

Appendix to the resolution of the Supervisory Board of LPP S.A.
on the approval of the report on
on the activity of the Supervisory Board in the financial year 2012.

Gdańsk, 8 May 2013

**REPORT ON THE ACTIVITY OF THE SUPERVISORY BOARD
of LPP S.A. based in Gdańsk [the Company] in the financial year 2012**

On 31 December 2012, the Supervisory Board consisted of the following persons:

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

In 2012, the Supervisory Board performed its statutory duties of constant supervision over the Company's business, in particular:

1. Constantly evaluated and analysed the financial standing of the Company and LPP S.A. Capital Group
2. Examined the financial statement (including the balance sheet and the profit and loss account) of LPP S.A. for the year 2011, the report of the Management Board of LPP S.A. for 2011, the Management Board's proposal on the distribution of the profit generated by the Company and other Company documents, both in terms of their compliance with the underlying accounts and documents as well as the actual state of affairs.
3. Performed a comprehensive assessment of the Company's standing in 2011.
4. Familiarised itself with the Management Board's plans for the Company's development.
5. Appointed an auditor to review the Company's financial statements for 2012 and 2013.
6. Took note of the information prepared by the Management Board on the commencement of work on the implementation of a new business model in LPP S.A. Capital Group through the introduction of a central enterprise responsible for the search and purchase of goods, brand management, design or distribution of goods and commodities for the entire LPP Capital Group.
7. Familiarised itself with the position and development of the subsidiaries of LPP S.A. operating outside Poland.
8. Formulated its opinion on the matters included in the agenda of the Company's Annual General Meeting.
9. Performed the duties of the Audit Committee.
10. Adopted a resolution to grant remuneration to the Management Board members for holding their office for the period from 01.01.2012.
11. Adopted a resolution to approve the Company's internal control plan for 2013 to be carried out by the Company's internal auditor.
12. Adopted a resolution to approve the Supervisory Board's report on its activity in 2011.

13. Adopted a resolution on the issues to be handled by the Supervisory Board of LPP S.A. in 2013 in the performance of the duties of the Audit Committee.
14. Analysed the results of the internal control reports of the subsidiaries of LPP S.A. and various departments of LPP S.A. prepared by the internal auditor of the Company.
15. Analysed the report on the management accounting system.
16. Analysed the report on the system of delivery of goods to foreign companies.
17. Analysed the report on the model for evaluation of the effectiveness of foreign companies.
18. Examined the report on the method of fulfilment of reporting obligations imposed on listed companies.
19. Examined the report on the control of risks associated with the Company's protection against the use of illegal software by the employees and partners of LPP S.A.
20. Adopted a resolution on the adoption of a consolidated text of the Articles of Association of the Company.

The Supervisory Board requests that the Annual General Meeting of Shareholders approves the Supervisory Board's report on its activities in 2012 and discharges the following members of the Supervisory Board:

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

for due performance of their duties as Supervisory Board members in 2012.