

IDMSA

Brokerage House

REPORT
ON ACTIVITIES OF THE SUPERVISORY BOARD
FOR THE FISCAL YEAR 2009

DEFINITIONS

Whenever this document refers to:

- 1) IDM S.A. – means the company under the name of the Brokerage House IDM joint stock company,
 - 2) Supervisory Board – means the Supervisory Board of IDM S.A. Brokerage House,
 - 3) General Meeting – means the General Meeting of IDM S.A. Brokerage House,
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COMPOSITION OF THE SUPERVISORY BOARD

Since the beginning of 2009, the Supervisory Board consisted of:

- 1) Robert Tomaszewski – Chairman of the Supervisory Board,
- 2) Henryk Leszczyński – Vice-Chairman of the Supervisory Board,
- 3) Antoni Abratański – Supervisory Board Member,
- 4) Władysław Bogucki – Supervisory Board Member,
- 5) Jarosław Dziewa – Supervisory Board Member,
- 6) Artur Kozieja – Supervisory Board Member,
- 7) Łukasz Żuk – Supervisory Board Member.

On January 15, 2009 Łukasz Żuk resigned from the function of the Supervisory Board member. On June 30, 2009 Ordinary General Meeting appointed Henryk Leszczyński, Antoni Abratański and Władysław Bogucki for another term of office in the Supervisory Board. On December 22, 2009, Robert Tomaszewski submitted a statement of resignation from the function of the Supervisory Board member. Resignation from the above function became effective on January 25, 2010, i.e. on the day of the following General Meeting after the date of filing the statement.

After the abovementioned changes, on December 31, 2009, the Supervisory Board was composed of:

- 1) Robert Tomaszewski – Chairman of the Supervisory Board,
- 2) Henryk Leszczyński – Vice-Chairman of the Supervisory Board,
- 3) Antoni Abratański – Supervisory Board Member,

- 4) Władysław Bogucki – Supervisory Board Member,
- 5) Jarosław Dziewa – Supervisory Board Member,
- 6) Artur Kozieja – Supervisory Board Member,

After December 31 , 2009 until the adoption of this report by the Supervisory Board, further changes took place in the Supervisory Board. The Issuer's General Meeting convened for January 25 , 2010 by the Resolution No. 10 on complementation of the composition of the Supervisory Board, Professor Andrzej Szumański Ph.D. was appointed to the Supervisory Board. On March 3, 2010 Artur Kozieja submitted a statement of resignation from the function of the Supervisory Board member. The resignation was caused by work in a foreign financial institution.

At the date of adoption of this Report the composition of the Supervisory Board presented as follows:

- 1) Henryk Leszczyński – Vice-Chairman of the Supervisory Board,
- 2) Antoni Abratański – Supervisory Board Member,
- 3) Władysław Bogucki – Supervisory Board Member,
- 4) Jarosław Dziewa – Supervisory Board Member,
- 5) Andrzej Szumański – Supervisory Board Member.

COMPOSITION OF THE SUPERVISORY BOARD COMMITTEES

The audit and payroll committees have been identified within the structure of the Supervisory Board. As at January 1, 2009 they consisted of:

Audit Committee

- 1) Antoni Abratański
- 2) Jarosław Dziewa
- 3) Artur Kozieja

Payroll Committee

- 1) Władysław Bogucki
- 2) Henryk Leszczyński
- 3) Robert Tomaszewski

On March 19, 2009 Antoni Abratański resigned from the function of a Member of the Audit Committee. On December 22, 2009 the Supervisory Board appointed Władysław Bogucki to the Audit Committee.

As at December 31, 2009, the composition of the Supervisory Board Committees presented as follows:

Audit Committee

- 1) Jarosław Dziewa
- 2) Władysław Bogucki
- 3) Artur Kozieja

Payroll Committee

- 3) Władysław Bogucki
- 4) Henryk Leszczyński
- 4) Robert Tomaszewski

After December 31, 2009 the composition of the committees was subject to further changes. On January 25, 2010 Robert Tomaszewski resigned from the function of the Supervisory Board Member from the Payroll Committee. On March 3, 2010 Artur Kozieja resigned from the function of the Supervisory Board Member from the Audit Committee.

On March 11, 2010 the Supervisory Board passed a resolution on the liquidation of the Audit Committee and the acquisition of powers under the Accounting Act by the entire Supervisory Board.

ACTIVITIES OF THE SUPERVISORY BOARD

During the reporting period, the Supervisory Board held six meetings on:

- 1) February 11, 2009
- 2) February 26, 2009
- 3) March 19, 2009
- 4) June 10, 2009
- 5) September 16, 2009
- 6) December 22, 2009

In addition, resolutions were also adopted by circulation.

The works of the Supervisory Board included e.g.:

- 1) Structural Transformation of the Capital Group of IDM S.A., including the expansion of the Capital Group DM IDM S.A.
- 2) Matters relating to assets of DM IDM S.A. with significant value.
- 3) Matters being the subject of General Meetings held in the fiscal year 2009.
- 4) Organizational structure of DM IDM S.A. and of the Capital Group DM IDM S.A.
- 5) Dates and methodology of assessment by the Supervisory Board of reports on the activities of the Company for 2008 and 2009.
- 6) The composition, structure, tasks, methods / mechanisms of functioning of the Supervisory Board.

Particular attention was devoted by the Supervisory Board on the following meetings to:

- 1) Information of the Management Board on the current state of affairs of DM IDM S.A. and of the Capital Group DM IDM S.A., including: business risks and hazards, the portfolio, the expected results for the year 2008 and thereafter for successive quarters of year 2009.
- 2) Valuation of the assets of DM IDM S.A. with significant value.
- 3) Information Policy of DM IDM S.A.
- 4) Internal Structure of DM IDM S.A. and HR situation.

- 5) Registration proceedings concerning the increase of share capital of DM IDM S.A.
- 6) Evaluation of the project concerning extension of activity of the Capital Group DM IDM S.A. with banking activities, including change of the concept project in the direction of purchase of an existing company, seeking another partner willing to engage capital in the project and a summary and closing of the previous concept of the project based on creating a new entity.
- 7) Proposals of alternative sources of gaining capital.
- 8) Analysis of the financial statement of DM IDM S.A. for the fiscal year 2008, consolidated financial statement of the Capital Group DM IDM S.A. for the fiscal year 2008, the report of the Management Board on the activities of DM IDM S.A. for the fiscal year 2008 and the report of the Management Board on the activities of the Capital Group DM IDM S.A. for the fiscal year 2008.

The Supervisory Board within the reported period undertook and analyzed the issues, which had an impact on improvement of the management of DM IDM S.A. on the achieved financial result and on long-term development of DM IDM S.A. and the Capital Group DM IDM S.A.

The Supervisory Board directed specific proposals to the Management Board of DM IDM SA for specific problems connected with the functioning of DM IDM S.A.

In the opinion of the Supervisory Board, this entity in the fiscal year 2009 has duly exercised the duties assigned by law, the Statute of DM IDM S.A. and the Rules of Procedure of the Supervisory Board.