

Remuneration Policy for Management and Supervisory Bodies of LPP S.A.

adopted following the requirements set forth in the Act of 29 July 2005 on Public Offering, the Terms and Conditions for Introducing Financial Instruments to Organised Trading and on Public Companies (Journal of Laws 2022.2554, as amended)

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1. Definitions

In this documents, terms given below shall have the following meaning.

Members of the Supervisory Board	shall mean all members of the Supervisory Board, including the Chairman and the Vice-Chairman of the Supervisory Board
Members of the Management Board	shall mean all members of the Management Board, including the President and Vice-Presidents of the Management Board
Group	the group consisting of the Company as parent company and subsidiaries controlled by the Company
Labour Code	Labour Code of 26 June 1974 (consolidated text: Journal of Laws 2022.1510, as amended)
Commercial Companies Code	Commercial Companies Code of 15 September 2000 (consolidated text: Journal of Laws 2022.1467, as amended)
LPP	LPP S.A. with its registered office in Gdańsk
Policy, Remuneration Policy	this Remuneration Policy for Management and Supervisory Bodies of LPP S.A.
Scheme, Incentive Scheme	the incentive scheme adopted by resolution of the General Meeting, providing for the possibility of acquiring from the Company its shares by scheme beneficiaries
Supervisory Board	The Supervisory Board of LPP S.A.
Rules of Operation of the Management Board	the Rules of Operation of the Management Board of LPP S.A.
Company	LPP S.A. with its registered office in Gdańsk
Strategy	the strategy of LPP S.A., determining the direction and scope of operation adopted by the Company with a view of attaining envisaged economic results, a long-term value increase for shareholders and stability of business operations
Public Offering Act, POA	the Act of 29 July 2005 on Public Offering, the Terms and Conditions for Introducing Financial Instruments to Organised Trading and on Public Companies (Journal of Laws 2022.2554, as amended)
General Meeting	the General Meeting of LPP S.A.

2. General Provisions

The information provided for in this Policy has been prepared by the Company's Management Board after consulting the Supervisory Board and, subsequently, presented for approval to the General Meeting, to be given in the form of a resolution, to specify in detail the applicable rules for remunerating Members of the Management and Supervisory Boards of LPP S.A., with due consideration of the requirements to be fulfilled by public companies under generally applicable laws, specifically the Public Offering Act, as well as internal regulations and the Company's Strategy.

This information has been prepared based on the requirement set forth in Chapter 4a "Remuneration Policy and Remuneration Report" (Article 90c and the following) of the Public Offering Act.

Solutions adopted in this Remuneration Policy support the implementation of the business strategy, long-term interests and stability of the Company, including attainment of envisaged economic results, the Company's actual long-term financial standing as well as a long-term value increase for shareholders and stability of business operations by, among others, linking the variable part of the remuneration of Members of the Management Board in the form of shares with performance achieved, following the rules set forth in the Incentive Scheme.

In the decision-making process, the following has been taken into account:

- a) requirements set forth in the above-mentioned generally applicable provisions of law, specifically the Public Offering Act,
- b) economic assumptions and goals as provided for in the Strategy,
- c) work and wage conditions for the Company's employees other than Members of the Management and Supervisory Boards,
- d) macroeconomic circumstances caused by the COVID-19 pandemic and the effects of the full-scale aggression of the Russian Federation on Ukraine,
- e) internal regulations applicable so far in the Company, governing the determination of remunerations as well as previous decisions of the General Meeting to the extent they remain in force.

The Management Board shall be responsible for preparing information incorporated in the Remuneration Policy as well as for implementing, and updating the wording of, the Policy.

As regards the Remuneration Policy, the Supervisory Board shall be responsible for giving its opinion on the Policy and its further changes, supervising its implementation in the Company, reviewing and assessing its application and for drawing up, on a yearly basis, a remuneration report.

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As regards the Remuneration Policy, the General Meeting shall be responsible for adopting the Policy and its further changes and for giving its opinion on remuneration reports to be drawn up by the Supervisory Board.

