

**“RESOLUTION
of the Supervisory Board of LPP SA
of 19 April 2022
on the granting of an opinion on issues to be put on the agenda of the Annual General
Meeting**

Under § 33 paragraph 2 of the Company’s Articles of Association and in consideration of principle 4.7. of the “2021 Code of Best Practice for GPW Listed Companies”, the Supervisory Board hereby gives its opinion on issues to be put on the agenda of the 2022 Annual General Meeting of the Company.

The Supervisory Board acknowledges that the agenda of the Annual General Meeting of LPP SA, planned for 20 May 2022, proposed by the Management Board, is consistent with the provisions of the Commercial Companies Code, the Company’s Articles of Association and its internal regulations.

Therefore, as regards specific items put on the agenda proposed in the notice of convening the Annual General Meeting, the Supervisory Board acknowledges that:

1. Item 1 to 3 on the agenda are exclusively procedural and necessary for the proper organisation of the General Meeting.
2. Item 4 on the agenda stems from the duties arising from the Company’s internal rules and regulations, including, in particular, the Regulations of the General Meeting and the Rule of Operation of the Supervisory Board as well as corporate governance principles applied by the Company. The Supervisory Board has already adopted the resolutions specified in this item of the agenda.
3. Item 5 on the agenda stems from the duty stipulated, among others, in Article 393(1) of the CCC, Article 395 § 2(1) of the CCC, Article 395 § 5 of the CCC, Article 49(1) and Article 55(2) in connection with Article 55(2a-2c) of the Accounting Act of 29 September 1994 (consolidated text: Journal of Laws of 2021, item 217, as amended), § 33.1.1 of the Company’s Articles of Association and § 2.2.1 of the Regulations of the General Meeting of Shareholders. The Management Board’s report on the operations of the LPP SA Group for 2021/2022 comprises also the report of the Management Board on the operations of the Company (as parent company). The pooling of reports is permissible under Article 55(2a) of the Accounting Act of 29 September 1994 (consolidated text: Journal of Laws of 2021, item 217, as amended) and § 71(8) of the Regulation of the Minister of Finance of 29 March 2018 on current and interim information delivered by issuers of securities and conditions for recognising as equivalent the information required by the laws of a non-member state (Journal of Laws of 2018, no 757). The Supervisory Board has positively assessed the report in question.
4. Item 6 stems from § 33.1.1 of the Company’s Articles of Association and principle 2.11 of the 2021 Code of Best Practice for WSE Listed Companies.
5. Item 7 on the agenda stems from the duty stipulated, among others, in Article 393(1) of the CCC, Article 395 § 2(1) of the CCC and Article 53(1) of the Accounting Act of 29 September 1994 (consolidated text: Journal of Laws of 2021, item 217, as amended), § 33.1.1 of the Company’s

Articles of Association and § 2.2.1 of the Regulations of the General Meeting of Shareholders. The Supervisory Board has positively assessed the report in question.

6. Item 8 on the agenda stems from the generally applicable provisions of Article 395 § 5 of the CCC and Article 63c(4) of the Accounting Act (consolidated text: Journal of Laws of 2021, item 217, as amended). The Supervisory Board has positively assessed the report in question.
7. Item 9 on the agenda stems from the duty stipulated, among others, in Article 393 § 1(1) of the CCC, Article 395 § 2(3) of the CCC and § 33.1.4 of the Company's Articles of Association. The Supervisory Board has positively assessed performance of duties by members of the Company's Management Board in the previous financial year.
8. Item 10 on the agenda stems from the duty stipulated, among others, in Article 393 § 1(1) of the CCC, Article 395 § 2(3) of the CCC and § 33.1.4 of the Company's Articles of Association.
9. Item 11 on the agenda stems from the duty stipulated, among others, in Article 395 § 2(2) of the CCC, Article 53 § 3 of the Accounting Act and § 33.1.3 of the Company's Articles of Association. The Supervisory Board has positively assessed the motion of the Management Board for the division of net profit generated by the Company in the financial year 2021 (01.02.2021 – 31.01.2022).
10. Item 12 on the agenda stems from the execution of the project involving separation of logistics operations to a special purpose vehicle the sole shareholder of which is LPP SA. As provided for in § 33(8) of the Articles of Association of LPP SA and Article 393(3) of the CCC, the sale of an organised part of the enterprise requires a consent of the General Meeting.
11. Item 13 on the agenda involves the issuance by the General Meeting of the opinion on the Report of the Supervisory Board on Remunerations of Members of LPP's Management and Supervisory Bodies. Under Article 90g(6) of the Act of 29 July 2005 on Public Offering, Conditions for Introducing Financial Instruments to Organised Trading and on Public Companies (consolidated text: Journal of Laws of 2021, item 1983, as amended), the General Meeting gives its opinion on the said Report. The Report was adopted by the Supervisory Board by resolution of 19 April 2022.
12. Item 19 on the agenda is of procedural nature.”

“RESOLUTION

of the Supervisory Board of LPP SA

of 19 April 2022

on the evaluation of the Management Board's report on the operations of the Company's Group in the financial year 1.02.2021 - 31.01.2022 (comprising the Management Board's report on the Company's operations in that financial year) in terms of their compliance with accounting books and documents as well as the actual state of affairs

The Supervisory Board, having reviewed:

- the financial statements of LPP SA for the financial year 1.02.2021 - 31.01.2022,

- the LPP SA Management Board’s report on the operations of the Company’s Group in the financial year 1.02.2021 - 31.01.2022 (incorporating the report on the Company’s operations in the said period),
- information provided the auditing team, being the subject matter of the statutory auditor’s report and opinion on the audit of the Company’s financial statements for the financial year 1.02.2021 - 31.01.2022,
- information provided the auditing team, being the subject matter of the statutory auditor’s report and opinion on the audit of the consolidated financial statements of the Company’s Group for the financial year 1.02.2021 - 31.01.2022,
- the proposal of the Management Board on the division of the net profit generated by the Company in the financial year 2021/22;
- the evaluation of the Audit Committee,

acknowledges that, in the opinion of the Supervisory Board, the Management Board’s report on the operations of the Company’s Group for the financial year 1.02.2021 - 31.01.2022, incorporating the Management Board’s report on the Company’s operations in the said period, is complete and accurate and contains data which exhaustively present the Company’s position.

