

# LPP

## Convening the Annual General Meeting of Shareholders of LPP SA

**Current report no.: 21/2015**

**Date: 29.05.2015**

### **Announcement of the Management Board of LPP SA with its registered office in Gdansk of convening the Annual General Meeting of the Company**

#### **1. Date, time, venue of the Annual General Meeting and a detailed agenda:**

The Management Board of LPP SA with its registered office in Gdansk (the "Company"), acting under the provisions of Article 395 § 1, 399 § 1 in conjunction with Article 4021 and Article 4022 of the Commercial Companies Code ("CCC") and the provisions of § 27 and 29 of the Articles of Association of the Company, convenes the Annual General Meeting of the Company on 26 June 2015, at 10 am in the premises located in Gdansk at ul. Reduta Żbik 5, with the following agenda:

1. Opening of the Annual General Meeting and electing the Chairperson of the Meeting.
2. Confirming that the General Meeting has been duly convened and is capable of adopting valid resolutions; drawing up the list of attendance.
3. Appointing the Returning Committee.
4. Adopting the agenda.
5. Submitting the resolutions of:
  - a) the Supervisory Board on its opinion as to the matters to be discussed by the Annual General Meeting,
  - b) the Supervisory Board on the assessment of the financial statements of the Company for the financial year 2014 and the management report on the Company's operations in the financial year 2014,
  - c) the Supervisory Board on the assessment of the consolidated financial statements of LPP SA Group for the financial year 2014 and the management report on the operations of LPP SA Group in the financial year 2014,
  - d) the Management Board on the motion concerning the distribution of the Company's profit for the financial year 2014,
  - e) the Supervisory Board on the examination of the motion of the Management Board for the distribution of the Company's profit for the financial year 2014,
  - f) the Supervisory Board on a comprehensive assessment of the Company's standing in 2014, including in particular (i) assessment of the financial reporting process, (ii) assessment of the internal control system, risk management system, (iii) assessment of the financial audit activities, (iv) independence of the statutory auditor auditing the financial statement of the Company and the LPP SA

Group and (v) own assessment of the activity of the Supervisory Board,

6. Submitting, examining and approving the management report on the Company's operations in the financial year 2014 and the management report on the operations of the LPP SA Group in the financial year 2014.

7. Submitting, examining and approving the Supervisory Board's report on its activity in the financial year 2014.

8. Submitting, examining and approving the financial statements of the Company for the financial year 2014.

9. Submitting, examining and approving the consolidated financial statements of LPP SA Group for the financial year 2014.

10. Granting discharge to the Members of the Management Board for the performance of their duties in the financial year 2014.

11. Granting discharge to the Members of the Supervisory Board for the performance of their duties in the financial year 2014.

12. Adopting a resolution on distribution of the Company's profit generated in the financial year 2014.

13. Adopting a resolution regarding the amendment of § 13 section 1 of the Articles of Association of LPP SA.

14. Adopting a resolution regarding the amendment of § 17 section 3 of the Articles of Association of LPP SA.

15. The election of a Supervisory Board member.

16. Adopting a resolution regarding the amendment of resolution no. 21 of The Ordinary General Meeting of LPP SA of 27 June 2011 on the adoption of the Incentive Scheme for key managers of the Company for 2011-2014.

17. Adopting a resolution regarding the amendment of resolution no. 22 of The Ordinary General Meeting of LPP SA of 27 June 2011 on (i) the issue of A subscription warrants entitling to subscribe for Company's L shares, (ii) conditional increase in the Company's initial capital, (iii) the exclusion of the rights to subscription warrants of A series and the exclusion of subscription rights for series L shares, (iv) authorisation for the Company bodies, (v) amendment to the the Articles of Association of the Company.

18. Adopting a resolution regarding a cross-border merger of LPP SA with Gothals Limited based in Nicosia, Cyprus, including the approval for the merger plan.

19. Closing of the Meeting.

The Management Board wishes to inform that the inclusion of the above presented items on the agenda of the Annual General Meeting of the Company is justified by the following conditions:

1. Points 1 to 4 of the agenda are of formal nature and they are necessary for the proper organisation of the Annual General Meeting.

2. Point 5 of the proposed agenda results from the Company's applicable by-laws, in particular from the Annual General Meeting Rules of Procedure and the Supervisory Board Rules of Procedure, and the Corporate Governance Statement adopted by the Company.