Remunerations of Members of the Management and Supervisory Boards shall be paid in line with this Remuneration Policy. This Policy incorporates a description of a full cash and non-cash remuneration and other benefits accrued, respectively, to each member of the Management and Supervisory Board, broken down into specific components, including information in the legal title serving as the basis for determining remunerations and benefits and a description of remunerations and benefits of individual Members of the Management Board, paid for their functions performed in the Group as well as information on fixed and variable components of such remunerations.

This Policy is aimed at determining the rules for remunerating Members of the Management and Supervisory Boards, paid by the Company or received in connection with their potential employment or exercise of corporate functions in the governing bodies of subsidiaries. In this Remuneration Policy, whenever a reference is made to remuneration for employment or exercise of a corporate function, it should be understood as any type of a legal relationship serving as the basis for payment of a remuneration or benefits, including an employment contract, mandate agreement (*umowa zlecenia*), agreement for the performance of a specific task (*umowa o dzieło*) or other similar agreements, a letter of appointment or any other legal relationship. This Remuneration Policy does not limit the forms of legal relationships between the Company or a company belonging to the LPP Group and Members of the Management and Supervisory Boards.

This Remuneration Policy describes the system of establishing remunerations in correlation with the area of responsibility, depending on the function performed in the organisation. This Policy is to be applied with a view to ensuring adequate incentive means adjusted to the Company's tasks to be performed as well as its long- and short-term strategic goals to be attained, by focusing on the Company's interests and economic performance.

For several years now, the Company's Strategy has remained unchanged, focusing on three cornerstones: development of 5 clothing brands owned by LPP, foreign expansion and extension of the chain of traditional stores as well as development of online stores by increasing their accessibility in subsequent countries. We will aim at strengthening the position of our brands on current and prospective markets, including expansion specifically to the Southern and Western Europe. To ensure the possibility of implementing the adopted strategy, the Management Board of LPP takes numerous actions aimed at minimising the risk of being left by key management officers. As a Group, LPP focuses on friendly work conditions: employees are offered a large variety of training courses providing continuous skill development, with a career path being straightforward and giving promotion opportunities. LPP ensures work in a contemporary and friendly environment as well as market-rate remuneration and

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other benefits following the rules set forth in the Company's Remuneration Rules and Social Benefit Fund.

A common denominator for determining variable parts of the remuneration of key managers and Members of the Management Board is the efficient performance of goals set: for managers – at the project/task level, for Members of the Management Board – at the global level.

When determining the Remuneration Policy for Members of the Management Board, due regard was given to work and wage conditions for the Company's employees other than Members of the Management and Supervisory Boards by applying the same criteria as applicable when determining the value of remuneration, specifically by making reference to the size of the enterprise, preserving a reasonable correlation with the Company's economic performance, ensuring the possibility of soliciting, maintaining and motivating persons indispensable for the proper management of the Company, taking into consideration the scope of duties and responsibility, work load necessary for the proper performance of respective duties and the level of remunerations at a similar position as applied by other entities operating on the market, as well as by making reference to the Company's long-term financial position, a long-term value increase for shareholders and stability of business operations.

Therefore, in LPP S.A., the remuneration of Members of the Management Board and key management officers is divided into a fixed and variable part the value of which depends to a major extent on the Company's economic results and performance of its individual departments. The variable part of the remuneration of management officers encompasses bonuses and awards. Members of the Management Board may receive bonuses and benefits in the form of shares under the Incentive Scheme. Based on this remuneration system, Members of the Management Board are encouraged to take informed decisions resulting in the attainment by the Company and/or the Group of increasingly better economic results, ensuring stability of its operations in the long run. At the same time, as a rule, Members of the Supervisory Board are paid lump-sum remunerations correlated with the number of meetings held.

3. Legal Grounds for Remunerating Members of the Management and Supervisory Boards

Members of the Management Board may receive remuneration, in particular, under an employment contract, a management contract or another civil law agreement and a letter of appointment. The type of the legal relationship with a given Member of the Management Board and the rules for remunerating a Board Member are set forth by the Supervisory Board, with due consideration of the rules provided for in this Remuneration Policy, following negotiations with a candidate for the position of Member of the Management Board.

