

LPP

RULES OF PROCEDURE OF THE SUPERVISORY BOARD OF LPP SA

§ 1

General Provisions

1. These Rules of Procedure shall specify the rules of procedure of the Supervisory Board of a company operating under business name LPP SA with its registered office in Gdańsk.
2. The Supervisory Board shall operate under and within the limits of generally applicable laws, including the Polish Commercial Companies Code, the Articles of Association and other internal regulations of the Company.
3. Whenever used in these Rules of Procedure, the following terms shall have the meaning specified below:

Company shall mean the company LPP SA with its registered office in Gdańsk, entered in the Register of Entrepreneurs kept by the District Court for Gdańsk-North in Gdańsk, 7th Economic Division of the National Court Register under KRS number 000000778;

Supervisory Board shall mean the Company's Supervisory Board;

Supervisory Board Member shall mean any member of the Company's Supervisory Board, including its Chairman unless a given provision clearly provides that it does not concern the person acting as Chairman of the Supervisory Board;

Management Board shall mean the Company's Management Board;

General Meeting shall mean the Company's General Meeting;

Articles of Association shall mean the Company's Articles of Association;

Rules of Procedure shall mean these Rules of Procedure;

Commercial Companies Code shall mean the Commercial Companies Code of 15 September 2000 (Journal of Laws of 2013, item 1030, as amended);

Internal Regulations of the Company shall mean the Articles of Association, these Rules of Procedure, the Rules of Procedure of the Management Board and the General Meeting, resolutions adopted by the General Meeting as well as the Supervisory Board and the Management Board;

Best Practice shall mean corporate governance principles set out in the Annex to Resolution No. 26/1413/2015 of the Warsaw Stock Exchange Board of 13 October 2015, i.e. "2016 Best Practice of WSE Listed Companies", or any other document currently in force and adopted to be applied by the Company, setting forth corporate governance principles issued by the competent authority of the Warsaw Stock Exchange (Giełda Papierów Wartościowych w Warszawie S.A.)

§ 2

Scope of Competence of the Supervisory Board

1. The Supervisory Board shall exercise continuous supervision over the Company's operations in all aspects of business. Continuous supervision over the Company's operations shall encompass activities falling within the scope of shareholders' supervision.
2. Supervisory Board Members should duly act to receive from the Management Board, on a regular basis, comprehensive information on all relevant matters concerning the Company's operations, the risks involved and risk management methods.
3. Without prejudice to the scope of competence of other governing bodies, the Supervisory Board may express their opinions on all matters involving the Company's operations, which shall include putting forward motions and proposals to the Management Board.
4. As part of their duties, the Supervisory Board shall:
 - a. prepare and present to the General Meeting an annual written report for the previous financial year, encompassing the assessment of the Company's standing, with due consideration of internal control systems as well as risk management, compliance and internal audit functions; the assessment in question should cover all the relevant control mechanisms, in particular, those regarding financial reporting and operating activities;
 - b. prepare and present to the General Meeting an annual report on the activities of the Supervisory Board, including at least the following:
 - composition of the Supervisory Board and its committees,
 - compliance by the Supervisory Board Members with independence criteria,
 - number of meetings of the Supervisory Board and its committees held in the reporting period,
 - self-assessment of the Supervisory Board's works;
 - c. prepare and present to the General Meeting an annual assessment of performance by the Company of disclosure requirements involving the application of corporate governance principles set out in the Best Practice and the provisions of law governing current and interim information published by issuers of securities;
 - d. prepare and present to the General Meeting an annual assessment of the rationale for the Company's charity and sponsorship policies or information on the absence of any such policy;
 - e. examine and give opinions on issues being the subject matter of resolutions of the General Meeting;
 - f. assess reports of the Management Board on the Company's operations and its financial statements for the previous financial year in terms of their compliance with accounting books, documents and the actual state of affairs.

