

Current report no: 19/2007

Date: 2007-06-29



Resolutions adopted at the General Meeting of Shareholders on 29th June 2007

The Management Board of LPP S.A. hereby presents the resolutions adopted by General Meeting of Shareholders on 29th June 2007.

Resolution no. 1/2007
of the Annual General Meeting of Shareholders of LPP S.A. of 29th June 2007

"General Meeting of Shareholders of LPP S.A with its registered office in Gdańsk hereby appoints Mr. Sławomir Łoboda as the Chairman of today's General Meeting."

Resolution no. 2/2007
of the Annual General Meeting of Shareholders of LPP S.A. of 29th June 2007

"General Meeting of Shareholders of LPP S.A with its registered office in Gdańsk hereby appoints the following persons as members of today's Voting Committee: Dariusz Pachla Stanis

Resolution no. 3/2007
of the Annual General Meeting of Shareholders of LPP S.A. of 29th June 2007

"General Meeting of Shareholders of LPP S.A with its registered office in Gdańsk hereby agrees upon the following agenda of today's General Meeting:

1. Opening of the session and appointment of the Chairperson.
2. Arriving at an agreement as to whether the General Meeting has been convened in a proper manner and whether it is able to adopt resolutions; drawing up the list of attendance.
3. Appointment of the voting committee members.
4. Adoption of the agenda.
5. Presentation of the following resolutions:
 - a) Resolution of the Supervisory Board regarding the assessment of the Company's financial statement and the Management Board's report on the Company's operations in FY06,
 - b) Resolution of the Supervisory Board regarding the examination of the Management Board's resolution on the distribution of the Company's FY06 profit of PLN 42,942,925,52.
 - c) Resolution of the Supervisory Board regarding the approval of the Supervisory Board's opinion on matters to be discussed by the General Meeting on 29 June 2007,
 - d) Resolution of the Supervisory Board regarding an overall assessment of the Company's standing in FY06,
 - e) Resolution of the Supervisory Board regarding the assessment of the FY06 consolidated financial statement of LPP S.A. and the FY06 Management Board's report on operations of LPP S.A. Capital Group,
 - f) Resolution of the Management Board regarding the distribution of the Company's FY06 profit of PLN 42,942,925.52.

6. Presentation, examination and approval of the Management Board's report on the Company's operations in FY06 and Management Board's report on operations of LPP S.A. Capital Group in FY06.
7. Presentation, examination and approval of the Supervisory Board's report for FY06.
8. Presentation, examination and approval of the Company's financial statement for FY06.
9. Presentation, examination and approval of the consolidated financial statement of LPP S.A. Capital Group. for FY06.
10. Adoption of a resolution to discharge members of the Management Board for due performance of their duties in FY06.
11. Adoption of a resolution to discharge members of the Supervisory Board for due performance of their duties in FY06.
12. Adoption of a resolution regarding the distribution of the Company's net profit of PLN 42,942,925.52 generated in FY06.
13. Presentation of the Resolution of the Management Board on the rationale for including in the Company's Articles of Association the provisions authorising the Management Board to make a resolution on the Company's share capital enlargement under the target capital and authorising the Management Board to cancel, upon the consent of the Supervisory Board, the subscription rights to shares which will be issued under the target capital [exclusion of subscription right].
14. Adoption of a Resolution amending § 5 of the Company's Articles of Association by adding items 5 - 10 introducing the following provisions: authorisation of the Management Board to make a resolution on the Company's share capital enlargement under the target capital and authorisation of the Management Board to exclude, upon the consent of the Supervisory Board, the subscription rights to shares to be issued under the target capital which is an amendment of the competence of the General Meeting in the area of decisions regarding the exclusion of subscription rights to shares to be issued under the target capital and which constitutes an actual resolution on depriving the shareholders the subscription right to shares to be issued under the target capital.
15. Adoption of a resolution on: (i) the Company's concluding a contract for registration of shares in the depository for securities, which will be issued under the target capital, (ii) applying for allowing the shares to be issued under the target capital to trading on the regulated market, (iii) on dematerialisation of shares that will be issued under the target capital.
16. Adoption of a resolution to authorise the Supervisory Board to adopt a consolidated text of the Company's Articles of Association including the amendments introduced by the resolution specified in item 14 above.
17. Presentation of principles based on which the incentive and bonus scheme for executive staff of LPP S.A. will be implemented. Adoption of a resolution on implementation of a new incentive and bonus scheme for the executive staff of the Company and authorisation of the Supervisory Board to make a resolution on adoption of rules governing the incentive and bonus scheme for the executive staff of the Company.
18. Closing of the General Meeting.