Furthermore, the Supervisory Board indicates that the Management Board’s report on the operations of the LPP SA Group for 2021/2022 incorporates also the Management Board’s report on the operations of the Company (as parent company). The joint presentation of the two reports is permissible under Article 55 paragraph 2a of the Accounting Act of 29 September 1994 (consolidated text: Journal of Laws of 2021, item 217, as amended) and § 71(8) of the Regulation of the Minister of Finance of 29 March 2018 on current and interim information submitted by issuers of securities and on the terms and conditions for recognition as equivalent of information required under the laws of a non-member state (consolidated text: Journal of Laws no 757 of 2018).

The Supervisory Board recommends that the Annual General Meeting of Shareholders should adopt the resolution approving the Management Board’s report on the operations of the Company’s Group and the Company’s operations in the financial year 1.02.2021 - 31.01.2022.

The Supervisory Board gives its standpoint having analysed the documents referred to above and the outcome of works of its Audit Committee and the Board itself. Following performance of the said activities, it may be stated that the report of the Management Board on the operation of the Company’s Group in the financial year 1.02.2021 - 31.01.2022 is complete and accurate and contain data which exhaustively present the Company’s position.”

**“RESOLUTION
of the Supervisory Board of LPP SA
of 19 April 2022
on the evaluation of the Company’s financial statements for the financial year 1.02.2021-
31.01.2022 in terms of their compliance with accounting books and documents as well as the
actual state of affairs**

The Supervisory Board, having reviewed:

- the financial statements of LPP SA for the financial year 1.02.2021 - 31.01.2022,

- the LPP SA Management Board's report on the operations of the Company's Group in the financial year 1.02.2021 - 31.01.2022 (incorporating the report on the Company's operations in the said period),
- information provided the auditing team, being the subject matter of the statutory auditor's report and opinion on the audit of the Company's financial statements for the financial year 1.02.2021 - 31.01.2022,
- information provided the auditing team, being the subject matter of the statutory auditor's report and opinion on the audit of the consolidated financial statements of the Company's Group for the financial year 1.02.2021 - 31.01.2022,
- the proposal of the Management Board on the division of the net profit generated by the Company in the financial year 2021/22;
- the evaluation of the Audit Committee,

acknowledges that, in the opinion of the Supervisory Board, the Company's financial statements for the financial year 1.02.2021 - 31.01.2022 are complete and accurate and contain data which exhaustively present the Company's position.

The Supervisory Board recommends that the Annual General Meeting of Shareholders should adopt the resolution approving the Company's financial statements for the financial year 1.02.2020 - 31.01.2021.

The Supervisory Board gives its standpoint having analysed the documents referred to above and the outcome of works of its Audit Committee and the Board itself. Following performance of the said activities, it may be stated that the Company's financial statements for the financial year 1.02.2021 - 31.01.2022 are complete and accurate and contain data which exhaustively present the Company's position."

**“RESOLUTION
of the Supervisory Board of LPP SA
of 19 April 2022
on the evaluation of the consolidated financial statements of the LPP SA Group for the
financial year 1.02.2021 - 31.01.2022 in terms of their compliance with accounting books
and documents as well as the actual state of affairs**

The Supervisory Board, having reviewed:

- the LPP SA Group's consolidated financial statements for the financial year 1.02.2021 - 31.01.2022;
- the LPP SA Management Board's report on the operations of the LPP SA Group in the financial year 1.02.2021 - 31.01.2022;
- information provided the auditing team, being the subject matter of the statutory auditor's report and opinion on the audit of the consolidated financial statements of the Company's Group for the financial year 1.02.2021 - 31.01.2022,
- the resolution of the Management Board on the motion for the division of the Company's net profit generated in the financial year 2021/22;
- assessment made by the Audit Committee,

acknowledges that, in the opinion of the Supervisory Board, the consolidated financial statements of the LPP SA Group for the financial year 1.02.2021 - 31.01.2022 are complete and accurate and contain data which exhaustively present the position of the LPP SA Group.

The Supervisory Board recommends that the Annual General Meeting of Shareholders should adopt the resolution approving the consolidated financial statements of the LPP SA Group for the financial year 1.02.2021 - 31.01.2022.

The Supervisory Board gives its standpoint having analysed the documents referred to above and the outcome of works of its Audit Committee and the Board itself. Following performance of the said activities, it may be stated that the Group's consolidated financial statements for the financial year 1.02.2021 - 31.01.2022 are complete and accurate and contain data which exhaustively present the position of the Company's Group."

**"RESOLUTION
of the Management Board of LPP SA
with its registered office in Gdańsk
of 19 April 2022
on the motion of the Management Board for the division of profit
for the financial year 1.02.2021-31.01.2022**

1. The Management Board of LPP SA recommends that the net profit for the financial year 01.02.2021-31.01.2022, in the amount of PLN 1,431,492,526.74, should be divided as follows:
 - PLN 648,348,050 to be allocated for division among shareholders as dividend of PLN 350 per share;
 - PLN 409,973,161.86 to be allocated for the coverage of a loss from the preceding year,
 - the remaining PLN 373,171,314.88 to be allocated for the reserve capital,
2. The dividend date (i.e. the date of preparing the list of eligible shareholders) shall be set for 30 May 2022.
3. It shall be resolved that the dividend should be paid in two equal instalments (PLN 175 per share):
 - The first instalment on 6 June 2022,
 - The second instalment on 30 August 2022."

**"RESOLUTION
of the Supervisory Board
of 19 April 2022
on the examination of the motion of the Management Board for the division of the net profit
generated by the Company in the financial year 2021/2022**

Having examined the motion of the Management Board for the division of the net profit generated by the Company in the financial year 2021/2022, the Supervisory Board recommends that the Annual General Meeting of LPP SA should adopt a resolution on:

1. the division of the net profit for the financial year 01.02.2021-31.01.2022, in the amount of PLN 1,431,492,526.74, as follows:

- PLN 648,348,050 to be allocated for division among shareholders as dividend of PLN 350 per share;
- PLN 409,973,161.86 to be allocated for the coverage of a loss from the preceding year,
- the remaining PLN 373,171,314.88 to be allocated for the reserve capital,

2. The dividend date shall be set for 30 May 2022.

3. It shall be resolved that the dividend should be paid in two equal instalments (PLN 175 per share):

- a. the first instalment on 6 June 2022,
- b. the second instalment on 30 August 2022.

The payment of the dividend is justified with a view to maintaining the Company's financial safety and day-to-day liquidity."

