

**REPORT OF THE SUPERVISORY BOARD OF LC CORP  
JOINT STOCK COMPANY WITH ITS REGISTERED OFFICE IN WROCLAW  
FROM THE SUPERVISION OF ACTIVITY OF THE COMPANY DURING THE  
PERIOD FROM 01.01.2011 TO 31.12.2011**

The Supervisory Board of LC Corp S.A. as at 1 January 2011 was working in the unchanged following composition:

- Leszek Czarnecki – Chairman;
- Andrzej Błażejowski – Vice-Chairman;
- Remigiusz Baliński – Member,
- Ludwik Czarnecki – Member,
- Artur Wiza – Member.

The composition of the Supervisory Board has changed during the reporting year.

As of the date of holding the Ordinary General Meeting, i.e. on 23 May 2011, Mr Artur Wiza resigned from the position of the Member of the Company's Supervisory Board.

As of the date of holding the Ordinary General Meeting, i.e. on 23 May 2011, Mr Zbigniew Dorenda took the position of the Member of the Company's Supervisory Board.

The composition of the Supervisory Board as at 31 December 2011 was as follows:

- Leszek Czarnecki – Chairman;
- Andrzej Błażejowski – Vice-Chairman;
- Remigiusz Baliński – Member,
- Ludwik Czarnecki – Member,
- Zbigniew Dorenda – Member.

The Supervisory Board of LC Corp S.A. in the course of execution of its duties during fiscal year 2011, held 5 meetings, at which it adopted 19 resolutions and adopted 7 resolutions pursuant to § 19 section 6 of Company's Charter, i.e. under circulatory procedure. The minutes were drawn up from the meetings of the Supervisory Board, which are kept together with the other documentation at Company's registered office.

The Supervisory Board was performing constant supervision of Company's activity in all areas of its activity.

The supervisory-control activities included specifically:

- analysis of present financial results of the Company and their assessment,
- analysis of periodical financial statements,
- familiarization with the periodical information presented by the Management Board regarding the present and planned activity of the Company,
- analysis of the materials received from the Management Board
- approving and granting the consents for contracting the liabilities by the Company and financing the Group's companies,
- granting the consent for the establishment of the guarantees and sureties for Group's companies.

Within the scope of performance of its duties, the Supervisory Board:

- was issuing opinions on draft resolutions prior to their presentation to the General Meeting,
- was assessing the report from the activity of Company's Management Board and the financial statements for fiscal year,
- prepared and accepted the report from the activity of the Supervisory Board for fiscal year 2010,
- prepared and assessed the Company,
- approved Company's budget for 2012,
- was approving the changes to the organisational structure of the Company,
- was granting the consent for the Company's Management Board to grant the subordinated loans and other forms of financing by the Company for the subsidiaries and to establish the collateral and guarantees for these companies
- appointed the certified auditor of the Company to audit the unit and consolidated financial statements of the Company for 2011 and the mid-year audit.

The Supervisory Board was also monitoring the situation of the Company and was issuing opinions on the present and planned activities. The Supervisory Board in the course of execution of its duties was obtaining information necessary for their execution from the documents, information, presentations and explanations provided by the Management Board.

The Supervisory Board concludes that the cooperation with Company's Management Board during the reporting period was correct and that the Management Board was presenting in reliable and exhausting manner information regarding all aspects related to the activity of the Company and the companies comprising LC Corp capital group and was informing the Supervisory Board on on-going basis about the issues covered by its competences.

The list of detailed activities undertaken by the Supervisory Board is contained in the minutes from the meetings of the Supervisory Board, which together with the resolutions adopted by the Supervisory Board in 2011, are archived at Company's registered office.

Wroclaw, 16 May 2012

Leszek Czarnecki

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Andrzej Błażejowski

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Ludwik Czarnecki

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Remigiusz Baliński

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Zbigniew Dorenda

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