Resolution no. 4/2007
of the Annual General Meeting of Shareholders of LPP S.A. of 29th June 2007

"General Meeting of Shareholders of LPP S.A. with its registered office in Gdańsk hereby approves the Management Board's report on the Company's operations in FY06, and the Management Board's report on the Capital Group's operations for FY06 with LPP S.A. as the dominant entity."

Resolution no. 5/2007
of the Annual General Meeting of Shareholders of LPP S.A. of 29th June 2007

"General Meeting of Shareholders of LPP S.A with its registered office in Gdańsk hereby resolves to approve the Supervisory Board's report for FY06".

Resolution no. 6/2007
of the Annual General Meeting of Shareholders of LPP S.A. of 29th June 2007

"General Meeting of Shareholders of LPP S.A with its registered office in Gdańsk hereby resolves to approve: the Company's financial statement for FY06 pursuant to relevant provisions of the Accounting Act of 29th September 1994, including (but not limited to) the following data:

No.	Re:	Amount in PLN'000
1.	Assets / liabilities:	513.480
2.	Revenues from sales	766.045
3.	Net profit	42.942

Resolution no. 7/2007
of the Annual General Meeting of Shareholders of LPP S.A. of 29th June 2007

"General Meeting of Shareholders of LPP S.A with its registered office in Gdańsk hereby resolves to approve: the Capital Group's consolidated financial statement for FY06 with LPP S.A. as the dominant entity, pursuant to relevant provisions of the Accounting Act of 29th September 1994, including (but not limited to) the following data:

No.	Re:	Amount in PLN'000
1.	Assets / liabilities:	535,974
2.	Revenues from sales	826,455
3.	Net profit	41,023

Resolution no. 8/2007
of the Annual General Meeting of Shareholders of LPP S.A. of 29th June 2007

"General Meeting of Shareholders of LPP S.A with its registered office in Gdańsk hereby resolves to discharge Mr. Marek Piechocki, the President of the Company's Management Board for due performance of his duties as the Management Board member in 2006".

Resolution no. 9/2007
of the Annual General Meeting of Shareholders of LPP S.A. of 29th June 2007

"General Meeting of Shareholders of LPP S.A with its registered office in Gdańsk hereby resolves to discharge Mrs. Alicja Milińska, Vice President of the Company's Management Board for due performance of her duties as the Management Board member in 2006."

Resolution no. 10/2007
of the Annual General Meeting of Shareholders of LPP S.A. of 29th June 2007

"General Meeting of Shareholders of LPP S.A with its registered office in Gdańsk hereby resolves to discharge Mr. Dariusz Pachla, Vice President of the Company's Management Board for due performance of his duties as the Management Board member in 2006".

Resolution no. 11/2007
of the Annual General Meeting of Shareholders of LPP S.A. of 29th June 2007

"General Meeting of Shareholders of LPP S.A with its registered office in Gdańsk hereby resolves to discharge Mr. Stanisław Dreliszak, Vice President of the Company's Management Board for due performance of his duties as the Management Board member in 2006".

Resolution no. 12/2007
of the Annual General Meeting of Shareholders of LPP S.A. of 29th June 2007

"General Meeting of Shareholders of LPP S.A with its registered office in Gdańsk hereby resolves to discharge Mr. Aleksander Mróz, Vice President of the Company's Management Board for due performance of his duties as the Management Board member in 2006".

Resolution no. 13/2007
of the Annual General Meeting of Shareholders of LPP S.A. of 29th June 2007

General Meeting of Shareholders of LPP S.A with its registered office in Gdańsk hereby resolves to discharge the following persons:

- - Jerzy Lubianiec - Chairman of the Supervisory Board
- Krzysztof Faferek,
- Wojciech Olejniczak
- Krzysztof Olszewski,
- Maciej Matusiak
- Andrzej Puślecki

for due performance of their duties as the Supervisory Board's members in 2006".