3. Point 6 of the agenda results from the obligation under, inter alia, Article 393 point 1 of the CCC, Article 395 § 2 point 1 of the CCC, 395 § 5 of the CCC, Article 49 section 1 and Article 55 section 2 of the Accounting Act of 29 September 1994 (consolidated text: Journal of Laws of 2013, item 330, as amended), provisions of § 33 section 1 point 1 of the Company's Articles of Association and § 2 section 2 point 1 of the Annual General Meeting Rules of Procedure.
4. Point 7 results from Article 33 § 1.1 of the Articles of Association of the Company.
5. Point 8 of the agenda results from the obligation under, inter alia, Article 393 point 1 of the CCC, Article 395 § 2 point 1 of the CCC and Article 53 section 1 of the Accounting Act of 29 September 1994 (consolidated text: Journal of Laws of 2013, item 330, as amended), provisions of § 33 section 1 point 1 of the Company's Articles of Association and § 2 section 2 item 1 of the Annual General Meeting Rules of Procedure.
6. Point 9 of the agenda results from the applicable provisions of Article 395 § 5 of the CCC and Article 63c § 4 of the Accounting Act.
7. Point 10 of the agenda results from the obligation under, inter alia, Article 393 § 1.1 of the CCC, Article 395 § 2.3 of the CCC and Article 33 § 1 point 4 of the Company's Articles of Association.
8. Point 11 of the agenda results from the obligation under, inter alia, Article 393 §1.1 of the CCC, Article 395 § 2.3 of the CCC and § 33 section 1 point 4 of the Company's Articles of Association.
9. Point 12 of the agenda results from the obligation under, inter alia, Article 395 § 2 point 2 of the CCC., Article 53 section 3 the Accounting Act and § 33 section 1 point 3 of the Company's Articles of Association.
10. The purpose of point 13 of the agenda is to introduce the possibility of appointment of an additional member of the Company's Management Board in view of the Company's development, which is impossible in the light of the current wording of Section 13(1) of the Articles of Association of LPP SA and the current composition of the Management Board composed of five members. In the context of the provision of Article 430(1) of the Code of Commercial Companies, introduction of this possibility requires a resolution of the General Meeting on amendments to the Articles of Association.
11. The purpose of point 14 of the agenda is to introduce a solution enabling smooth functioning of the Supervisory Board upon expiration of the mandate of a member of that body as a result of resignation or death by co-option or the appointment of a new member at the next General Meeting.
12. Point 15 of the agenda results from the shareholders' request to appoint a new person to the Supervisory Board, which according to Section 17(3) of the Article of Association in conjunction with Article 385(1) of the Code of Commercial Companies requires a resolution of the General Meeting.
13. Points 16 and 17 of the agenda result from the intention to further clarify the terms enabling the Eligible Persons, as part of the incentive programme for the key managers of the Company for the years 2011-2014 adopted by Resolution no. 21 of the Annual General Meeting of LPP SA of 27 June 2011, to sell warrants to investment funds, which is consistent with the interest of the Company in relation to typically long-term nature of this type of investment.
14. Point 18 of the agenda results from the intent to effect a cross-border merger of LPP SA (as the acquiring company) with Gothals Limited (as the acquired company) based on the provision of Article 492 (1)(1) of the Code of Commercial Companies in connection with Article 516<sup>1</sup> of the Code of

Commercial Companies (i.e. merger by acquisition). The merger requires a resolution of the General Meeting, including approval for the plan of merger (Article 506 of the Code of Commercial Companies in connection with Article 516<sup>1</sup> of the Code of Commercial Companies). The merger is justified and it corresponds to the interests of the Company and the shareholders of LPP SA, as motivated in detail in a written report of the Management Board.

15. Point 19 of the agenda is of a formal nature.

### **Electronic communications between the Shareholders and the Company in connection with the Annual General Meeting**

Within the limits set by the Commercial Companies Code, the shareholders may contact the Company by means of electronic communication, in particular they may submit motions, demands, ask questions and send notices and documents.

For the purpose of electronic communications between the Shareholders and the Company, the following email address should be used: wza@lpp.com.pl. The risk associated with the use of electronic means of communication with the Company shall be borne by the Shareholder.

Any documents sent electronically by a Shareholder, which were drawn up originally in a language other than Polish, should be accompanied by their translation into Polish prepared by a sworn translator.

All documents sent via email by the Shareholder to the Company, as well as by the Company to the Shareholder, shall be scanned (converted) to the PDF.