Contracts with Members of the Management Board are concluded on behalf of the Company by the Chairman of the Supervisory Board or its other representative, under

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an authorisation granted by resolution. All activities related to the employment relationship with a Member of the Management Board are carried out following the same procedure.

As at the date of adopting this Policy, in connection with the work performed and the position held in the Management Board, both the President and Members of the Management Board of LPP S.A. are employed in LPP S.A. under employment contracts for the term of office of the Management Board. Employment contracts are concluded for an unspecified period of time. In the event of expiry of the term of office or the loss of a mandate for other reasons, the General Meeting of Shareholders resolves upon appointment of Members of the Management Board for the next term of office and the Supervisory Board represents the Company upon conclusion of the employment contract. Members of the Supervisory Board are remunerated based on a corporate relationship stemming from their appointment under relevant resolutions for their term of office. The term of office of the Supervisory Board is five years.

4. Remuneration Structure for Members of the Management and Supervisory Boards

Members of the Management Board are entitled to a basic fixed remuneration (comprising payments and benefits accrued to persons eligible under the Remuneration Policy for their position held, work performed and the level of their responsibility), which is not dependent on criteria relating to results or assessment of a given person's work performance. Variable benefits in the form of the right to acquire shares in the Company are based on the Incentive Scheme. Members of the Management Board may also be awarded a variable remuneration in the form of an annual bonus the value of which depends on results gained. The bonus may be paid in cash or in kind. The decision on the award of a bonus, including the determination of payment rules and conditions, is made by the Supervisory Board. The proportions of the fixed and variable part of the remuneration of Members of the Management Board may change as the value of the variable part is correlated with performance.

Members of the Supervisory Board receive a lump-sum remuneration.

Variable remuneration components are paid in a transparent way, ensuring effective implementation of the Remuneration Policy.

4.1. Remunerations of Members of the Management Board

The Supervisory Board is authorised to determine the rules for remunerating Members of the Management Board for exercising their functions in the Management Board. The remuneration of Members of the Management Board should correspond to the size of the enterprise and be reasonably correlated with the Company's economic results. The value of remuneration of Members of the Management Board should be sufficient to solicit, maintain and motivate persons indispensable for the proper management of the Company. When determining and verifying the value of remuneration of Members of the Management Board, the Supervisory Board should take into account, in particular, the scope of duties and responsibility, work load

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required for the proper performance of their duties and the level of remuneration at a similar position, applied by other entities operating on the market. In incentive schemes, the level of remuneration of Members of the Management Board should depend on the Company's actual long-term financial standing as well as a long-term value increase for shareholders and stability of business operations.

When determining criteria for payment of the variable part of the remuneration, the Supervisory Board should specify clear, comprehensive and diversified criteria for financial and non-financial performance, relating to the award of variable remuneration components, including criteria for recognition of social interests, the company's contribution to environment protection and actions aimed at preventing negative social consequences of the company's operations and handling the same as well as methods for determining to what extent the said criteria have been met.

Members of the Management Board may be eligible to an annual bonus in the amount fixed as a lump-sum or percentage by the Supervisory Board, depending on performance of financial or material goals set forth by the Supervisory Board for a given year. The key economic criterion may be, in particular, the attainment, or a percentage increase, in a given financial year, of the consolidated net profit of the LPP S.A. Group, EBIT or another parameter determined based on the Group's consolidated financial statements approved by a competent authority. The value of the bonus and the terms and conditions for its award to individual Members of the Management Board is determined by resolution of the Supervisory Board. Furthermore, the Supervisory Board has the right to award a bonus to Members of the Management Board despite non-fulfilment of the terms and conditions set forth by the Supervisory Board provided that a net profit is generated while the non-performance of goals set does not result from circumstances dependent on the Management Board. The value of the bonus may be depend on the duration of employment with the Company and the position in the Management Board. The decision on awarding a bonus for a given financial year is made by the Supervisory Board after determining financial results for a given year.

Additionally, Members of the Management Board may be eligible for financial instruments as part of the Incentive Scheme.

