

**REPORT OF THE SUPERVISORY BOARD
ON ITS ACTIVITY IN THE FINANCIAL YEAR FROM 01.02.2022 TO 31.01.2023**

From 1 February 2022 to 31 January 2023, the Supervisory Board was composed of the following persons:

- Miłosz Wiśniewski, Chairman of the Supervisory Board,
- Wojciech Olejniczak, Vice-Chairman of the Supervisory Board,
- Magdalena Sekuła,
- Piotr Piechocki,
- Grzegorz Maria Słupski.

From 1 February 2022 to 31 January 2023, the Supervisory Board had a single separate committee, i.e. the Audit Committee composed of:

- Piotr Piechocki,
- Magdalena Sekuła (as independent member),
- Grzegorz Maria Słupski, Chairman of the Audit Committee (as independent member),
- Miłosz Wiśniewski (as independent member).

Grzegorz Maria Słupski, Magdalena Sekuła and Miłosz Wiśniewski met the statutory independence criteria set forth in Article 129(3) of the Act on Statutory Auditors, Audit Companies and on Public Supervision, dated 11 May 2017 (Journal of Laws of 2023, item 1015, as amended), the 2021 Good Practice for WSE Listed Companies and enclosure no II to the Commission Recommendation of 15 February 2005 on the role of non-executive or supervisory directors of listed companies and on the committees of the (supervisory) board.

Piotr Piechocki, member of the Supervisory Board and the Audit Committee, has knowledge and skills in the business sector in which LPP SA operates (previously, he worked for LPP SA as, among others, manager of the e-commerce department).

Persons having knowledge and skills in the area of accounting and the auditing of financial statements are Grzegorz Maria Słupski (doctor of economics, entrepreneur and manager, who established and managed numerous enterprises operating mainly in the polygraph, trading and new technologies industries) and Miłosz Wiśniewski (having knowledge and skills acquired as Finance Director in Cereal Partners Worldwide and Boryszew SA). In the financial year 2022, the Audit Committee performed its duties stipulated in the provisions of law, in particular, Article 130(1) and (2) and the Act on Statutory Auditors, Audit Companies and on Public Supervision.

From 1 February 2022 to 31 January 2023, the Supervisory Board held five meetings.

The Supervisory Board analysed the Company's current operations and standing as well as motions submitted by the Management Board. Meetings of the Supervisory Board were joined also by invited employees of the Company as well as representatives of the brokerage house and the insurance company.

Information provided to the Supervisory Board by the Management Board was exhaustive, enabling effective performance of the Board's tasks. In the financial year ended 31.01.2023, the Supervisory Board commissioned no research to be carried out by an advisor as provided for in Article 382¹ of the Commercial Companies Code.

At the meeting held on 25.04.2023, the Supervisory Board analysed and assessed the effectiveness of internal controlling systems, risk management and internal audit systems in the financial year 01.02.2022 - 31.01.2023. Members of the Supervisory Board analysed and discussed the evaluation of adequacy and effectiveness of the Company's internal controlling, risk management and compliance systems as well as the function of the in-house auditor in the financial year 01.02.2022 – 31.01.2023.

At the meeting held on 25.04.2023, the Supervisory Board evaluated the report of the Management Board on the operations of the Company's Group in the financial year from 01.02.2022 to 31.01.2023 (incorporating the report of the Management Board on the Company's operation in that year) in terms of its compliance with accounting books, documents and the actual state of affairs. Following the analysis, the Supervisory Board adopted a resolution recommending that the Annual General Meeting should adopt a resolution on the approval of the report of the Management Board on the operations of the Company's Group and the Company's operations in the financial year from 01.02.2022 to 31.01.2023.

Furthermore, on 25.04.2023, the Supervisory Board assessed the Company's financial statements for the financial year from 01.02.2022 to 31.01.2023 in terms of their compliance with accounting books, documents and the actual state of affairs. Following the said assessment, the Rada Supervisory Board adopted a resolution stipulating that, in the opinion of the Supervisory Board, the Company's financial statements for the financial year from 01.02. 2022 to 31.01.2023 are complete, accurate and incorporate data which exhaustively informs of the Company's standing.

On 25.04.2023, having examined the consolidated financial statements of the LPP SA Group for the financial year from 01.02.2022 to 31.01.2023, the report of the Management Board of LPP SA on the operations of the Company's Group in the financial year from 01.02.2022 to 31.01.2023, information provided by a team performing financial review activities, being the subject matter of the opinion and report of the statutory auditor on the audit of the consolidated financial statements of the Company's Group for the financial year 01.02. 2022 to 31.01.2023, and the evaluation of the Audit Committee, the Supervisory Board acknowledged that, in its opinion, the consolidated financial statements of the LPP SA Group for the financial year from 01.02.2022 to 31.01.2023 are complete, accurate and incorporate data which exhaustively informs of the standing of the Company's Group.

Furthermore, the Supervisory Board analysed the motion submitted by the Management Board on the division of profit, on which the Supervisory Board voted in writing on 04.05.2023. The Supervisory

Board recommended that the Annual Meeting should adopt a resolution on the payment of a dividend in two instalments.

In the opinion of the Supervisory Board, the diversity policy applied in the Company is satisfactory as regards the level of differentiation of competences and experience of individual members of the Company's governing bodies (i.e., its Supervisory and Management Boards). The Management Board is composed of five men: two men aged 30-50 and three men aged above 50. The Supervisory Board is composed of four men and one woman. Two persons are aged 30-50, three of them are aged above 50. Members of the Management and Supervisory Boards of LPP have diverse education, i.e. from technical and IT education to financial, economic and legal one. They have also diversified professional experience both in terms of the business sector in which the LPP SA Group operates and types of institutions in which they have previously gained their expertise.

Owing to its composition, the Supervisory Board was capable of the comprehensive examination of problems presented.

In 2022, the Audit Committee held five meetings with all members present. Furthermore, the Audit Committee adopted resolutions in writing.

During its meetings, the Audit Committee monitored the financial reporting process, the effectiveness of internal controlling, internal audit and risk management systems, including in terms of financial reporting and performance of financial review activities. Moreover, the Audit Committee controlled and monitored the independence of the statutory auditor and the audit company. Also, the Audit Committee evaluated motions for granting consent for commissioning permitted services of the audit company or the statutory auditor, other than the audit of financial statements.

The Supervisory Board requests the Annual General Meeting to approve its report on the Board's activities in the financial year from 01.02.2022 to 31.01.2023 and discharge members of the Supervisory Board:

- Wojciech Olejniczak,
- Piotr Piechocki,
- Magdalena Sekuła,
- Grzegorz Maria Słupski,
- Miłosz Wiśniewski,

for performing their duties in the Supervisory Board from 01.02.2022 to 31.01.2023.

The Supervisory Board has made a self-evaluation of the Board's works, including the works of its Audit Committee. Following the self-assessment, the Supervisory Board states that it has performed all duties set forth in the provisions of law and the Company's internal regulations as well as those stemming from the 2021 Good Practice for WSE Listed Companies. Additionally, at the meetings held, the Board analysed, on a regular basis, the Company's situation and supported the Management Board in its daily activities. Therefore, the Supervisory Board positively evaluates its activities in the financial year from 01.02.2022 to 31.01.2023.