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Information concerning non-compliance with some principles of Best Practice for WSE Listed Companies

The Management Board of LPP SA (further "Company"), pursuant to the obligation under § 29.3 of the Rules of the Warsaw Stock Exchange announces that it will not apply the following principles of corporate governance contained in the document entitled "Best Practice for WSE Listed Companies", annexed to Resolution No. 19/1307/2012 of the Warsaw Stock Exchange Supervisory Board dated 21.11.2012, including amendment of the existing corporate governance principles in force from 1 January 2013.

Part II, section 1, subsection 9a) - "A company should operate a corporate website and publish on it, in addition to information required by legal regulations ... a record of the General Meeting in audio or video format".

The Company does not provide for registration of the general meeting in audio or video format and publishing the meeting's record on its website. In the Company's opinion, the current manner of documenting the course of general meetings provides for transparency of the Company's operations and protects the rights of its shareholders. In particular, the Company discloses the content of resolutions in the form of current reports and publications on the website. In addition, detailed information on the voting results and any objections to the adopted resolutions are made available in the same format. Thus, investors have the opportunity to become familiar with the essential elements of the sessions and the issues raised at the general meeting. The Company does not preclude application of this principle in the future.

Part IV, section 10 - "A company should enable its shareholders to participate in a General Meeting using electronic communication means through:

1) real-life broadcast of General Meetings;

2) real-time bilateral communication where shareholders may take the floor during the General Meeting from a location other than the General Meeting".

The above principle is not and will not be complied with. First, it should be noted that application of this principle by the Company is not currently possible due to the lack of relevant provisions in its Articles of Association. According to Article 4065 § 1 of the Commercial Companies Code, real-life broadcast and real-time bilateral communication where shareholders could take the floor during the general meeting from a location other than the general meeting requires the Articles of Association to include provisions authorizing to carry out such measures. In the absence of such provisions in the Company Articles of Association, it is not currently possible to implement this principle. Any changes would require the shareholders to adopt resolution amending the Company Articles of Association (by introducing provisions allowing to carry out the above measures) and to enter this change in the Register of Entrepreneurs of the National Court Register by the order of the registry court. Notwithstanding the above, implementation of this principle would involve technical and legal risks. An on-line broadcast of general meetings and, in particular, the possibility for shareholders to take floor in the course of the general meeting without their physical presence at the meeting, by means of electronic communication, involves both technical and legal risks for the proper and efficient conduct of the general meeting. In particular, it creates a real risk of interference, which could prevent a continuous, two-way communication with shareholders located in places other than the meeting room. In the Company's opinion, the current principles of participation in general meetings provide proper

and effective implementation of rights arising from shares and sufficiently protect the interests of all shareholders. The Company, however, does not preclude future application of the principle arising from Part IV, section 10 of Best Practice for WSE Listed Companies.

Persons representing the company:	Dariusz Pachla - Vice-President of the Management Board Piotr Dyka - Vice-President of the Management Board
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