

Policy for the selection of an audit firm to audit the financial statements and perform the assurance of sustainability reporting of LPP S.A. with its registered office in Gdańsk and the LPP Group
(consolidated text, taking into account amendments introduced by resolution of the Supervisory Board of LPP S.A. of 2 April 2025)

§ 1.
[Definitions]

1. For the purposes of this policy, the terms used herein are understood as follows:

Assurance of sustainability reporting - the assurance service in the scope of sustainability reporting and the group's sustainability reporting;

Key certified Auditor - a key certified auditor or a certified auditor, respectively, within the meaning of the Act on Certified Auditors appointed by the Authorised Entity for auditing the Financial Statements or Assurance of the sustainability reporting;

Authorised Entity - an audit firm performing the audit of the Financial Statements or the Assurance of sustainability reporting;

Permitted Services Provision Policy - Policy for the provision of permitted non-audit or non-assurance services referred to in Article 130(1)(6) of the Act on Certified Auditors by the audit firm conducting the auditing of Financial Statements or Assurance of the sustainability reporting, by entities related to this audit firm and by a member of the audit firm's network, developed and adopted by the Audit Committee operating within the Supervisory Board of the Company and adopted by the Supervisory Board of the Company;

Selection Procedure - The procedure for the selection of the entity authorised to conduct the auditing of Financial Statements and the Assurance of sustainability reporting referred to in Article 130(1)(7) of the Act on Certified Auditors, developed by the Audit Committee operating within the Supervisory Board of the Company and adopted by the Supervisory Board of the Company;

Regulation 537 - Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 on detailed requirements for statutory audits of public-interest entities, repealing Commission Decision 2005/909/EC;

Financial Statements - individual financial statements of the Company and consolidated financial statements of the LPP Capital Group;

Company / audited entity - LPP S.A. with its registered office in Gdańsk at ul. Łąkowa 39/44, 80-769 Gdańsk, entered into the Register of Entrepreneurs kept by the District Court Gdańsk-Północ in Gdańsk, 7th Commercial Division of the National Court Register under KRS number: 0000000778;

Assurance service - a service designed to provide a high or moderate degree of assurance on matters including, in particular, financial and non-financial information, systems, processes and aspects of the behaviour or attitudes of particular entities, based on evidence obtained through appropriate procedures, as the basis for the evaluation of the matters covered by those services, in compliance with the accepted criteria, to be included in a report on the services performed;

Act on Certified Auditors - Act of 11 May 2017 on Certified Auditors, Audit Firms and Public Oversight;

Accounting Act - Act of 29 September 1994 on Accounting.

2. In the remaining scope, definitions and terms are used in accordance with the meaning given in the Act on Certified Auditors, Regulation 537 and the Selection Procedure.

§ 2

[General rules]

1. This policy sets out the rules for selecting the Authorized Entity and has been drawn up pursuant to Article 130 section 1 point 5 of the Act of Certified Auditors, taking into account Regulation 537.
2. In case of interpretation doubts, this policy should be interpreted in accordance with the Act of Certified Auditors and Regulation 537.
3. The Authorized Entity selection policy was developed by the Audit Committee operating within the Supervisory Board of LPP S.A.
4. Pursuant to § 35 section 2 of the Company's Articles of Association, the selection of the Authorized Entity is made by the Supervisory Board of the Company, taking into account, to the extent applicable, the Selection Procedure and this Policy.
5. The Supervisory Board selects the Authorized Entity after reviewing the recommendation presented by the Audit Committee. The rules for issuing recommendations by the Audit Committee are set out in the Selection Procedure.

§ 3

[Criteria for selection of the Authorized Entity]

1. In the course of preparing recommendations by the Audit Committee, and then in the process of selecting the Authorized Entity by the Supervisory Board of LPP S.A., the following criteria are taken into account:
 - a) previous experience of the Authorized Entity as well as qualifications and experience of persons delegated to perform financial audit activities;
 - b) knowledge of the industry in which the Company operates;
 - c) price conditions offered by the Authorized Entity;
 - d) proposed schedule of works related to financial audit activities;
 - e) completeness of services declared by the Authorized Entity;
 - f) reputation of the Authorized Entity;
 - g) the circumstance of providing audit services to the Company in the past, subject to the requirements of the Act on Statutory Auditors and Regulation 537 regarding the rotation of audit firms and key certified auditors.
2. In the course of the preparation of recommendations by the Audit Committee, and then in the process of selecting the Authorized Entity by the Supervisory Board of LPP S.A., the assessment prepared by the Authorized Entity and the Key Certified Auditor is also taken into account:
 - a) Compliance by the Authorized Entity with the independence requirements referred to in Article 69-73 of the Act of Certified Auditors;
 - b) Existence of threats to the independence of the Authorized Entity and the use of security measures to minimize them;
 - c) the Authorized Entity having competent employees, time and other resources enabling the proper conduct of the audit;
 - d) Whether the person designated as the key certified auditor is authorised to conduct compulsory audits of financial statements and assurance of sustainability reporting obtained in the European Union Member State where the audit or assurance is required, including whether it has been entered in the relevant register of certified auditors kept in the European Union Member State requiring the audit.
3. Prior to issuing a recommendation, the Audit Committee also assesses:

