

REPORT OF THE INDEPENDENT CHARTERED AUDITOR

**on performing the service to provide reasonable assurance on
the assessment of the remuneration report of**

PRZEDSIĘBIORSTWO PRZEMYSŁU SPOŻYWCZEGO "PEPEES" S.A.

in the financial year of 2021

**THE INDEPENDENT CHARTERED AUDITOR'S REPORT ON THE PERFORMANCE OF THE
SERVICE TO PROVIDE REASONABLE ASSURANCE ON THE ASSESSMENT OF THE
REMUNERATION REPORT**

**For the General Meeting and the Supervisory
Board of**

Przedsiębiorstwo Przemysłu Spożywczego "PEPEES" S.A.

We were engaged to review the attached remuneration report of Przedsiębiorstwo Przemysłu Spożywczego "PEPEES" S.A., hereinafter referred to as *"the company"* in the financial year of 2021, with respect to the completeness of the information disclosed therein as required in compliance with Article 90g(1)-(5) and (8) of the Act of 29 July 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading and Public Companies (i.e. Polish Journal of Laws of 2020, item 2080) (*hereinafter referred to as the "Act on Public Offering"*).

**Identification of criteria and description of the
subject matter of the service**

The remuneration report was prepared by the Supervisory Board in order to fulfil the requirements of Article 90g(1) of the Act on Public Offering. The requirements applicable to the remuneration report are contained in the Act on Public Offering. [As of the date of issuing the guidance of the National Chamber of Chartered Auditors, the European Commission's guidance had not been published: Additionally, supplementary guidance is provided in the Guidance on the standard presentation of the remuneration report pursuant to Directive 2007/36/EC of the European Parliament and of the Council, as amended by Directive (EU) 2017/828, regarding the encouragement of shareholders for long-term engagement].

The requirements described in the preceding sentence set out the basis for the preparation of the remuneration report and are, in our opinion, sufficient criteria for our conclusion on reasonable assurance.

Pursuant to the requirements of Article 90g(10) of the Act on Public Offering, the remuneration report shall be subject to evaluation by the chartered auditor to check whether the information required pursuant to Article 90g(1) to (5) and (8) of the Act on Public Offering is included therein. This report fulfils that requirement.

By the chartered auditor's assessment referred to in the preceding sentence and constituting the basis for our conclusion to provide reasonable assurance, we mean the assessment of whether, in all material respects, the scope of information presented in the remuneration report is complete and the information has been disclosed with the level of detail required by the Act on Public Offering.

Liability of the Supervisory Board Members

Pursuant to the Act on Public Offering, members of the company's Supervisory Board are liable for the preparation of the remuneration report in accordance with the applicable provisions of law, and in particular for the completeness of the report and the information contained therein.

The Management Board's liability also includes the design, implementation and maintenance of the internal control system to ensure the preparation of the complete remuneration report that is free from material distortion due to fraud or error.

Liability of the chartered auditor

Our objective was to assess the completeness of the information provided in the attached remuneration report against the criterion set out in the Identification of criteria and description of the subject matter of the service and to express an independent conclusion on the assurance engagement performed on the basis of the evidence obtained to provide reasonable assurance.

We carried out the service in accordance with the regulations of the National Standard on Assurance Engagements Other than Audits and Reviews 3000 (Z) in the form of the International Standard on Assurance Engagements 3000 (Revised) – "Assurance Engagements Other than Audits or Reviews of Historical Financial Information," adopted under Resolution No. 3436/ 52e/2019 of the National Chamber of Chartered Auditors dated 8 April 2019, as amended ("*KSUA 3000 (Z)*").

This standard requires that the chartered auditor plan and perform procedures to obtain reasonable assurance that the statement on remuneration was prepared in full accordance with specified criteria.

Reasonable certainty means a high level of certainty; however, it does not guarantee the service performed in compliance with KSUA 3000 (Z) to reveal existing distortion every time.

