

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 document, the terms given below shall have the following meanings.

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 Act 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 to achieving the envisaged economic results, 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.
Management Board	the Management Board 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 et seq.) of the Public Offering Act.

The solutions adopted in this Remuneration Policy support the implementation of the business strategy, long-term interests and stability of the Company, including the attainment of envisaged economic results, the Company's actual long-term financial standing, as well as a long-term increase in value 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.

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.

Remuneration of Members of the Management and Supervisory Boards shall be paid in line with this Remuneration Policy. This Policy incorporates a description of 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 remuneration and benefits, and a description of remuneration and benefits of individual

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Members of the Management Board, paid for their functions performed in the Group , as well as information on fixed and variable components of such remuneration.

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 (*contract of mandate*), agreement for the performance of a specific task (*contract for specific work*) 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 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 working conditions: employees are offered a wide variety of training courses providing continuous skill development, with a straightforward career path and promotion opportunities. LPP ensures work in a contemporary and friendly environment, as well as market-rate remuneration and other benefits in line with the rules set out 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, at 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 Board of the Company

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 the authorisation granted by resolution, in accordance with the provisions of the Companies Act (). 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 Board of Members of the Management and Supervisory Board of

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 the results achieved. 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 manner, ensuring effective implementation of the Remuneration Policy.

4.1. Remuneration of Members of the Management Board of

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 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 increase in value 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 environmental 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 for an annual bonus in the amount fixed as a lump sum or percentage by the Supervisory Board, depending on the 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 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 the financial results for a given year.

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

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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.

When assessing the 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 for any other remuneration components provided for the Company's employees in the Collective Labour Agreement.

The work performance of Members of the Management Board is evaluated by the Supervisory Board and, subsequently, by the General Meeting adopting, on an 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 not concluded any agreements providing for compensation payable in the event of their resignation or dismissal from their position without valid grounds or in the event where their revocation or dismissal is caused by the issuer's merger by acquisition.

Incentive programmes for members of the Management Board based on the issue of shares

Considering that the work of key management personnel of the Company has and will have a significant impact on the Company's operations, its value and the value of the shares in the equity held by shareholders, acting in the interests of the Company and its shareholders in terms of maximising gains from investment in securities issued by the Company, in order to create incentives and mechanisms that will motivate these persons to effectively manage the Company and entities from the Company's Group, ensuring long-term growth in the Company's value, and also taking into account the need to stabilise key management personnel of the Company.

In view of the above, the following Incentive Schemes have been in force at the Company to date:

- 1) Incentive Programme for the Company's Management Board for the financial years 2021/2022, 2022/2023, 2023/2024, adopted by a resolution of the General Meeting on 29 June 2021.
- 2) Incentive Scheme for the Management Board of LPP S.A. covering the financial years 2024/2025, 2025/2026, 2026/2027, adopted by a resolution of the General Meeting on 30 June 2023.

As at the date of adoption of the Remuneration Policy, LPP has an Incentive Scheme for the Management Board of LPP SA in place, covering the financial years 2024/2025, 2025/2026 and 2026/2027.

As part of the Incentive Scheme, the Company offers Members of the Management Board the opportunity to purchase LPP SA shares from the Company, up to a total maximum number specified in a resolution of the Supervisory Board for each financial year. The Incentive Scheme is independent in each financial year, which means that the bonus ratios (KPIs) for individual financial years, their level and the number of shares available for acquisition under the Incentive Programme are determined by the Supervisory Board independently for each financial year in the Incentive Programme participation agreements, concluded separately for each financial year to which the Incentive Programme applies. The condition for the allocation of shares is that the Programme participant achieves, in a given financial year, the ratios specified by the Supervisory Board in the agreement on participation in the Programme for a given financial year and remaining a Member of the Management Board at least from the date of conclusion of the agreement on participation in the Programme until the date of conclusion of the agreement to acquire shares offered under the Programme for a given financial year. When determining the KPIs, the Supervisory Board may also take into account the achievement of sustainable development targets by the members of the Management Board.

