

**RULES OF THE INCENTIVE SCHEME  
FOR THE MANAGEMENT BOARD OF LPP SA  
("Company")  
FOR FINANCIAL YEARS 2021/2022, 2022/2023 AND 2023/2024**

**§ 1**

1. These Rules determine the terms and conditions for remuneration of Eligible Persons by the Company under the Incentive Scheme and, in particular, specify the purpose of the Scheme, Eligible Persons as well as the principles of, and a mechanism for, remunerating them.
2. The Incentive Scheme is aimed at creating an additional remuneration system and additional mechanisms motivating its Participants to increase their engagement and effectiveness of their work for the Company, which should ensure maintenance of a high professional level of the Company's management as well as a stable growth of both financial results generated by the Company and the value of the Company's shares.
3. The Incentive Scheme has been created and is being implemented in the Company under the Resolution to which it is enclosed.
4. In the financial years 2021, 2022 and 2023, the Incentive Scheme shall be implemented independently i.e. key performance indicators (KPI) for individual financial years, their levels and the number of Shares to be subscribed to under the Incentive Scheme shall be determined by the Supervisory Board independently for each financial year in Incentive Scheme Participation Agreements concluded separately for each financial year covered by the Incentive Scheme.

**§ 2**

In these Rules, capitalised terms and phrases shall have the following meaning:

- a) **Shares** – ordinary bearer shares newly issued by the Company, to be subscribed to by Eligible Persons, under a resolution or resolutions of the Management Board on the increase of the share capital, withing the limits of the Company's authorised share capital referred to in § 5(5) of the Company's Articles of Association, with a view to executing the Incentive Scheme;
- b) **Issue Price** – the issue price per Share shall be equal to its nominal value and amount to PLN 2 (two Polish zlotys);
- c) **Scheme Settlement Date** – the date (separate for each financial year covered by the Incentive Scheme), on which the Supervisory Board shall: (i) evaluate the fulfilment by the Participant of the Incentive Scheme of the prerequisite set forth in § 3(3)(a) of these Rules; and (ii) specify the number of Shares to be subscribed to by each Eligible Person;
- d) **KPI** – key performance indicators;
- e) **CCC** – the Commercial Companies Code of 15 September 2000;
- f) **Eligible Person** – the Participant of the Incentive Scheme who has fulfilled all the prerequisites required to subscribe to Shares under the Incentive Scheme, as provided for in § 3 of these Rules and the Incentive Scheme Participation Agreement concluded by the Participants separately for each financial year covered by the Incentive Scheme;

- g) **Incentive Scheme** – the incentive scheme for the Management Board for the financial year 2021/2022 (the Company's financial year from 1 February 2021 to 31 January 2022), the financial year 2022/2023 (the Company's financial year from 1 February 2022 to 31 January 2023) and the financial year 2023/2024 (the Company's financial year from 1 February 2023 to 31 January 2024), created and implemented in the Company under the Resolution and in line with these Rules;
- h) **Supervisory Board** – the Company's Supervisory Board;
- i) **Rules** – these Rules;
- j) **Consolidated Annual Report** – respectively, the consolidated annual report for the following financial years of the Company: (i) financial year 2021/2022 (the Company's financial year from 1 February 2021 to 31 January 2022), (ii) financial year 2022/2023 (the Company's financial year from 1 February 2022 to 31 January 2023); and (iii) financial year 2023/2024 (the Company's financial year from 1 February 2023 to 31 January 2024), with the meaning of § 71 of the Regulation or the provisions of law to substitute the same;
- k) **Company** – the company operating under business name LPP spółka akcyjna with its registered office in Gdańsk, at ul. Łąkowa 39/44, 81-769 Gdańsk, entered into the Register of Entrepreneurs of the National Court Register kept by the District Court for Gdańsk-Północ in Gdańsk, 7<sup>th</sup> Economic Division of the National Court Register, under number KRS 0000000778;
- l) **Party** – the Participant of the Incentive Scheme or the Company;
- m) **Parties** – the Participant of the Incentive Scheme and the Company;
- n) **Regulation** – the Regulation of the Minister of Finance, dated 29 March 2018, on current and interim information disclosed by issuers of securities and on conditions for recognising information required by the laws of a country other than a member state as equivalent (Journal of Laws of 2018, item 757);
- o) **Resolution** – jointly, the resolution of the Company's Supervisory Board of 31 May 2021 on the adoption of the Incentive Scheme for Members of the Company's Management Board and resolutions of the Annual General Meeting, passed at the Annual General Meeting of the Company for the financial year 2020/2021, on adopting the Incentive Scheme and authorising the Management Board to increase the Company's share capital within the limits of the authorised capital, including the option of depriving the Company's current shareholders, in full, of the pre-emption right with a view to executing the Incentive Scheme;
- p) **Participant of the Incentive Scheme** – member of the Management Board, who has concluded the Incentive Scheme Participation Agreement with the Company for a specific financial year of the Company, covered by the Incentive Scheme;
- q) **Share Subscription Agreement** – the agreement concluded between the Company and the Eligible Person (separately for each financial year covered by the Incentive Scheme), under which the Eligible Person shall subscribe to a specific number of Shares under the Incentive Scheme in exchange for a specified cash contribution to be made to the Company (a specimen agreement shall be prepared by the Management Board and approved by the Supervisory Board by resolution);

- r) **Incentive Scheme Participation Agreement** – the agreement concluded between the Company and the Participant of the Incentive Scheme (separately for each financial year covered by the Incentive Scheme), confirming his participation in the Incentive Scheme in a given financial year covered by the Incentive Scheme, under which the Company shall undertake to offer to the Participant Shares to be subscribed to on the terms and conditions specified in detail in the Incentive Scheme subject to fulfilment of all the prerequisites set forth in these Rules and in a given Incentive Scheme Participation Agreement (the specimen of which shall be approved by the Supervisory Board by resolution);
- s) **General Meeting** – Annual or Extraordinary General Meeting of the Company;
- t) **Management Board** – the Company's Management Board.

