

RESOLUTION

of the Supervisory Board of LPP S.A. based in Gdańsk of 8 May 2012
on the approval of the implementation by the Supervisory Board of LPP S.A. of the actions resulting from the performance by the Supervisory Board of LPP S.A. of the duties of the audit committee.

The Supervisory Board of LPP S.A. decides to approve the report on the implementation by the Supervisory Board of LPP S.A. of the actions resulting from the performance by the Supervisory Board of LPP S.A. of the duties of the audit committee as contained in the Appendix to this resolution.

Gdańsk, 8 May 2012

REPORT

on the implementation by the Supervisory Board of LPP S.A. of the actions resulting from the performance by the Supervisory Board of LPP S.A. of the duties of the audit committee.

The Supervisory Board of LPP S.A., performing the duties of the audit committee, executed the following actions in 2011 and 2012:

Examined the consolidated financial statement of LPP S.A. Capital Group and the separate financial statement of LPP S.A., and analysed the risks identified by the auditor.

Adopted the report on the performance by the Supervisory Board of the duties of the Audit Committee in 2011.

Examined the Company's rules regarding the creation and enforcement of budgets, in particular analysed the Work Flow system.

Examined the risk map adopted by the Company in terms of its completeness and adequacy.

Analysed the financial standing of LPP S.A. Capital Group based on semi-annual financial statements and an interview with the auditor.

Examined the manner of management by the Company of the risks associated with shortages of goods in each critical moment such as in transit, in storage and at stores.

Examined the manner of management by the Company of foreign exchange risk.

Examined the model of assessing the performance of stores implemented by the Company.

Gained insight into the results of inspections of selected areas at the Company and the companies forming LPP S.A. Capital Group carried out by the Company's auditor.

Reports containing the results of the inspection of the above-mentioned areas were discussed and adopted at the Supervisory Board meetings.

Jerzy Lubianiec
Chairman of the Supervisory Board of LPP S.A.