The settlement date of the Programme for a given financial year should fall within 3 months of the date of publication by the Company of the consolidated annual report for that financial year. Within 14 days of the date of adoption by the Supervisory Board of a resolution confirming the level of achievement of the ratios for a given financial year covered by the Programme and specifying the number of shares to which a Programme participant is entitled, the Company shall submit an offer to the eligible Programme participant to acquire shares. The shares shall be acquired by way of a private subscription, through the conclusion of a share subscription agreement. A Programme participant who has concluded a share subscription agreement is obliged to make a cash contribution in an amount corresponding to the number of shares and the issue price, by bank transfer to the Company's bank account. A programme participant who has acquired shares under the Programme is obliged not to dispose of them within 24 months from the date of conclusion of the share subscription agreement.

On 23 January 2026, the Extraordinary General Meeting of Shareholders of the Company adopted a new Incentive Programme starting in 2026/2027. The first period of the Programme will cover the years 2026/2027, 2027/2028 and 2028/2029. The Programme is addressed to members of the Management Board, employees and associates of the Company and companies from the Group.

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The rules for participation in the Programme will be set out in the regulations adopted by the LPP Supervisory Board, authorised to do so by a resolution of the General Meeting, which specifies the detailed procedure and conditions for the implementation of the Programme.

The Programme will be implemented in one or more consecutive periods specified by the LPP Supervisory Board, each of which will last no less than three years and which may partially overlap (rolling incentive programme). Acquisitions of shares may be made once every six months.

The Programme will consist of several stages. During the Programme, LPP will grant Participants conditional rights to periodically make acquisitions of fully paid-up LPP ordinary shares by LPP through an investment company indicated by LPP. The acquisitions of LPP shares under the Programme will be possible subject to certain conditions being met. LPP shares will be subject to a two-year lock-up period, after which Participants will be entitled to sell them.

The rules adopted by the LPP Supervisory Board will specify the conditions for granting Participants the right to purchase shares, in particular, they will specify group or individual targets (Key Performance Indicators – KPIs), of a financial or non-financial nature, which should contribute to the implementation of the business strategy, long-term interests and stability of LPP and the Group. These targets may be set in particular on the basis of the following criteria: (i) EBIT, (ii) cash flow from operating activities (Activity Cash Flow) and (iii) ESG. The Supervisory Board shall be entitled to specify each target and determine the method of verification of each target. The achievement of a specified KPI level shall determine the update of the entitlement to acquire a specified number of shares by the Participants of the Incentive Programme.

LPP will conclude an agreement with an investment firm under which the investment firm will undertake to make acquisitions on the regulated market, on behalf of and for the account of the participants in the Incentive Programme, the appropriate number of LPP shares necessary to implement the objectives of the Incentive Programme, in accordance with the share acquisition order submitted by the participants. The funds for the purchase of shares will be transferred to the investment firm by LPP and partly by the participant (if the conditions specified in the programme rules are met). The new Incentive Programme is to partially replace (to the extent that the periods overlap) the current Programme, in such a way that participants eligible under both Incentive Programmes in 2026/2027 will be able to choose the form of remuneration, i.e. on the terms specified in the Incentive Programme for the Management Board of LPP SA covering the financial years 2024/2025, 2025/2026, 2026/2027, adopted by a resolution of the General Meeting on 30 June 2023, or in the new Incentive Programme covering the financial years 2026/2027, 2027/2028, 2028/2029 adopted by resolution of the General Meeting of 23 January 2026 YoY.

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

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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 the event of the expiry of a Board Member's mandate before the 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-opting a new Member of the Supervisory Board. The Supervisory Board may co-opt 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 shall continue its activities with a smaller number of members until the next General Meeting is held.

Members of the Supervisory Board may be paid 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 size of the Company.

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 the Company, held on 20 October 2017.

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

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 neither on stock options nor other derivatives or any other variable components, nor on the Company's results.

The performance of Members of the Supervisory Board is evaluated by the General Meeting of the Company by way of an 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 one month's 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 remuneration 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, e . 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 judgements, 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 the event of a conflict of interest or its potential occurrence, a Member of the Supervisory Board should inform the Supervisory Board accordingly 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 remuneration or benefits to which Board Members are eligible, in full or in part, may also be made by Members of the Management Board on 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 shall 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 on changes in remuneration on an annual basis, the Company's results and the average remuneration of the Company's employees other than members of the Management or Supervisory Boards, cumulatively over the last five financial years, 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 an 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.



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 27 January 2026.