Resolution no. 14/2007
of the Annual General Meeting of Shareholders of LPP S.A. of 29th June 2007

"General Meeting of Shareholders of LPP S.A with its registered office in Gdańsk hereby resolves to distribute the profit generated in 2006 in the amount of PLN 42,942,925.52 as follows:

- (i) profit of PLN 460,683.72 shall be allocated to cover the loss resulting from the transition to the IAS
- (ii) the dividend shall not be paid, and the remaining profit of PLN 42,482,241.8 will be allocated to reserve capital of the Company".

Resolution no. 15/2007
of the Annual General Meeting of Shareholders of LPP S.A. of 29th June 2007

"General Meeting of Shareholders of LPP S.A. hereby resolves to amend the Company's Articles of Association by adding items 5-10 in §5 of the Articles, reading:

5. By 28 June 2010 the Management Board of the Company, on principles set out in articles 444-447 of the Code of Commercial Companies, shall have the right increase the Company's share capital by up to PLN 30.000 (thirty thousand) by issuing up to 15.000 series I shares [target capital].
6. The price of shares to be issued under the target capital will be PLN 2.
7. The Management Board may, under the maximum allowed target capital amount set out in item 5, increase the share capital of the Company many times, by more than one issue of shares.
8. Upon the Supervisory Board's consent, the Management Board may cancel subscription rights to shares issued in relation to share capital increase under the target capital, on condition that the shares issued under the target capital are offered only to persons eligible under the incentive and bonus scheme carried out by the

Company as per the adopted incentive and bonus scheme to be adopted by the Supervisory Board.

9. The Management Board of the company, in line with article 446, § 1 of the Code of Commercial Companies shall be authorised and obliged to perform all actions related to share capital increase under target capital, in particular: carry out and register the issue of shares that will be issued under the target capital, determine all dates related to the issue and allocate the shares in line with principles of the incentive and bonus scheme adopted by the Company for key employees and cooperating parties, introduce amendments in the articles of association related to provisions concerning specific share capital enlargement amounts and the series and number of shares issued in relation to given share capital enlargement.
10. The Supervisory Board of the Company shall be authorised to prepare consolidated Articles of Association including the amendments resulting from the increase in share capital under target capital.

Rationale:

Amending the Articles of Association, which consists in introduction of provisions on authorisation of the Management Board to make a decision on enlargement of Company's share capital under the target capital is grounded on the Company's interest, i.e.:

- (i) binding the key employees and partners with the Company by providing them with remuneration based on the Company's results,
- (ii) introduction of an incentive scheme assuring that the best employees are won and kept by the Company, Keeping the key employees and partners in the Company is definitely in the Company's best interest considering the deficit of highly qualified and experienced staff may pose a real threat to Company's development,
- (iii) implementation of an incentive and bonus scheme for the executive staff of the Company based on a simple and flexible structure which does not require involvement of third parties, e.g. broker's offices or investment banks; in the Company's view this method is the cheapest form of an effective incentive and bonus scheme for the executive staff of the Company.

Granting the Management Board of the Company, upon the consent of the Supervisory Board, the right to exclude the shareholders' subscription right to shares issued in relation to capital enlargement under target capital lies within the Company's best interest. All shares that will be issued in relation to share capital enlargement under the target capital will be taken by the key employees and partners of the Company under the incentive and bonus scheme for executive staff carried out by the Company. The aim of introduction of the said incentive and bonus scheme for the executive staff of the Company is to bind the key staff with the Company by assuring remuneration based on the Company's results. Keeping the key employees and partners in the Company is definitely in the Company's best interest, considering that the deficit of highly qualified and experienced staff may pose a real threat to Company's further dynamic development.

Taking the above into account, granting the Management Board of the Company, upon the consent of the Supervisory Board, the right to exclude the existing shareholders' subscription right to shares in relation to capital enlargement under target capital is fully grounded by the Company's best interest despite the fact that it will actually result in the existing shareholders being deprived of subscription rights to shares that will be issued in relation to enlargement of the share capital of the Company under the target capital".