§ 2¹

In order to exercise their duties, the Supervisory Board may examine all documents of the

Company, audit the Company's equity position and make formal requests to the Management Board, commercial proxies and persons employed by the Company under an employment contract or performing for the Company, on a regular basis, specific activities under a contract for the performance of a specific task, a mandate contract or any other contract of similar nature to prepare or provide any and all information, documents, reports or clarifications regarding the Company, specifically its operations or equity. Any such formal request may also involve information, reports or clarifications concerning subsidiaries and affiliates, held by any governing authority or a person obliged.

§ 2²

information, documents, reports or clarifications referred to in § 2¹above, shall be provided to the Supervisory Board without delay, not later than within a fortnight from the day of making a formal request to a governing authority or a person obliged unless the request sets forth a longer time-frame.

§ 2³

The Management Board may not limit access for Supervisory Board Members to formally requested information, documents, reports or clarifications referred to in § 2¹ above.

§ 2⁴

In the event where the Company's financial statements are audited by a statutory auditor, the Supervisory Board shall be required to notify the key statutory auditor who audited the Company's financial statements, with at least a week's notice, of the date of a meeting with an agenda encompassing the issues set forth § 2(4)(a), e), f)) of these Rules of Procedure. The Company shall ensure the presence of the key statutory auditor or another representative of the audit company at the meeting of the Supervisory Board. At the meeting, the key statutory auditor or another representative of the audit company shall provide the Supervisory Board with an audit report encompassing the assessment of grounds for the adopted statement on the Company's ability to remain a going concern and reply to questions made by Supervisory Board Members.

§ 3

Duties of Supervisory Board Members

1. A Supervisory Board Member should have adequate knowledge and experience and be able to devote time required to perform his/her duties. A Supervisory Board Member should duly act to ensure that the Supervisory Board receives information on important issues concerning the Company.
2. Each Supervisory Board Member shall act in line with the best interests of the Company, providing independent opinions and judgements. In particular, each Supervisory Board Member shall:

- a. refuse to accept any unmerited benefits which could adversely affect the assessment of the independence of his/her opinions and judgements;
 - b. clearly raise his/her objections and file dissenting opinions in cases where it is recognised that a decision of the Supervisory Board is in conflict with the Company's interests.
3. Within 30 days of his/her appointment, a Supervisory Board Member shall provide other Supervisory Board Members and the Company's Management Board with a statement on meeting independence criteria specified in relevant provisions of law. A Supervisory Board Member should provide the Company's Management Board with information on his/her connections with any shareholder holding shares representing at least 5% of the total number of votes at the General Meeting. This obligation shall concern any economic, family or other connections that may affect the position of a Supervisory Board Member in a case to be resolved by the Supervisory Board.
 4. In the event of any actual or potential conflict of interest, a Supervisory Board Member should inform the Supervisory Board accordingly and refrain from taking part in any discussions and voting on a resolution involving any such conflict of interest involved.
 - 4¹. When performing his/her duties, a Supervisory Board Member should exercise due diligence arising from the professional nature of activities executed and remain loyal to the Company.
 5. Supervisory Board Members should keep confidential any information obtained in connection with the performance of rights and obligations in the Supervisory Board and not share any such information with others unless required for the proper performance of his/her functions as Supervisory Board Member. A Supervisory Board Member may not disclose any of the Company's secrets also upon expiry of his/her term of office.
 6. A Supervisory Board Member resigning from his/her position should send a statement to that effect to the Company and notify the Supervisory Board of the resignation by a relevant notice addressed to the Chairman of the Supervisory Board or, in his/her absence, to another Supervisory Board Member.

§ 3¹

Without prejudice to the above-mentioned provision, for the avoidance of any doubt whatsoever, the performance by a Supervisory Board Member of any function in another company belonging to any group (including the LPP Group) shall cause no conflict of interest as referred to in Article 377 in connection with Article 388 § 5 of the Commercial Companies Code.

§ 4

Meetings of the Supervisory Board

1. Supervisory Board meetings shall be held, at least once a quarter, in the Company's registered office or another venue specified by a person convening the meeting.

