authority.

#### Claim for unjustified enrichment against ČEZ Distribuce, a.s.

On 31 August 2015 UNIPETROL RPA, s.r.o., as petitioner, submitted its action to the District Court in Děčín requesting issuance of a payment order ordering ČEZ Distribuce, a.s., as respondent, to pay an unjustified enrichment to UNIPETROL RPA, s.r.o. in the amount of CZK 303 million including interest and legal fees. The unjustified enrichment of ČEZ Distribuce, a.s. results from ČEZ Distribuce, a.s., during the period from 1 January 2013 until 30 September 2013, charging UNIPETROL RPA, s.r.o. a monthly fee for renewable sources of energy and combined heat and power production with respect to the electricity produced and distributed by UNIPETROL RPA, s.r.o. itself. The Group is of the opinion that ČEZ Distribuce, a.s., as distribution system provider, is not entitled to charge a fee to its customers with respect to electricity which was produced and consumed by the customers themselves, i.e. for electricity for which no distribution service was provided.

On 25 November 2016 UNIPETROL RPA, s.r.o. filed action, same as the one filed against ČEZ Distribuce, a.s., against OTE, a.s. (Czech operator of energy market responsible for, among others collecting (POZE) fees from energy distributors including ČEZ Distribuce, a.s.) The action was filed as a precaution.

### 32.2 Contingent liabilities

#### Claims on compensation of damages filed by I.P. – 95, s.r.o. against UNIPETROL RPA, s.r.o.

On 23 May 2012 UNIPETROL RPA, s.r.o., the subsidiary of UNIPETROL, a.s., received a petition from the District Court Ostrava, by which the claimant – I.P. – 95, s.r.o. is claiming compensation of damages totalling CZK 1 789 million. I.P. – 95, s.r.o. claims that it incurred damages as a result of an unjustified insolvency filing against I.P. – 95, s.r.o. made by UNIPETROL RPA, s.r.o. on 24 November 2009. I.P. – 95, s.r.o. assigned part of the receivable of CZK 1 742 million, to NESTARMO TRADING LIMITED, Cyprus; following the assignment, I.P. – 95, s.r.o. filed a motion regarding NESTARMO TRADING LIMITED joining the proceedings as a claimant. UNIPETROL RPA, s.r.o. is one of eight respondents against whom the petition was filed.

In a relating court proceedings, the Upper Court in Olomouc ruled that receivable of UNIPETROL RPA, s.r.o., which was claimed by UNIPETROL RPA, s.r.o. in the bankruptcy against I.P. – 95, s.r.o., was rightful, justified and existing at the time of making the insolvency filing. On basis of applicable jurisprudence – claiming of justified receivable within a bankruptcy proceedings can not cause any damage to the debtor. Hence it can be reasonably expects that the damages compensation claim against UNIPETROL RPA, s.r.o. will be rejected by the relevant court.

On 31 July 2015, the Regional Court resolved to annul the resolution of District Court in Ostrava allowing for the Cypriot company, NESTARMO TRADING LIMITED, to accede the court proceedings as plaintiff. On 12 January 2016 the District Court in Ostrava dismissed the motion of I.P. – 95, s.r.o. to allow for the Cypriot company, NESTARMO TRADING LIMITED, to accede the court proceedings as plaintiff.

Management of the Company does not recognize the alleged claim and considers the claim as unjustified and unfounded.

#### Claims regarding award for employees' intellectual work

In the year 2001 the court case commenced regarding the award for the employees' intellectual work between UNIPETROL RPA, s.r.o. and its two employees. Employees demanded award of approx. CZK 1.8 million. UNIPETROL RPA, s.r.o. as a defendant did not agree and offered the award amounting to approx. CZK 1.4 million, based on experts' valuations. In 2005 Employees plaintiffs filed the next petition to the court to extend the action to an amount of approx. CZK 82 million. The first instance hearing was held on 18 October 2011. The claimants have decreased the claimed amount to CZK 68 million.

An experts' valuation ordered by the court confirmed the amount of the reward payable to the employees in the amount of CZK 1.6 million. Both employees were paid their share of the award confirmed by the expert in the expert valuation ordered by the court, however the former employees have not withdrawn their claim.

### 32.2. Contingent liabilities (continued)

#### Support letter issued in favour of SPOLANA, a.s.

The Company has confirmed in a letter of support its commitment to provide loan financing to its subsidiary SPOLANA, a.s. for at least 12 months from the date of SPOLANA, a.s.'s 2016 financial statements.

### 33. THE GROUP STRUCTURE

The Company is part of the consolidation group UNIPETROL, a.s. The following table shows subsidiaries and joint-ventures forming the consolidated group of UNIPETROL, a.s., and the parent company's interest in the capital of subsidiaries and joint-ventures held either directly by the parent company or indirectly by the consolidated subsidiaries into the Operating segments (as of 31 December 2016).

Name and place of business	Ownership interest of the parent company in share capital	Ownership interest in share capital through subsidiaries	Operating segment	Website
<b>Parent company</b>				
UNIPETROL, a.s. Na Pankráci 127, 140 00 Praha 4, Czech Republic			Corporate Functions	www.unipetrol.cz
<b>Subsidiaries consolidated in full method</b>				
ČESKÁ RAFINÉRSKÁ, a.s. Záluží 2, 436 70 Litvínov, Czech Republic	100.00%	--	Downstream	www.ceskarafinerska.cz
HC VERVA Litvínov, a.s. Litvínov, S.K. Neumanna 1598, Czech Republic	--	70.95%	Corporate Functions	www.hokej-litvinov.cz
Nadace Unipetrol Záluží 1, 436 70 Litvínov, Czech Republic	--	100.00%	Corporate Functions	
PARAMO, a.s. Přerovská 560, Svítkov, 530 06 Pardubice, Czech Republic	100.00%	--	Downstream	www.paramo.cz
Paramo Oil s.r.o. (dormant entity) Přerovská 560, Svítkov, 530 06 Pardubice, Czech Republic	--	100.00%	Downstream	
PETROTRANS, s.r.o. Střelnická 2221, 182 00 Praha 8, Czech Republic	0.63%	99.37%	Downstream	www.petrotrans.cz
SPOLANA a.s. ul. Práce 657, 277 11 Neratovice, Czech Republic	--	100.00%	Downstream	www.spolana.cz
UNIPETROL Deutschland GmbH Paul Ehrlich Str. 1/B, 63225 Langen/Hessen, Germany	0.10%	99.90%	Downstream	www.unipetrol.de
UNIPETROL DOPRAVA s.r.o. Litvínov - Růžodol č.p. 4, 436 70 Litvínov, Czech Republic	0.12%	99.88%	Downstream	www.unipetroidoprava.cz
UNIPETROL RPA, s.r.o. Litvínov - Záluží 1, 436 70 Litvínov, Czech Republic	100.00%	--	Downstream Corporate Functions Retail	www.unipetrolrpa.cz
UNIPETROL RPA Hungary Kft. 2040 Budaörs, Puskás Tivadar utca 12, Hungary	--	100.00%	Downstream	
UNIPETROL SLOVENSKO s.r.o. Jašíkova 5, Ružinov, 821 03 Bratislava, Slovak Republic	13.04%	86.96%	Downstream	www.unipetrol.sk
Unipetrol výzkumně vzdělávací ústav, a.s. Revoluční 84/č.p. 1521, Ústí nad Labem, Czech Republic	100.00%	--	Corporate functions	www.vuanch.cz
<b>Joint operations consolidated based on shares in assets and liabilities</b>				
Butadien Kralupy a.s. O. Wichterleho 810, 278 01 Kralupy nad Vltavou, Czech Republic	51.00%	--	Downstream	www.butadlen.cz

The Group has a 70.95% interest in HC VERVA LITVÍNOV, a.s., the remaining non-controlling interest in this company is owned by municipality of Litvínov.

### 34. MERGERS

#### 34.1 Merger with BENZINA, s.r.o.

On 1 January 2016 the merger between the Company and BENZINA, s.r.o. has been registered in the Commercial register. The Company became a legal successor after the merger. The decisive day of the merger was 1 January 2016. The assets and liabilities which were subject of the merger are presented below:

	Note	Balance as at 01/01/2016	Elimination	Impact of the merger
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	8.	4 559 917	-	4 559 917
Investment property	9.	116 289	-	116 289
Intangible assets	10.	49 774	-	49 774
Shares in related parties		19 346	-	19 346
Other non-current assets		3 059	-	3 059
		<b>4 748 385</b>	<b>-</b>	<b>4 748 385</b>
<b>Current assets</b>				
Inventories	14.	306 401	-	306 401
Trade and other receivables	15.	507 806	(647 038)	(139 232)
Other financial assets		412	-	412
Cash and cash equivalents	17.	35 233	-	35 233
		<b>849 852</b>	<b>(647 038)</b>	<b>202 814</b>
<b>Total assets</b>		<b>5 598 237</b>	<b>(647 038)</b>	<b>4 951 199</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Share capital		1 860 779	(1 860 779)	-
Retained earnings		1 991 415	1 860 779	3 852 194
<b>Total equity</b>		<b>3 852 194</b>	<b>-</b>	<b>3 852 194</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Provisions	20.	759	-	759
Deferred tax liabilities	7.2	48 976	-	48 976
		<b>214 753</b>	<b>-</b>	<b>214 753</b>
<b>Current liabilities</b>				
Trade and other liabilities	22.	1 157 201	(647 038)	510 163
Loans and borrowings	24.	4	-	4
Current tax liabilities		43 966	-	43 966
Provisions	20.	100	-	100
Other financial liabilities	23.	330 019	-	330 019
		<b>1 531 290</b>	<b>(647 038)</b>	<b>884 252</b>
<b>Total liabilities</b>		<b>1 746 043</b>	<b>(647 038)</b>	<b>1 099 005</b>
<b>Total equity and liabilities</b>		<b>5 598 237</b>	<b>(647 038)</b>	<b>4 951 199</b>

### 34.2 Merger between UNIPETROL RPA, s.r.o., UNIPETROL SERVICES, s.r.o., CHEMOPETROL, a.s. and UNIPETROL RAFINÉRIE, s.r.o.

On 2 August 2016 the merger between the Company and UNIPETROL SERVICES, s.r.o., CHEMOPETROL, a.s. and UNIPETROL RAFINÉRIE, s.r.o. has been registered in the Commercial register. The Company became a legal successor after the merger. The decisive day of the merger was 1 January 2016.

The assets and liabilities which were subject of the merger are presented below:

	Note	Balance as at 02/08/2016	Elimination	Impact of the merger
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	8.	44 059	-	44 059
Intangible assets	10.	47 765	-	47 765
Shares in related parties		-	(1 892)	(1 892)
		<b>91 824</b>	<b>(1 892)</b>	<b>89 932</b>
<b>Current assets</b>				
Inventories	14.	14	-	14
Trade and other receivables	15.	23 091	(16 838)	6 253
Other financial assets	16.	49 018	-	49 018
Current tax receivables		1 458	-	1 458
Cash and cash equivalents	17.	4 046	-	4 046
		<b>77 627</b>	<b>(16 838)</b>	<b>60 789</b>
<b>Total assets</b>		<b>169 451</b>	<b>(18 730)</b>	<b>150 721</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Share capital		102 400	(102 400)	-
Retained earnings		12 423	100 508	112 931
<b>Total equity</b>		<b>114 823</b>	<b>(1 892)</b>	<b>112 931</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Provisions	20.	4 115	-	4 115
Deferred tax liabilities	7.2	8 004	-	8 004
		<b>12 119</b>	<b>-</b>	<b>12 119</b>
<b>Current liabilities</b>				
Trade and other liabilities	22.	41 026	(16 838)	25 188
Provisions	20.	483	-	483
		<b>42 509</b>	<b>(16 838)</b>	<b>25 671</b>
<b>Total liabilities</b>		<b>54 628</b>	<b>(16 838)</b>	<b>37 790</b>
<b>Total equity and liabilities</b>		<b>169 451</b>	<b>(18 730)</b>	<b>150 721</b>

### 34.3 Merger between UNIPETROL RPA, s.r.o. and ČESKÁ RAFINÉRSKÁ, a.s.

The merger by amalgamation of the Company and ČESKÁ RAFINÉRSKÁ, a.s. was approved by the companies' General Meetings with legal succession of UNIPETROL RPA, s.r.o. on 26 September 2016. The legal effects of the merger came into force as at 1 January 2017. It is expected that as a result of the merger the retained earnings of the Company will increase by CZK 8 110 610 thousand.

### 35. SUBSEQUENT EVENTS AFTER THE REPORTING DATE

As at 1 January 2017 came into force the legal effects of the merger between UNIPETROL RPA, s.r.o. and ČESKÁ RAFINÉRSKÁ, a.s. as described in note 34.3.

In February 2017 the Company as a legal successor of ČESKÁ RAFINÉRSKÁ, a.s. signed with insurer and reinsures the Payment on account agreement related to the claim of Fluid Catalytic Cracking unit accident from 17 May 2016 in the amount of USD 40 million. The payment amount is unallocated as between Physical Damage and Business Interruption. Further information is presented in note 32.1.

The Company's management is not aware of any events after the end of the period that would have any material impact on the financial statements as at 31 December 2016.

### 36. STATEMENT OF STATUTORY REPRESENTATIVES AND APPROVAL OF THE FINANCIAL STATEMENTS

The statutory representatives of UNIPETROL RPA, s.r.o. hereby declare that to the best of their knowledge the foregoing financial statements and comparative data were prepared in compliance with the accounting principles applicable to the Company in force (disclosed in note 31) and that they reflect true and fair view on financial position and financial result of the Company, including basic risks and exposures.

The separate financial statements were authorized for issue by the Company's statutory representatives on 1 March 2017.

Signature of statutory representative



Miroslaw Kastelik  
Statutory Representative



**KPMG Česká republika Audit, s.r.o.**

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This document is an English translation of the Czech auditor's report.  
Only the Czech version of the report is legally binding.

**Independent Auditor's Report to the Member of  
UNIPETROL RPA, s.r.o.**

***Opinion***

We have audited the accompanying financial statements of UNIPETROL RPA, s.r.o. ("the Company"), prepared in accordance with International Financial Reporting Standards as adopted by the European Union, which comprise the statement of financial position as at 31 December 2016, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes. Information about the Company is set out in Note 1 to the financial statements.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2016, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

***Basis for Opinion***

We conducted our audit in accordance with the Act on Auditors, and Auditing Standards of the Chamber of Auditors of the Czech Republic, consisting of International Standards on Auditing (ISAs) as amended by relevant application guidelines. Our responsibilities under those regulations are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.





