

Appendix to the resolution of the Supervisory Board of LPP S.A.
on the approval of the annual Supervisory Board
report on the activities in 2009

Gdańsk, 25 May 2010

REPORT OF THE SUPERVISORY BOARD OF LPP S.A.
with a registered office in Gdańsk [Company] in the activities in 2009

On 31 December 2009, the Supervisory Board had the following composition:

- Jerzy Lubianiec, Chairman of the Supervisory Board,
- Krzysztof Fąferek,
- Wojciech Olejniczak,
- Krzysztof Olszewski,
- Maciej Matusiak,

Until 9 October 2009, Mr. Antoni Tymiński was also a member of the Supervisory Board of LPP S.A..

In 2009, the Supervisory Board carried out its statutory responsibility of supervising the operations of the Company, in particular including:

1. Ongoing assessment of all the activities of the Management Board involving capital market relations, including the relations with investors and with the Warsaw Stock Exchange.
2. Ongoing assessment of the development of the retail sales network under (Reserved, CroppTown, Esotiq, House and Mohito stores).
3. Ongoing assessment and analysis of the situation of the Company and LPP S.A. Capital Group.
4. Arranging a certified auditor to examine the financial statements (balance sheet and income statement) of LPP S.A. for 2009, the report of the Management Board of LPP S.A. for 2009, the motion of the Management Board regarding distribution of the profit generated by the Company and other relevant documents, both in terms of conformance of those documents with the Company books and with the actual state of affairs.
5. Comprehensive assessment of the Company situation in 2009.
6. Review of the Management Board's plans concerning the future development of the Company.
7. Review of the situation and development of LPP S.A. subsidiaries which conduct their operations outside the territory of Poland.
8. Adopting a resolution on the allocation of the total of 4,210 ordinary I series shares under the incentive scheme for the management of LPP S.A., adopted by force of a resolution of the Supervisory Board of LPP S.A. on 29 June, 2007.
9. Adopting a resolution on the approval of the merger between LPP S.A. and Artman SA pursuant to Art. 492 §1 item 1 Of the Commercial Companies Code i.e. by transferring all the assets of Artman SA to LPP S.A..
10. Adopting resolutions granting the consent of the Supervisory Board of LPP S.A. for the establishment of a lien on Mr. Marek Piechocki's registered B series shares in favour of specific banks.
11. Adopting resolutions granting the consent of the Supervisory Board of LPP S.A. for the sale of ordinary bearer shares by Mr. Marek Piechocki.
12. Adopting resolutions on the approval of the consolidated text of the Company statutes following the introduction of amendments to the statutes by force of respective resolution of LPP S.A.
13. Adopting a resolution on the appointment of the buyer of 19 shares in LPP S.A. sold by Ms. Patrycja Wolicka – Wolszleger.
14. Adopting a resolution on the exemption of some of the persons who will be granted I series shares from the restriction on the sale of such shares for a period of two years from their acquisition.
15. Adopting resolutions on the issue of an opinion about the matters dealt with at the General Meeting of Shareholders of LPP S.A. held in 2009,
16. Analysis of the justification and effectiveness of the actions aimed at hiving off the operational activities from LPP S.A. and restricting the business of LPP S.A. to the activities of head

offices and holdings, excluding financial holdings – Polish Classification of Business Activities 70.10.

17. Appointment of Messrs. Jacek Kujawa, Hubert Komorowski and Piotr Dyka as the Management Board Members acting in the capacity of the Management Board Vice-Presidents.

18. Award of remuneration to Messrs. Jacek Kujawa, Hubert Komorowski and Piotr Dyka in consideration of their service as the Management Board Members.

The Supervisory Board applies to the General Meetings of Shareholders for the approval of the Supervisory Board report on the activities in 2009 and for granting to the following Supervisory Board members:

- Jerzy Lubianiec, Chairman of the Supervisory Board
- Krzysztof Fąferek,
- Wojciech Olejniczak,
- Krzysztof Olszewski,
- Maciej Matusiak,
- Antoni Tymiński.

a discharge from liability for the fulfilment of their duties in 2009.

1. Jerzy Lubianiec

2. Krzysztof Olszewski

3. Maciej Matusiak

4. Wojciech Olejniczak

5. Krzysztof Fąferek.....