2. Meetings of the Supervisory Board shall be convened by the Chairman of the Supervisory Board or another Supervisory Board Member specified by the Chairman. Persons authorised to convene Board meetings shall be also required to convene the same upon request of a Supervisory Board Member or the Management Board. If so, a Board meeting should be held, at the latest, within 14 days from the date of filing a written request with the Chairman.
3. A Supervisory Board meeting shall be convened by registered mail or e-mail. An invitation to a Board meeting should be sent to the last address (or, relatively, the last e-mail address) provided by a Supervisory Board Member to the Company.
4. An invitation to the Supervisory Board meeting shall indicate the venue, date, time and agenda of the meeting as well as the manner of use of means of direct communication over distance.
5. An invitation to the Board meeting should be sent to a Supervisory Board Member at least 7 (seven) days in advance.
6. In cases of urgency, a Board meeting may be convened at a notice shorter than the one specified in subparagraph 5 above.
7. It shall not be required to formally convene a Board meeting if all Supervisory Board Members agree to the holding of the meeting, raising no objections to any items put on its agenda. This provision shall apply respectively should all Supervisory Board Members take part in adopting resolutions as referred to in § 5.4 below.
8. For the Supervisory Board meeting to be valid, it shall be required to invite all of its Members and at least half of them must be present thereat.
9. Meetings shall be chaired by the Chairman of the Supervisory Board or, in his/her absence, by a Supervisory Board Member designated in writing by the Chairman of the Supervisory Board or, otherwise, by another Supervisory Board Member appointed by Members present at the meeting.
10. The Chair of the Supervisory Board meeting shall be required to make sure that Supervisory Board Members and also Management Board Members should the meeting be convened upon request of the Management Board may speak openly on issues put on the agenda. The duration of a Supervisory Board meeting, the length of speeches and adjournments as well as any other procedural issues related to the conduct of the meeting shall be determined by the Chairman of the Supervisory Board.
11. Each Supervisory Board Member shall be entitled to put forward a motion to place specific issues on the meeting's agenda. A relevant motion shall be submitted to the Chairman of the Supervisory Board, who should recognise any such motion at the next Board meeting. A motion to that effect shall be enclosed with materials and documents in writing, if any, relating to issues covered by the motion in question.
12. The Chair of a Supervisory Board meeting may decide to hear other persons invited to the meeting, other than members of the Supervisory or Management Boards. Supervisory Board Members shall have the right to make questions to persons referred to in the preceding clause.

§ 5

Adoption of Resolutions

1. Resolutions shall be adopted at a meeting or as provided for in subparagraphs 3 and 4 below.
2. Resolutions of the Supervisory Board shall be adopted in an open voting unless any Supervisory Board Member requests a resolution to be adopted in a secret voting or as required otherwise under the Commercial Companies Code.
3. The Supervisory Board shall adopt resolutions in writing in compliance with the following rules:
 - a. a person authorised to convene meetings under these Rules of Procedure shall send, following a procedure for convening meetings, all Supervisory Board Members a draft written resolution to be adopted by the Supervisory Board along with any materials relating to the resolution to be adopted by the Supervisory Board in writing and information on a deadline for sending a copy of the resolution signed by a Supervisory Board Member,
 - b. a Supervisory Board Member shall be required to vote forthwith by registered mail or e-mail sent to the address indicated by the person authorised to convene Board meetings,
 - c. a resolution shall be deemed adopted if at least half of Supervisory Board Members cast their votes by sending it to the specified address and by a specified deadline, with the majority of Supervisory Board Members voting for the resolution in question,
 - d. the date of adoption of a resolution shall be the date on which the last message containing a vote cast by a Supervisory Board Member on the resolution being voted on is delivered to the person authorised to convene Board meetings in accordance with these Rules of Procedure provided that the vote is received within the prescribed time-frame.
4. Resolutions of the Supervisory Board may be adopted by the means of simultaneous communication over distance, specifically by telephone or using audio-visual and electronic communication means. All Supervisory Board Members should be notified of the wording of the draft resolution and the date on which the voting on the resolution is to be held. If resolutions are adopted by the Supervisory Board using the means of communication over distance, any such means should provide at least for the possibility of simultaneous communication by all Supervisory Board Members participating in the adoption of the resolution following the procedure given above.
5. Resolutions adopted by the Supervisory Board as provided for in subparagraphs 3 and 4 above shall be minuted so as to include, in particular, the manner of adoption of the resolutions and, in the event of voting as provided for in subparagraph 4, the application of the means of communication over distance. The minutes shall be signed by all Supervisory Board Members participating in the voting in question.