### ***Other Information***

In accordance with Section 2(b) of the Act on Auditors, other information is defined as information included in the annual report other than the financial statements and our auditor's report. The statutory body is responsible for the other information.

Our opinion on the financial statements does not cover the other information. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. In addition, we assess whether the other information has been prepared, in all material respects, in accordance with applicable laws and regulations, in particular, whether the other information complies with laws and regulations in terms of formal requirements and the procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with those requirements could influence judgments made on the basis of the other information.

Based on the procedures performed, to the extent we are able to assess it, we report that:

- the other information describing matters that are also presented in the financial statements is, in all material respects, consistent with the financial statements; and
- the other information has been prepared in accordance with applicable laws and regulations.

In addition, our responsibility is to report, based on the knowledge and understanding of the Company obtained in the audit, on whether the other information contains any material misstatement. Based on the procedures we have performed on the other information obtained, we have not identified any material misstatement.

### ***Responsibilities of the Statutory Body for the Financial Statements***

The statutory body is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as the supervisory body determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the statutory body is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the statutory body either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the above regulations will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually



or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the above regulations, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the statutory body.
- Conclude on the appropriateness of the statutory body's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



**Statutory Auditor Responsible for the Engagement**

Karel Růžička is the statutory auditor responsible for the audit of the financial statements of UNIPETROL RPA, s.r.o. as at 31 December 2016, based on which this independent auditor's report has been prepared.

Prague  
1 March 2017

  
KPMG Česká republika Audit, s.r.o.  
Registration number 71

  
Karel Růžička  
Partner  
Registration number 1895

**REPORT ON RELATIONS BETWEEN THE CONTROLLING PERSON  
AND THE CONTROLLED PERSON**

**AND**

**BETWEEN THE CONTROLLED PERSON AND OTHER PERSONS  
CONTROLLED BY THE SAME CONTROLLING PERSON**

**in 2016**

**in accordance with article 82 of the Act No. 90/2012 Coll., on Business Companies and Cooperatives  
(on Business Corporations), as amended (hereinafter the „Act on Business Corporations“)**

Financial period from 1 January 2016 to 31 December 2016 is the vesting period for this Report on relations between the controlling person and the controlled person and between the controlled person and other persons controlled by the same controlling person (hereinafter the „Report on Relations“).

#### The structure of relations between the entities

##### **Controlled Person**

UNIPETROL RPA, s.r.o. with registered office at Litvínov – Záluží 1, 436 70 Litvínov, Corporate ID: 27597075, entered in the Commercial Register maintained by the Regional Court in Ústí nad Labem, Section C, Enclosure 24430 (hereinafter „UNIPETROL RPA, s.r.o.“).

##### **Controlling Persons**

UNIPETROL, a.s. with registered office at Na Pankráci 127, 140 00 Praha 4, Corporate ID: 61672190, entered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Enclosure 3020 (hereinafter „UNIPETROL, a.s.“).

Polski Koncern Naftowy Spółka Akcyjna with registered office at Chemików 7, PŁOCK, Poland (hereinafter „Polski Koncern Naftowy Spółka Akcyjna“) is the majority shareholder of UNIPETROL, a.s.

##### **Other Controlled Persons**

The entities controlled by the Controlling Person – Polski Koncern Naftowy Spółka Akcyjna are members of business group „PKN ORLEN S.A.“, whose scheme is shown in Appendix No. 2.

The entities controlled by UNIPETROL, a.s. are members of PKN ORLEN S.A. business group and are also members of „UNIPETROL“ business group, whose scheme is shown in Appendix No. 1.

#### The role of the Controlled Person

The role of UNIPETROL RPA, s.r.o. within the business group is sale of products from crude oil, the production, processing and sale of chemicals, the production and final processing of plastics and the production, processing, distribution and sale of energy, particularly heat, electricity and gas. Furthermore, the Company is due to merge with BENZINA, s.r.o. engaged in the distribution of fuels and operation of gas stations. In addition to these principal activities, the Company is engaged in other activities that are necessary to support the principal activities, advisory services relating to research and development, environmental protection, software and hardware advisory services and other services.

#### The method and means of controlling

UNIPETROL, a.s. is the sole shareholder of UNIPETROL RPA, s.r.o. and has direct influence in UNIPETROL RPA, s.r.o.

Polski Koncern Naftowy Spółka Akcyjna is the majority shareholder of UNIPETROL, a.s. and has indirect influence in UNIPETROL RPA, s.r.o. through UNIPETROL a.s.

#### The list of actions undertaken in the last financial period made on instigation or in the interest of the Controlling Person or entities controlled by such entity, on condition such actions concern assets exceeding 10% of the controlled entity's equity capital identified in the last financial statements

In the vesting period there were actions carried out in accordance with article 82 (2d) of the Act on Business Corporations. The list of mutual agreements with the details is enclosed in Appendix No. 3., the list of transactions and balances of the Company with related parties is presented in the note 28 of the Separate financial statements of UNIPETROL RPA, s.r.o. for the year 2016.

#### The list of mutual agreements between the Controlled Person and the Controlling Person or between the Controlled Persons

The mutual agreements between UNIPETROL RPA, s.r.o. and UNIPETROL, a.s. and Polski Koncern Naftowy Spółka Akcyjna and Other Controlled Persons were concluded on the standard terms, while agreed and provided performances or counter-performances were based on the standard terms of business relations.

The list of mutual agreements with the details is enclosed in Appendix No. 3.

The conclusion

The statutory representatives of UNIPETROL RPA, s.r.o. based on available information declare that UNIPETROL RPA, s.r.o incurred no detriment, special advantage or disadvantage in accordance with the article 82 (4) of the Act of Business Corporations as a result of any contracts, acts or measures taken between entities in business group. No risks arise from the relations between entities in business group to UNIPETROL RPA, s.r.o. except those arising from standard participation in international business group.

The statutory representatives prepared the Report on Relations based on information available on the date of the Report on Relations.

The Report on Relations is to be read in conjunction with the Appendix No. 1, 2 and 3.

Litvínov, 1 March 2017

On behalf of statutory representatives of UNIPETROL RPA, s.r.o.



---

Miroslav Kastelik,  
Statutory representative

## Appendix No. 1

## BUSINESS GROUP OF UNIPETROL, a.s. – controlled entities

1 January 2016 - 31 December 2016

Companies controlled by UNIPETROL, a.s.	Residence	Shares in directly and indirectly controlled companies		Note
		Share in % of the capital		
Companies with direct share of UNIPETROL, a.s.				
Companies with indirect share of UNIPETROL, a.s.		1.1.	31.12.	
<b>1. UNIPETROL RPA, s.r.o., IČ 275 97 075</b>	Litvínov, Záluží 1	<b>100,00</b>	<b>100,00</b>	
1.1 HC VERVA Litvínov, a.s., IČ 640 48 098	Litvínov, S.K. Neumanna 1598	70,95	70,95	Other shareholders - Litvínov city owns 22,14% and HC Litvínov, o.s. owns 6,91%
1.2 CHEMOPETROL, a.s., IČ 254 92 110	Litvínov, Záluží 1	100,00	-	Company merged to UNIPETROL RPA, s.r.o. on 2.8.2016
1.3 UNIPETROL DOPRAVA, s.r.o., IČ 640 49 701	Litvínov, Růžodol 4	99,88	99,88	0,12% owned by UNIPETROL, a.s.
1.4 UNIPETROL DEUTSCHLAND GmbH, IČ HRB 34346	Langen, Germany, Paul-Ehrlich-Strasse 1B	99,90	99,90	0,1% owned by UNIPETROL, a.s.
1.5 UNIPETROL SLOVENSKO, s.r.o., IČ 357 77 087	Bratislava - mestská časť Ružinov, Jašíkova 2, Slovensko	86,96	86,96	13,04% owned by UNIPETROL, a.s.
1.6 UNIPETROL RPA Hungary Kft., IČ 13-09-181774	2040 Budaörs, Puskás Tivadar utca 12, Hungary	100,00	100,00	
1.7 SPOLANA a.s., IČ 451 47 787	Neratovice, ul. Práce 657	-	100,00	Company purchased on 10.6.2016
1.8 Nadace Unipetrol	Litvínov, Záluží 1	-	100,00	Foundation established on 27.12.2016
<b>2. UNIPETROL SERVICES, s.r.o., IČ 276 08 051</b>	Litvínov, Záluží 1	<b>100,00</b>	<b>-</b>	Company merged to UNIPETROL RPA, s.r.o. on 2.8.2016
<b>3. Unipetrol výzkumně vzdělávací centrum, a.s., IČ 622 43 136</b>	Ústí nad Labem, Revoluční 1521/ 84	<b>100,00</b>	<b>100,00</b>	
<b>4. BENZINA, s.r.o., IČ 601 93 328</b>	Praha 4, Na Pankráci 127	<b>100,00</b>	<b>-</b>	Company merged to UNIPETROL RPA, s.r.o. on 1.1.2016
4.1 PETROTRANS, s.r.o., IČ 251 23 041	Praha 8, Libeň, Střelničná 2221/50	99,37	99,37	0,63% owned by UNIPETROL, a.s.
<b>5. UNIPETROL RAFINÉRIE, s.r.o. IČ 278 85 429</b>	Litvínov, Záluží 1	<b>100,00</b>	<b>-</b>	Company merged to UNIPETROL RPA, s.r.o. on 2.8.2016
<b>6. ČESKÁ RAFINÉRSKÁ, a.s., IČ 627 41 772</b>	Litvínov, Záluží 2	<b>100,00</b>	<b>100,00</b>	
<b>7. UNIPETROL AUSTRIA, GmbH, in liquidation, IČ 43 551</b>	Vienna, Apfalgasse 2, Austria	<b>100,00</b>	<b>-</b>	UNIPETROL AUSTRIA, GmbH ceased to exist and was deleted from respective Commercial Register with effect as of 9.9.2016.
<b>8. PARAMO, a.s., IČ 481 73 355</b>	Pardubice, Svítkov, Přerovská 560	<b>100,00</b>	<b>100,00</b>	
8.1 MOGUL SLOVAKIA, s.r.o., IČ 36 222 992	Hradiště pod Vrátnou, U ihriska 300, Slovensko	100,00	-	Company merged to UNIPETROL SLOVENSKO, s.r.o. on 1.1.2016
8.2 Paramo Oil s.r.o., IČ 246 87 341	Pardubice, Přerovská 560	100,00	100,00	
<b>9. Butadien Kralupy a.s., IČ 278 93 995</b>	Kralupy nad Vltavou, O. Wichterleho 810	<b>51,00</b>	<b>51,00</b>	49% shares owned by SYNTHOS Kralupy a.s.
<b>Other companies with share of UNIPETROL, a.s.</b>				
<b>1. UNIVERSAL BANKA, a.s, in bankruptcy, IČ 482 64 865</b>	Praha 1, Senovážné náměstí 1588/4	<b>16,45</b>	<b>16,45</b>	12,24% shares owned by UNIPETROL RPA, s.r.o.
<b>2. ORLEN HOLDING MALTA LIMITED, IČ C 39945</b>	Level 3, Triq ir-Rampa ta' San Giljan, Balluta Bay, St Julians, STJ1062 Malta	<b>0,5</b>	<b>0,5</b>	99,5% shares owned by PKN ORLEN S.A.

Appendix No. 2

Capital Group of PKN ORLEN S.A. - Controlled Companies  
1 January 2016 - 31 December 2016