**"RESOLUTION
of the Supervisory Board of LPP SA
of 19 April 2022**

on the comprehensive evaluation of the Company's position in the financial year from 1.01.2021 to 31.01.2022, including in particular: (i) evaluation of the financial reporting process, (ii) evaluation of the internal control system, internal audit and risk management system, (iii) evaluation of tax and financial auditing activities, (iv) evaluation of the impartiality of the auditor auditing the financial statements of the Company and the LPP SA Group

The year 2021, though still marked by the global pandemic, has been recorded in LPP's history as the best in terms of the Company's financial results. Still, there was no shortage of challenges we had to face. Difficulties were multiplied due to disrupted supply chains, problems with sourcing materials for manufacturing purposes, first of all organic cotton, and persistent inflation. However, a major factor neutralising those adverse conditions proved to be the so-called deferred demand trend recorded on almost all European markets. Following repeated lockdowns we experienced in 2020, the following year was significantly more reassuring.

Starting already from the first quarter of the previous year, our sales in both traditional and online stores noticeably improved. Two-digit growths in traditional sales and equally high dynamics in the online channel remained unchanged for 12 months. That is why, in 2021, the Company generated the highest revenue in the Company's history, totalling PLN 14.0 bln. It should be noted that the sales increase of approx. 80% y/y was yielded by the Company maintaining a high margin exceeding 57% owing to several factors. The excellent result could be reached owing to good purchase prices obtained when ordering our collections, a limited discount policy and, simultaneously, customers' high interest in our products at the first price. Consequently, in the year 2021/22, we generated a high net profit of PLN 958 mln.

Owing to the Company's stable position and unfailing sales dynamics, we were able to carry out investment plans set for last year. We kept expanding our distribution network which, in 12 months only, increased by nearly half reaching today over 370 thousand m². At the same time, we expanded

the traditional store chain which, at the end of the financial year, was composed of as many as 2,244 stores of the total area of over 1.9 mln m² (+32% y/y).

Furthermore, the geographical reach of the Company's offer was expanded to reach, at the end of 2022, as many as 39 countries worldwide, including 26 markets with traditional stores.

The Supervisory Board of LPP SA acknowledges that the process of financial reporting for the financial year 2020/2021 was correct and raised no reservations.

As stated by the Company's Management Board, in 2021, there were no tax events that could pose a significant risk for the Company's operations.

In the period in question, the Supervisory Board focused, also through its Audit Committee and in cooperation with the audit company, on analysing and supervising the following areas of risk in the financial reporting process, which were considered specifically important in the Board's opinion:

- a change in the LPP Group's structure that would result in the transfer of functions involving a shareholding in a group company operating in the territory of the Russian Federation and the supply of goods to it from producers (particularly those from Asia) through a structure created for that purpose in Singapore,
- materiality thresholds for auditing half-yearly financial statements,
- increased levels of write-offs in the half-yearly report, primarily revaluation write-offs on inventories, inventory in transit and the value of brand stores,
- unification of the functioning of two types of software for lease settlement,
- inclusion of reverse factoring in balance sheet liabilities.

Having regard of its needs and characteristics, the LPP Group has implemented an adequate internal control system which provides for the following:

- i. complete revenue invoicing,
- ii. appropriate cost control,
- iii. efficient use of resources and assets,
- iv. accuracy and reliability of financial information included in financial statements and interim reports,
- v. adequate protection of sensitive information and prevention of uncontrolled outflow of information from the company,
- vi. effective and prompt identification of irregularities,
- vii. identification of, and appropriate response to, major risks.

Elements of the internal control system in our Company include:

- i. control activities taken at all levels and in all departments of the Company, based on procedures (permits, authorisations, verification, reconciliation, review of operational activities, distribution of duties) ensuring compliance with guidelines of the Company's Management Board and, at the same time, enabling to take actions necessary to identify and minimise errors and threats for the Company,
- ii. Workflow Guide - proper records and documentation circulation control system (to ensure compliance of account records with accounting evidence),
- iii. duly qualified controlling personnel,
- iv. division of duties excluding the possibility that one employee performs activities associated with execution and documentation of a business transaction from the beginning to the end,

- v. inventory manual, specifying the rules for the use, storage and stock-taking of assets,
- vi. principles for balance sheet amortisation of intangible and tangible fixed assets,
- vii. IT system - the Company's accounting books have been kept using SAP systems ensuring credibility, reliability and accuracy of information processed. Access to SAP information resources is limited to authorised personnel, for performance of their duties only,
- viii. accounting policy recognising the principles of the International Accounting Standards and International Financial Reporting Standards (IAS/IFRS) and related interpretations published in the form of implementing regulations of the European Commission,
- ix. electronic system for document processing (invoices, parts of employee documentation, commissioning of equipment purchases, payment orders, etc.).

In the process of preparing the Company's financial statements, both separate and consolidated, the auditing of financial statements by an independent statutory auditor, i.e. the external control, is an element supporting the system of internal control.

The statutory auditor is appointed by LPP's Supervisory Board. The tasks of the independent auditor include reviewing semi-annual financial statements and auditing annual financial statements, controlling their accuracy and compliance with accounting principles.

The preparation of financial statements is the responsibility of the Reporting Department headed by the Chief Accountant. Before submitting financial statements to the independent statutory auditor, the Chief Financial Officer, responsible for the financial reporting process on behalf of the Management Board, verifies them in terms of completeness and correctness of all economic events.

In LPP SA, the strategy and business plan performance are reviewed semi-annually. This is due to cycles occurring in the clothing trade. After closing a half of the year, senior and middle management staff, with the participation of the finance department, review the Company's financial results. The operating results of the Company, individual trading departments or even individual stores are analysed each month.

The internal audit of, and closely related risk management in, financial reporting processes are matters of daily interest for the Company's Management Board. LPP SA analyses business risk factors related to the Company's operations. An important role in this respect is also played by management staff responsible for controlling the activities of their departments, including identification and assessment of risks associated with the process of preparing financial statements in an accurate, reliable and lawful manner.

The Supervisory Board examined the internal control, internal audit and risk management systems in LPP SA. As assessed by the Supervisory Board, the internal control and risk management systems operating in LPP SA meet relevant functional needs. While analysing those issues, the Supervisory Board reviewed the results of control procedures carried out by the Company's In-House Auditor and information provided by the Audit Committee and the key statutory auditor (team members of the audit company auditing and reviewing financial statements). The reports did not provide for any significant threats to the Company's operations.