At the time of adopting this Remuneration Policy, Members of the Company's Management Board receive a variable share-based remuneration. The transaction cost is assessed by reference to fair value as at the date of awarding such rights. The value of the remuneration for the work of management officers is determined indirectly by reference to the fair value of capital instruments awarded. The fair value of stock options is evaluated as at the award date while non-market conditions for acquiring those rights such as the attainment of an expected financial result are also taken into account when estimating the fair value of stock options. The value of employee benefits in the form of shares, due to Members of the Management Board, depends on the consolidated result generated for a given year.

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When assessing individual performance of a Member of the Management Board, which is decisive for determining his performance-based variable remuneration, the Supervisory Board may apply both financial and non-financial criteria.

Additional benefits for Members of the Management Board may include, among others, the following: the option of using a company car, technical devices and equipment required to perform duties of Board Member, fuel cards, reimbursement of documented required costs related to the performance of employment duties to the extent and in the amount adequate to the position held, including business trips, discount vouchers, an insurance contract covering civil liability of Members of the Management Board, relating to the legal relationship serving as the basis for providing services/performing work, private medical packages offered under general insurance rules, benefits provided for in the Company's Social Benefit Fund, training courses and participation in other ventures devoted to the type of work performed and aimed at improving their qualifications.

Members of the Management Board are not eligible to any other remuneration components provided for the Company's employees in the Collective Labour Agreement.

Work performance of Members of the Management Board is evaluated by the Supervisory Board and, subsequently, by the General Meeting adopting, on annual basis, a resolution on discharging Members of the Management Board from performing their duties.

Members of the Management Board may be employed by entities belonging to the LPP Group under employment contracts or other civil law agreements, for a specified or unspecified period of time, or under a letter of appointment, also to hold positions in the governing bodies of the Group companies and be remunerated for the above.

Management officers have concluded no agreements providing for a compensation payable in case of their resignation or dismissal from the position held without solid grounds or in the event where their revocation or dismissal is caused by the issuer's merger by acquisition.

Share-based Incentive Schemes for Members of the Management Board

Whereas:

- the work of the Company's key management officers has and will have a significant impact on the Company's operations, its goodwill and the value of shares in the share capital, held by shareholders,
- acting in the interest of the Company and its shareholders in terms of maximising profit from investments on securities issued by the Company,
- aiming at creating incentives and mechanisms which will motivate those persons to manage effectively both the Company and the Group companies, ensuring a long-term increase of the Company's value,

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- having regard also of the needed stabilisation of the Company's key management officers and

- recognising that current incentive scheme for the Company's Management Board covers financial years 2021/2022, 2022/2023 and 2023/2024, the General Meeting of LPP Shareholders will, on 30 June 2023, have on its agenda the adoption of an incentive scheme for the Management Board of LPP S.A. for the following financial years, i.e. 2024/2025, 2025/2026, 2026/2027.

As at the date of adopting this Remuneration Policy, in LPP, there is an incentive scheme for Members of the Management Board of LPP in force as provided for in the resolution of the General Meeting, dated 29 June 2021. The agenda of the General Meeting of Shareholders to be held on 30 June 2023, i.e. as at the date of adoption of this Remuneration Policy, includes the adoption of the incentive scheme for the Company's Management Board for the years 2024-2026.

The detailed rules for the Incentive Scheme are set forth by the Supervisory Board. On 31 May 2021, the Supervisory Board adopted the Rules for the Incentive Scheme for the Management Board of LPP for the years 2021-2023, and a respective resolution of the Supervisory Board was adopted under the proviso that the General Meeting of LPP, held on 29 June 2021, adopts a resolution approving the incentive scheme for Members of the Management Board, which was the case.

The Incentive Scheme currently in force covers financial years 2021 – 2023 (i.e., from 1 February 2021 to 31 January 2024). Upon fulfilment of prerequisites set forth in the rules for the incentive scheme, adopted by the Supervisory Board, the Company's shares will be acquired by, and released to, Eligible Members in the next financial year, starting from 1 February 2022.