Company controlled by PKN ORLEN S.A.	Residence	Shares in directly and indirectly controlled		Note
		as at 1.1.2016	as at 31.12.2016	
<b>1. Unipetrol a.s.</b>	<b>Prague</b>	<b>62,99%</b>	<b>62,99%</b>	
<b>2. AB ORLEN Lietuva</b>	<b>Juodeikiai</b>	<b>100,00%</b>	<b>100,00%</b>	
2.1 UAB Mazeikiu Nafta Trading House	Vilnius	100,00%	100,00%	
2.1.1 SIA ORLEN Latvija	Riga, Latvia	100,00%	100,00%	
2.1.2 ORLEN Eesti OU	Tallin, Estonia	100,00%	100,00%	
2.2 UAB EMAS	Juodeikiai	100,00%	100,00%	
<b>3. AB Ventus Nafta</b>	<b>Vilnius</b>	<b>100,00%</b>	<b>100,00%</b>	
<b>4. Anwil S.A.</b>	<b>Wloclawek</b>	<b>100,00%</b>	<b>100,00%</b>	
4.2 Pro-Lab Sp. z o.o. w likwidacji	Wloclawek	99,99%	0,00%	Company liquidated on 18.4.2016
4.3 SPOLANA a.s.	Neratovice	100,00%	0,00%	Company disposed on 10.6.2016 to UNIPETROL RPA, s.r.o.
4.4 Przedsiębiorstwo Usług Technicznych Wircom Sp. z o.o.	Wloclawek	97,38%	0,00%	Company merged to ORLEN Serwis on 29.2.2016
<b>5. Inowrocławskie Kopalnie Soli "SOLINO" S.A.</b>	<b>Inowrocław</b>	<b>100,00%</b>	<b>100,00%</b>	
<b>6. Kopalnia Soli Lubień sp. z o.o.</b>	<b>Warszawa</b>	<b>100,00%</b>	<b>100,00%</b>	
<b>7. ORLEN Administracja Sp. z o.o.</b>	<b>Plock</b>	<b>100,00%</b>	<b>100,00%</b>	
<b>8. ORLEN Asfalt sp. z o.o.</b>	<b>Plock</b>	<b>100,00%</b>	<b>100,00%</b>	
8.1 ORLEN Asfalt Ceska Republika s.r.o.	Pardubice	100,00%	100,00%	
<b>9. ORLEN Serwis S.A.</b>	<b>Plock</b>	<b>100%</b>	<b>100%</b>	
<b>10. ORLEN Budonaft Sp. z o.o.</b>	<b>Limanowa</b>	<b>100%</b>	<b>100%</b>	
<b>11. ORLEN Centrum Serwisowe Sp. z o.o.</b>	<b>Opole</b>	<b>99,33%</b>	<b>99,33%</b>	
<b>12. ORLEN Deutschland GmbH</b>	<b>Elms horn</b>	<b>100,00%</b>	<b>100,00%</b>	
<b>13. ORLEN EKO Sp. z o.o.</b>	<b>Plock</b>	<b>100,00%</b>	<b>100,00%</b>	
<b>14. Orlen Holding Malta Limited</b>	<b>St. Julians, Malta</b>	<b>99,50%</b>	<b>99,50%</b>	
14.1 Orlen Insurance Ltd.	St. Julians, Malta	99,99%	99,99%	
<b>15. ORLEN KoITrans Sp. z o.o.</b>	<b>Plock</b>	<b>99,85%</b>	<b>99,85%</b>	
<b>16. ORLEN Centrum Usług Korporacyjnych sp. z o.o.</b>	<b>Plock</b>	<b>100,00%</b>	<b>100,00%</b>	
<b>17. Orlen Laboratorium S.A.</b>	<b>Plock</b>	<b>99,38%</b>	<b>99,38%</b>	Company transformed into joint stock company on 10.8.2016
<b>18. ORLEN Ochrona Sp. z o.o.</b>	<b>Plock</b>	<b>100,00%</b>	<b>100,00%</b>	
18.1 ORLEN Apsauga UAB	Juodeikiai	100,00%	100,00%	
<b>19. ORLEN OIL Sp. z o.o.</b>	<b>Kraków</b>	<b>100,00%</b>	<b>100,00%</b>	
<b>20. ORLEN Paliwa Sp. z o.o.</b>	<b>Wielka</b>	<b>100%</b>	<b>100,00%</b>	
20.1 Petro-Mawi Sp. z o.o. w likwidacji	Sosnowiec	60,00%	60,00%	
<b>21. ORLEN Projekt S.A.</b>	<b>Plock</b>	<b>99,77%</b>	<b>99,77%</b>	
<b>22. ORLEN Transport Kraków Sp. z o.o. w upadłości</b>	<b>Kraków</b>	<b>98,41%</b>	<b>98,41%</b>	
<b>23. ORLEN Transport S.A.</b>	<b>Plock</b>	<b>100,00%</b>	<b>0,00%</b>	Company disposed on 29.2.2016
<b>24. ORLEN Upstream Sp. z o.o.</b>	<b>Warszawa</b>	<b>100,00%</b>	<b>100,00%</b>	
24.1 ORLEN Upstream International B.V.	Amsterdam	100,00%	0,00%	Company merged to ORLEN Upstream sp. z o.o. on 21.10.2016
24.1.1 Orlen Upstream Canada Ltd	Calgary	100,00%	100,00%	Company directly controlled by Orlen Upstream Sp. z o.o. as of 21.10.2016
24.1.1.1 Kicking Horse Energy Inc.	Calgary	100,00%	0,00%	Company merged to Orlen Upstream Canada Ltd. on 1.1.2016
24.1.1.1.1 KCK Operating Company Ltd.	Calgary	100,00%	0,00%	Company merged to Orlen Upstream Canada Ltd. on 1.1.2016
24.1.1.1.2 Columbia Natural Resources Canada Ltd.	Calgary	100,00%	0,00%	Company merged to Orlen Upstream Canada Ltd. on 1.1.2016
24.1.1.1.3 Kicking Horse International Exploration Ltd.	Calgary	100,00%	0,00%	Company merged to Orlen Upstream Canada Ltd. on 1.1.2016
24.1.1.1.4 Pierdiae Production GP Ltd.	Calgary	50,00%	50,00%	The remaining stake owned by Pierdiae Energy Limited. Pierdiae Energy Limited owned in 11% by KCK Atlantic Holdings Ltd. Company directly controlled by OUC Ltd. as of 1.1.2016
24.1.1.1.4.1 671519 N.B. Ltd. (New Brunswick)	Saint John	100,00%	100,00%	Company directly controlled by Pierdiae Production GP Ltd.
24.1.1.1.5 KCK Atlantic Holdings Ltd.	Calgary	100,00%	100,00%	Company directly controlled by OUC Ltd. as of 1.1.2016
24.1.1.1.5.1 Pierdiae Production LP	Calgary	80,00%	80,00%	The remaining stake owned by Pierdiae Energy Limited. Pierdiae Energy Limited owned in 11% by KCK Atlantic Holdings Ltd.
24.1.1.2 1426628 Alberta Ltd.	Calgary	100,00%	100,00%	Company directly controlled by OUC Ltd. as of 1.1.2016
24.1.1.3 OneEx Operations Partnership	Calgary	100,00%	100,00%	Company directly controlled by OUC Ltd. as of 1.1.2016



Company controlled by PKN ORLEN S.A.	Residence	Shares in directly and indirectly controlled		Note
		as at 1.1.2016	as at 31.12.2016	
24.3 Kiwi Acquisition Corp.	Carson City	100,00%	0,00%	Company merged to FX Energy Inc on 1.1.2016
24.3.1 FX Energy Inc.	Salt Lake City	100,00%	100,00%	Company directly controlled by Orlen Upstream Sp. z o.o. as of 21.10.2016
24.3.1.1 FX Drilling Company, Inc.	Salt Lake City	100,00%	0,00%	Company disposed on 30.12.2016
24.3.1.2 FX Producing Company, Inc.	Salt Lake City	100,00%	0,00%	Company disposed on 30.12.2016
24.3.1.3 Frontier Exploration, Inc.	Salt Lake City	100,00%	100,00%	
24.3.1.4 FX Energy Netherlands Partnership C.V.	Utrecht	100,00%	100,00%	0,01% stake owned by FX Energy Inc. The remaining part (99,99%) owned by Frontier Exploration Inc.
24.3.1.4.1 FX Energy Netherlands B.V.	Utrecht	100,00%	100,00%	
24.3.1.4.1.1 FX Energy Polska Sp. z o.o.	Warszawa	100,00%	100,00%	
25. ORLEN Wir Sp. z o.o.	Płock	76,59%	0,00%	Company merged to ORLEN Serwis on 29.2.2016
26. Petrolot Sp. z o.o.	Warszawa	100,00%	100,00%	
27. ORLEN Południe S.A.	Trzebinia	100,00%	100,00%	
27.1 Energomedia Sp. z o.o.	Trzebinia	100,00%	100,00%	
27.2 Euronafit Trzebinia Sp. z o.o.	Trzebinia	100,00%	100,00%	
27.3 EkoNaft Sp. z o.o. w likwidacji	Trzebinia	100,00%	0,00%	Company liquidated on 17.5.2016
27.4 KONSORCJUM OLEJÓW PRZEPRAĆCOWANYCH - ORGANIZACJA ODZYSKU OPAKOWAŃ I OLEJÓW S.A.	Jedlicze	89,00%	89,00%	
27.5 RAN-WATT Sp. z o.o. w likwidacji	Toruń	51,00%	51,00%	
28. Ship - Service S.A.	Warszawa	60,86%	60,86%	
29. ORLEN Finance AB	Stokholm	100,00%	100,00%	
30. ORLEN Capital AB	Stokholm	100,00%	100,00%	
31. Baltic Power Sp. z o.o.	Warszawa	100,00%	100,00%	
32. Basell Orlen Polyolefins Sp. z o.o.	Płock	50,00%	50,00%	
32.1 Basell Orlen Polyolefins Sprzedaż Sp. z o.o.	Płock	100,00%	100,00%	
33. Płocki Park Przemysłowo-Technologiczny S.A.	Płock	50,00%	50,00%	
33.1 Centrum Edukacji Sp. z o.o.	Płock	69,43%	69,43%	

Appendix No. 3

The list of mutual agreements between the controlling and controlled entity or between the controlled entities

No. of agreement /appendix	Company	Partn. role	Subject of the agreement	Reason for agreement/appendix	Valid from	Valid to
0159 - 2016 rev. 0 ddd. 0	PETROTRANS, s.r.o.	Supplier	Road transportation of fuel by trucks for wholesale customers	Provision of services	1.1.2016	31.10.2019
1219 - 2016 rev. 0 ddd. 0	Buzadien Králový a.s.	Customer	Agreement on provision of services Buzadien Králový a.s. - SJA	Provision of services	1.1.2014	indefinite
1172 - 2016 rev. 0 ddd. 0	UNIPETROL a.s.	Supplier	Contract for use of Goodwill UNIPETROL a.s.	Provision of services	1.12.2009	indefinite
1140 - 2016 rev. 0 ddd. 0	Polski Koncern Naftowy ORLEN S. A.	Customer	Agreement on takeover of the rights and obligations - SAF licence	licence SAF	31.12.2010	indefinite
1124 - 2016 rev. 0 ddd. 0	ORLEN PROJEKT SPOŁKA AKCYJNA	Customer	Contract for supply of energy services	Provision of services	1.10.2016	indefinite
1119 - 2016 rev. 0 ddd. 0	SPOLANA a.s.	Customer	Sale of stocks 2015-2017	Supply of products	1.10.2016	31.12.2017
1105 - 2016 rev. 0 ddd. 0	ORLEN INSURANCE LTD	Supplier	Strawacker - indemnity - four barnment	Advance payment of indemnity for the events from August	5.10.2016	indefinite
1100 - 2016 rev. 0 ddd. 0	ORLEN PROJEKT SPOŁKA AKCYJNA	Customer	Contract for supply and consumption of water	Provision of services	1.10.2016	indefinite
1095 - 2016 rev. 0 ddd. 0	UNIPETROL a.s.	Supplier	Agreement no. 0053-2016 on insurance and its administration - insurance of non-technological assets	Insurance of non-technological assets	1.1.2016	31.12.2016
1094 - 2016 rev. 0 ddd. 0	UNIPETROL a.s.	Supplier	Agreement no. 0025-2016 on insurance and its administration - liability insurance of statutory bodies members	liability insurance of statutory bodies members	1.10.2015	31.10.2016
1090 - 2016 rev. 0 ddd. 0	PARAMO, a.s.	Customer	Contract on sublease office space and related services (office space - Praha 4, Gemini A, 4. floor)	Provision of services	1.1.2013	indefinite
1084 - 2016 rev. 0 ddd. 0	Paramo a.s.	Supplier	Contract on lease, as amended	Provision of services	1.1.2012	indefinite
1083 - 2016 rev. 0 ddd. 0	ORLEN Ochrana Sp.z o. o.	Supplier	Agreement on provision of support services	Provision of services	30.9.2014	30.9.2016
1081 - 2016 rev. 0 ddd. 0	ČESKA RAFINERSKÁ, a.s.	Customer	Contract on lease - rental of hall incl. crane in ex. no.2748/2	Provision of services	1.10.2016	30.9.2017
1080 - 2016 rev. 0 ddd. 0	Polski Koncern Naftowy ORLEN S. A.	Supplier	Purchase of propane September - October 16	Supply of products	1.9.2016	31.10.2016
1077 - 2016 rev. 0 ddd. 0	ČESKA RAFINERSKÁ, a.s.	Supplier	Agreement on confidentiality and data protection and prohibition of misuse	Protection of commercial secret	1.5.2015	indefinite
1075 - 2016 rev. 0 ddd. 0	ČESKA RAFINERSKÁ, a.s.	Customer	Agreement on confidentiality and data protection and prohibition of misuse	Protection of commercial secret	9.2.2015	indefinite
1073 - 2016 rev. 0 ddd. 0	ČESKA RAFINERSKÁ, a.s.	Supplier	Agreement on confidentiality and data protection and prohibition of misuse	Protection of commercial secret	29.7.2014	indefinite
1074 - 2016 rev. 0 ddd. 0	ČESKA RAFINERSKÁ, a.s.	Supplier	Cooperation contract to purchase of natural gas	Supply of natural gas	26.6.2014	indefinite
1072 - 2016 rev. 0 ddd. 0	ČESKA RAFINERSKÁ, a.s.	Supplier	Declaration of confidentiality	Protection of commercial secret	17.4.2013	indefinite
1071 - 2016 rev. 0 ddd. 0	Spolana a.s.	Supplier	Agreement on confidentiality and data protection and prohibition of misuse	Protection of commercial secret	10.6.2013	indefinite
1043 - 2016 rev. 0 ddd. 0	UNIPETROL, a.s.	Supplier	Agreement no. - OMS-2016 on insurance and its administration - Liability insurance - 2. layer	Liability insurance	1.5.2016	30.4.2017
1006 - 2016 rev. 0 ddd. 0	Unipetrol vyzkumné a vývojové centrum, a.s.	Customer	Agreement on confidentiality and data protection and prohibition of misuse	Protection of commercial secret	22.3.2016	indefinite
0959 - 2016 rev. 0 ddd. 0	ČESKA RAFINERSKÁ, a.s.	Supplier	Framework agreement on vehicle lease	Provision of services	1.12.2015	indefinite
0935 - 2016 rev. 0 ddd. 0	Polski Koncern Naftowy ORLEN S. A.	Customer	Sales of naphta July 15 - II	Supply of products	1.7.2016	31.7.2016
0934 - 2016 rev. 0 ddd. 0	Polski Koncern Naftowy ORLEN S. A.	Customer	Sales of naphta July 15 - I	Supply of products	1.7.2016	31.7.2016
0846 - 2016 rev. 0 ddd. 0	HC VERVA Litvínov, a.s.	Supplier	Agreement on confidentiality and data protection and prohibition of misuse	Protection of commercial secret	15.10.2014	indefinite
0773 - 2016 rev. 0 ddd. 0	Polski Koncern Naftowy ORLEN S.A.	Supplier	Framework agreement on provision of IT services	Provision of services	2.1.2012	indefinite
0724 - 2016 rev. 0 ddd. 0	UNIPETROL, a.s.	Customer	Protection of commercial secret	Protection of commercial secret	1.6.2007	indefinite
0705 - 2016 rev. 0 ddd. 0	PARAMO, a.s.	Customer	Protection of commercial secret	Protection of commercial secret	1.1.2016	indefinite
0689 - 2016 rev. 0 ddd. 0	Polski Koncern Naftowy ORLEN S. A.	Customer	Sales of naphta August 16 - II	Supply of products	1.8.2016	31.8.2016
0688 - 2016 rev. 0 ddd. 0	Polski Koncern Naftowy ORLEN S. A.	Customer	Sales of naphta August 16 - I	Supply of products	1.8.2016	31.8.2016
0679 - 2016 rev. 0 ddd. 0	UNIPETROL RPA, s.r.o.	Customer	Contract for allowing construction works	Preparation of the project "Reconstruction of the railway bridges - Sliding Unipetrol Doprava, s.r.o."	10.8.2016	indefinite
0636 - 2016 rev. 0 ddd. 0	Anwil S. A.	Customer	Sales of ammonia	Supply of products	1.7.2016	31.7.2016
0627 - 2016 rev. 0 ddd. 0	Polski Koncern Naftowy ORLEN S. A.	Customer	Naphta June 16 - 2	Supply of products	1.6.2016	30.6.2016
0626 - 2016 rev. 0 ddd. 0	Polski Koncern Naftowy ORLEN S. A.	Customer	Naphta June 16 - 1	Supply of products	1.6.2016	30.6.2016
0588 - 2016 rev. 0 ddd. 0	ORLEN INSURANCE LTD	Supplier	Insurance against terrorism, sabotage or intentional damage no. OIL/TER/02/2016	Insurance against terrorism, sabotage or intentional damage	1.7.2016	1.7.2017
0580 - 2016 rev. 0 ddd. 0	UNIPETROL a.s.	Supplier	Subrental agreement - unrealized	Provision of services	1.8.2016	indefinite
0578 - 2016 rev. 0 ddd. 0	UNIPETROL, a.s.	Customer	Contract on lease	Provision of services	1.8.2016	indefinite
0576 - 2016 rev. 0 ddd. 0	UNIPETROL, a.s.	Supplier	Agreement no. 0079-2016 on insurance and its administration - Liability insurance - 1. layer	Liability insurance	1.5.2016	30.4.2017
0553 - 2016 rev. 0 ddd. 0	Polski Koncern Naftowy ORLEN S.A.	Customer	Purchase of propen from PKN Orlen - May 16 - 2	Supply of products	1.5.2016	31.5.2016