Works of the In-House Audit Department are planned every year and involve mitigation of risks and their relevance. An audit plan is approved by a Board Member and is also provided to the Supervisory Board which controls the said Department and receives regular reports on audit tasks performed from an auditor. The In-House Audit Department operates in line with the procedure titled the "In-House Audit System". It encompasses descriptions of all major financial and operating processes and specifies

risks involved, if any. In audit plans for another period, their relevance and impact on the organization are always taken into account. The In-House Audit Department carries out audits of departments located in the Company's head office and in foreign companies. On a case-by-case basis, an audit is completed with a relevant report submitted to the Board Member responsible for a given area. The Department in question monitors also the implementation of post-audit recommendations.

The Supervisory Board examined financial and tax audit procedures in LPP SA. As assessed by the Supervisory Board, the financial and tax audit procedures carried out in LPP SA comply with legal requirements and meet relevant functional needs.

The Supervisory Board assessed the independence of the statutory auditor auditing the financial statements of the Company and the LPP SA Group. In the opinion of the Supervisory Board, the statutory auditor auditing the financial statements of the Company and the LPP SA Group satisfies the independence criteria described in applicable provisions of law, including, in particular, Articles 69-73 of the Act of 11 May 2017 on Statutory Auditors, Audit Companies and on Public Supervision.

The Supervisory Board examined also the financial reporting process implemented in the Company in the reporting period from 1 February 2021 to 31 January 2022, making no reservations as to how the Company performed its duties in that respect."

**"RESOLUTION
of the Supervisory Board of LPP SA
of 19 April 2022
on the approval of the Supervisory Board's report on its activity in the financial year
1.02.2021 - 31.01.2022**

The Supervisory Board of LPP SA hereby approves the following wording of:

**REPORT OF THE SUPERVISORY BOARD
ON ITS ACTIVITY IN THE FINANCIAL YEAR 1.02.2021 - 31.01.2022**

From 1 February 2021 to 31 January 2022, the Supervisory Board was composed of the following persons:

- Wojciech Olejniczak – Vice-Chairman of the Supervisory Board,
- Magdalena Sekuła,
- Piotr Piechocki,
- Antoni Tymiński,
- Miłosz Wiśniewski.

On 3 February 2021, Mr Miłosz Wiśniewski was elected Chairman of the Supervisory Board.

Following submission on 17.05.2021 by Mr Antoni Tymiński of his statement on resigning from his position in the Supervisory Board, from the date of holding the Annual Meeting of Shareholders of LPP SA, i.e. 29.06.2021, the Supervisory Board was composed of the following persons:

- Wojciech Olejniczak – Vice-Chairman of the Supervisory Board,
- Piotr Piechocki,
- Magdalena Sekuła,

- Grzegorz Maria Słupski,
- Miłosz Wiśniewski – Chairman of the Supervisory Board.

From 1 January 2021 to 31 January 2022, the Supervisory Board had one separate committee i.e. the Audit Committee. From 1 February 2021 to 29 June 2021, the said Committee was composed of the following persons:

- Piotr Piechocki,
- Magdalena Sekuła (as independent member),
- Antoni Tymiński (as independent member),
- Miłosz Wiśniewski (as independent member).

Following resignation by Mr Antoni Tymiński from his position in the Supervisory Board and appointment of Mr Grzegorz Maria Słupski to the Board, from 29 June 2021 to 31 January 2022, the Audit Committee was composed of the following persons:

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

Mr Grzegorz Maria Słupski, Mrs Magdalena Sekuła, Mr Antoni Tymiński and Mr Miłosz Wiśniewski met independence criteria set forth in Article 129(3) of the Act of 11 May 2017 on Statutory Auditors, Audit Companies and on Public Supervision, the “2021 Code of Best Practice for WSE Listed Companies” and appendix 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.

Mr Piotr Piechocki, Member of the Supervisory Board and the Audit Committee, has knowledge and expertise in the business sector in which LPP SA operates. He used to work for LPP SA and, among others, managed the Company’s e-commerce department.

Furthermore, the following persons have knowledge and skills in the area of accounting and the auditing of financial statements: Mr Antoni Tymiński (a licensed statutory auditor entered on the list of the Polish Chamber of Statutory Auditors; he gained experience as partner at Pricewaterhouse Coopers and manager at Deloitte&Touche, responsible for auditing financial statements), Mr Grzegorz Maria Słupski (Doctor of Economics, entrepreneur and manager who has created and managed a number of enterprises mainly in the printing, trade and new technologies industries) and Mr Miłosz Wiśniewski (who has knowledge and skills gained while he was Finance Director at Cereal Partners Worldwide and Boryszew SA). In the financial year 2021/2022, the Audit Committee performed its duties set forth in the provisions of law, specifically in Article 130 paragraphs 1 and 2 of the Act of 11 May 2017 on Statutory Auditors, Audit Companies and on Public Supervision.

From 1 February 2021 to 31 January 2022, five meetings of the Supervisory Board were held.

In 2020/2021, the Audit Committee held five meetings with all members being present.

The Supervisory Board analysed the Company’s day-to-day operations and position as well as examined motions submitted by the Management Board.

In the opinion of the Supervisory Board, the diversity policy applied in the Company in terms of differentiation of the level of competence and experience of individual members of the Company's bodies (i.e. Supervisory and Management Boards) is satisfactory.

LPP's Management Board is composed of five men. Two of them are between 30 and 50 years of age and three above 50 years of age. The Supervisory Board is composed of four men and one female. Two persons are between 30 and 50 years of age and three above 50 years of age.

Members of LPP's Management and Supervisory Boards have diverse education i.e. from technical and IT education to finance, economic and legal education. They have diversified experience both in terms of the sector in which our Group operates and types of institutions where they have gained their previous experience.

Owing to the above-mentioned composition, the Supervisory Board was able to examine problems presented to it comprehensively.

The Supervisory Board gives a positive opinion on its activity in the financial year from 1 February 2021 to 31 January 2022.

The Supervisory Board requests that the Annual General Meeting of Shareholders approve the Supervisory Board's report on its activity in the financial year from 1 February 2021 to 31 January 2022 and grant discharge to the following members of the Supervisory Board:

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

for performing their duties as Supervisory Board members from 1 February 2021 to 31 January 2022.

The Supervisory Board has made a self-evaluation of its work. Following such evaluation, the Supervisory Board states that the Board has performed all duties set forth in the provisions of law and the Company's internal regulations. Additionally, at meetings held, the Board analysed the Company's position on an ongoing basis and supported the Management Board in day-to-day operations. Therefore, the Supervisory Board gives a positive opinion on its activity in the financial year from 1 February 2021 to 31 January 2022."

