

**Resolution of the Supervisory Board of LPP S.A.  
of 8 May 2013**

**regarding a comprehensive assessment of the Company's standing in 2012, containing in particular (i) assessment of the financial reporting process, (ii) assessment of the internal control system, risk management system, (iii) assessment of the performance of the financial audit, (iv) assessment of the independence of the chartered auditor carrying out the audit of the financial statement of the Company and LPP S.A. Capital Group and (v) and own assessment of the activity of the Supervisory Board.**

"In 2012, the Company achieved very good results, both in relation to revenue and profits.

The Company opened new retail stores under Reserved, CroppTown, House and Mohito brands, significantly increasing the selling area of the retail stores managed by LPP S.A.

LPP subsidiaries opened additional Reserved, CroppTown and House retail stores in the countries where they operate, increasing the selling area.

The Supervisory Board finds that the overall Company's standing in 2012 was very good.

In 2012, the Company developed and implemented new arrangement at Reserved and House stores.

In 2012, the Company successfully completed work on the implementation of the new Sinsay concept dedicated to women aged 13 to 25. First Sinsay shops were opened in March 2013.

The Company continued work aimed at starting an overhaul of the headquarters of LPP, and in 2012, the company obtained all the decisions and approvals related to the building permit.

The Company completed the project of direct deliveries of a portion of goods from suppliers to the Russian company without their storage and repackaging in warehouses located in Poland. The company is gradually increasing the volume of the direct supply of goods from suppliers to the Russian company.

The Supervisory Board believes that there are no conditions that may pose a real threat to the Company's further operations.

The Company implemented a project related to the launch of e-commerce stores.

The Supervisory Board examined the financial reporting process of LPP SA. In the opinion of the Supervisory Board, the financial reporting process of LPP S.A. is in compliance with the legal requirements and meets the relevant functional needs.

The Supervisory Board examined the internal control and risk management systems at LPP S.A. According to the assessment of the Supervisory Board, the internal control and risk management systems operating at LPP S.A. meet the relevant functional needs.

The Supervisory Board took note of the results of checks carried out by the Company's internal auditor. The reports did not show any significant threats to the Company's operations.

The Supervisory Board examined the performance of the financial audit at LPP S.A. According to the assessment of the Supervisory Board, the financial audit carried out at LPP S.A. complied with the legal requirements and the relevant functional needs.

The Supervisory Board assessed the independence of the auditor examining the financial statement of the Company and LPP S.A. Capital Group. According to the opinion of the Supervisory Board, the auditor examining the financial statement of the Company and LPP S.A. Capital Group meets the independence criteria described in the applicable provisions including in particular art. 56 of the Act of 7 May 2009 on certified auditors and their self-government, entities entitled to audit the financial reports and public supervision.

The Supervisory Board assessed its own performance. According to its own assessment, the Supervisory Board concludes that it has performed all the statutory and code-based obligations. In addition, the Supervisory Board analysed the Company's standing during its meetings and supported the Management Board's operations on an ongoing basis. Consequently, the Supervisory Board assessed positively its activity in 2012.

The resolution of the Supervisory Board of LPP S.A. based in Gdańsk of 8 May 2013 on the adoption of the report on the performance by the Supervisory Board of LPP S.A. of the duties of the Audit Committee forms an Appendix and an integral part hereof."