No. of agreement / appendix	Company	Partn. role	Subject of the agreement	Reason for agreement/appendix	Valid from	Valid to
0552 - 2016 rev. 0 004. 0	Polski Koncern Nafciwy ORLEN S.A.	Customer	Purchase of propane from PIN OrLEN, May 2016 - 1	Supply of products	1.5.2016	31.5.2016
0534 - 2016 rev. 0 004. 0	ORLEN INSURANCE LTD	Supplier	Steamcracker - indemnity - third payment	Advance payment of indemnity for the events from August 2015	6.6.2016	indefinite
0488 - 2016 rev. 0 004. 0	ČESKÁ RAFINERSKÁ, a.s.	Customer	Agreement for supply of energy services - st. 4432	Provision of services	1.5.2016	16.5.2016
0430 - 2016 rev. 0 004. 0	Polski Koncern Nafciwy ORLEN S.A.	Customer	Sales of propane to POMPEN, April 15	Supply of products	1.4.2016	30.4.2016
0415 - 2016 rev. 0 004. 0	PAGRAMQ, a.s.	Customer	Lease of 129 raiars (dark products)	Provision of services	1.1.2016	31.12.2016
0418 - 2016 rev. 0 004. 0	Polski Koncern Nafciwy ORLEN S.A.	Customer	Sales of propane	Supply of products	31.3.2016	30.4.2016
0393 - 2016 rev. 0 004. 0	Polski Koncern Nafciwy ORLEN S.A.	Customer	PKN - 10 April 2016	Supply of products	1.4.2016	30.4.2016
0379 - 2016 rev. 0 004. 0	UNIPETROL DOPRAVA, s.r.o.	Customer	AGREEMENT FOR THE PROVISION OF SERVICES - management services related to lands	Provision of services	29.3.2016	indefinite
0367 - 2016 rev. 0 004. 0	UNIPETROL, a.s.	Supplier	Agreement no. 0032-2016 on insurance and its administration - insurance of non-technological assets	Insurance of non-technological assets	1.1.2016	31.12.2016
0362 - 2016 rev. 0 004. 0	Polski Koncern Nafciwy ORLEN S.A.	Supplier	Agreement on purchase of CO2 allowances	Purchase of CO2 allowances	1.4.2016	indefinite
0349 - 2016 rev. 0 004. 0	UNIPETROL, a.s.	Customer	Agreement on assignment of contract for provision of services	Assignment of contract	1.12.2016	31.12.2016
0348 - 2016 rev. 0 004. 0	UNIPETROL, a.s.	Customer	Agreement on assignment of contract for provision of services	Assignment of contract	1.1.2016	indefinite
0338 - 2016 rev. 0 004. 0	UNIPETROL, a.s.	Supplier	Agreement no. 0022-2016 on insurance and its administration - liability insurance of statutory bodies' members	Insurance against terrorism, sabotage or intentional damage	1.10.2015	31.10.2016
0308 - 2016 rev. 0 004. 0	Unipetrol vztumek rodšavao centrum, a.s.	Supplier	Development basis for URTE - VUANCH (2015)	Provision of services	1.1.2016	31.12.2016
0307 - 2016 rev. 0 004. 0	Unipetrol vztumek rodšavao centrum, a.s.	Supplier	Development basis for URTE-B&E integration of biofuels - VUANCH (2016)	Provision of services	1.1.2016	31.12.2016
0306 - 2016 rev. 0 004. 0	Unipetrol vztumek rodšavao centrum, a.s.	Supplier	Development basis for URTE-B&E - VUANCH (2015)	Provision of services	1.1.2016	31.12.2016
0305 - 2016 rev. 0 004. 0	Unipetrol vztumek rodšavao centrum, a.s.	Supplier	Development basis for BU 2 outstation of E1 - VUANCH (2016)	Provision of services	1.1.2016	31.12.2016
0276 - 2016 rev. 0 004. 0	ČESKÁ RAFINERSKÁ, a.s.	Supplier	Contract on use of vehicles - Framework	Provision of services	1.3.2016	indefinite
0245 - 2016 rev. 0 004. 0	UNIPETROL SLOVENSKO S.R.O.	Customer	Lease of 114 railway tanks (light products)	Provision of services	1.1.2016	31.12.2016
0244 - 2016 rev. 0 004. 0	ČESKÁ RAFINERSKÁ, a.s.	Customer	Lease of 256 railway tanks (88 dark, 30 LPG, 138 light)	Provision of services	1.1.2016	31.12.2016
0224 - 2016 rev. 0 004. 0	UNIPETROL DOPRAVA, s.r.o.	Customer	Contract for supply and consumption of water	Provision of services	1.1.2016	indefinite
0213 - 2016 rev. 0 004. 0	PETROTRANS, s.r.o.	Customer	Contract for supply and consumption of water	Provision of services	1.1.2016	indefinite
0206 - 2016 rev. 0 004. 0	ORLEN Ochrana So. z o.o. organizacni slozka v Ceske Republice	Customer	Contract for supply and consumption of water	Provision of services	1.1.2016	indefinite
0204 - 2016 rev. 0 004. 0	ČESKÁ RAFINERSKÁ, a.s.	Customer	Agreement for supply of energy services - st. 4432	Provision of services	1.2.2016	30.4.2016
0194 - 2016 rev. 0 004. 0	ORLEN INSURANCE LTD	Supplier	Steamcracker - indemnity - second payment	Advance payment of indemnity for the events from August 2015	15.2.2016	indefinite
0159 - 2016 rev. 0 004. 0	SPOLANA a.s.	Customer	Spolana - ammonia	Supply of products	1.1.2016	31.12.2016
0158 - 2016 rev. 0 004. 0	ČESKÁ RAFINERSKÁ, a.s.	Supplier	Agreement on provision of services - as amended	Provision of services	1.1.2016	indefinite
0133 - 2016 rev. 0 004. 0	UNIPETROL, a.s.	Customer	Agreement on provision of comprehensive services	Provision of services	1.1.2016	indefinite
0120 - 2016 rev. 0 004. 0	PETROTRANS, s.r.o.	Customer	Contract for supply of energy services	Provision of services	1.1.2016	indefinite
0114 - 2016 rev. 0 004. 0	ČESKÁ RAFINERSKÁ, a.s.	Customer	Contract on lease - rental in st. 4432 including lands - burnaround 2015	Provision of services	1.2.2016	30.4.2016
0107 - 2016 rev. 0 004. 0	UNIPETROL DOPRAVA, s.r.o.	Customer	Contract for supply of energy services	Provision of services	1.1.2016	indefinite
0093 - 2016 rev. 0 004. 0	ČESKÁ RAFINERSKÁ, a.s.	Supplier	Agreement on easement	Establishment of easement	27.12.1995	indefinite
0086 - 2016 rev. 0 004. 0	UNIPETROL DOPRAVA, s.r.o.	Supplier	Agreement on provision of services - as amended	Provision of services	1.1.2016	indefinite
0084 - 2016 rev. 0 004. 0	UNIPETROL SLOVENSKO S.R.O.	Supplier	Agreement on provision of services	Provision of services	1.1.2016	indefinite
0083 - 2016 rev. 0 004. 0	UNIPETROL SERVICES, s.r.o.	Supplier	Agreement on provision of services	Provision of services	1.1.2016	indefinite
0082 - 2016 rev. 0 004. 0	Spolana a.s.	Supplier	Agreement on provision of services	Provision of services	1.1.2016	indefinite
0081 - 2016 rev. 0 004. 0	PETROTRANS, s.r.o.	Supplier	Agreement on provision of services - as amended	Provision of services	1.1.2016	indefinite
0080 - 2016 rev. 0 004. 0	PAGRAMQ, a.s.	Supplier	Agreement on provision of services - as amended	Provision of services	1.1.2016	indefinite
0079 - 2016 rev. 0 004. 0	ORLEN ASIA Ceska republika s.r.o.	Supplier	Agreement on provision of services	Provision of services	1.1.2016	indefinite
0078 - 2016 rev. 0 004. 0	Rusdley Kraulch a.s.	Supplier	Agreement on provision of services	Provision of services	1.1.2016	indefinite
0065 - 2016 rev. 0 004. 0	UNIPETROL SLOVENSKO S.R.O.	Customer	Unipetrol Slavenab - ammonia 2	Supply of products	1.1.2016	31.12.2016
0045 - 2016 rev. 0 004. 0	ORLEN Ochrana So. z o.o. organizacni slozka v Ceske Republice	Customer	Contract for supply of energy services	Provision of services	5.11.2015	indefinite
0023 - 2016 rev. 0 004. 0	Polski Koncern Nafciwy ORLEN S.A.	Supplier	Agreement on protection of commercial secret	Protection of commercial secret	5.1.2016	4.1.2021
0016 - 2016 rev. 0 004. 0	UNIPETROL, a.s.	Supplier	Agreement on provision of services	Provision of services	1.1.2016	indefinite
0010 - 2016 rev. 0 004. 0	Unipetrol vztumek rodšavao centrum, a.s.	Supplier	Framework agreement on provision of laboratory services	Provision of services	1.1.2016	31.12.2017
0009 - 2016 rev. 0 004. 0	Unipetrol vztumek rodšavao centrum, a.s.	Supplier	Increased efficiency and new scenarios using hydrogen gas within Ochemark Field	Provision of services	1.1.2016	31.12.2016
0008 - 2016 rev. 0 004. 0	Unipetrol vztumek rodšavao centrum, a.s.	Supplier	Technical support in monitoring the development of production and use of biofuels	Provision of services	1.1.2016	31.12.2016