**"RESOLUTION
of the Supervisory Board of LPP SA
of 19 April 2022**

**on the evaluation of fulfilment by the Company of reporting duties in respect of application
of corporate governance principles arising from good practices and the provisions of law on
current and interim information submitted by issuers of securities**

LPP SA is required to fulfil reporting duties in respect of application of corporate governance principles stemming from the Warsaw Stock Exchange Rules and the Regulation of the Minister of Finance of 29 March 2018 on current and interim information submitted by issuers of securities and on the terms and conditions for recognition as equivalent of information required under the laws of a non-member state (Journal of Laws no 757 of 2018) and the Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission

Directives 2003/124/EC, 2003/125/EC and 2004/72/EC of 16 April 2014 (Official Journal of the European Union L, No 173, page 1) ("MAR").

Current rules for providing current reports on the application of specific principles of corporate governance are defined in Resolution No. 1309/2015 of the Warsaw Stock Exchange Management Board, dated 17 December 2015. The WSE Rules stipulate that, when a specific principle of corporate governance is not applied on a permanent basis or is breached incidentally, the issuer is required to publish a report in that respect. The report should be published on the issuer's official website, in a manner similar to that applied for current reports. Pursuant to Resolution No. 1309/2015 of the WSE Management Board, reports on the application of specific corporate governance principles are communicated through the Electronic Information Base (EIB).

The Supervisory Board assesses that LPP SA properly fulfils its reporting duties related to the application of corporate governance principles.

The Supervisory Board of LPP acknowledges that, as provided for in a relevant statement made by the Management Board, the Company applied corporate governance principles attached as Enclosure to Resolution No 13/1834/2021 of the Board of the Warsaw Stock Exchange, dated 29 March 2021, titled the "2021 Code of Best Practice for GPW Listed Companies" (Corporate Governance Principles), published in a website dedicated to good practice for companies listed on the stock exchange Giełda Papierów Wartościowych w Warszawie SA, operated by Giełda Papierów Wartościowych w Warszawie SA, at website address <https://www.gpw.pl/dobre-praktyki2021>, except for:

2.1. The company should have a diversity policy for the Management and Supervisory boards, adopted by the Supervisory Board or the General Meeting, respectively. The diversity policy shall define the goals and criteria for diversity in areas such as gender, field of education, specialist knowledge, age and professional experience, and shall specify a timeframe and method for monitoring the achievement of the said goals. As regards gender diversity, a condition for ensuring the diversity of the company's governing bodies is that the minority share in a given body is no less than 30%.

The Company does not apply this principle.

The Company is in the process of developing a diversity policy for the Management and Supervisory Boards which will meet the requirements of the GPLC 2021. The Company will aim at ensuring gender diversity in its governing bodies in future terms of office. At the same time, the Company currently ensures gender diversity in its subsidiaries (out of 20 foreign subsidiaries, 13 of them are headed by women).

2.2. Persons making decisions on the election of members of the company's Management or Supervisory Board should secure comprehensiveness of these bodies by choosing persons ensuring diversity, making it possible *inter alia* to achieve the target ratio of the minimum proportion of minorities set at no less than 30%, in accordance with the goals set out in the adopted diversity policy referred to in principle 2.1.

The Company does not apply this principle.

The key criteria for choosing members of the Management and Supervisory Boards in the Company are the candidate's education, knowledge and experience as well as competence in the required fields to perform the function. At the same time, the Company is in the process of developing a diversity policy for the Management and Supervisory Boards, fulfilling the requirements of the GPLC 2021.

2.11. Apart from activities resulting from the provisions of law, once a year, the Supervisory Board shall prepare and present its annual report to the Annual Meeting of Shareholders. The above-mentioned report shall incorporate, to the minimum extent, the following contents:

2.11.6. information on the advancement of execution of the diversity policy applying to the Management and Supervisory Boards, including attainment of the goals referred to in principle 2.1.

The Company does not apply this principle.

Currently, the Company has no diversity policy applying to the Management and Supervisory Boards. The Company is in the process of developing a diversity policy for the Management and Supervisory Boards, fulfilling the requirements of the GPLC 2021.

4.1. The company should enable its shareholders to take part in a General Meeting using electronic communication means (electronic general meeting) if justified in terms of shareholders' expectations communicated to the company, as long as it is able to provide technical infrastructure required to hold such Meeting.

The Company does not apply this principle.

The above-mentioned principle is not applied by the Company as its implementation would involve technical risks. The giving to shareholders of an option to communicate in the course of the general meeting without being present at the meeting, using electronic communication means, involves both technical and legal hazards for the proper and efficient conduct of the general meeting. In particular, the above brings about a real risk of technical interference preventing continuous bilateral communication with shareholders present in venues other than the meeting room. Therefore, the Company is unable to guarantee the reliability of technical infrastructure. At the same time, in the Company's opinion, the currently applicable rules for participation in general meetings facilitate the proper and effective exercise of rights attached to shares and sufficiently secure the interests of all shareholders.

4.3. The Company will provide public broadcasting of the General Meeting in real time.

The Company does not apply this principle.

As stems from the current practice of the Company's bodies, there is no need to record and publish the records of the General Meeting. In the Company's opinion, the information it publishes, as provided by law, on the announcement of the convening and the agenda of the General Meeting enables all shareholders to gain full knowledge of issues to be discussed at the Meeting.

6.4. The Supervisory Board shall perform its tasks on a continuous basis, and, therefore, the remuneration of Board members may not be dependent on the number of meetings held. Remuneration of members of committees, in particular the audit committee, should take into account additional workload related to the work in those committees.

The Company does not apply this principle.

The remuneration of members of the Supervisory Board is related to the scope of tasks and responsibilities arising from their function, while remaining at the same time adequate to the Company's size. The lump-sum remuneration, which is a component of the remuneration, is due and payable for participation in the meeting of the Supervisory Board or the Audit Committee of the Supervisory Board, respectively, allowing to take into account the workload of a member of the Supervisory Board when determining the amount of remuneration. The remuneration principles applied have been in force in the Company for many years and, as experience shows, they fulfil their role. Thus, in the Company's opinion, there is no need to change the remuneration principles at

present. However, should the circumstances change, the Company does not exclude future application of the said principle.

Simultaneously, as stated by the Management Board of LPP SA, the Company does not apply corporate governance practices beyond requirements set forth in domestic law.

Apart from the aforementioned exceptions, the Supervisory Board has ascertained no other violations of the “2021 Code of Best Practice for WSE Listed Companies”.

In addition to communication via the EIB system, LPP SA publishes on its website documents specified in section 1.1 in Polish and English.