§ 6

Minutes

1. Meetings shall be minuted. The minutes shall be drawn up by a participant of the meeting designated by the Chair.
2. The minutes shall include, in particular:
 - a. the date and venue of the meeting,

- b. names and surnames of Supervisory Board Members present at the meeting and other persons participating therein,
 - c. the meeting's agenda,
 - d. the wording of resolutions adopted and the number of votes cast for each resolution,
 - e. dissenting opinions of Supervisory Board Members,
 - f. signatures of all Supervisory Board Members participating in the meeting.
3. If required, specifically in cases referred to in subparagraphs 5.3 or 5.4 above, it shall be acceptable to have the minutes signed by circulation or at the next meeting of the Supervisory Board.

§ 7

Committees of the Supervisory Board

1. The Supervisory Board may establish standing committees, in particular, the Audit Committee or the Remuneration Committee as well as ad hoc committees to deal with specific issues falling within the scope of competence of the Supervisory Board or acting as advisory and opinion-giving bodies of the Supervisory Board.
2. If the Supervisory Board consists of five persons, the duties of the Audit Committee shall be performed by the entire Supervisory Board unless decided otherwise.
3. Unless the Audit Committee is appointed by the Supervisory Board in accordance with subparagraph 2 above, the Supervisory Board's duties shall include the following:
 - a. monitoring the financial reporting process,
 - b. monitoring the effectiveness of internal control, internal audit and risk management systems,
 - c. monitoring financial audit activities,
 - d. monitoring the independence of a statutory auditor and the entity authorised to audit financial statements.
4. In the event of forming the Audit Committee, it shall report annually on its activities to the Supervisory Board. Reports of the Supervisory Board or the Audit Committee on issues specified in subparagraph 3 above shall be made available before the date of publishing a notice convening the Annual General Meeting.
5. Meetings, resolutions and minutes of the Supervisory Board committees shall be governed by these Rules of Procedure unless this paragraph provides otherwise.
6. The committee shall be appointed, by resolution, by the Supervisory Board from among its members.
7. The committee shall elect, by resolution, chair of a given committee from among its members.
8. The term of office of a member of a given committee shall expire upon expiry of the term of office of a Supervisory Board Member. The Supervisory Board may, by resolution, decide to dismiss a given person from the committee also before expiry of the term of office of a Supervisory Board Member. The dismissal from the committee shall not be equivalent to the dismissal from the Supervisory Board.

9. The first meeting of the committee shall be convened by the Chairman of the Supervisory Board or another designated Supervisory Board Member.
10. Committee meetings shall be convened if required provided that the committee's duties are being executed.
11. The minutes of meetings and resolutions adopted by the committee shall be made available to Supervisory Board Members other than members of the committee in question.
12. The works of a given committee shall be managed by its chair. The chair shall also supervise the drafting of the agenda, distributing documents and minuting the committee meetings.

§ 8

Remuneration and Reimbursement of Costs

1. Supervisory Board Members may be remunerated as specified by the General Meeting.
2. The remuneration of Supervisory Board Members should correspond to the tasks and responsibilities resulting from their functions performed, with its amount being adequately adjusted to the Company's size.
3. Supervisory Board Members shall be entitled to the reimbursement of costs associated with their works of the Supervisory Board following the rules set forth in a separate resolution.
4. The costs of the Supervisory Board's activities shall be borne by the Company.

§ 9

Final Provisions

1. Any and all matters not regulated herein shall be governed by the Articles of Association, the Commercial Companies Code and other generally applicable laws.
2. These Rules of Procedure shall come into effect on 6 December 2022.