No. of agreement /appendix	Company	Partn. role	Subject of the agreement	Reason for agreement/appendix	Valid from	Valid to
0007 - 2016 rev. 0 ddd. 0	UNIPETROL VÝKUMNÉ VEŘEJNÝCH ZPRÁV, a.s.	Supplier	New analytical methods for the management and control of petrochemical processes	Provision of services	1.1.2016	31.12.2016
0006 - 2016 rev. 0 ddd. 0	UNIPETROL VÝKUMNÉ VEŘEJNÝCH ZPRÁV, a.s.	Supplier	Management of the catalysts in the refinery and petrochemicals / testing of a catalyst for the PS-2304 HPPD	Provision of services	1.1.2016	31.12.2016
0003 - 2016 rev. 0 ddd. 0	Buzalson Kraupy a.s.	Supplier	Business Purchase of admobu 1 + Side Letter	Supply of products	1.1.2016	31.12.2016
0007 - 2015 rev. 0 ddd. 0	ČESKÁ BAFINĚRSKÁ, a.s.	Supplier	Contract on lease of vehicles	Provision of services	1.1.2016	indefinite
0006 - 2015 rev. 0 ddd. 0	Polski Koncern Naftowy ORLEN S.A.	Supplier	AGREEMENT ON RESTRICTION TO ISSUE A GUARANTEE	Provision of services	1.1.2016	indefinite
0050 - 2015 rev. 0 ddd. 0	ORLEN INSURANCE LTD	Supplier	Agreement on payment of indemnity	Advance payment of indemnity for the events from August 2015	31.12.2015	indefinite
0047 - 2015 rev. 0 ddd. 0	PETROTRANS, s.r.o.	Customer	Agreement on organization on entrance in Chikoma, Linyov	Free entry for tanks	12.12.2015	indefinite
0044 - 2015 rev. 0 ddd. 0	UNIPETROL VÝKUMNÉ VEŘEJNÝCH ZPRÁV, a.s.	Supplier	Research on the use of methyl stabilizator	Provision of services	31.12.2016	indefinite
0043 - 2015 rev. 0 ddd. 0	Buzalson Kraupy a.s.	Supplier	Business Purchase of 3.3 business + side letter	Supply of products	1.1.2016	31.12.2016
0005 - 2015 rev. 0 ddd. 0	UNIPETROL VÝKUMNÉ VEŘEJNÝCH ZPRÁV, a.s.	Customer	Contract on lease of assets, as amended	Provision of services	1.1.2015	31.12.2016
0007 - 2015 rev. 0 ddd. 0	UNIPETROL VÝKUMNÉ VEŘEJNÝCH ZPRÁV, a.s.	Customer	Contract for supply and consumption of water	Provision of services	1.10.2015	indefinite
0001 - 2015 rev. 0 ddd. 0	UNIPETROL VÝKUMNÉ VEŘEJNÝCH ZPRÁV, a.s.	Customer	Contract for the supply of energy services, as amended	Provision of services	1.10.2015	indefinite
0061 - 2015 rev. 0 ddd. 0	UNIPETROL, a.s.	Customer	Contract for supply and consumption of water	Provision of services	1.8.2015	indefinite
0058 - 2015 rev. 0 ddd. 0	UNIPETROL, a.s.	Customer	Contract for the supply of energy services	Provision of services	1.8.2015	indefinite
0010 - 2015 rev. 0 ddd. 0	UNIPETROL DOPRAVA, s.r.o.	Customer	Settlement agreement	Compensation for the legal transactions made on the strategic assets gained off from UNIPETROL DOPRAVA, s.r.o.	1.9.2015	indefinite
0003 - 2015 rev. 0 ddd. 0	UNIPETROL DOPRAVA, s.r.o.	Supplier	Agreement on change of grant beneficiary	Transformation of UNIPETROL DOPRAVA, s.r.o. of grants from UNI to UNI RPA	25.8.2015	indefinite
0002 - 2015 rev. 0 ddd. 0	UNIPETROL DOPRAVA, s.r.o.	Supplier	Agreement on change of grant beneficiary	Transformation of UNIPETROL DOPRAVA, s.r.o. of grants from UNI to UNI RPA	25.8.2015	indefinite
0489 - 2015 rev. 0 ddd. 0	ČESKÁ BAFINĚRSKÁ, a.s.	Supplier	Contract on lease of vehicles	Provision of services	1.8.2015	indefinite
0488 - 2015 rev. 0 ddd. 0	ČESKÁ BAFINĚRSKÁ, a.s.	Supplier	Contract on lease and provision of services, as amended	Provision of services	1.8.2015	indefinite
0478 - 2015 rev. 0 ddd. 0	UNIPETROL, a.s.	Supplier	Agreement no. 0090/2015 on insurance and its administration / Liability insurance - 2. layer	Liability insurance	1.5.2015	30.4.2016
0403 - 2015 rev. 0 ddd. 0	UNIPETROL DOPRAVA, s.r.o.	Supplier	Contract for engineering services	Provision of services	1.7.2015	indefinite
0402 - 2015 rev. 0 ddd. 0	ORLEN INSURANCE LTD	Supplier	Insurance against terrorism, sabotage or intentional damage no. 0017ER/02/2015	Insurance against terrorism, sabotage or intentional damage	1.7.2015	indefinite
0401 - 2015 rev. 0 ddd. 0	UNIPETROL DOPRAVA, s.r.o.	Customer	Lease agreement for lands from their parties	Provision of services	1.7.2015	indefinite
0366 - 2015 rev. 0 ddd. 0	UNIPETROL DOPRAVA, s.r.o.	Supplier	Order contract	Sale off UNIPETROL DOPRAVA, s.r.o.	27.8.2015	indefinite
0365 - 2015 rev. 0 ddd. 0	UNIPETROL, a.s.	Supplier	Agreement no. 0072/2015 on insurance and its administration / Liability insurance - 1. layer	Liability insurance	1.5.2015	30.4.2016
0353 - 2015 rev. 0 ddd. 0	UNIPETROL DOPRAVA, s.r.o.	Customer	Contract on lease of sidings	Sale off UNIPETROL DOPRAVA, s.r.o.	27.8.2015	indefinite
0356 - 2015 rev. 0 ddd. 0	UNIPETROL DOPRAVA, s.r.o.	Supplier	Provision of transport services on the railway lines - siding for Unipetrol RPA a Česká Rafiněrska	Provision of services	1.7.2015	30.6.2018
0335 - 2015 rev. 0 ddd. 0	H.C. VERVA Linyov, a.s.	Customer	Settlement agreement/žebřík / provision of bank guaranty	Provision of services	1.7.2015	30.6.2016
0273 - 2015 rev. 0 ddd. 0	UNIPETROL DOPRAVA, s.r.o.	Customer	Contract on deposit to České celní úřadu company	Payment over share capital of UNIPETROL DOPRAVA, s.r.o.	19.12.2014	indefinite
0007 - 2014 rev. 0 ddd. 0	UNIPETROL DOPRAVA, s.r.o.	Customer	Lease of railway bins, as amended	Provision of services	1.1.2015	31.12.2016
0006 - 2014 rev. 0 ddd. 0	UNIPETROL DOPRAVA, s.r.o.	Customer	Provision of services of railway workshops	Provision of services	1.1.2015	31.12.2017
0005 - 2014 rev. 0 ddd. 0	UNIPETROL DOPRAVA, s.r.o.	Customer	Provision of services - cleaning of railway tanks and filling of ammonia, as amended	Provision of services	1.1.2015	31.12.2017
0004 - 2014 rev. 0 ddd. 0	UNIPETROL DOPRAVA, s.r.o.	Customer	Provision of rail transport services	Provision of services	1.1.2015	31.12.2017
0003 - 2014 rev. 0 ddd. 0	UNIPETROL DOPRAVA, s.r.o.	Customer	Provision of rail transport services on sidings	Provision of services	1.1.2015	31.12.2017
0001 - 2014 rev. 0 ddd. 0	UNIPETROL, a.s.	Supplier	Agreement on provision of services	Provision of services	1.1.2015	indefinite
0736 - 2014 rev. 0 ddd. 0	ORLEN INSURANCE LTD	Supplier	Insurance agreement no. 0014/02/2014 - property insurance, insurance of business	Insurance of assets	1.12.2014	30.11.2016
0696 - 2014 rev. 0 ddd. 0	UNIPETROL VÝKUMNÉ VEŘEJNÝCH ZPRÁV, a.s.	Customer	Interruption, business interruption as a result of damage to machines, as amended	Insurance of assets	9.10.2014	indefinite
0599 - 2014 rev. 0 ddd. 0	PETROTRANS, s.r.o.	Supplier	Contract for supply of heating energy, as amended	Provision of services	1.8.2014	31.7.2019
0598 - 2014 rev. 0 ddd. 0	Polski Koncern Naftowy ORLEN S.A.	Supplier	Provision of road transportation services - dedicated fleet, as amended	Provision of services	1.8.2014	indefinite
0489 - 2014 rev. 0 ddd. 0	ČESKÁ BAFINĚRSKÁ, a.s.	Customer	Contract for supply planning road	Provision of services	1.8.2014	indefinite
0404 - 2014 rev. 0 ddd. 0	ČESKÁ BAFINĚRSKÁ, a.s.	Supplier	Contract on lease and provision of services, as amended	Provision of services	1.6.2014	indefinite
0403 - 2014 rev. 0 ddd. 0	UNIPETROL DOPRAVA, s.r.o.	Customer	Cooperation in tenders	Joint implementation of the tender (Unipetrol RPA, UNIPETROL SERVICES a Česká Rafiněrska)	20.5.2014	indefinite
0312 - 2014 rev. 0 ddd. 0	SPOJANA a.s.	Customer	Agreement on confidentiality and data protection and prohibition of misuse	Protection of commercial secret	25.7.2014	indefinite
259 - 2014 rev. 0 ddd. 0	Výzkumný ústav anorganická chemie, a.s.	Customer	Agreement on supply of energy services and water, as amended	Provision of services	1.1.2014	indefinite
253 - 2014 rev. 0 ddd. 0	UNIPETROL DOPRAVA, s.r.o.	Customer	Agreement on supply of energy services and water, as amended	Provision of services	1.1.2014	indefinite
237 - 2014 rev. 0 ddd. 0	ČHEMOPETROL, a.s.	Customer	Contract for supply of energy services, as amended	Provision of services	1.1.2014	indefinite
216 - 2014 rev. 0 ddd. 0	UNIPETROL DOPRAVA, s.r.o.	Customer	Contract for supply of heating energy, as amended	Provision of services	1.1.2014	indefinite
196 - 2014 rev. 0 ddd. 0	DRLEW Dopravní Sp. z o.o.	Customer	Contract for supply of energy services and water, as amended	Provision of services	1.1.2014	indefinite

No. of agreement /appendix	Company	Partis. role	Subject of the agreement	Reason for agreement/appendix	Valid from	Valid to
82_2014 rev. 0 60d. 0	UNIPETROL DOPRAVA, s.r.o.	Customer	Agreement on provision of energy services, as amended	Provision of services	1.1.2014	indefinite
186_2014 rev. 0 60d. 0	PETROTRANS, s.r.o.	Customer	Agreement on provision of energy services and water, as amended	Provision of services	1.1.2014	indefinite
158_2014 rev. 0 60d. 0	UNIPETROL, a.s.	Customer	Contract for supply of energy services and water, as amended	Provision of services	1.1.2014	indefinite
94_2014 rev. 0 60d. 0	Unipetrol vztahovaná smlouvou smlouva, a.s.	Customer	Agreement on provision of energy supply, as amended	Provision of services	1.1.2014	indefinite
82_2014 rev. 0 60d. 0	UNIPETROL DOPRAVA, s.r.o.	Customer	Agreement on provision of energy supply, as amended	Provision of services	1.1.2014	indefinite
489_2013 rev. 0 60d. 0	OHLEN Ochrana Spolu	Customer		Provision of services	19.11.2013	31.5.2017
102_2013 rev. 0 60d. 0	Česká Republika	Supplier	Mandate agreement	Provision of services	1.3.2013	indefinite
105_2013 rev. 0 60d. 0	ČESKOPETROL, a.s.	Customer	Contract on lease, as amended	Provision of services	1.2.2013	indefinite
88_2013 rev. 0 60d. 0	ČESKA RAFINERIEKÁ, a.s.	Customer	Agreement on sale of ammonia water, as amended	Supply of products	1.1.2013	31.12.2016
518_2012 rev. 0 60d. 0	UNIPETROL, a.s.	Supplier	Agreement on termination and establishment of easement	Termination and establishment of easement	9.4.2016	indefinite
518_2012 rev. 0 60d. 0	ČESKA RAFINERIEKÁ, a.s.	Supplier	Agreement on protection of commercial secret	Protection of commercial secret	1.11.2012	indefinite
469_2012 rev. 0 60d. 0	Polski Koncern Rafinerii Orlen S.A.	Supplier	Cooperation agreement in area of centralization of risk management, as amended	Cooperation	26.10.2010	indefinite
403_2012 rev. 0 60d. 0	OHLEN FINANCE a.s.	Supplier	Accession agreement, ve záměru předložení dodatku	Accession to the agreement	30.6.2012	indefinite
378_2012 rev. 0 60d. 0	OHLEN Ochrana Sp. z o.ř. organizací sídla v České Republice	Supplier	Mandate agreement	Provision of services	27.6.2012	indefinite
376_2012 rev. 0 60d. 0	OHLEN Ochrana Sp. z o.ř. organizací sídla v České Republice	Supplier	Contract for the provision of support services, as amended	Provision of services	1.7.2012	indefinite
368_2012 rev. 0 60d. 0	OHLEN Ochrana Sp. z o.ř. organizací sídla v České Republice	Supplier	Contract for the provision of telecommunications services	Provision of services	26.6.2012	indefinite
319_2012 rev. 0 60d. 0	UNIPETROL vztahovaná smlouvou smlouva, a.s.	Customer	Contract on lease, as amended	Provision of services	30.4.2012	indefinite
313_2012 rev. 0 60d. 0	PETROTRANS, s.r.o.	Customer	Contract on lease and provision of services	Provision of services	1.4.2012	indefinite
287_2012 rev. 0 60d. 0	Unipetrol vztahovaná smlouvou smlouva, a.s.	Customer	Contract on lease and provision of services, as amended	Provision of services	1.1.2012	31.12.2016
287_2012 rev. 0 60d. 0	Unipetrol vztahovaná smlouvou smlouva, a.s.	Customer	Contract for the supply and consumption of technical gases, as amended	Supply of products	1.1.2012	indefinite
289_2012 rev. 0 60d. 0	UNIPETROL DOPRAVA, s.r.o.	Customer	Contract for the supply and consumption of technical gases, as amended	Supply of products	1.1.2012	indefinite
281_2012 rev. 0 60d. 0	UNIPETROL DOPRAVA, s.r.o.	Customer	Contract for the collection and dosing of wastewater	Changing the calculation of unauthorized consumption and wastewater treatment, the new amount of contractual parasites	1.1.2012	indefinite
199_2012 rev. 0 60d. 0	Unipetrol vztahovaná smlouvou smlouva, a.s.	Customer	Contract for the collection and dosing of wastewater from storm sewers	Changing the calculation of unauthorized consumption and wastewater treatment, the new amount of contractual parasites	1.1.2012	indefinite
171_2012 rev. 0 60d. 0	OHLEN Ochrana Sp. z o.ř. organizací sídla v České Republice	Supplier	Agreement on provision of services, ve záměru předložení dodatku	Provision of services	1.7.2012	indefinite
176_2011 rev. 0 60d. 0	Polski Koncern Rafinerii Orlen S.A.	Supplier	Cooperation agreement and mutual exchange of employees	Cooperation and exchange of employees	1.1.2011	indefinite
176_2011 rev. 0 60d. 0	SPOLANEA s.r.o.	Supplier	Agreement on protection of commercial secret	Protection of commercial secret	19.10.2011	indefinite
145_2011 rev. 0 60d. 0	UNIPETROL SERVICES, s.r.o.	Supplier	Sublease agreement, as amended	Provision of services	20.9.2011	31.7.2016
144_2011 rev. 0 60d. 0	UNIPETROL SERVICES, s.r.o.	Customer	Contract on lease of commercial spaces, as amended	Provision of services	1.1.2011	31.7.2016
478_2011 rev. 0 60d. 0	OHLEN Ochrana Sp. z o.ř. organizací sídla v České Republice	Customer	Contract on lease and provision of services, as amended	Provision of services	1.7.2011	indefinite
469_2011 rev. 0 60d. 0	OHLEN Ochrana Sp. z o.ř. organizací sídla v České Republice	Supplier	The contract on the conditions of physical security of persons and property and on the conditions of the performance of other services, as amended	Provision of services	1.7.2011	30.6.2017
165_2011 rev. 0 60d. 0	UNIPETROL, a.s.	Supplier	Agreement of use of goodwill UNIPETROL, a.s., as amended	Use of trade marks	1.1.2009	indefinite
138_2011 rev. 0 60d. 0	Unipetrol vztahovaná smlouvou smlouva, a.s.	Customer	Agreement on connection to LIG, as amended	Provision of services	1.1.2011	indefinite
135_2011 rev. 0 60d. 0	Unipetrol vztahovaná smlouvou smlouva, a.s.	Customer	Gas supply and related services and agreement for them	Supply of products	1.1.2011	indefinite
130_2011 rev. 0 60d. 0	ČESKA RAFINERIEKÁ, a.s.	Customer	Contract for the provision of electricity distribution in the level of high and low voltage	Provision of services	1.1.2011	indefinite
569_2010 rev. 0 60d. 0	UNIPETROL SERVICES, s.r.o.	Supplier	Contract on sublease office space and related services	Provision of services	1.8.2010	31.12.2018
518_2010 rev. 0 60d. 0	UNIPETROL, a.s.	Supplier	Agreement on establishment of easement	Establishment of easement	27.8.2010	indefinite
509_2010 rev. 0 60d. 0	Polski Koncern Rafinerii Orlen S.A.	Supplier	Agreement on provision of know how	Provision of know how	1.9.2010	31.12.2018
508_2010 rev. 0 60d. 0	Polski Koncern Rafinerii Orlen S.A.	Supplier	Agreement on provision of information	Provision of information	1.9.2010	31.12.2018
210_2010 rev. 0 60d. 0	ČESKA RAFINERIEKÁ, a.s.	Customer	Supply agreement in the field of operations LIG	Provision of services	1.3.2010	indefinite
154_2010 rev. 0 60d. 0	UNIPETROL, a.s.	Supplier	Agreement on termination and establishment of easement	Termination and establishment of easement	30.1.2001	indefinite
153_2010 rev. 0 60d. 0	UNIPETROL, a.s.	Supplier	Agreement on establishment of easement	Establishment of easement	27.12.1999	indefinite
40_2010 rev. 0 60d. 0	ČESKA RAFINERIEKÁ, a.s.	Customer	Agreement on connection to LIG, as amended	Provision of services	1.1.2010	indefinite
849_2009 rev. 0 60d. 0	ČESKA RAFINERIEKÁ, a.s.	Supplier	Lease agreement for building no 0111, as amended	Provision of services	1.1.2002	indefinite
834_2009 rev. 0 60d. 0	PKM Orlen S.A.	Customer	Cooperation agreement, as amended	Cooperation	8.10.2009	indefinite
627_2009 rev. 0 60d. 0	UNIPETROL, a.s.	Supplier	Agreement on provision of SAP licenses, as amended	Licence SAP	1.3.2009	indefinite
101_2009 rev. 0 60d. 0	ČESKA RAFINERIEKÁ, a.s.	Customer	Contract to contract hydrogen rich gas from Celica Rafineria, a.s. LIG/rev, as a amended	Provision of services	1.1.2009	31.12.2016
588_2009 rev. 0 60d. 0	Unipetrol vztahovaná smlouvou smlouva, a.s.	Customer	Contract on lease and provision of services, as amended	Provision of services	1.10.2010	indefinite
578_2009 rev. 0 60d. 0	UNIPETROL, a.s.	Customer	Contract on lease and provision of services, as amended	Provision of services	1.4.2009	indefinite
525_2009 rev. 0 60d. 0	UNIPETROL DOPRAVA, s.r.o.	Customer	Contract on lease, as amended	Provision of services	1.1.2009	indefinite
424_2009 rev. 0 60d. 0	UNIPETROL, a.s.	Customer	Agreement on administration of assets, S. 54001750/99, as amended	Provision of services	1.1.2000	indefinite
401_2009 rev. 0 60d. 0	ČESKA RAFINERIEKÁ, a.s.	Customer	Contract for the supply and consumption of technical gases, as amended	Supply of technical gases	1.1.2009	31.12.2016
149_2009 rev. 0 60d. 0	UNIPETROL DOPRAVA, s.r.o.	Customer	Agreement on connection to LIG, as amended	Provision of services	1.1.2009	indefinite
82_2009 rev. 0 60d. 0	Unipetrol vztahovaná smlouvou smlouva, a.s.	Customer	Agreement on provision of services	Provision of services	1.1.2009	indefinite