The Supervisory Board reviewed the statement of the Management Board on corporate governance. The said statement specifies in detail corporate governance issues and provides required information. Furthermore, the Company publishes on its website information on the application of the principles and recommendations provided for in the said document. In addition to the rationale for non-compliance with the principles in question, the said information comprises comments to recommendations not applied by the Company.

The Supervisory Board assesses that the information provided by LPP SA is consistent with the requirements and presents fairly its compliance with corporate governance principles.”

**“RESOLUTION
of the Supervisory Board of LPP SA
of 19 April 2022**

on the evaluation of the rationale for the charity and sponsorship policy followed by the Company

The Supervisory Board of LPP SA positively assesses the charity and sponsorship policy followed by the Company in the financial year 1.02.2021 - 31.01.2022 in terms of its reasonableness and adequacy.

The LPP SA Group has defined its community goals in the Sustainable Development Strategy. Its part on charity projects was transferred for execution purposes to the LPP Foundation established in 2017. The goal of the LPP Foundation is to take actions to support both the society and the environment. The Company has focused primarily on projects involving aid for persons at risk of social exclusion, mainly children and the youth, material aid and projects supporting the Company’s closest neighbourhood.

In the financial year ended 31.01.2022, the LPP Group was engaged in the following projects:

1. *Moda na lepszy start* (A better start is in fashion) - an in-house project of the LPP Foundation, Addressed to 238 project participants – wards of 3 Tricity foundations: “Rodzinny Gdańsk” Foundation, Gdańsk Foundation of Social Innovation and the “Focuses of Hope” Foundation for Families.

The project’s goal was to support children and the youth by providing financial resources for actions in three areas: health, education and talent development.

2. Projects carried out in 3 key areas:

a. Counteracting social exclusion and supporting the local community:

- we financed the organisation of the Easter breakfast and the Christmas Eve dinner for the homeless in Gdańsk;

- we financed summer holidays for over 250 children in foster care in the Pomerania and Małopolska regions;

- we provided funds for 3 mobile libraries in Gdańsk and Cracow;
- we provided financial aid for “ALBERTIANA” Stage and Music Art Festival for the Disabled and gifts for its participants;
- we financed school starter kits for 120 pre-school children – wards of the MATIO Foundation for Cystic Fibrosis Patients and Families;
- we financed a family picnic and organised workshops for residents of the Lower City of Gdańsk as part of the Summer in Lower City with LPP project;
- we financed gifts and animations during the inauguration of the Christmas Tree Lighting in the Lower City and financed a carol concert in the Lower City;
- we conducted renovations and financed the provision of additional equipment for 2 children’s homes in Malbork;
- we financed the renovation of a room and purchase of furniture for the Child and Family Counselling Centre;
- we financed the renovation of a room for parents at the children's surgery department of the “Copernicus” hospital in Gdańsk;
- we financed a playground at Polanki Children's Hospital in Gdańsk;
- we donated funds for the purchase of sports equipment for wards of children's care facilities in Gdańsk and Cracow.

b. healthcare:

The Foundation supported its permanent partners i.e. hospitals and hospices by providing them with financial aid for purchasing required medical equipment, ancillary equipment for those facilities and their renovations as well as for specialist workshops and consultations.

As part of a project carried out by Reserved, we donated funds for yearly maintenance of an infoline for young people struggling with depression, operated by the Itaka Foundation.

As every year, we also provided funds for helping our employees struggling with long-term diseases and their families.

The beneficiaries were as follows: Maciej Płażyński Polanki Children’s Hospital in Gdańsk, the Specialist Hospital in Kościerzyna, the Hospice Foundation, the Pomerania For Children Hospice Foundation, *Fundacja z Pomocą* – Help Children with Leukemia, *3Maliny* Foundation, the Hospice Home Foundation in Pruszcz Gdański, Me Too Foundation for Development Support, the Polish Association for Counteracting Cystic Fibrosis, Anna Dymna’s *Mimo Wszystko* Foundation, Avalon Foundation, *Zdążyć z pomocą* Children’s Foundation, Sedeka Foundation, Itaka Foundation.

c. Ecology and environment protection:

The Foundation donated funds for veterinary care and the purchase of required equipment to animal care organisations such as: *Paka dla Zwierzaka* Association, the Animals in Need Foundation, the Kotangens Foundation.

3. Employee volunteering

For many years, LPP employees have been engaged in volunteering projects involving both long-term activities in cooperation with social partners and in one-off projects. In 2021/22, our employees took part in several initiative of importance for local communities:

- 2 Children’s Homes in Malbork: aid in renovation works,
- Summer Fair with LPP in the Lower City for residents of the Lower City of Gdańsk: creative workshops for residents,

- Cat Shelters, a periodical initiative aimed at helping homeless cats: volunteers build and renovate cat shelters in the former shipyard.

- Let's Plant project aimed at planting a new forest in the territory affected by the tempest of 2017,

- Minigrants: as part of the Minigrants competition, LPP employees have the possibility of submitting their own projects benefitting organisations that aid people in need or animals. In 2021, the competition was organised twice: at summer time, when 3 projects were carried out for a total amount of PLN 40 thousand, and during the Christmas season, when 11 projects were carried out for a total amount of PLN 55 thousand i.e., in total, PLN 95 thousand received by local communities.

4. Support for socio-economic entities

- Kuźnia Coffee Shop

Kuźnia Coffee Shop is run by the Social Innovation Foundation, which creates, as part of its operations, first work places for young people from small childcare facilities.

Community coffee, i.e. the mobile "Kuźnia" coffee shop, visited 5 LPP offices in Gdańsk and Pruszcz Gdański in September and December 2021. Consequently, the Company supported the socio-economic entity by enabling it to sell products to LPP's employees who willingly joined the project and bought, in total, 1,180 coffees/teas and 1,511 cakes. The costs in question were paid in part by LPP.

- Anna Dymna's *Mimo Wszystko* Foundation

In LPP's office in Cracow, a charity fair was organised at which LPP employees could buy hand-made products prepared by the wards of Anna Dymna's "Mimo Wszystko" Foundation. Funds collected were donated to the "Dolina Słońca" centre in Radwanowice near Cracow.

Furthermore, employees took part in "Tyle razem przeszliśmy" project i.e. 18 km for the Foundation's 18th birthday. In September, the kilometres walked and reported by LPP employees (over 6.3 thousand kilometres) were converted into PLN and Anna Dymna's Foundation received as much as PLN 50 thousand for organising therapeutic and rehabilitation workshops classes for the Foundation's wards.