The selected procedures depend on the chartered auditor's judgement, including their assessment of the risks of material distortion due to fraud or error. During those risk assessments, the chartered auditor is to consider the internal control relevant to the preparation of the complete statements in order to design appropriate procedures aimed at providing the chartered auditor with sufficient and appropriate evidence. The evaluation of functioning of the internal control system has not been carried out in order to express a conclusion on the effectiveness of its operation.

Summary of work carried out and limitations of our procedures

The procedures we planned and carried out included particularly:

- reading the contents of the remuneration report and comparison of the information contained therein to the applicable requirements;
- reading the resolutions of the company's General Meeting as regards the remuneration policy for Members of the Management Board and Supervisory Board and the resolutions of the Supervisory Board detailing them;

- determination, by comparison with corporate documents, of the list of persons for whom there is a requirement to include information in the remuneration report and to determine, by enquiries of the persons liable for the preparation of the report and, where we considered it appropriate, also directly the persons affected by the requirement to include information, whether all the information provided for by the criteria for the preparation of the remuneration report has been disclosed.

Our procedures were aimed solely at obtaining evidence that the information provided by the Supervisory Board in the remuneration report complied with the applicable requirements with respect to its completeness. The purpose of our work was not to assess the sufficiency of the information included in the remuneration report for the purpose of preparing the remuneration report or to assess the correctness and reliability of the information contained therein, in particular as regards the amounts disclosed, including estimates made for years prior, numbers, dates, allocation methods, compliance with the remuneration policy adopted by the Management Board.

The remuneration report was not audited within the meaning of the National Auditing Standards. In the course of the assurance procedures performed, we did not audit or review the information used for preparation of the remuneration report and, accordingly, we do not assume liability for issuing or updating any reports or opinions on the company's historical financial information.

We do believe that the evidence obtained provides a sufficient and appropriate basis for our conclusion, as presented below.

Ethical requirements, including independence

While carrying out the service, the chartered auditor and the auditing firm complied with the independence and other ethical requirements set out in the International Code of Ethics for Professional Accountants (including the International Independence Standards) of the International Ethics Standards Board for Accountants, adopted by way of the Resolution of the National Chamber of Chartered Auditors No. 3431/52a/2019 of 25 March 2019 on the principles of professional ethics for chartered auditors ("IESBA Code"). The IESBA Code is based on the fundamental principles of integrity, objectivity, professional competence and due diligence, confidentiality and professional conduct. We also complied with the other independence and ethics requirements that apply to this assurance engagement in Poland.

Quality control requirements

The auditing firm applies the National Quality Control Standards in the form of the International Quality Control Standard 1 – "Quality Control of Companies Performing Audits and Reviews of Financial Statements and Performing Other Assurance and Related Services" adopted by way of Resolution No. 2040/37a/2018 of the National Chamber of Chartered Auditors of 3 March 2018, as amended ("NQCS").

As required by the NQCS, the auditing firm maintains a comprehensive quality control system including documented policies and procedures related to compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Conclusion

The chartered auditor's conclusion was prepared on the basis of the matters described above, and the conclusion should be read with these matters in mind.

In our opinion, the attached remuneration report, in all material respects, contains all the elements listed in Article 90g(1) to (5) and (8) of the Act on Public Offering.

Limitation of use

This report has been prepared by WBS Audyt Sp. z o.o. for the General Meeting of Shareholders and the Supervisory Board and is intended solely for the purpose described in the Identification of criteria and description of the subject matter of the service and should not be used for any other purpose.

As for this report, WBS Audyt Sp. z o.o. does not assume any liability arising from contractual or non-contractual relations (including negligence) with respect to third parties in the context of the report. The foregoing shall not release us from liability under circumstances where such release is precluded by operation of law.

Marcin Wasil

Chartered Auditor no. 9846

who performed the service on behalf of WBS Audyt Sp. z o.o., with its registered office in Warsaw, ul. Grzybowska 4

lok. U9B entered in the list of auditing firms under number 3685

Warsaw, 18 March 2022