### **2. Rights of Shareholders to place items on the agenda of the Annual General Meeting and propose resolutions**

2.1. Rights of Shareholders to place items on the agenda of the Annual General Meeting A Shareholder or Shareholders representing at least one-twentieth of the share capital may demand that specific items be placed on the agenda of the Annual General Meeting of the Company. The request, including reasons for or a draft resolution concerning the proposed point of the agenda, should be submitted to the Management Board of the Company not later than 21 days before the scheduled meeting date, i.e. 5 June 2015. The request may be submitted in writing or in electronic form in accordance with the principles set forth in point 2 above. The request submitted both in written and electronically must be accompanied by a copy of the certificate of deposit and the documents referred to in point 4.2 (b) below.

2.2. The right of shareholders to propose resolutions

A Shareholder or Shareholders representing at least one-twentieth of the share capital may, before the date of the Annual General Meeting of the Company, submit draft resolutions concerning matters that are already placed on the agenda or matters that are to be placed on the agenda. The proposal may be submitted electronically in accordance with the principles described in point 2 above or in writing. The proposal must include the documents referred to in point 4.2 (b).

During the Annual General Meeting any Shareholder may submit draft resolutions concerning matters already included in the agenda. The drafts should be submitted in the Polish language.

### **3. Exercise of voting rights by proxy**

#### 3.1 General rules for exercising voting rights by proxy

A Shareholder who is a natural person may participate in the Annual General Meeting of the Company and exercise his voting right in person or by proxy. Shareholders other than not natural persons may participate in the Annual General Meeting through their representative(s) (authorised to make representations on their behalf) or by proxy.

The authority to attend and vote by proxy must be granted in writing or in electronic form. A proxy may exercise all the powers of the Shareholder at the Annual General Meeting, unless otherwise determined by the proxy notice. A proxy may grant further authority, if the proxy notice so provides. A proxy may represent more than one Shareholder and vote differently in respect of the shares of each Shareholder. A Shareholder holding shares registered in more than one share account may appoint separate proxies to exercise their rights attached to the shares on each account.

The Company further announces that in case the proxy notice is given by a Shareholder along with voting instructions, the Company will not verify whether the proxy holders exercise their voting rights in accordance with instructions received from Shareholders. Accordingly, the Company announces that the voting instruction should only be provided to a duly appointed proxy.

The forms required to exercise voting rights by proxy from the date of convening of the Annual General Meeting are available on the Company's website at: [www.inwestor.lpp.com.pl](http://www.inwestor.lpp.com.pl).

#### 3.2. Notification of the Company of giving a proxy notice by electronic means

(a) The Shareholders shall notify the Company of giving a proxy notice in electronic form using the email address: [wza@lpp.com.pl](mailto:wza@lpp.com.pl). In the notification, the Shareholder shall provide their phone number and email address as well as telephone number and email address of the proxy, through which the Company shall communicate with the Shareholder and the proxy. The notice of giving the proxy notice should also contain information on the scope of the authority, i.e. the number of shares under which votes will be cast and the date of the Annual General Meeting at which these rights will be exercised.

(b) Along with the notice of appointing the proxy, a Shareholder shall also send the content (text) of the proxy notice, excluding the instructions for exercising voting rights by proxy, a scan of ID cards or passport pages identifying the Shareholder and the proxy, or a scan of another document allowing to identify the Shareholder giving the proxy notice and the proxy. If the proxy notice is given to a legal person (within the meaning of Article 33 of the Civil Code) or an unincorporated organisational unit having legal capacity (according to Article 331 § 1 of the Civil Code), a Shareholder shall send a scan of a copy of the register in which it is entered or a scan of another document confirming the authority of persons acting on behalf of such an entity. If the proxy notice is given to a legal person or an unincorporated organisational unit having legal capacity, the Shareholder shall also send a scan of a copy of the register in which the proxy is entered or another document certifying the fact of existence of this entity and persons authorised to act on its behalf.

(c) The rules set forth in point 3.2 (b) above shall apply accordingly to the notification of revocation of the proxy notice in electronic form.

(d) The notification of giving or revoking the proxy notice in electronic form should be submitted at the latest at 12.00 noon on the day preceding the date of the Annual General Meeting.

(e) Fulfilling the obligations laid down in point 3.2. (b) above does not relieve the proxy from the obligation to provide, while preparing the list attendance of persons entitled to attend the Annual General Meeting, the documents referred to in that point allowing to identify the Shareholder and the proxy.