As part of the Incentive Scheme, the Company will offer Members of the Management Board the possibility of acquiring from the Company its treasury shares in the total amount of up to 5,454 (five thousand four hundred and fifty four) shares.

In financial years 2021, 2022 and 2023, the Incentive scheme will be applied independently, which means that KPI for individual financial years, their levels and the number of shares permissible to be acquired under the incentive scheme will be determined by the Supervisory Board for each financial year individually in incentive scheme participation agreements concluded separately for each financial year covered by the incentive scheme. The allotment of shares will be conditional upon fulfilment by an eligible member, in a given financial year, of KPI specified by the Supervisory Board in the incentive scheme participation agreement for a given financial year and upon holding Board Member position at least from the day of conclusion of the said agreement to the date of conclusion of the agreement on the acquisition of shares offered under the scheme applicable to a given financial year. The date of settling the incentive scheme for a given financial year should fall within 3 months from the date of publishing by the Company of a consolidated annual report for the financial year in question. Within 14 days from the date of adoption by the Supervisory Board of a resolution ascertaining the level of KPI performance for a given

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financial year covered by the scheme and determining the number of shares to be allotted to eligible members, the Company will offer an eligible member shares to be acquired. Shares will be acquired by private subscription, by way of concluding a share subscription agreement. An eligible member who has concluded a share subscription agreement will be required to make a cash contribution in an amount corresponding to the number of shares and their issue price, by a wire transfer to the Company's bank account. An eligible member who has subscribed to shares under the scheme shall be required not to transfer them within 24 months from the date of conclusion of the share subscription agreement. The said deadline will be counted separately for shares subscribed to in each year covered by the incentive scheme.

Rules for acquiring shares under the incentive scheme for the following financial years, i.e. 2024/2025, 2025/2026, 2026/2027, the adoption of which will be voted on during the session of the General Meeting of the Company's Shareholders to be held on 30 June 2023, will be equivalent to the rules for participation in the 2021-2023 incentive scheme, with the reservation that the maximum number of shares to be subscribed to under the 2024-2026 incentive scheme, for each financial year, will result from a resolution of the Supervisory Board. Furthermore, when determining KPI, the Supervisory Board may take into account also the performance by Members of the management Board of sustainable development goals. Detailed criteria in that respect will be provided for in the incentive scheme participation agreement.

4.2. Remuneration of Members of the Supervisory Board

The Supervisory Board is composed of 5 (five) to 6 (six) members, including the Chairman of the Supervisory Board. The number of Members of the Supervisory Board is determined by the General Meeting. Members of the Supervisory Board are appointed for a 5-year term of office. The Supervisory Board will be appointed and dismissed by the Meeting of Shareholders. In case of expiry of the Board Member's mandate before expiry of his/her term of office due to his/her resignation or death, the composition of the Supervisory Board may be supplemented by co-option by appointing a new Member of the Supervisory Board. The Supervisory Board may appoint by co-option no more than one person. The co-opted member of the Supervisory Board is to be approved by the next General Meeting. In the event where the General Meeting does not approve, or is not presented with, the resolution of the Supervisory Board on the appointment of a member by co-option for approval, the term of office of such co-opted member of the Supervisory Board will expire at the end of the next General Meeting of the Company. Alternatively, if no member is co-opted, the Supervisory Board will pursue its activity being composed of a smaller number of members until holding the next General Meeting.

Members of the Supervisory Board may be paid a remuneration in the amount determined by the General Meeting. The remuneration of Members of the Supervisory Board should be correlated with the scope of duties and responsibility arising from the position held and be fixed in an amount adequate to the Company's size.

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The key elements of the remuneration system for Members of the Supervisory Board are as follows:

- lump-sum remuneration,
- additional benefits.

The lump-sum remuneration is payable for participation in a meeting of, respectively, the Supervisory Board or the Audit Committee of the Supervisory Board.

As at the date of adopting this Policy, the value of remuneration of Members of the Supervisory Board is fixed by resolution no 7 of the Extraordinary General Meeting of Company, held on 20 October 2017.

Members of the Supervisory Board are entitled to reimbursement of costs related to the participation in the Board's works.