- a) the independence of the Authorised Entity and persons involved in the financial reporting activities in the light of Articles 69-73 of the Act on Certified Auditors;
 - b) statutory restrictions relating to the ability to provide services to the Company, in particular those referred to in §4;
 - c) potential conclusions and guidelines contained in the annual report issued by the Polish Agency for Audit Oversight referred to in Article 90(5) of the Act on Certified Auditors with regard to the Authorised Entity that may have an impact on the selection of the audit firm;
 - d) potential conclusions and guidelines contained in the report of the Polish Agency for Audit Oversight with regard to the Authorised Entity that may have an impact on the selection of the audit firm;
 - e) information contained in the annual transparency report published by the audit firms that have expressed interest in participation in the selection procedure and have been classified as eligible for negotiation.
4. It is not permissible for the Company or its bodies or the Audit Committee to accept any pressure or suggestions from third parties regarding the selection, nor is it permissible for the Company or its bodies or the Audit Committee to accept any guidelines regarding the selection of an Authorised Entity, nor is it permissible to enter into any agreements or commitments in this respect.
 5. The selection shall be made among any audit companies that have submitted bids for the provision of the statutory auditing service in accordance with the Selection Policy, following the call for tender, provided that:
 - a) this shall not prejudice the provisions of Article 17(3) of Regulation 537 - the audit firm that audited the Financial Statements of the Company after the expiry of the maximum periods of the engagement may not undertake the audit of the Company's financial statements for a period of four consecutive years,
 - b) the organisation of the tender procedure shall not exclude the participation in the selection procedure of companies which received less than 15% of their total fee for auditing services from public interest entities in the relevant Member State of the European Union in the previous calendar year, as listed in the list of audit firms,
 6. The selection of an Authorised Entity shall take each time on the basis of received tenders submitted to the Company based on this Selection Policy and taking into account the Selection Procedure.

§ 4

[Limitations relative to the selection]

1. Limitations related to the selection of the Authorized Entity:
 - a) the maximum duration of uninterrupted statutory audit contract carried out by the Authorized Entity or an audit firm related to the Authorized Entity or any member of the network operating in the European Union to which these audit firms belong may not exceed 10 years;
 - b) The key statutory auditor may not audit the annual consolidated financial statements of the Capital Group or audit the annual financial statements of the Company for a period longer than 5 years;
 - c) The key statutory auditor may re-audit the annual consolidated financial statements of the Capital Group or audit the annual financial statements of the Company after at least 3 years from the completion of the last audit.
2. The first contract for the audit of financial statements is concluded with the Authorized Entity for a period of not less than two years, with the possibility of extension for further periods of at least two years.
3. When making recommendations and selecting the Authorized Entity, the limitations resulting from the Policy for the provision of permitted services are also taken into account.

§ 5
[Remuneration]

1. The remuneration for the audit and assurance of sustainability reporting received by the Authorised Entity, its auditors and subcontractors acting on their behalf and for their benefit shall not be:
 - a) subject to any conditions, including the result of the audit or the sustainability reporting assurance;
 - b) shaped or contingent on the provision of additional services to the Company or its affiliates other than audit or sustainability reporting assurance by the Authorised Entity or any affiliate of the audit firm or a member of the network.
2. The remuneration for the audit and assurance of sustainability reporting reflects the labour intensity and complexity of the work and the qualifications required.

§ 6
[Final provisions]

1. To the extent not covered by this Selection Policy, the provisions of generally applicable acts shall apply, in particular:
 - a) the Act on Certified Auditors,
 - b) Regulation 537,
 - c) Accounting Act,
 - d) Guidelines of the Office of the Polish Financial Supervision Authority.
2. Subject to points 3 and 4 below, the Company is free to choose the means and methods to the extent that the Selection Procedure and the Selection Policy leave discretion, including direct negotiations with interested bidders during the process.
3. The framework criteria and directional decisions regarding the Selection Procedure shall be defined by the Audit Committee. This may be done in particular by developing a draft Selection Procedure in cooperation with the Company's Management Board.
4. The Selection Procedure shall be adopted by the Company's Supervisory Board and then submitted to the Company's Management Board for implementation and enforcement.
5. The Audit Committee may, without the intermediation of the Company's Supervisory Board, request the Company's Management Board and the Authorized Entity to provide information, explanations and provide documents necessary to perform the tasks of the Audit Committee, including those related to recommending the selection of the Authorized Entity.