3.3. Verification of the validity of the authorisation and identification of the Shareholder and the proxy  
In order to verify the validity of the proxy notice given in electronic form and to identify the Shareholder and the proxy, after receiving the notification of giving the proxy notice in electronic form in accordance with the provisions of point 3.2. (a) and (b), the Company takes steps to verify that the attached information indicated in point 3.2. (a) and scans of documents listed under point 4.2. (b), and in the case of legal persons and organisational units that are not legal entities but have legal capacity, that the proxy notice has been given by the persons authorised to represent the entity.

The Company is entitled to communicate by telephone at the number indicated by a Shareholder in the performance of the provision of point 4.2. (a) or by return email message in order to confirm the fact of giving by the Shareholder the proxy notice in electronic form.

The Company may additionally take other steps to identify a Shareholder and his proxy in order to verify the validity of the proxy notice given in electronic form, but these actions should be proportionate to the objective.

The notification of giving the proxy notice or revoking the proxy in electronic form without observing the requirements set forth in point 3.2 (a), (b) and (d) is not binding on the Company.

3.4. Proxy notice is given to a member of the Management Board of the Company or its employee  
Members of the Management Board and employees of the Company may serve as proxies at the Annual General Meeting.

If at the Annual General Meeting a member of the Company's Management Board, a member of the Company's Supervisory Board, Company's employee, or a member of governing bodies or an employee of a subsidiary of LPP S.A. in Gdansk serves as a proxy of the Shareholder, the proxy notice may authorise the proxy to represent the Shareholder only at this Annual General Meeting. A proxy must disclose to the Shareholder the circumstances indicating the conflict of interest or a threat thereof. Giving further proxy notices is excluded in such cases.

A proxy referred to in the preceding point is obliged to vote in accordance with the instructions of the Shareholder.

#### **4. Option and manner of participation in the Annual General Meeting of the Company by means of electronic communication**

The Company does not provide the option to participate in the Annual General Meeting by means of electronic communication.

#### **5. Option and manner of making statements at the Annual General Meeting of the Company by means of electronic communication**

The Company does not provide the option to make statements at the Annual General Meeting by means of electronic communication.

## **6 .Method of voting in writing or electronically**

The Company does not provide the option to exercise voting rights at the Annual General Meeting in writing or electronically.

## **7. Registration date for the Annual General Meeting**

The registration date for participation in the Annual General Meeting, as referred to in Article 4061 § 1 of the Commercial Companies Code shall be 10 June 2015 (the "Registration Date").

## **8. Information on the right to participate in the Annual General Meeting of the Company**

Under Article 406<sup>1</sup> § 1 of the Commercial Companies Code, persons who are Shareholders of the Company on the Registration Date may participate in the Annual General Meeting of the Company.

In order to participate in the Annual General Meeting, a Shareholder holding dematerialised shares shall require-not earlier than after the convening the Annual General Meeting, i.e. not earlier than on 29 May 2015, and not later than on the first business day after the Registration Date, i.e. not later than on 11 June 2015 - from the entity maintaining the share accounts to issue a personal certificate of entitlement to participate in the Annual General Meeting. Certificates of entitlement to participate in the Annual General Meeting shall be the basis for drawing up lists submitted to the entity maintaining securities accounts in accordance with the regulations on trading in financial instruments.

Only those Shareholders who:

- (a) are the shareholders of the Company on the Registration Date (10 June 2015) and
- (b) requested, not earlier than on 29 May 2014<sup>5</sup> and not later than on 11 June 2015, the entity maintaining their securities account to issue a certificate confirming the right to participate in the Annual General Meeting shall be entitled to attend the Annual General Meeting.

## **9. List of Shareholders**

Under Article 407 § 1 of the Commercial Companies Code, the list of Shareholders entitled to participate in the Annual General Meeting of the Company, will be displayed at the Company's registered office in Gdansk, at ul. Reduta Żbik 5 from 9 am to 3 pm, three business days prior to the Meeting, i.e. on 23-25 and 20 June 2015. The list of Shareholders will be drawn up based on the list prepared and made available to the Company by the entity maintaining securities accounts, under Article 4063 § 7 and § 8 of the Commercial Companies Code.

A Shareholder may demand that the list of Shareholders entitled to participate in the Annual General Meeting be provided to him free of charge via email, by specifying the email address to which the list should be sent.