### § 3

1. Under the Incentive Scheme, the Company shall issue no more than 5,454 (five thousand four hundred and fifty four) Shares and allocate them for subscription by Eligible Persons on preferential terms specified in detail in these Rules, the Incentive Scheme Participation Agreement and the Share Subscription Agreement.
2. The number of Shares which may potentially be subscribed to by a given Eligible Person depending on the levels of KPI performance shall be determined in the Incentive Scheme Participation Agreement provided that the said number may not exceed:
  - 1) in the financial year 2021/2022: 522 Shares for the President of the Management Board and 324 for each Vice-President of the Board;
  - 2) in the financial year 2022/2023: as provided for in the resolution of Supervisory Board, yet no more than as stipulated in point 1); and
  - 3) in the financial year 2023/2024: as provided for in the resolution of Supervisory Board, yet no more than as stipulated in point 1).
3. The Participant of the Incentive Scheme may become Eligible Person upon joint fulfilment of the following prerequisites:
  - a. attainment by a given Participant of the Incentive Scheme, in a given financial year of the Company, covered by the Incentive Scheme, of KPI set forth by the Supervisory Board in the Incentive Scheme Participation Agreement for the said financial year;
  - b. being member of the Management Board at least from the date of conclusion of the Incentive Scheme Participation Agreement for a given financial year of the Company, covered by the Incentive Scheme, to the date of conclusion of the Share Subscription Agreement in performance of the rights to subscribe to Shares in connection with attainment of goals for the financial year in question.
4. At the Scheme Settlement Date, the Supervisory Board shall, by resolution:
  - a. acknowledge fulfilment, and the level of fulfilment, by the Participant of the Incentive Scheme of the terms and conditions referred to in §3(3) of these Rules for the financial year covered by the Incentive Scheme;
  - b. specify the number of Shares to be subscribed to by a given Eligible Person under the Incentive Scheme Participation Agreement concluded for a given financial year of the

Company, covered by the Incentive Scheme, and determine the level of performance of KPI for the financial year in question.

5. The Scheme Settlement Date regarding a given financial year covered by the Incentive Scheme should fall within 3 months from the date of publishing by the Company of the Consolidated Annual Report for such financial year in accordance with the provisions of law.
6. The Eligible Person may waive, at any time, the right to subscribe to Shares under the Incentive Scheme and conclude the Share Subscription Agreement. Shares to be subscribed to by such Eligible Person shall not be subscribed to by any other Eligible Person(s).

#### **§ 4**

1. The Company shall issue Shares as part of a single or several increases of the Company's share capital, at the Issue Price per Share.
2. Shares shall not be preference shares and shall be attached with no personal rights or involve no duties towards the Company.
3. The Eligible Person shall have the right to subscribe to Shares offered by the Company at the Issue Price per share regardless of their current market value.
4. The Eligible Person may subscribe to Shares solely in exchange for a cash contribution to be made to the Company on the terms and conditions specified in detail in the Share Subscription Agreement.

#### **§ 5**

1. Within 14 (fourteen) days from the adoption by the Supervisory Board of the resolution(s) referred to in § 3(4) of these Rules, the Company shall make an offer to subscribe to Shares, in a number stemming from the resolution in question, to each Eligible Person.
2. The Eligible Person shall subscribe to Shares following the procedure of private subscription within the meaning of Article 431 § 2(1) of the CCC by way of concluding the Share Subscription Agreement, at a date and venue specified by the Company in the Share subscription offer.
3. The Eligible Person who has concluded the Share Subscription Agreement shall be required make a cash contribution to the Company, in an amount equal to the product of Shares subscribed to and the Issue Price, by a wire transfer made to the Company's bank account, within a timeframe set forth in the Share Subscription Agreement.
4. The Eligible Person who has concluded the Share Subscription Agreement and effectively subscribed to Shares under the Incentive Scheme shall be required not to transfer Shares, following the terms and conditions set forth in detail in the Share Subscription Agreement, within 24 (twenty four) months from the date of conclusion of a given Share Subscription Agreement, with the said period being calculated separately for Shares subscribed to under the Incentive Scheme in individual financial years in question. A relevant share blocking order relating to the said obligation shall be filed with a brokerage house.

#### **§ 6**

1. Any and all disputes arising from, or relating to, the execution of the Incentive Scheme shall be settled by the Parties amicably. Should the Parties fail to resolve a dispute within 1 (one) month,

such dispute shall be referred by the Parties for resolution to a common court having local jurisdiction, under general rules.

2. None of Parties may assign rights or duties arising from the Incentive Scheme to any third party.
3. These Rules shall enter into force upon adoption of the Resolution and remain in force by 31 December 2024.