No. of agreement / appendix	Company	Partn. role	Subject of the agreement	Reason for agreement/appendix	Valid from	Valid to
1032-2008 rev. 0 ddd. 0	UNIPETROL, a.s.	Supplier	Corporate Level Agreement, as amended	Provision of services	18.12.2008	indefinite
1017-2008 rev. 0 ddd. 0	UNIPETROL, a.s.	Supplier	Agreement on termination and establishment of easement	Termination and Establishment of easement	12.5.2008	indefinite
763-2008 rev. 0 ddd. 0	UNIPETROL, a.s.	Supplier	Loan agreement, as amended	Provision of loan	25.6.2008	indefinite
708-2008 rev. 0 ddd. 0	UNIPETROL DOPRAVA, s.r.o.	Customer	Agreement on provision of services, as amended	Provision of services	1.1.2008	indefinite
707-2008 rev. 0 ddd. 0	UNIPETROL DOPRAVA, s.r.o.	Customer	Agreement on the joint use of the brigade	Provision of services	1.1.2008	indefinite
693-2008 rev. 0 ddd. 0	UNIPETROL DOPRAVA, s.r.o.	Customer	Contract on lease and provision of services, as amended	Provision of services	1.1.2008	indefinite
548-2008 rev. 0 ddd. 0	UNIPETROL, a.s.	Customer	Contract on lease and provision of services, as amended	Provision of services	1.3.2008	indefinite
471-2008 rev. 0 ddd. 0	UNIPETROL, a.s.	Customer	Agreement on termination and establishment of easement	Establishment of easement	1.1.2008	indefinite
457-2008 rev. 0 ddd. 0	UNIPETROL, a.s.	Supplier	Framework Contract for the development and use of common information environment for monitoring around the Unipetro Group, defined, as amended	Provision of services	1.1.2008	indefinite
5-2008 rev. 0 ddd. 0	UNIPETROL DEUTSCHLAND GmbH	Customer	Trade contract based on commission, as amended	Restructuralization of affiliates of Unipetro Trade	27.12.2007	indefinite
578-2007 rev. 0 ddd. 0	UNIPETROL SERVICES, s.r.o.	Supplier	Agreement on provision of services, as amended	Provision of services	1.4.2007	indefinite
425-2007 rev. 0 ddd. 0	Buzdian Kouchy, a.s.	Customer	Purchase agreement for supply and consumption of Ca fraction for new butadiene unit, as amended	Supply of products	1.1.2010	31.12.2025
105-2007 rev. 0 ddd. 0	ČESKÁ RAFINERSKÁ, a.s.	Supplier	Contract about supply and demand the return of heat, as amended	Provision of services	1.1.2007	31.12.2007
17-2007 rev. 0 ddd. 0	ČESKÁ RAFINERSKÁ, a.s.	Supplier	Contract about supply and demand the return of condensate, as amended	Purchase return condensate from ČRS	1.1.2007	31.12.2016
16-2007 rev. 0 ddd. 0	ČESKÁ RAFINERSKÁ, a.s.	Customer	Contract for collection and cleaning wastewater, as amended	Provision of services	1.1.2007	31.12.2016
15-2007 rev. 0 ddd. 0	ČESKÁ RAFINERSKÁ, a.s.	Customer	Contract about supply of modified water, as amended	Provision of services	1.1.2007	31.12.2016
14-2007 rev. 0 ddd. 0	ČESKÁ RAFINERSKÁ, a.s.	Customer	Contract about supply of water, as amended	Provision of services	1.1.2007	31.12.2016
13-2007 rev. 0 ddd. 0	ČESKÁ RAFINERSKÁ, a.s.	Customer	Contract for supply energy services, as amended	Provision of services	1.1.2007	31.12.2016
12-2007 rev. 0 ddd. 0	ČESKÁ RAFINERSKÁ, a.s.	Customer	Contract for the supply and consumption of heating energy, as amended	Provision of services	1.1.2007	31.12.2016
895-2006 rev. 0 ddd. 0	UNIPETROL, a.s.	Supplier	Contract for termination and establishment of easement	Termination and establishment of easement	1.12.2006	indefinite
875-2006 rev. 0 ddd. 0	UNIPETROL BAŘENIE, a.s.	Supplier	Agreement on the protection of business secrets and personal data	Protection of commercial secret	23.11.2006	indefinite
875-2006 rev. 0 ddd. 0	UNIPETROL DOPRAVA, s.r.o.	Supplier	Agreement on the protection of business secrets and personal data	Protection of commercial secret	22.11.2006	indefinite
873-2006 rev. 0 ddd. 0	UNIPETROL, a.s.	Supplier	Agreement on the protection of business secrets and personal data	Protection of commercial secret	22.11.2006	indefinite
402-2006 rev. 0 ddd. 0	UNIPETROL, a.s.	Supplier	Contract on termination and establishment of easement (exchange with Doprovírní podnik)	Termination and establishment of easement	1.4.2006	indefinite
348-2006 rev. 0 ddd. 0	PKM ORLEN S.A.	Supplier	Information Transfer and Confidentiality Agreement "Polyolefiny"	Protection of commercial secret	28.2.2006	indefinite
338-2006 rev. 0 ddd. 0	Polski Koncern Naftowy ORLEN S.A.	Supplier	Cooperation Agreement "Business Value Creation Teams"	Provision of services	16.6.2005	indefinite
333-2006 rev. 0 ddd. 0	Polski Koncern Naftowy ORLEN S.A.	Supplier	COI Cooperation Agreement	Provision of services	1.3.2006	indefinite
1502-2005 rev. 0 ddd. 0	Unipetroł wykwamé zokwalid centrum, a.s.	Supplier	Provision of analytical work	Provision of services	1.1.2000	indefinite
č. 01655 / 2004	UNIPETROL, a.s.	Supplier	Contract on termination and establishment of easement	Termination and establishment of easement	8.12.2004	indefinite
č. 0369 / 2004	ČESKÁ RAFINERSKÁ, a.s.	Customer	Agreement on provision of services	Provision of services	1.1.2005	indefinite
č. 00913 / 2004	UNIPETROL DOPRAVA, s.r.o.	Supplier	Contract for provision of security services advisory, as amended	Provision of services	1.1.2004	indefinite
5-400/020/03	UNIPETROL, a.s.	Supplier	Establishment and termination of easement	Termination and establishment of easement	11.3.2003	indefinite
5303-2003 rev. 0 ddd. 1	UNIPETROL, a.s.	Supplier	Agreement for contracts on easement	Provision of services	1.2.2007	indefinite
291-2008	UNIPETROL, a.s.	Supplier	Rental Agreement	Provision of services	1.1.2001	indefinite
204-2008	UNIPETROL, a.s.	Customer	Agreement to contracts for easement	Provision of services	25.5.2007	indefinite
405-2008	UNIPETROL, a.s.	Supplier	Arrangements for credentials	Formation of credentials	25.5.2007	indefinite
128-2008	UNIPETROL, a.s.	Customer	CLA agreement, as amended	Provision of services	1.1.2008	indefinite
392-2008	UNIPETROL, a.s.	Customer	Contract for ensuring the development and use of common information environment for monitoring around the Unipetro Group, as amended	Provision of services	1.1.2008	indefinite
98-2011	UNIPETROL, a.s.	Customer	Loan agreement (contract)	Property management	1.1.2009	indefinite
0076 - 2015	UNIPETROL, a.s.	Customer	Agreement no. 0076-2015 on insurance and its administration - liability insurance - 1 layer	Provision of loans	1.10.2011	indefinite
002-20106	UNIPETROL, a.s.	Customer	Agreement on provision of services	Liability insurance	1.5.2015	30.4.2016
0014-2016	UNIPETROL, a.s.	Customer	Agreement no. 0014-2016 on insurance and its administration	Provision of services	1.1.2016	indefinite
511-2005-021-20	ČESKÁ RAFINERSKÁ, a.s.	Supplier	Rental of st.4836, 2837, 2859, 4441 and 5340 and services	Insurance	9.5.2016	31.12.2016
511-2005-022-05	ČESKÁ RAFINERSKÁ, a.s.	Supplier	Refueling of energy	Provision of services	1.1.2002	indefinite
511-2015-003-00	ČESKÁ RAFINERSKÁ, a.s.	Supplier	Leasing of cars - employees transferred to UMI RPA 1.3.2015 - 13 cars	Provision of services	1.1.2011	indefinite
					6.5.2016	indefinite

No. of agreement /appendix	Company	Partn. role	Subject of the agreement	Reason for agreement/appendix	Valid from	Valid to
404-2007 rev. 0 dod. 0	Butadien Kralupy a.s.	Supplier	Butadien Kralupy RAF I, as amended	Supply of products	1.1.2008	indefinite
0434 - 2015 rev. 0 dod. 0	Česká rafinérská, a.s.	Supplier	Contract for the supply of natural gas and transfers the associated costs	Provision of services	1.11.2015	indefinite
210-2009 rev. 0 dod. 0	ČESKÁ RAFINÉRSKÁ, a.s.	Supplier	Agreement on Cooperation in the transport of fuel	Cooperation	1.7.2009	indefinite
536-2005 rev. 0 dod. 0	ČESKÁ RAFINÉRSKÁ, a.s.	Customer	Agreement on transfer of share - Česká Rafinérská Slovákia, as amended	Transfer of share	31.10.2005	indefinite
501-2005 rev. 0 dod. 0	ČESKÁ RAFINÉRSKÁ, a.s.	Customer	Agreement on provision of document KS č.: 01/2005/A	Provision of document	30.5.2006	indefinite
78-2005 rev. 0 dod. 0	ČESKÁ RAFINÉRSKÁ, a.s.	Customer	Agreement on protection of commercial secret	Protection of commercial secret	6.6.2005	indefinite
58-2005 rev. 0 dod. 0	ČESKÁ RAFINÉRSKÁ, a.s.	Customer	Agreement on long term loan, as amended	Provision of loan	30.5.2006	indefinite
57-2005 rev. 0 dod. 0	ČESKÁ RAFINÉRSKÁ, a.s.	Customer	Agreement on assumption of debt, as amended	Assumption of debt	30.5.2006	indefinite
53-2004 rev. 0 dod. 0	ČESKÁ RAFINÉRSKÁ, a.s.	Customer	Agreement on purchase of inventories as at 1.8. 2003	Purchase of inventories	30.5.2006	indefinite
51-2004 rev. 0 dod. 0	ČESKÁ RAFINÉRSKÁ, a.s.	Customer	Processing agreement, as amended	Provision of services	23.1.2003	23.1.2023
210-2009 rev. 0 dod. 1	ČESKÁ RAFINÉRSKÁ, a.s.	Supplier	Agreement on Cooperation in the transport of fuel, as amended	Cooperation	1.7.2009	indefinite
227-2008 rev. 0 dod. 0	ČESKÁ RAFINÉRSKÁ, a.s.	Supplier	Contract for the provision of future liability for the fulfillment of obligations towards SSHR	Guaranty	1.9.2008	indefinite
119-2004 rev. 0 dod. 0	ČESKÁ RAFINÉRSKÁ, a.s.	Customer	Agreement on the assignment of rights and obligations arising from contracts for the supply of fuel gas	Supply of products	1.1.2004	indefinite
350-2006 rev. 0 dod. 0	CHEMOPETROL a.s.	Customer	Agreement on the protection of business secrets and personal data - Chemopetrol, a.s.	Protection of commercial secret	16.11.2006	indefinite
93-2006 rev. 0 dod. 0	CHEMOPETROL a.s.	Customer	Common optimization UNIRAF- CHEMOPETROL - february 2006	UNIRAF- CHEMOPETROL - february 2006	1.2.2006	indefinite
0018 - 2016 rev. 0 dod. 0	ORLEN Asfalt Česká republika s.r.o.	Customer	Sales of asphalt from 1. 1. 2016	Supply of products	1.1.2016	indefinite
46-2012 rev. 0 dod. 0	ORLEN Asfalt Česká republika s.r.o.	Customer	Paramo Asfalt s.r.o. ASF	Supply of products	1.2.2012	indefinite
0006 - 2016 rev. 0 dod. 0	ORLEN DEUTSCHLAND GmbH	Customer	Term contract supply ŽC 2016	Supply of products	1.1.2016	31.12.2016
0005 - 2016 rev. 0 dod. 0	ORLEN DEUTSCHLAND GmbH	Customer	term contract road supply 2016	Supply of products	1.1.2016	31.12.2016
0252 - 2014 rev. 0 dod. 0	ORLEN GAZ Sp. z.o.o.	Customer	ORLEN GAZ Sp. z.o.o. Framework agreement LPG 2014	Supply of products	1.5.2014	indefinite
0022 - 2016 rev. 0 dod. 0	ORLEN Paliwa Sp. z o.o.	Customer	ORLEN Paliwa Sp. z o.o. PB 2016	Supply of products	1.1.2016	31.7.2016
0153 - 2016 rev. 0 dod. 0	Orlen Poludnie S.A.	Supplier	Purchase of medium petroleum distillate	Supply of products	1.5.2016	31.12.2016
0016 - 2015 rev. 0 dod. 0	Paramo a.s.	Supplier	Framework agreement for the participation in auctions of motor fuels	Supply of products	15.1.2015	indefinite
0006 - 2017 rev. 0 dod. 0	PARAMO, a.s.	Customer	Contract for the purchase and sale of oil hydrogenates č. 3324/2016/HVD/LVD - PARAMO, a.s.	Supply of products	22.11.2016	indefinite
0019 - 2016 rev. 0 dod. 0	PARAMO, a.s.	Customer	Sales of asphalt from 1. 1. 2016	Sales of asphalt from 1. 1. 2016	1.1.2016	indefinite
0515 - 2015 rev. 0 dod. 0	PARAMO, a.s.	Supplier	Contract for the supply of natural gas and transfers the associated costs	Optimization of purchasing natural gas for the Unipetrol Group	1.1.2016	indefinite