- LPP cooperates with a positive impact start-up (Wosh Wosh)

LPP joined both the spring and autumn footwear collecting projects organised by Wosh Wosh (named "Make the Spring Come" and "Let's collect footwear for the homeless", respectively), inviting its employees to bring to LPP their no longer used footwear in good condition. Footwear was collected in LPP offices in Tricity, Cracow and Warsaw. Footwear collected was sent to Wosh Wosh and, subsequently, following disinfection, was delivered, among others, to the Saint Brother Albert Society near Gdańsk, the Bread of Life Community in Warsaw and Cracow and the Prometheus Care and Resocialisation Association in Gdańsk.

In total, during two collection activities, over 800 pairs of shoes were collected.

- LPP Team for Kids

In LPP, there is a sports team called LPP Team with running, triathlon and cycling sections. The Company sponsors section members, enabling them to take part in sports competitions or donating appropriate sportswear. Each year, the Company's employees take part in a sports charity event as part of which the LPP Foundation converts kilometres run or cycled during the year into PLN. For every kilometre run or cycled, the Company donates a specific amount distributed later among the LPP Foundation's wards from the Pomerania and Małopolska regions.

As part of the LPP team for kids project, in three months (from July to September 2021), the Company's employees ran over 8,000 km and cycled over 66,000 km. Thanks to their enormous motivation and really big hearts, LPP employees ran and cycled a total of PLN 49,200. The collected amount was

received by the Intervention Care and Education Centre for girls from the Willowe housing estate in Cracow and to the Focuses of Hope Foundation for Families in Gdańsk, which would designate the said amount for purchasing sports equipment for their wards.

- Development Initiation Forum

The Development Initiation Forum is the largest cross-sectoral conference in Pomerania, organised by the UP FOUNDATION (the Development Initiation Foundation). For 5 years now, we have been a Strategic Partner of the Grant Competition of the Development Initiation Fund, and, from 2021, also a partner of the conference. The Fund was established upon initiative of the intersectoral partnership for strengthening sustainable development in the Pomeranian Voivodeship. In the competition's outcome, the best Pomeranian intersectoral initiatives that contribute to making an actual socio-economic change in the community are chosen, which then receive a grant to enable their implementation.

In the financial year 2021/22, apart from the standard financial support, the LPP Foundation implemented also other ancillary projects.

- Brześć Kujawski

As part of local activities in Brześć Kujawski, where our new Distribution Centre has been built, we have been cooperating with the local municipality and, from 2019, we have been carrying out activities for the benefit of local communities. One of those projects is the "School Starter kit for First-Graders". Children starting primary school receive from LPP school supplies and gifts. In the financial year 2021/22, 124 pupils were given support in question. Furthermore, pupils from all primary schools participate in the "English with LPP" educational project.

Purpose	LPP	LPP Foundation
Value of donations made in the reporting year (PLN)	145,364	1,617,517
Funds for healthcare (PLN)	-	798,533
Funds for eco-friendly projects (PLN)	-	32,881
Funds allocated for supporting the local community and projects counteracting social exclusion (PLN)	-	786,103
Number of organisations supported	13	43
Number of volunteers engaged in the projects in the reporting year	-	374
Number of clothing items donated for charity purposes	-	123,000
Number of entities provided with clothing	-	120

Payments made for political purposes (confirmation whether LPP does not, as a rule, support any political activity) (PLN)	-	-
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In conclusion, the Supervisory Board positively assesses the above-mentioned activities in terms of the rationale criterion.”

**“RESOLUTION
of the Audit Committee
of the Supervisory Board of LPP SA
with its registered office in Gdańsk
of 19 April 2022
on the adoption of conclusions of the report on tax audit activities**

The Audit Committee of the LPP Supervisory Board acknowledges the documents presented by the Management Board in respect of tax audit and implementation of a tax strategy. The Committee has identified no significant undisclosed risks in this regard. As assessed by the Audit Committee, the assumptions and procedures provided for in tax audit and tax strategy documents have been implemented. Furthermore, the Committee obliges the Management Board to provide periodically, at least once every six months, information on activities carried out and risks identified.”

Report of the Management Board of LPP SA on Tax Strategy Implementation

In the opinion of the Management Board, the tax strategy adopted by the Company requires no change. The strategy in its current wording corresponds in full with the Company’s rules of operation and, in 2021, there were no events justifying any change of the tax strategy adopted in the Company.

The description of the implemented tax risk strategy is provided for in the report of the Management Board on the assessment of tax risks in 2021, enclosed hereto.

In the opinion of the Management Board, the Company should continue the tax strategy adopted. The solutions adopted by the Company for tax risk management have proven themselves in practice and, despite enormous challenges faced by taxpayers as a result of the regulations of the so-called “New Tax Order”, the Company has been able to manage all the most significant risks stemming from the said regulations.

The details concerning tax risk management in 2021 are given in the in the report of the Management Board on the assessment of tax risks in 2021 [see above].

In 2022, the Company plans to continue the tax strategy and tax risk management processes in line with relevant regulations applicable in the Company.

In 2021, the Company implemented no actions for changing the tax strategy and the way of managing the tax risk.

The Company is willing to prevent the tax risk described in: (i) the tax constitution, (i) the tax strategy, and (iii) the document on tax risk management.

In 2021, the Company implemented no changes in the tax risk management system. In 2022, the Company plans to implemented no changes in the said system.

In the period covered by this report, the Company made no changes in the Tax Strategy in terms of the strategy's vision and plans for its implementation.

In the period covered by this report, the Company made no changes in the Tax Strategy.

The Management Board declares that, in 2021, there were no tax events that could pose a major threat for the Company's operations.

The Management Board declares that all tax risks which could potentially occur due to the implementation of the "New Tax Order" have been mitigated.

Furthermore, the Management Board declares that no tax risk described in the document titled Tax Risk Management has materialised.

Report of the Management Board on Tax Risk Assessment

In the opinion of the Management Board, in 2022, apart from standard risks described in the document titled "Tax Risk Management", the following events required to be thoroughly assessed in terms of occurrence of potential tax risks:

1. spinning off the logistics operations to an independent dedicated special purpose vehicle,
2. change of the supply chain to Russia and partial change of the owner of the Russian subsidiary OOO Re Trading,
3. implementation of the "Polish Order" tax amendment package,
4. implementation of a EU VAT package for e-commerce,
5. transactions of entities from tax havens,
6. planned changes concerning a structured invoice sent to NeIS.

