

## **REASONS FOR DRAFT RESOLUTIONS OF THE GENERAL MEETING OF „MONNARI TRADE” S.A. SHAREHOLDERS CONVENEED ON 30 June 2009**

### **1. RESOLUTIONS NO 1-3.**

Resolutions no 1-3 relate to points of order.

### **2. RESOLUTIONS NO 4-9 AND 11-19.**

Resolutions no 4-9 and 11-19 refer to issues that are obligatorily considered at the General Meeting after the end of turnover year.

### **3. RESOLUTION NO 10 IN REGARD TO LOSS COVER FOR TURNOVER YEAR 2008.**

The Company went into net loss of - 029 866,50 PLN for the turnover year 2008. This total has been made mainly due to the creation of provisions and reserves. In respect to the loss of value of assets presented in the annual report for the year 2008., the company's board of directors has made a decision to make provisions in the amount of 100% of the total value of financial investments and other assets connected with these investments due to the fact that as for the day of making the annual report the regain value could not be declared.

Some external factors contributed to the current situation, mainly because of the increasing economical crisis, which has particularly hard touched the retail trade, especially the clothing sector, which "MONNARI TRADE" S.A companies and other subsidiary company's main stream of business. The decisive external factor is the bank's refusal of credits in the amount of 10 million PLN in the first stage and 30 million in the second stage, what has caused the inability to finance the company's activity in the time of crisis – MOD OOO and Mattoni AG. There have been justified expectations of the company's Board towards the bank's granting further financing confirmed by harmonious cooperation between the MONNARI TRADE S.A company and the banks as well as by the talks made in the sector of further financing of the dominating company. The autonomous from the company external factor is the way of running the bankruptcy procedures (claimed on the 26 th of February 2009) of the subsidiary company – Molton Ltd. This fact has greatly decreased the possibility of regaining some or the whole amount of investments made in this company. The Board of the company will declare a claim to cover the mentioned above loss for the year 2008 from the reserve capital.

### **4. RESOLUTION NO 20 IN REGARD TO PROLONGING THE TIME OF MOTIVATION PROGRAME.**

Due to finalizing emission of subscription warrants by the company in the amount of 34 000, as a part of the Motivation Program, there remains the possibility of emission of 266 000 subscription warrants.

Due to the above, the Management Board will make a claim to the Ordinary General Shareholder's Meeting to prologue the time of the Motivation Program from 3 to 8 years and to prologue the time of execute the laws imposed by the subscription warrants until the 31st of December 2015.

**5. RESOLUTION NO 21-22 of the changes in the Statute and the regulations of the General Meeting .**

Suggested changes in “MONNARI TRADE” S.A. Statute and in the regulations of the General Meeting are connected with the changes appearing in the commercial companies code.

**6. RESOLUTIONS NO 23 of the changes in the regulations of the General Meeting.**

Changes in the regulations of the General Meeting are to make the mode of the session of the mentioned organ more precise.

**7. RESOLUTION NO 24-25 the approval of members of the Board of Directors.**

Pursuant to the Statute of the Company the General Meeting approves the new members of the Board of Directors.

**8. RESOLUTION NO 26 changes in the composition of the Board of Directors**

Due to the full, seven person manning of the Board of Directors, the Board will not infer to the Ordinary Shareholders Meeting to make changes in the manning of the Board of Directors.

**9. RESOLUTION NO 27 agreement on establishing financial deposits**

“MONNARI TRADE” S.A company has established financial deposits in Deutsche Bank PCB S.A in December 2008 and in January and February 2009 in order to secure the credit of Agata Banasiak which has been secured with a B/E set “in blanco” (one of the main shareholder of the company). This decision of the Board was made in fear that the bank will sell the company’s shares, the property of Agata Banasiak, what could have stand in the way of gaining the new strategic investor.

**OPINION OF THE SUPERVISORY BOARD IN REGARD TO DRAFT RESOLUTIONS OF THE GM**

The Supervisory Board has made a positive opinion about the project of resolution from no 1 till 26 during the General Shareholder’s Meeting. A proper resolution has been made on the 17 th of June 2009.

Pursuant to the project of resolution no 27, the Supervisory Board has made the following statement:

“ Giving opinion on the resolution connected with the evaluation of the actions undertaken by the members of the Management Board in the name of the Company as for the procedure of giving away the deposit of financial assets, on behalf of the Company, to the disposition of Deutsche Bank PBC S.A. This action has been undertaken in order to secure the collateral credit given by the Bank to one of the shareholders of the company in order to purchase the company’s shares. The Supervisory board wishes to point out that there is a risk that the company will deposit these assets and by doing so, it will lose them, in case the company will not manage to pay off the mentioned above credit. The inability to use these assets could have caused additional costs of gaining equal finances on the market rules.”