

Resolution of the LPP SA Supervisory Board

regarding the comprehensive assessment of the position of the Company in the year 2010, including in particular (i) the assessment of the financial reporting process, (ii) the assessment of the internal control system, risk management system, (iii) the assessment of performing financial audit, (iv) the assessment of the independence of a chartered auditor carrying out the audit of the financial statement of the Company and LPP SA Capital Group and (v) the Supervisory Board's own assessment of its performance,

"In 2010, the Company achieved good results, both in relation to revenue and profits.

The Company opened another retail stores under Reserved, Cropptown, House and Mohito brands, significantly increasing the selling area of the retail stores managed by LPP SA.

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

The Supervisory Board finds that the overall position of the Company in the year 2010 was good. It is true that the Company did not achieve the assumed revenue and profits, however, in the Supervisory Board's opinion, in view of the economic crisis the Company achieved satisfactory results.

In 2010, the Company entered into the agreement under which Esotiq brand was sold. In the Supervisory Board's opinion, it was a good decision and its scale is not critical for the future functioning of the Company.

According to the assessment of the Supervisory Board, there are no reasons that could pose a real threat to the continued operation of the Company.

The Supervisory Board examined the financial reporting process of LPP SA. According to the assessment of the Supervisory Board, the financial reporting process of LPP SA is in compliance with legal requirements and meets the relevant functional needs.

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

The Supervisory Board examined the LPP SA financial audit performance. According to the assessment of the Supervisory Board, the financial audit carried out at LPP SA complied with 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 SA Capital Group. According to the opinion of the Supervisory Board, the auditor examining the financial statement of the Company and LPP SA 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 position of the Company during the convened meetings and supported the Management Board's operation on an ongoing basis. Consequently, the Supervisory Board assessed positively its performance in the year 2010.