

# LPP

**RESOLUTION  
of the Supervisory Board of LPP SA  
of 10 May 2016**

**on the evaluation the Management Board's report on the Company's operations in the financial year 2015 and the separate financial statements of the Company for the financial year 2015 in terms of their compliance with the underlying accounts and documents as well as the actual state of affairs**

The Supervisory Board, having reviewed:

- the financial statement of LPP SA for the financial year 2015,
- the LPP SA Management Board's report on the Company's operations in the financial year 2015,
- the Management Board's resolution on the request to allocate the Company's net profit generated in the financial year 2015,
- auditor's report and opinion on the Company's financial statements for the financial year 2015,

notes that in the opinion of the Supervisory Board the Company's financial statements for the financial year 2015 and the Management Board's report on the Company's operations in the financial year 2015 are complete, accurate and contain data which exhaustively present the Company's position.

The Supervisory Board recommends to the Annual General Meeting to adopt a resolution approving the financial statement of LPP SA for the financial year 2015 and the Management Board's report on the Company's operations in the financial year 2015.



**RESOLUTION**  
**of the Supervisory Board of LPP SA**  
**of 10 May 2016**  
**on the evaluation of the consolidated financial statements of LPP SA Capital Group for**  
**the financial year 2015, and of the Management Board's report on LPP SA Capital**  
**Group's operations in the financial year 2015**

The Supervisory Board, having reviewed:

- the LPP SA Capital Group's consolidated financial statements for the financial year 2015;
- the LPP SA Management Board's report on the operations of LPP SA Capital Group in the financial year 2015;
- auditor's report and opinion on the consolidated financial statements of LPP SA Capital Group for the financial year 2015;

notes that, in its opinion the reports are complete, accurate and contain data which exhaustively present the position of LPP SA Capital Group.

The Supervisory Board recommends to the Annual General Meeting to adopt a resolution approving the consolidated financial statements of LPP SA Capital Group for the financial year 2015 and the Management Board's report on the operations of LPP SA Capital Group in the financial year 2015.

# LPP

**RESOLUTION**  
**of the Supervisory Board of LPP SA**  
**of 10 May 2016**  
**on the approval of the Management Board's request to allocate the Company's net profit**  
**generated in the financial year 2015**

The Supervisory Board, having examined the Management Board's request to allocate profit generated in the financial year 2015 presented in the Management Board's resolution of 22 April 2016, recommends to the Annual General Meeting of LPP SA to adopt the resolution on allocation of net profit generated in the financial year 2015 in the amount of PLN 344 347 475.66, according to this proposal of the Management Board, i.e. as follows:

- PLN 59 935 557.00 (fifty nine million nine hundred thirty five thousand five hundred and fifty seven zloty) to be allocated among the shareholders as a dividend,
- exclude PLN 7 500 000 (seven million five hundred thousand zloty) from allocation among the shareholders and keep it as reserve capital of the Company established by Resolution of the Annual General Meeting to accumulate the resources for the purpose stipulated in Article 362 § 2(3) of the Commercial Companies Code.
- exclude the remaining amount of net profit, i.e. PLN 276 911 918.66 (two hundred seventy six million nine hundred eleven thousand nine hundred and eighteen zloty 66/100) from allocation and keep it as reserve capital of the Company.

At the same time, the Supervisory Board expresses a favourable opinion on the Management Board's request to appoint the dividend date (i.e. date of establishing the list of shareholders entitled to the dividend) on 5 September 2016 and the dividend payment date on 21 September 2016.

# LPP

**RESOLUTION**  
**of the Supervisory Board of LPP SA**  
**of 10 May 2016**  
**on the opinion on matters to be subject of resolutions of the Annual General Meeting of**  
**Shareholders**

The Supervisory Board adopts the following opinion on matters to be considered by the Annual General Meeting in 2016:

The Supervisory Board of LPP SA, having reviewed the Management Board's request of 22 April 2016 to issue opinion on the matters to be considered by the Annual General Meeting to be held on 17 June 2016, finds that the agenda of the said Annual General Meeting proposed by the Management Board is consistent with the Company's Articles of Association and its internal regulations. Therefore, the Supervisory Board declares that:

1. Item 1 to 4 on the agenda are exclusively procedural, necessary for the proper organization of the General Meeting.
2. Item 5 on the agenda results from the obligations under the Company's internal policies, including in particular the Regulations of the General Meeting and the Regulations of the Supervisory Board as well as corporate governance standards applied by the Company.
3. Item 6 on the agenda stems from the obligation stipulated in, among others, Article 393 § 1 of the CCC, Article 395 § 2(1) of the CCC, 395 § 5 of the CCC, Article 49(1) and Article 55(2) of the Act of 29 September 1994 on Accounting (consolidated text: Journal of Laws [Dz. U.] of 2013, item 330, as amended), the provisions of § 33.1.1 of the Company's Articles of Association and § 2.2.1 of the Regulations of the General Meeting of Shareholders.
4. Item 7 stems from § 33.1.1 of the Company's Articles of Association.
5. Item 8 on the agenda stems from the obligation stipulated in, among others, Article 393 § 1 of the CCC, Article 395 § 2(1) of the CCC and Article 53(1) of the Act of 29 September 1994 on Accounting (consolidated text: Journal of Laws [Dz. U.] of 2013, item 330, as amended), the provisions of § 33.1.1 of the Company's Articles of Association and § 2.2.1 of the Regulations of the General Meeting of Shareholders.
6. Item 9 on the agenda stems from the generally applicable provisions of Article 395 § 5 of the CCC and Article 63c(4) of the Accounting Act.
7. Item 10 on the agenda stems from the obligation stipulated in, among others, Article 393 § 1(1) of the CCC, Article 395 § 2(3) of the CCC and § 33.1.4 of the Company's Articles of Association.

8. Item 11 on the agenda stems from the obligation stipulated in, among others, Article 393 § 1(1) of the CCC, Article 395 § 2(3) of the CCC and § 33.1.4 of the Company's Articles of Association.
9. Item 12 on the agenda is an essential prerequisite for the implementation of the incentive programme for the key managers of the Company, which will be put to the vote under item 15 of the agenda. The programme provides for the use of treasury shares acquired by the Company in 2008, based on the resolution of the Supervisory Board of 29 February 2008 by which the Supervisory Board approved the Management Board's acquisition of treasury shares in the number not exceeding 10% of the total number of shares for their issue to the shareholders of companies with which LPP SA would merge in the future through their takeover by LPP SA, and which treasury shares were not used for the original purpose and thus it is necessary to change their purpose based on Article 396 § 4, Article 362 § 2(3), Article 362 § 1(8), Article 348 § 1 of the Commercial Companies Code and to establish reserve capital of the Company, where the amounts intended for the purpose referred to in Article 362 § 2(3) of the Commercial Companies Code would be allocated; the Supervisory Board recommends to the General Meeting to adopt the resolution on establishing reserve capital as it is necessary for the change of the acquisition purpose of treasury shares.
10. Item 13 on the agenda stems from the obligation stipulated in, among others, Article 395 § 2(2) of the CCC, Article 53(3) of the Accounting Act and § 33.1.3 of the Company's Articles of Association.
11. Item 14 on the agenda is another essential prerequisite for the implementation of the incentive programme for the key managers of the Company, which will be put to the vote under item 15 of the agenda. As indicated above, the programme provides for the use of treasury shares acquired by the Company in 2008 based on the resolution of the Supervisory Board of 29 February 2008 by which the Supervisory Board approved the Management Board's acquisition of treasury shares in the number not exceeding 10% of the total number of shares for their issue to the shareholders of companies with which LPP SA would merge in the future through their takeover by LPP SA, and which treasury shares were not used for the original purpose and thus it is necessary to change their purpose (to the purpose provided for in Article 362 § 1(8) of the Commercial Companies Code for implementation of the incentive programme); the Supervisory Board recommends to the General Meeting to adopt the resolution on the change of the acquisition purpose of treasury shares as it is necessary for the adoption and implementation of the incentive programme, it is in line with the Company's interest and reasonable interest of shareholders, it will allow to use the Company's treasury shares for the needs of new incentive programme for key managers of the Company and it will not result in "dilution" of shares.
12. Item 15 of the agenda - the Supervisory Board recommends that the resolution on approving the incentive programme for the key managers of the Company be adopted by the Annual General Meeting of the Company.
13. Item 16 on the agenda is of procedural nature.