Resolution no. 16/2007
of the Annual General Meeting of Shareholders of LPP S.A. of 29th June 2007

"General Meeting of Shareholders of LPP S.A. hereby authorises the Management Board to conclude an agreement with the National Depository for Securities to register the shares

issued under the target capital that will be put for trading on regulated market in the depository.

General Meeting of Shareholders of LPP S.A. hereby resolves that shares to be issued under the target capital will be allowed for trading on the regulated market. Hence the General Meeting of Shareholders of LPP S.A. hereby authorises the Management Board to conclude all legal transactions, including conclusion, for and on the Company's behalf, of appropriate agreements which will prove necessary to allow the shares issued under the target capital to trading on the regulated market.

General Meeting of Shareholders of LPP S.A. hereby resolves that shares to be issued under the target capital shall be dematerialised and registered in the depository of securities".

Resolution no. 17/2007
of the Annual General Meeting of Shareholders of LPP S.A. of 29th June 2007

"General Meeting of Shareholders of LPP S.A. hereby authorises the Supervisory Board of LPP S.A. to adopt a consolidated text of the Company's Articles of Association including the amendments introduced by the resolution by the General Meeting no. 15/2007 of 29th June 2007".

Resolution no. 18/2007
of the Annual General Meeting of Shareholders of LPP S.A. of 29th June 2007

"General Meeting of Shareholders of LPP S.A. hereby resolves that an incentive and bonus scheme for the executive staff of LPP S.A. will be implemented in the Company, in line with which the executive staff of LPP S.A. shall have the right to take, on preferential principles, the Company's shares that will be issued under the target capital. The incentive and bonus scheme for executive staff of LPP S.A. will be implemented in particular in line with the following principles:

- 1) Scheme implementation period 2007–2010.
- 2) Participants include members of the Management Board and employees, as well as partners of key importance for the Company [Eligible Persons]
- 3) The maximum number of shares to be taken by the Eligible Persons over scheme period - 15.000 shares,
- 4) The members of the Management Board of the Company shall be allocated the shares pursuant to a resolution of the Supervisory Board. The employees and partners of the Company shall be allocated the shares pursuant to a resolution of the Management Board.
- 5) In the given year of scheme implementation, the shares may be allocated on condition that in the given financial year the LPP S.A. Capital Group generates net profit by at least 10% higher than in the previous financial year, and shares for FY07 shall be allocated on condition that the LPP S.A. Capital Group generates no less than 170% of profit gained in FY06.
- 6) For a given financial year, the members of the Management Board may obtain shares in number no higher than the quotient of: Twenty five times the value of average monthly gross basic salary paid to the said persons over the financial year, and the Company's share price as at the day preceding the day the Supervisory Board makes a resolution on allocation of shares to the said persons.
- 7) The employees and partners of the Company eligible for share allocation for a given financial year may obtain shares in number no higher than the quotient of: twelve times the value of average monthly gross basic salary paid to the said persons over the financial year, and the Company's share price as at the day preceding the day the Supervisory Board makes a resolution on allocation of shares to the said persons, however, upon the request of the Management Board, the Supervisory Board may increase the said number of shares that can be granted to employees or partners of the Company, with a reservation that the number of such shares can never exceed

the number of shares allocated to Vice-Presidents of the Management Board over the given settlement period.

- 8) The Management or Supervisory Board shall grant shares under the adopted incentive and bonus scheme on condition that the eligible persons submit statements attesting that:
- (a) by the time the bonus is granted in cash, the eligible persons chose to receive the bonus in the form of right to acquire shares, and the number of shares acquired under the incentive and bonus scheme will be calculated as 120% of the due gross bonus and market share price as at the day preceding the making of a relevant resolution,
 - (b) persons eligible to acquire shares shall not dispose of the shares over two years following the day of acquisition.

General Meeting of Shareholders of LPP S.A. hereby authorises the Supervisory Board of LPP S.A. to adopt the rules of the incentive and bonus scheme for the executive staff of LPP S.A. including the above comments".

Legal basis: Art. 56 section 1 point 2 of Public Offering Act- current and interim information

SIGNATURES:

Alicja Milińska – Vice President of the Management Board

Dariusz Pachla – Vice President of the Management Board