Re: 1

In order to evaluate and mitigate the risks associated with spinning off the logistics operations into an independent, dedicated special purpose vehicle, the Company has obtained legal and tax opinions. The Company's Management Board has appointed a steering committee headed by two vice-presidents of the Board. The steering committee is leading the development and implementation of works aimed at

spinning off the logistics operations into an independent dedicated special purpose vehicle. In addition, the Company has engaged the consulting company Deloitte to support it in the process of spinning off the logistics operations into an independent, dedicated special purpose vehicle, including in particular the process of obtaining AEO (Authorised Economic Operator) status for the special purpose vehicle, which is planned to perform logistics functions. According to the legal and tax opinion received, the tax risk related to the spin-off in question is low. The conclusions and assessments made in the tax and legal opinions drawn up by Deloitte have been confirmed by the Tax and Legal Departments of LPP. The Management Board reckons that the risk related to the above-mentioned spin-off is acceptable and that entire process has been duly organised and supervised in terms of its effective implementation, ensuring compliance with applicable laws.

Re: 2

Having regard of the plans involving a substantial increase in revenue generated by the Russian subsidiary (OOO Re Trading) and in consideration of the traditional political risk relating to Russia, the Management Board decided to change the supply chain of goods to Russia and partially restructure the entity with a major shareholding in the Russian company. With a view to preparing a final structure and mitigating risks involved in the implementation of the planned new structure, the Management Board started cooperation with the advisory company Deloitte. Together with the Company's legal and tax advisors, the advisory company prepared a final scheme for the supply chain and the ownership structure. Deloitte prepared also applications to be submitted by the Company to tax authorities for obtaining individual interpretations of tax laws applicable to the planned structure. Additionally, being assisted by a tax advisor from Singapore, the Company prepared an application for obtaining an interpretation of tax law of Singapore, affecting the planned structure.

The Management Board considers that the risk involved in the implementation of the new scheme of the supply chain to Russia and the new ownership structure in the Russian company is acceptable provided that the Company obtains relevant tax interpretations confirming the Company's position. Furthermore, the Management Board considers that the process of implementing the new scheme of the supply chain of goods to Russia and the new ownership structure in the Russian company has been duly organised and supervised in terms of efficient implementation of the said process in compliance with the provisions of law.

The Management Board decided to suspend the implementation of the new model of the supply chain of goods to Russia and the new model of the ownership structure in the Russian company until the situation regarding hostilities in Ukraine is clarified.

Re: 3

A number of tax risks were defined in connection with the statutory introduction of the biggest reform of personal income tax legislation in recent years, which in its essence is based on very complicated mechanisms that raise many interpretative ambiguities. These risks were related to the need to implement the amendments in a very short period of time, application of numerous new tax reliefs, a new tax threshold, a new way of examining taxpayers' income in order to apply the so-called middle class relief and a different way of calculating a health premium. The Management has assessed the risk in question as high. In order to minimise it, necessary operational and system measures have been taken in terms of collection of PIT advances. The Company started cooperating with the advisory company Deloitte. As part of the said cooperation, the advisory company provided a set of analyses,

forms of tax declarations and merit-based instructions for taxpayers. Following a thorough merit-based analysis, the Company implemented necessary adjustments in the HR and payroll system.

Before the first collection of advance payments in the new tax model, multiple and very extensive tests of calculation runs were performed. As a result of the actions taken, risks of erroneous collection of PIT advance payments were eliminated.

The Management Board considers that the measures taken were properly and correctly carried out and reliably supervised. Statutory amendments were implemented without any significant tax risks.

Re: 4

On 1 July 2021, changes were introduced in the European Union regarding distance sales, i.e. the sale of goods to individual customers via online platforms. Law amendments facilitated the method of VAT settlement, which would be declared and paid in different EU countries. Until now, the Company settled VAT separately in each country. In order to facilitate settlements it was decided to switch to the OSS procedure, which enables making VAT settlements only in Poland. The Company cooperated in this respect with KPMG, which supported the Company during the registration process and continued to advise the Company in case of any doubts regarding the implemented procedure. The procedure was implemented on 1 January 2022. The Management Board considers that the actions taken were duly and correctly implemented and reliably supervised. Statutory amendments were implemented without any significant tax risks.

Re: 5

In the Corporate Income Tax Act, there were new provisions introduced with reference to due diligence in the verification of transactions with entities from the so-called tax havens. Under the provisions of law and according to the instructions of the Minister of Finance, it is required to verify all contracting parties being suppliers of LPP SA, with which the Company reached a turnover exceeding PLN 500 thousand. The Company is required to receive from suppliers information whether the contracting party is an actual owner and whether it makes any settlements with an entity from a tax haven. The Company identified over 1,300 contracting parties from which it is required to obtain such information. The said information and conclusions drawn up by the Company on those grounds will enable accurate preparation of transfer pricing documentation and the Management Board will be able to make a statement on the preparation of such transfer pricing documentation. All works should be completed by 31 October 2022.

The Management Board considers that the risk involved in the requirement to obtain the information in question from such a large number of suppliers is substantial. In consequence, the Management Board instructed that tax advisors should be contacted in this respect. In view of occurrence on the market of tools for the automatic verification of contracting parties, the Management Board recommended their purchase.

The Management Board considers that the actions taken were duly and correctly implemented and reliably supervised. Statutory amendments were implemented without any significant tax risks.

Re: 6

Starting from 1 April 2023, the Ministry of Finance plans to introduce the duty to issue and receive structured invoices. The invoice will have a structured form, following a logical structure. Each invoice issued will have to be sent to the National e-Invoice System (NeIS). From this system, it will also be possible to receive invoices issued to LPP. The said duty involves a number of changes both in the system and documents currently issued by LPP. The Company generates approx. 2.5 mln of invoices

monthly, with such invoices being issued in 4 different systems. Currently, the tax risk is quite high. The Management Board decided to appoint a dedicated team to handle the analysis and implementation of changes in the said systems. The said team comprises persons responsible for IT, taxes and invoice issuance processes.

This project is quite new and the advancement of works is reported during steering committees on a regular basis.

Based on the information provided by the Head of the Tax Department , the Chief Accountant and the Head of the Clearing Department, the Management Board acknowledges that no risks described in section 4 of the document titled "Tax Risk Management" have occurred. Furthermore, the Management Board acknowledges that the assessment of occurrence of a given tax event, provided for in section 4 of the document titled "Tax Risk Management" is correct and, therefore, there is no need to change the assessment of occurrence of individual risks.