

GENERAL MEETING OF SHAREHOLDERS OF UNIPETROL, a.s.

Report on the Audit Committee's Activities

Dear Shareholders,

On behalf of the Audit Committee of UNIPETROL, a.s., compliant with the provisions of article 24a) point 4) of the Articles of Association of UNIPETROL, a.s., I hereby submit to you the report on the activities of the Audit Committee of UNIPETROL, a.s.

Compliant with the Act No. 93/2009 of the Czech Republic 2009 ('the Auditors Act'), and the Articles of Association of UNIPETROL, a.s. approved by the 10 December 2009 General Meeting, the Audit Committee was established holding its first meeting 12 May 2010 at which it elected the chairman and vice-chairman and adopted Rules of Procedure as the governance framework for the operation of the Audit Committee.

The Audit Committee is composed of four members as appointed by the General Meeting; Sławomir Robert Jędrzejczyk, Iain Haggis, Ivan Kočárník and Piotr Robert Kearney. Mr. Jędrzejczyk and Mr. Haggis were duly elected as chairman and vice-chairman. No changes have been made in the composition of the Audit Committee in 2012.

In 2012 the Audit Committee has met 26 March, 05 June, 14 September and 05 December, in accordance with the frequency foreseen in article 24c) point 1) of the Articles of Association of UNIPETROL, a.s, as amended 30 June 2011. During these meetings the Committee has been informed and actively participated in the discussion of the performance of the statutory audit and on internal audit activities. The CEO, CFO, Planning and Reporting Director and Internal Audit Director of UNIPETROL, a.s. routinely participate in the meetings.

The Audit Committee has reviewed and discussed quarterly financial statements and has been regularly informed on the activities of the Internal Audit Department, implementation of the 2012 Internal Audit Plan and has discussed the significant findings from the following planned audits:

- Permit to Work Management System – UNIPETROL RPA
- Health and Safety at PARAMO, a.s.
- Crude Oil Procurement
- Facility Management
- Review of Selected Investment Projects
- Inventory Management Process (release of the report in 2013)
- Business Review of BENZINA, s.r.o. (release of the report in 2013)
- Post-implementation Appraisal of 2011 Turnaround Process (release of the report in 2013)
- Recommendations implementation monitoring (recommendations from previous audits)

The Committee has also reviewed and discussed additional internal audits performed at the request of the Board of Directors and the status of implementation of past audit recommendations for significant internal audit findings. The Committee has noted an improvement in the resolution of critical recommendations and the discipline with regards to implementing these.

Additionally and more specifically, the Audit Committee

- Monitored and was kept closely informed of the progress of the Segregation of Duties project;
- Reviewed the Risk Map of the UNIPETROL Group, particularly in the context of the Internal Audit Plan for 2012;
- Reviewed the situation regarding spare parts carried by Česká Rafinerská, a.s. and considered the appropriateness of reserves created and proposed, as well as the steps being taken to improve the management of spare parts;

At its meeting 05 March 2013 the Committee has approved the Internal Audit Plan for 2013 for UNIPETROL, a.s. and its fully-owned subsidiaries.

During the last year, the Audit Committee and its individual members have increased the frequency of contacts with the external auditors, KPMG Česká republika Audit s.r.o.. There was regular contact between the Audit Partners and members of the Audit Committee throughout the 2012 audit process. Issues raised by the auditor were discussed following the interim work performed, then prior to the publication of the quarterly financial report for Q4/12 and again before the financial statements were completed.

Also, at its meeting 05 March 2013 at which a representative of the external auditor was present, the Audit Committee has reviewed and discussed the annual audited non-consolidated financial statements of UNIPETROL, a.s. and the annual audited consolidated financial statements of UNIPETROL Group as at 31 December 2012.

On the basis of the Auditors Reports on non-consolidated and consolidated financial statements as of 31 December 2012 and the Auditors opinion contained therein, and having discussed those reports with the Auditor, the Audit Committee confirms that the financial statements have been prepared in line with legal requirements. The Audit Committee has no reservations toward the independence of the Auditor.

In accordance with its responsibilities mandated by article 44, point 4 of the Act No. 93/2009 of the Czech Republic 2009 ('the Auditors Act') and article 24a) point 1 letter e) of the Articles of Association, the Audit Committee recommends to the General Meeting the appointment of KPMG Česká republika Audit s.r.o. as the Company auditor for 2013 and 2014.

Dear shareholders, thank you for your attention.

The Chairman of the Audit Committee
UNIPETROL, a.s.

05 March 2013