No. of agreement /appendix	Company	Partn. role	Subject of the agreement	Reason for agreement/appendix	Valid from	Valid to
0417 - 2015 rev. 0 dod. 0	PARAMO, a.s.	Customer	Contract on lease of business area	Provision of services	1.7.2015	Indefinite
0357 - 2014 rev. 0 dod. 0	PARAMO, a.s.	Customer	PARAMO a.s. Storage contract and providing other services	Provision of services	15.10.2014	Indefinite
89-2014 rev. 0 dod. 0	PARAMO, a.s.	Customer	PARAMO, a.s. Storage contract and providing other services	Provision of services	20.2.2014	Indefinite
385-2013 rev. 0 dod. 0	PARAMO, a.s.	Customer	Agreement on provision of services between PARAMO, a. s. a UNIPETROL RPA, s. r. o.	Provision of services	1.1.2013	Indefinite
32-2013 rev. 0 dod. 0	PARAMO, a.s.	Customer	PARAMO, a.s. storage contract and provision of services	Provision of services	1.1.2013	Indefinite
448-2012 rev. 0 dod. 0	PARAMO, a.s.	Customer	PARAMO, a.s. OH+HCVD	Supply of products	1.9.2012	Indefinite
319-2012 rev. 0 dod. 0	PARAMO, a.s.	Supplier	Storage contract and providing other services PARAMO - UNIPETROL RPA	Provision of services	1.7.2012	Indefinite
60-2012 rev. 0 dod. 0	PARAMO, a.s.	Customer	PARAMO, a.s. crude residuums ( AS160/220 ) od 1.3. 2012. as amended	Supply of products	1.3.2012	Indefinite
187-2011 rev. 0 dod. 0	PARAMO, a.s.	Supplier	Trade agreement to take over wholesale Paramo	Integration of wholesale motor fuel in the Unipetrol Group	1.8.2011	Indefinite
114-2009 rev. 0 dod. 0	PARAMO, a.s.	Customer	RS č. S43100/4/2009/PARAMO, a.s.	Supply of products	1.3.2009	Indefinite
119-2007 rev. 0 dod. 0	PARAMO, a.s.	Customer	Purchase agreement S 43100/15/2006 - Paramo	Supply of products	2.5.2006	Indefinite
138-2006 rev. 0 dod. 0	PARAMO, a.s.	Customer	Storage contract č. S43100/35/2006	Provision of services		Indefinite
236-2010 rev. 0 dod. 0	Petrotrans, a.s.	Supplier	Shipping contracts for the supply of fuel and on the provision of transport for deliveries of goods to wholesale customers	Supply of products	1.6.2010	Indefinite
209-2004 rev. 0 dod. 0	Petrotrans, a.s.	Customer	Shipping contract	Supply of products		Indefinite
0212 - 2016 rev. 0 dod. 0	Polski Koncern Naftowy ORLEN S.A.	Supplier	Cooperation agreement - natural gas trading	Cooperation	27.12.2016	31.12.2017
0188 - 2016 rev. 0 dod. 0	Polski Koncern Naftowy ORLEN S.A.	Supplier	Agreement on Financial Settlement (Azeri Light ex m/t Sarasota)	Agreement on Financial Settlement	1.8.2016	30.9.2016
0182 - 2016 rev. 0 dod. 0	Polski Koncern Naftowy ORLEN S.A.	Supplier	Agreement on Financial Settlement (Azeri Light ex m/t Sarasota)	Agreement on Financial Settlement	1.7.2016	31.7.2016
0181 - 2016 rev. 0 dod. 0	Polski Koncern Naftowy ORLEN S.A.	Supplier	Purchase of 80 kt Azeri Light (II) v 06-2016	Purchase of crude oil	1.6.2016	30.6.2016
0179 - 2016 rev. 0 dod. 0	Polski Koncern Naftowy ORLEN S.A.	Supplier	Contract for REB-Družba Tatneft / 2016-2017	Purchase of crude oil	1.7.2016	30.6.2017
0178 - 2016 rev. 0 dod. 0	Polski Koncern Naftowy ORLEN S.A.	Supplier	Purchase of 80 kt Azeri Light (III) v 05-2016	Purchase of crude oil	1.5.2016	31.5.2016
0178 - 2016 rev. 0 dod. 1	Polski Koncern Naftowy ORLEN S.A.	Supplier	Purchase of 80 kt Azeri Light (III) v 05-2016 / Amendment no. 1	Purchase of crude oil	1.5.2016	31.5.2016
0177 - 2016 rev. 0 dod. 0	Polski Koncern Naftowy ORLEN S.A.	Supplier	Purchase of 80 kt Azeri Light (II) v 05-2016	Purchase of crude oil	1.5.2016	31.5.2016
0176 - 2016 rev. 0 dod. 0	Polski Koncern Naftowy ORLEN S.A.	Supplier	Purchase of 80 kt Azeri Light (I) v 05-2016	Purchase of crude oil	1.6.2016	30.6.2016
0169 - 2016 rev. 0 dod. 0	Polski Koncern Naftowy ORLEN S.A.	Supplier	Purchase of 80 kt Arab Light (I) v 05-2016	Purchase of crude oil	1.5.2016	31.5.2016
0155 - 2016 rev. 0 dod. 0	Polski Koncern Naftowy ORLEN S.A.	Supplier	Purchase of 80 kt Azeri Light (I) v 05-2016	Purchase of crude oil	1.5.2016	31.5.2016
0134 - 2016 rev. 0 dod. 0	Polski Koncern Naftowy ORLEN S.A.	Supplier	Purchase of 80 kt Azeri Light (I) v 04-2016	Purchase of crude oil	1.4.2016	30.4.2016
0133 - 2016 rev. 0 dod. 0	Polski Koncern Naftowy ORLEN S.A.	Supplier	Purchase of 80 kt Azeri Light (II) v 04-2016	Purchase of crude oil	1.4.2016	30.4.2016



No. of agreement /appendix	Company	Partn. role	Subject of the agreement	Reason for agreement/appendix	Valid from	Valid to
0120 - 2016 rev. 0 dod. 0	PolSKI Koncern Naftowy ORLEN S.A.	Supplier	Purchase of 80 kt Azeri Light (III) v 03-2016	Purchase of crude oil	1.3.2016	31.3.2016
0114 - 2016 rev. 0 dod. 0	PolSKI Koncern Naftowy ORLEN S.A.	Supplier	Purchase of 25 kt CPC BLEND v 04-2016	Purchase of crude oil	1.4.2016	30.4.2016
0114 - 2016 rev. 0 dod. 1	PolSKI Koncern Naftowy ORLEN S.A.	Supplier	Purchase of 25 kt CPC BLEND v 04-2016 / Amendment no. 1	Purchase of crude oil	1.4.2016	30.4.2016
0113 - 2016 rev. 0 dod. 0	PolSKI Koncern Naftowy ORLEN S.A.	Supplier	Purchase of 80 kt Azeri Light (I) v 03-2016	Purchase of crude oil	1.3.2016	31.3.2016
0112 - 2016 rev. 0 dod. 0	PolSKI Koncern Naftowy ORLEN S.A.	Supplier	Purchase of 65 kt CPC BLEND v 03-2016	Purchase of crude oil	1.3.2016	31.3.2016
0095 - 2016 rev. 0 dod. 0	PolSKI Koncern Naftowy ORLEN S.A.	Supplier	Purchase of 80 kt Azeri Light (II) v 03-2016	Purchase of crude oil	1.3.2016	31.3.2016
0083 - 2016 rev. 0 dod. 0	PolSKI Koncern Naftowy ORLEN S.A.	Supplier	Purchase of nafty 1 pol. 2016	Supply of products	1.1.2016	30.6.2016
0073 - 2016 rev. 0 dod. 0	PolSKI Koncern Naftowy ORLEN S.A.	Supplier	Purchase of 80 kt Azeri Light (II) v 02-2016	Purchase of crude oil	1.2.2016	29.2.2016
0050 - 2016 rev. 0 dod. 0	PolSKI Koncern Naftowy ORLEN S.A.	Supplier	Purchase of 80 kt Azeri Light (II) v 01-2016	Purchase of crude oil	1.1.2016	31.1.2016
0049 - 2016 rev. 0 dod. 0	PolSKI Koncern Naftowy ORLEN S.A.	Supplier	Purchase of 80 kt Azeri Light (I) v 02-2016	Purchase of crude oil	1.2.2016	29.2.2016
0045 - 2016 rev. 0 dod. 0	PolSKI Koncern Naftowy ORLEN S.A.	Supplier	Purchase of 50 kt CPC BLEND v 02-2016	Purchase of crude oil	1.2.2016	29.2.2016
0038 - 2016 rev. 0 dod. 0	PolSKI Koncern Naftowy ORLEN S.A.	Supplier	Purchase of 45 kt CPC BLEND v 01-2016	Purchase of crude oil	1.1.2016	31.1.2016
0023 - 2016 rev. 0 dod. 0	PolSKI Koncern Naftowy ORLEN S.A.	Supplier	Purchase of 80 kt Azeri Light (I) v 01-2016	Purchase of crude oil	1.1.2016	31.1.2016
289-2013 rev. 0 dod. 0	PolSKI Koncern Naftowy ORLEN S.A.	Supplier	Contract for REB-Druzba / 2013-2016, as amended	Purchase of crude oil	1.7.2013	30.6.2016
0001 - 2005 rev. 0 dod. 0	PolSKI Koncern Naftowy ORLEN S.A.	Supplier	Contract for crude oil supply via Druzba pipeline, as amended	Purchase of crude oil	29.9.2005	indefinite
294-2007 rev. 0 dod. 0	Rafineria Trzebinia S.A.	Customer	CONTRACT NO PL/272696025/07NH/22	Supply of products		indefinite
272-2007 rev. 0 dod. 0	Rafineria Trzebinia S.A.	Customer	Contract: NO PL/272696025/07NH/19 of 30.04.07	Supply of products		indefinite
0122 - 2014 rev. 0 dod. 0	SPOLANA a.s.	Customer	Framework Purchase Agreement no.. 946/2014 - SPOLANA a.s.	Supply of products	21.3.2014	indefinite
313-2012 rev. 0 dod. 0	SPOLANA a.s.	Customer	SPOLANA a.s. sulphur 2012	Supply of products	1.7.2012	indefinite
0010 - 2016 rev. 0 dod. 0	UNIPETROL DEUTSCHLAND GMBH	Customer	Framework trade agreement 2016, as amended	Supply of products	1.1.2016	31.12.2016
154-2007 rev. 0 dod. 0	UNIPETROL DOPRAVA, a.s.	Customer	Loan agreement - UniDo	Provision of loan	8.3.2007	indefinite
153-2007 rev. 0 dod. 0	UNIPETROL DOPRAVA, a.s.	Customer	Loan agreement - UniDo	Provision of loan	8.3.2007	indefinite
0007 - 2016 rev. 0 dod. 0	UNIPETROL SLOVENSKO s. r. o.	Customer	Framework trade agreement 2016	Supply of products	1.1.2016	31.12.2016
0204 - 2015 rev. 0 dod. 0	UNIPETROL SLOVENSKO s. r. o.	Customer	UNIPETROL SLOVENSKO s. r. o. RKS LPG 2014	Supply of products	1.7.2014	indefinite
0054 - 2016 rev. 0 dod. 0	Unipetrol výzkumné vzdělávací centrum, a.s.	Supplier	Future agreement on participation in the project "Program TRI0"	Provision of services	13.1.2016	(full fulfillment of the liability)
59-2005 rev. 0 dod. 0	UNIPETROL, a.s.	Customer	Agreement on credential	Establishment of credential		indefinite
186-2004 rev. 0 dod. 0	UNIPETROL, a.s.	Customer	Contract - common information environment for monitoring around holding - 2004	Provision of services	1.1.2004	indefinite