As at the date of this Policy, Members of the Supervisory Board are given no additional benefits.

Subject to Article 387 of the Commercial Companies Code, Members of the Supervisory Board may be employed by the Company under employment contracts or other civil law agreements, for a specified or unspecified period of time, or under a letter of appointment. Furthermore, Members of the Supervisory Board may be employed by entities belonging to the LPP Group under employment contracts or other civil law agreements, for a specified or unspecified period of time, or under a letter of appointment, also to hold positions in the governing bodies of the Group companies and be remunerated for the above.

The remuneration of Members of the Supervisory Board should depend on neither stock options nor other derivatives or any other variable components or on the Company's results.

Performance of Members of the Supervisory Board is evaluated by the General Meeting of the Company by way of annually adopted resolution on discharging Members of the Supervisory Board from performing their duties.

5. Description of Key Features of Additional Retirement and Disability Pension Plans and Early Retirement Schemes

As at the date of adopting this Remuneration Policy, in the Company, there are no early retirement schemes or additional retirement and disability pension plans.

Following the rules, and in the amount, set forth in Article 921 of the Labour Code, a Member of the Management Board performing his/her duties as part of an employment relationship, who meets criteria for payment of a disability or retirement pension and whose employment relationship expired due to retirement or disability, is eligible for a severance pay equalling a one-month remuneration. An employee who has received a severance pay may not become eligible for such payment again.

6. Avoidance of Conflicts of Interest Relating to the Remuneration Policy or Their Management

This Remuneration Policy is aimed at guaranteeing that any potential conflicts of interest, relating to the remuneration of Members of the Management and Supervisory Boards, are identified and limited. The decision-making process involving the award of remunerations is straightforward, with clear and transparent rules governing performance assessment.

A conflict of interest may arise, in particular, when a Member of the Management or Supervisory Board may obtain a benefit or avoid a loss relating to his/her remuneration due to a loss incurred by the Company or when their financial interest reflected in the amount of their remuneration or in the terms of its award is distinct from the Company's interest.

A conflict of interest involving issues regulated in the Remuneration Policy may be avoided through the division of powers for determining the value of remuneration, provided for in Articles 378 and 392 of the Commercial Companies Code, with due consideration of the wording of this Policy. To avoid conflicts of interest relating to this Remuneration Policy, powers encompassing the adoption, application and verification of the Remuneration Policy are distributed to the Company's individual governing bodies. LPP applies a graduated system of legal regulations governing issues involving ethical conduct, reporting of irregularities and management of an occurring conflict of interest. The supreme document is the LPP Code of Ethics. As part of the system, the following documents have been implemented:

- a) Code of Ethics – LPP Rules
- b) Procedure for Anonymous Reporting of Irregularities

Furthermore, the procedure for taking action in case of potential occurrence of a conflict of interest is provided for in the Rules of Operation of both the Management and Supervisory Board.

Members of the Management Board are required to inform the Management and Supervisory Boards of any conflict of interests relating to the position held or of its possible occurrence. A Member of the Management Board should inform the Management Board respectively and abstain from both taking part in a discussion and voting on a resolution on the matter in which such conflict has arisen. In his/her conduct, each Member of the Supervisory Board should give regard to the Company's interest, with due consideration of independence of opinions and judgments, and, specifically, not accept any unjustified benefits which could adversely affect the assessment of independence of his/her opinions and judgements. Moreover, a Member of the Supervisory Board should lodge an explicit objection or give a clear dissenting opinion if he/she acknowledges that a decision of the Supervisory Board is in conflict with the Company's interest. In case of a conflict of interest or its potential occurrence, a Member of the Supervisory Board should inform

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the Supervisory Board respectively and abstain from both taking part in a discussion and voting on a resolution on the matter in which such conflict has arisen.

The above shall not prejudice any other rules applied in the Company in terms of management of conflicts of interest and their anonymous reporting, as provided for intra-company regulations referred to above.

Upon receipt of a notification referred to in the preceding paragraph, the Supervisory Board shall initiate a procedure aimed at updating the Policy, in line with the provisions given below, to avoid or prevent occurrence of an identified conflict of interest.

