

Appendix to the Resolution of the Supervisory Board  
on the approval of the report on the performance  
by the Supervisory Board of LPP S.A. of the duties  
of the Audit Committee.

Gdańsk, 6 May 2014

**REPORT**

**on the performance by the Supervisory Board of the duties of the Audit Committee**

In the performance the duties of the Audit Committee in 2013 and 2014, the Supervisory Board of LPP S.A.:

1. examined the consolidated financial statements of LPP S.A. Capital Group and the separate financial statements of LPP S.A., and analysed the risks identified by the auditor;
2. adopted the report on the performance by the Supervisory Board of the duties of the Audit Committee in 2013;
3. analysed the financial standing of LPP S.A. Capital Group based on half-yearly and annual financial statements and the interview with the auditor;
4. reviewed and evaluated reports prepared by the internal auditor;
5. examined the effectiveness of operation of stores opened in 2011 and 2012;
6. examined the adequacy of the management of foreign companies depending on their size;
7. analysed the appropriateness of the model of direct supplies from the manufacturers to the Russian subsidiary.

The reports containing the results of the examination of the above-mentioned areas of focus were discussed and adopted at the Supervisory Board meetings.

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