**RESOLUTION  
of the Supervisory Board of LPP SA  
of 10 May 2016**

**on expressing an opinion regarding the proposed incentive programme for key employees of the Company and the appropriation of treasury shares previously acquired for this purpose**

The Supervisory Board expresses a favourable opinion and recommends to the Annual General Meeting of the Company to adopt an incentive programme for the key managers of the Company based on the use of treasury shares acquired in 2008. The work of key managers of the Company has and will have major impact on the operations of the Company, its goodwill and the value of shares in the share capital held by shareholders. In order to stimulate such persons to effectively manage the Company and entities in the Company's capital group and ensure long-term growth of the Company's goodwill, taking into consideration the need for stability of key managers of the Company, as well as the fact that current incentive programmes for key managers of the Company have been completed, the Supervisory Board recommends the adoption of an incentive programme for key managers of the Company, based on the following assumptions:

- The Incentive Programme will be implemented in the financial years 2016 - 2017. In 2017, the Company shares will be acquired provided that the premises of the Programme have been met by the programme participants listed in the resolution of the Annual General Meeting of LPP SA.
- Under the programme, the programme participants who meet the terms stipulated in this resolution of the Annual General Meeting and in the programme regulations become entitled to acquire the Company's shares from the Company for the price equal to the nominal value of the Company's share.
- The condition for the entitlement referred to above by the programme participants will be to meet the following condition by LPP SA Capital Group in the financial year 2016: net profit of LPP SA Capital Group for 2016, forming the basis to entitlement to acquire the Company's shares, will be higher at least 10 % than the net profit of LPP SA Capital Group per share generated in the preceding financial year.
- The specific number of shares intended for the acquisition by the entitled persons will be established by the Supervisory Board of the Company, provided that their total number may not exceed 3 000 (three thousand) shares of the Company.
- The entitled persons will be entitled to acquire the Company's shares, if the terms for acquisitions are met and there is no basis for loss of the right to participate in the programme.

- The detailed terms and conditions of the incentive programme will be determined by the Supervisory Board.

In order to enable the implementation of the programme, the Supervisory Board recommends to establish reserve capital and allocate the collected funds in accordance with Article 362 § 2(3) of the Commercial Companies Code to the acquisition of treasury shares, and to replace the purpose of the treasury shares mentioned in Article 362 § 1(9) in conjunction with Article 515 § 2 of the Commercial Companies Code with the purpose mentioned in Article 362 § 1(8) of the Commercial Companies Code.

# LPP

**RESOLUTION**  
**of the Supervisory Board of LPP SA**  
**of 10 May 2016**  
**on the appropriation of treasury shares acquired by the Company in 2008**

The Supervisory Board expresses a favourable opinion and recommends to the Annual General Meeting of the Company

Considering that:

Under the resolution of 29 February 2008, the Supervisory Board consented to the acquisition by Company's Management Board on behalf of LPP S.A. of treasury shares in the amount of not more than 10% of the total number of treasury shares to be issued to shareholders of companies with which LPP S.A. will merge in the future through the acquisition of these companies by LPP S.A.

The Company acquired its treasury shares based on the authorisation referred to in point 1 above and in accordance with Article 362 § 1(9) in conjunction with Article 515 § 2 of the Commercial Companies Code.

Treasury shares in the number of 21 398 (twenty one thousand three hundred and ninety eight) were not used for the purpose specified in the resolution of the Supervisory Board of 29 February 2008 because there were no acquisitions of companies under which the Company's treasury shares would be issued to the shareholders.

The Annual General Meeting of LPP SA of 14 June 2013 (preceded by resolution of the Management Board of 26 April 2013 and resolution of the Supervisory Board of 8 May 2013) consented to change the purpose of acquisition of 3,000 (three thousand) shares out of general number of 21,398 (twenty one thousand three hundred and ninety eight) treasury shares held by the Company, in such a way that the acquisition purpose of such 3,000 shares would be the purpose stipulated in Article 362 § 1(8) of the Commercial Companies Code for the implementation of incentive programme for key managers of the Company.

The Supervisory Board approves the conversion of of 3,000 (three thousand) treasury shares out of all treasury shares 18,398 (eighteen thousand three hundred and ninety eight) treasury shares owned by the Company acquired by the Company pursuant to the authorisation granted by the Supervisory Board on 29 February 2008, to shares acquired pursuant to Article 362 § 1(8) of the Commercial Companies Code, for the implementation of the incentive programme for the key managers of the Company, subject to the resolution of the General Meeting of the Company to change the purpose of



the acquisition of treasury shares from the one mentioned in Article 362 § 1(9) in conjunction with Article 515 § 2 of the Commercial Companies Code to that set out in Article 362 § 1(8) of the Commercial Companies Code - i.e. the implementation of the incentive programme for key managers of the Company.