Under Article 407 § 2 of the Commercial Companies Code, within one week prior to the Annual General Meeting, i.e. on 18-25 June 2015, from 9 am to 3 pm, at the Company's registered office in Gdansk at ul. Reduta Żbik 5, from Monday to Friday, copies of motions for matters included in the agenda will be available for release.

## **10. Access to documents**

The full text of the documents to be submitted to the Annual General Meeting along with draft resolutions (and if adoption of a resolution on a given matter is not provided for – comments of the Management Board) will be available on the Company's website – [www.inwestor.lpp.com.pl](http://www.inwestor.lpp.com.pl), from the date of convening the Annual General Meeting of the Company, pursuant to Article 4023 § 1 of the

Commercial Companies Code. Comments of the Management Board or the Supervisory Board of the Company concerning matters included in the agenda of the Annual General Meeting or matters that are to be placed on the agenda prior to the Meeting, will be available on the Company's website immediately after they have been drawn up.

Any information relating to the Annual General Meeting will be available on the website [www.inwestor.lpp.com.pl](http://www.inwestor.lpp.com.pl).

## **11. Appointment members of the Supervisory Board**

### **11.1 The candidates for members of the Supervisory Board**

A candidate for a member of the Supervisory Board may be a natural person with full legal capacity, upon submission, in person (at the Annual General Meeting) or in writing, of a declaration attesting the consent for being a candidate to be included in the minutes of the Annual General Meeting. A candidate for a member of the Supervisory Board should have appropriate training, professional and life experience, be of high moral, have no criminal record and be able to devote the time necessary to properly perform its functions in the Supervisory Board.

### **11.2 Nominations for members of the Supervisory Board**

Nominations for members of the Supervisory Board shall be presented and justified in detail to allow an informed choice based on the above criteria. Nominations for members of the Supervisory Board should be presented to the Company at least 15 days prior to the date of the Annual General Meeting, i.e. by 11 June 2015.

A shareholder presenting a candidate for a member of the Supervisory Board should submit to the company:

- (a) CV of the candidate for a member of the Supervisory Board, containing at least the information described in section 11.1.,
- (b) Justification for the presented candidacy,
- (c) Consent of the candidate to stand for election to the Supervisory Board,
- (d) Consent of the candidate to post information on the candidate described in letter (a), letter (b) and letter (e) on the Company's website and consent of the candidate to comply with legal regulations in place in the Company,
- (e) Information on personal, actual, organizational and capital relationships of the candidate for a member of the Supervisory Board with the shareholder presenting the candidacy of a given person as a member of the Supervisory Board and any links of that person with other shareholders, in particular with majority shareholders.

Upon receipt, information on the candidates for members of the Supervisory Board nominated by shareholders will be posted on the Company's website no later than 10 days before the date of the Annual General Meeting, i.e. by 16 June 2015.



**Proposed amendments to the Articles of Association of LPP SA:**

Under Article 402§ 2 CCC, The Management Board of LPP SA informs about the proposed amendments to the Articles of Association of the Company of LPP SA

**§ 13 section 1**

**Current wording:**

"1. The Management Board consists of two to five persons appointed and dismissed by the Supervisory Board for a period of five years. The Management Board consists of: President of the Board and from one to four Vice-Presidents."

**Proposed wording:**

"1. The Management Board consists of two to six persons appointed and dismissed by the Supervisory Board for a period of five years. The Management Board consists of: President of the Board and from one to five Vice-Presidents."

**§ 17 section 3**

**Current wording:**

"3. The Supervisory Board is appointed and dismissed by the General Meeting."

**Proposed wording:**

"3. The Supervisory Board is appointed and dismissed by the General Meeting. In the event the mandate of a Supervisory Board member expires before the term of office due to resignation or death, the Supervisory Board may make up its composition by co-opting a new member. The Supervisory Board may co-opt no more than one person to its composition. Co-opted member of the Supervisory Board shall be subject to approval by the next General Meeting. In the event of non-approval by the General Meeting or failure to present to the General Meeting's approval the Supervisory Board's resolution on co-option, the mandate of the co-opted member of the Supervisory Board shall expire upon the completion of the next General Meeting of the Company. Alternatively, in the absence of co-option, the Supervisory Board shall operate in a reduced composition until the next General Meeting of the Company."

Article 56(1) Item 2 of the Public Offering Act – current and periodical information

Signatures: Przemysław Lutkiewicz – Vice President of the Management Board

Jacek Kujawa – Vice President of the Management Board