7. Temporary Waiver of the Remuneration Policy

If so required for executing the Company's long-term interests and stability or guaranteeing its profitability, the Company may temporarily waive the Remuneration Policy applied to Members of the Management and Supervisory Boards. A decision on Policy renouncement is made by the Supervisory Board by resolution. The decision on a waiver to receive a remuneration or benefits to which Board Members are eligible, in full or in part, may also be made by Members of the Management Board upon their own initiative.

The Supervisory Board may adopt a decision on Policy waiver specifically in case of actual or highly probable materialisation of risks relating to the execution of the Company's Strategy and goals, undertaking actions the absence of which could adversely affect the Company's capacity to pay its financial dues. A motion for Policy waiver may be submitted by the Management Board, giving grounds to the Supervisory Board for such waiver. The resolution on Policy waiver shall specify, in particular, the following: duration of such waiver, parts of the Remuneration Policy to be waived and the prerequisites justifying Policy waiver. Each case of Policy waiver will be disclosed in the remuneration report.

8. Remuneration Report

On an annual basis, the Supervisory Board will draw up a remuneration report providing for a comprehensive review of remunerations, including all benefits in any form, received by, or awarded to, individual Members of the Management and Supervisory Boards in the last financial year in line with this Remuneration Policy.

The remuneration report shall include, in particular:

- a) value of the total remuneration divided by components and proportions between them;
- b) explanation as to how the total remuneration complies with the adopted Remuneration Policy and how it contributes to attaining the Company's long-term results;
- c) information on the application of performance criteria;
- d) information in the change of remuneration on an annual basis, the Company's results and an average remuneration of the Company's employees other than

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Members of the Management or Supervisory Boards, in the period of the last five financial years, cumulatively, allowing for comparisons;

e) value of remuneration paid by entities belonging to the LPP Group;

f) number of financial instruments awarded or offered and key rules governing the exercise of rights attached to any such instruments, including their price, date of exercising such rights and respective changes;

g) information on the exercise of the right to claim reimbursement of variable components of the remuneration; and

h) information on derogations from the procedure for implementing the Remuneration Policy, including clarification of prerequisites and a respective procedure as well as specification of elements derogated from.

Information on financial years in respect of which the Supervisory Board was not required to prepare the remuneration report may be given based on estimates. The remuneration report is to explicitly specify whether any such information is provided or omitted.

In the event where the remuneration of a Member of the Management or Supervisory Board encompasses cash or in-kind benefits awarded to his/her immediate relatives, information on the value of such benefits is to be provided in the remuneration report. Immediate relatives are as follows: a spouse, ascendant, descendant, siblings, relative by affinity in the same line or degree, adoptee and his/her spouse, and a cohabitant. The information in question does not specify the grounds for awarding any such benefits or personal data of beneficiaries.

The General Meeting adopts a resolution incorporating an opinion on the remuneration report. The said resolution is of advisory nature. The remuneration report will clarify how the above-mentioned resolution of the General Meeting on the previous remuneration report was given recognition in the report in question.

The liability for information incorporated in the remuneration report is borne by Members of the Supervisory Board.

The Company publishes the remuneration report on its website and makes it accessible free of charge for at least 10 years from the closing of the General Meeting, referred to above.

9. Final Provisions

In matters not regulated in this Remuneration Policy, other internal regulations applicable in the Company and generally applicable statutory acts, including the Public Offering Act, shall apply.

The Remuneration Policy shall prevail over other documents adopted by the Company in terms of rules governing remunerations of persons referred to in this Policy. Any other documents must adhere to this Remuneration Policy.

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The Supervisory Board shall supervise the Remuneration Policy for Members of the Management Board and verify fulfilment of general criteria as well as terms and conditions for awarding variable remuneration components.

The resolution of the General Meeting on the Remuneration Policy shall be adopted at least every four years.

The Remuneration Policy shall be published on <https://www.lpp.com> in accordance with the Public Offering Act.

This Remuneration Policy shall enter into force on 30 June 2023.