No. of agreement /appendix	Company	Partn. role	Subject of the agreement	Reason for agreement/appendix	Valid from	Valid to
1545/2012/F	ORLEN FRANCE AB	Supplier	Accession agreement	Accession to the agreement	29.6.2012	Indefinite
1008/2010/A	Polski Koncern Naftowy ORLEN S.A.	Supplier	Cooperation agreement	Cooperation	2.11.2009	Indefinite
995/2010/A	Polski Koncern Naftowy ORLEN S.A.	Supplier	Cooperation agreement	Cooperation	23.10.2009	Indefinite
750/2009/F	Polski Koncern Naftowy ORLEN S.A.	Supplier	Directors and Officers Liability Insurance	liability insurance of statutory bodies members	30.4.2009	repeated extensions
bez čísla	UNIPETROL, a.s.	Supplier	Loan agreement	Provision of loan	20.3.2007	Indefinite
407/2007/F	UNIPETROL, a.s.	Customer	Loan agreement	Provision of loan	10.7.2007	Indefinite
320/2008/PL	UNIPETROL, a.s.	Supplier	Framework Contract for the development and use of common information environment for monitoring around the Unipetrol Group	Provision of services	21.4.2008	Indefinite
0119-2015-2			Agreement on provision of comprehensive services (CLA)	Provision of services	25.11.2008	Indefinite
566/2009/A	UNIPETROL, a.s.	Supplier	Agreement on provision of comprehensive services (CLA)	Provision of services	25.11.2008	Indefinite
2014-2			Agreement on provision of comprehensive services (CLA)	Provision of services	25.11.2008	Indefinite
683/2009/IT	UNIPETROL, a.s.	Supplier	Agreement on provision of comprehensive services (CLA)	Provision of services	25.11.2008	Indefinite
0048-2016	UNIPETROL, a.s.	Supplier	Agreement no. 0014-2016 on insurance and its administration	liability insurance of statutory bodies members	1.11.2015	31.10.2016
0293-2014-1	UNIPETROL, a.s.	Customer	The contract for the issuance and use of cards OPEN DRIVE, as amended	Cashless consumption of fuel and services at the Open Drive Card	12.12.2014	12.12.2017 repeated extensions
0143-2015	UNIPETROL, a.s.	Customer	Framework agreement on the use of credit cards	Cashless purchase of fuel and service card	1.4.2015	Indefinite
1095/2010/T	UNIPETROL, a.s.	Supplier	Agreement on a future contract for Establishment of easement	Establishment of easement	20.9.2010	till approval of sewerage
bez čísla	UNIPETROL DOPRAVA, s.r.o.	Customer	Framework supply contract 2/03/040	Supply of products	15.10.2003	Indefinite
bez čísla	UNIPETROL DOPRAVA, s.r.o.	Supplier	Contract on lease č. 1/03/031	Provision of services	15.10.2003	Indefinite
0147-2015	UNIPETROL DOPRAVA, s.r.o.	Customer	Framework Agreement on the use of payment cards	Cashless purchase of fuel and service card	1.4.2015	Indefinite
158/2007/A	UNIPETROL SERVICES, s.r.o.	Supplier	Agreement on provision of services	Provision of services	1.4.2007	31.7.2016
2015			Agreement on provision of services	Provision of services	1.4.2007	31.7.2016
673/2009/T	UNIPETROL SERVICES, s.r.o.	Supplier	Contract on sublease office space and related services	Provision of services	1.2.2009	31.7.2016
0144-2013	UNIPETROL SERVICES, s.r.o.	Customer	Framework Agreement on the use of payment cards	Cashless purchase of fuel and service card	1.4.2015	31.7.2016
0149-2015	PARAMO, a.s.	Customer	Framework agreement on the use of credit cards	Cashless purchase of fuel and service card	1.4.2015	Indefinite
756/2009/PK	PARAMO, a.s.	Customer	Framework purchase contract - Grand cards	Provision of cards	18.9.2009	Indefinite
0066-2014	PARAMO, a.s.	Supplier	Contract on mediation of goods supply	Supply of products	1.1.2013	1.1.2014 automatic extension
1898/2013/T	PARAMO, a.s.	Supplier	Rental of land	Provision of services	1.1.2013	Indefinite
0151-2015	VUANCH	Customer	Framework Agreement on the use of payment cards	Cashless purchase of fuel and service card	1.4.2015	Indefinite
0150-2015	Burdien Kráľupy	Customer	Framework agreement on the use of credit cards	Cashless purchase of fuel and service card	1.4.2015	Indefinite
0430-2015	ČESKÁ RAFINERSKÁ	Customer	Framework Agreement on the use of payment cards	Cashless purchase of fuel and service card	30.12.2015	Indefinite
bez čísla	PETROTRANS, s.r.o.	Customer	Contract on lease of vehicles	Provision of services	1.9.2004	Indefinite
0148-2015	PETROTRANS, s.r.o.	Customer	Framework Agreement on the use of payment cards	Cashless purchase of fuel and service card	1.4.2015	Indefinite

No. of agreement /appendix	Company	Partn. role	Subject of the agreement	Reason for agreement/appendix	Valid from	Valid to
123-2014 rev. 0 dod. 0	Butadien Kralupy a.s.	Customer	Agreement on provision of services(SLA), as amended	Provision of services	1.1.2014	indefinite
160-2014 rev. 0 dod. 0	ČESKÁ RAFINĚRSKÁ, a. s.	Customer	Cooperation contract to purchase of natural gas	Cooperation	26.6.2014	indefinite
133-2014 rev. 0 dod. 0	ČESKÁ RAFINĚRSKÁ, a. s.	Supplier	Agreement on cooperation in the selection procedure	Cooperation	20.5.2014	indefinite
22-2013 rev. 0 dod. 0	ČESKÁ RAFINĚRSKÁ, a. s.	Supplier	Declaration of confidentiality	Protection of commercial secret	17.4.2013	indefinite
164-2014 rev. 0 dod. 0	ČESKÁ RAFINĚRSKÁ, a. s.	Supplier	Agreement on confidentiality and data protection and prohibition of misuse	Protection of commercial secret	29.7.2014	indefinite
35-2015 rev. 0 dod. 0	ČESKÁ RAFINĚRSKÁ, a. s.	Supplier	Agreement on confidentiality and data protection and prohibition of misuse	Protection of commercial secret	9.2.2015	indefinite
53-2015 rev. 0 dod. 0	ČESKÁ RAFINĚRSKÁ, a. s.	Supplier	Agreement on confidentiality and data protection and prohibition of misuse	Protection of commercial secret	1.5.2015	indefinite
136-2015 rev. 0 dod. 0	ČESKÁ RAFINĚRSKÁ, a. s.	Supplier	Framework agreement on vehicle lease	Provision of services	1.12.2015	indefinite
1-2015 rev. 0 dod. 0	ORLEN Asfalt Česká republika s.r.o.	Customer	Agreement on provision of services(SLA), as amended	Provision of services	1.1.2015	indefinite
146-2014 rev. 0 dod. 0	ORLEN Ochrana Sp. z o.o.	Customer	Agreement on provision of services(SLA), as amended	Provision of services	1.1.2014	indefinite
167-2014 rev. 0 dod. 0	ORLEN Ochrana Sp. z o.o.	Supplier	Contract for the provision of support services, as amended	Provision of services	30.9.2014	indefinite
28-2008 rev. 0 dod. 0	PARAMO, a.s.	Customer	Agreement on provision of services(SLA), as amended	Provision of services	1.4.2008	indefinite
37-2007 rev. 0 dod. 0	PARAMO, a.s.	Customer	Protection of commercial secret	Protection of commercial secret	1.6.2007	indefinite
34-2013 rev. 0 dod. 0	PARAMO, a.s.	Customer	Contract on sublease office space and related services	Provision of services	1.1.2013	indefinite
33-2012 rev. 0 dod. 0	PARAMO, a.s.	Supplier	Contract on lease, as amended	Provision of services	1.1.2012	indefinite
40-2009 rev. 0 dod. 0	PETROTRANS, s.r.o.	Customer	Agreement on provision of services(SLA), as amended	Provision of services	1.1.2009	indefinite
43-2009 rev. 0 dod. 0	Polski Koncern Naftowy ORLEN S.A.	Customer	Cooperation agreement HSE	Cooperation	7.10.2009	indefinite
42-2009 rev. 0 dod. 0	Polski Koncern Naftowy ORLEN S.A.	Customer	Group cooperation agreement	Cooperation	7.10.2009	indefinite
42-2009 rev. 0 dod. 1	Polski Koncern Naftowy ORLEN S.A.	Customer	Group cooperation agreement	Cooperation	12.12.2012	indefinite
56-2008 rev. 0 dod. 0	Polski Koncern Naftowy ORLEN S.A.	Supplier	Contract for the use of Microsoft licenses	Poskytnutí licencí	1.11.2008	indefinite
27-2012 rev. 0 dod. 0	Polski Koncern Naftowy ORLEN S.A.	Supplier	Framework contract on provision of IT services	Provision of services	1.1.2012	indefinite
84-2011 rev. 0 dod. 0	Polski Koncern Naftowy ORLEN S.A.	Supplier	The agreement on cooperation and mutual provision of employees	Cooperation	1.1.2011	indefinite

No. of agreement /appendix	Company	Partn. role	Subject of the agreement	Reason for agreement/appendix	Valid from	Valid to
59-2010 rev. 0 dod. 0	PolSKI Koncern Naftowy ORLEN S.A.	Supplier	Agreement on takeover of the rights and obligations - SAP licence, as amended	Poskytnuti licenci	31.12.2010	indefinite
41-2009 rev. 0 dod. 0	PolSKI Koncern Naftowy ORLEN S.A.	Supplier	Confidentiality agreement	Protection of commercial secret	7.10.2009	indefinite
2-2015 rev. 0 dod. 0	SPOLANA a.s.	Customer	Agreement on provision of services(SLA), as amended	Provision of services	1.1.2015	indefinite
33-2013 rev. 0 dod. 0	SPOLANA a.s.	Supplier	Agreement on confidentiality and data protection and prohibition of misuse	Protection of commercial secret	10.6.2013	indefinite
118-2014 rev. 0 dod. 0	UNIPETROL DEUTSCHLAND GMBH	Customer	Agreement on provision of services(SLA), as amended	Provision of services	1.1.2014	indefinite
45-2007 rev. 0 dod. 0	UNIPETROL DOPRAVA, a.s.	Customer	Agreement on provision of services , as amended	Provision of services	15.4.2007	indefinite
41-2007 rev. 0 dod. 0	UNIPETROL RPA, s.r.o.	Customer	Agreement on provision of services(SLA), as amended	Provision of services	1.4.2007	indefinite
42-2010 rev. 0 dod. 0	UNIPETROL RPA, s.r.o.	Customer	Contract on sublease office space and related services	Provision of services	1.8.2010	31.12.2018
118-2007 rev. 0 dod. 0	UNIPETROL RPA, s.r.o.	Supplier	Contract on lease and provision of services, as amended	Provision of services	1.4.2007	indefinite
5-2016 rev. 0 dod. 0	UNIPETROL RPA, s.r.o.	Supplier	Agreement on provision of services	Provision of services	1.1.2016	indefinite
43-2007 rev. 0 dod. 0	UNIPETROL, a.s.	Customer	Agreement on provision of services(SLA), as amended	Provision of services	1.4.2007	indefinite
12-2009 rev. 0 dod. 0	UNIPETROL, a.s.	Customer	Contract on sublease office space and related services	Provision of services	1.2.2009	31.12.2018
8-2010 rev. 0 dod. 0	UNIPETROL, a.s.	Supplier	Contract for use of GoodwillUNIPETROL, a.s., as amended	Provision of services	1.12.2009	indefinite
17-2009 rev. 0 dod. 0	UNIPETROL, a.s.	Supplier	Cooperation agreement between PKN Orlen S.A., Unipetrol, a.s., Unipetrol Services, s.r.o., Benzina, s.r.o., Paramo, a.s., Unipetrol Doprava, s.r.o., Unipetrol RPA, s.r.o. and Česká Rafinérská, a.s.	Cooperation	1.2.2009	indefinite
72-2008 rev. 0 dod. 0	UNIPETROL, a.s.	Supplier	Agreement on takeover of the rights and obligations	Provision of services	1.2.2009	indefinite
12-2008 rev. 0 dod. 0	UNIPETROL, a.s.	Supplier	Framework Contract for the development and use of common information environment for monitoring around the Unipetrol Group	Provision of services	31.1.2008	indefinite
76-2007 rev. 0 dod. 0	UNIPETROL, a.s.	Supplier	Loan agreement - overdraft	Provision of loans	24.9.2007	indefinite
75-2007 rev. 0 dod. 0	UNIPETROL, a.s.	Supplier	Loan agreement - providing uncommitted credit lines	Provision of loans	24.9.2007	indefinite
74-2007 rev. 0 dod. 0	UNIPETROL, a.s.	Supplier	Loan agreement - Cash pooling	Provision of loans	24.9.2007	indefinite
6-2016 rev. 0 dod. 0	UNIPETROL, a.s.	Supplier	Agreement on provision of comprehensive services	Provision of services	1.1.2016	indefinite
29-2016 rev. 0 dod. 0	UNIPETROL, a.s.	Supplier	Agreement no. 0025-2016 on insurance and its administration - liability insurance of statutory bodies members	liability insurance of statutory bodies members	1.10.2015	31.10.2016
30-2016 rev. 0 dod. 0	UNIPETROL, a.s.	Supplier	Agreement no. 0033-2016 on insurance and its administration - insurance of non-technological assets	Insurance of non-technological assets	1.1.2016	31.12.2016
39-2009 rev. 0 dod. 0	UNIPETROL SLOVENSKO, s.r.o.	Customer	Agreement on provision of services(SLA), as amended	Provision of services	1.1.2009	indefinite
30-2007 rev. 0 dod. 0	UNIPETROL SLOVENSKO, s.r.o.	Customer	Agreement on takeover of the rights and obligations - Unifraf Slovensko	Provision of services	16.5.2007	indefinite

No. of agreement / appendix	Company	Partn. role	Subject of the agreement	Reason for agreement/appendix	Valid from	Valid to
4500016173	UNIPETROL SERVICES, s.r.o. UNIPETROL a.s.	Supplier Supplier	Other services-services SLA Agreement on insurance and its administration ě.00211 2016	Provision of services Liability insurance of statutory bodies members	01.01.2016 01.11.2015	30.6.2016 31.10.2016
-	UNIPETROL a.s.	Supplier	Agreement on insurance and its administration ě.00699 2016	Liability insurance	01.05.2016	30.04.2017
-	UNIPETROL a.s.	Supplier	Agreement on insurance and its administration ě.00311 2016	Insurance of non-technological assets	01.01.2016	31.12.2016
-	UNIPETROL a.s.	Supplier	Loan agreement	Provision of loan	1.10.2011	indefinite
-	UNIPETROL a.s.	Supplier	Loan agreement	Provision of loans	1.10.2016	indefinite
-	UNIPETROL a.s.	Supplier	Contract on licensing (sublicense) for the provision of SAP software, and support SAP, as amended	Provision of licence	15.5.2009	indefinite
-	UNIPETROL a.s.	Supplier	Framework Contract for the development and use of common information environment for monitoring around the Unipetrol Group	Provision of services	1.1.2008	indefinite