

INFORMATION
FOR THE SHAREHOLDERS OF THE BANK POLSKA KASA OPIEKI SPÓŁKA AKCYJNA
ABOUT THE SUITABILITY REQUIREMENTS FOR A CANDIDATE TO HOLD A
MEMBER FUNCTION OF THE SUPERVISORY BOARD

In connection with the planned changes in the Supervisory Board Bank Polska Kasa Opieki Spółka Akcyjna („Bank”) submits to the Shareholders of the Bank the information about the suitability assessment requirements for candidate to hold a member function of the Supervisory Board. The item concerning the appointment of members of the Supervisory Board is in Announcement of the Bank on convening for 8th of June, 2017 the Extraordinary General Meeting of Bank Polska Kasa Opieki Spółka Akcyjna.

Assessment of suitability carried out by the Supervisory Board includes *the assessment of the individual suitability*, ie. an assessment of compliance with the suitability requirements of for each candidate and *the assessment of the collective suitability*, ie. an assessment of compliance with the suitability requirements of the entire Supervisory Board, which means that in particular the individual qualifications of individual Supervisory Board Members should complement in such a way as to make it possible to provide an adequate level of collegiate supervision of the Bank.

The individual suitability requirements of an candidate for the function
Supervisory Board Member

According to the applicable in the Bank *Policy of the Suitability Assessment of the proposed and appointed Management Board’s Members, Supervisory Board’s Members and Key Function Holders at Bank Polska Kasa Opieki Spółka Akcyjna* (“Policy”), the candidate to hold the function of a Member of the Supervisory Board shall be assessed suitability, which includes an assessment of her/his professional qualifications, reputation, and additional criteria.

The suitability requirements in terms of professional qualifications

The professional qualifications assessment takes into account:

- 1) knowledge - higher education, in areas appropriate to their function, knowledge attained through training, professional degrees and otherwise acquired knowledge;
- 2) experience gained when performing certain functions or holding certain positions, taking into account: the nature, scale and complexity of the business related the function and position performed, as well as experience in management - at least 5 years of experience gained from academic, administrative, or other positions and through the management, supervision or control of financial institutions or other;
- 3) skills necessary to perform the function of Supervisory Board Member.

provided that experience gained from positions held for less than 5 years may be considered as compliant with the requirements if the person meets the requirements in terms of knowledge and provided that higher education in areas other than appropriate to their function may be considered as compliant with the requirement in terms of knowledge, if the person meets the requirements in terms of experience.

By the above mentioned knowledge and experience, it should be understood the knowledge and experience related to banking and financial services, in particular in the field of banking and finance, economics, management, law, administration or other relevant areas which comprise at least two of the following substantive areas:

- knowledge of financial markets, including knowledge of the global growth rate of economic and financial system;
- knowledge of regulatory framework and requirements relating to the operations of the credit institution/bank;
- strategic planning skills and understanding of business strategy or business plan of the credit institution/bank and accomplishment thereof;
- risk management (identifying, assessing, monitoring, controlling and mitigating the main types of risk of the credit institution/bank);
- assessment of the effectiveness of the arrangements of the credit institution/bank;
- creation of effective governance, supervision and controls;
- interpretation of financial information of the credit information/bank, identification of key issues based on this information and implementation of appropriate controls and measures;
- international experience and knowledge of foreign markets;

taking into account the requirements in terms of knowledge and experience are appropriate to the function performed at the Bank. Furthermore the candidate to hold the function of a Member of the Supervisory Board should be informed of any regulations that specify the powers of the Bank's Corporate Bodies.

The candidate to hold the function of a Member of the Supervisory Board should have sufficient experience to be able to constructively challenge decisions and to perform effective supervision of the Management Board.

The candidate to hold the function of a Member of the Supervisory Board should guarantee proper performance of their duties. The guarantee assessment should take into account professionalism, moral and ethical qualities of the Person Subject to Suitability Assessment allowing for future reliable and proper fulfilment of duties in a given function, especially: scrupulousness, honesty, objectivism, sense of responsibility, professional knowledge and professionalism in action.

The suitability requirements in terms of reputation

The candidate to hold the function of a Member of the Supervisory Board should always be of good reputation through compliance with described below reputation requirements.

When assessing the reputation, particular attention should be paid to any of the following information:

- criminal and administrative proceedings;
- factors regarding the propriety of candidate to hold the function of a Member of the Supervisory Board at present and in past business dealings;
- situations regarding past and present business performance and financial soundness of candidate to hold the function of a Member of the Supervisory Board with regard to their potential impact on their reputation should be considered;
- the cumulative effects of more minor incidents, which individually do not impinge on the reputation, but may in sum have a material impact;
- a Non-Banking Activity that could negatively impact the reputation of candidate to hold the function of a Member of the Supervisory Board.

Additional criteria

When assessing the suitability, other criteria relevant for the performance of duties by the Supervisory Board, as applicable, should also be taken into account:

- potential conflicts of interest i.a. from non-banking activity;
- restricted activity;
- the ability to commit sufficient time to the performance of duties by Member of the Supervisory Board, taking into account the limits of their functions in accordance with Article. 22aa of the Banking Law;
- fulfilling the Independence criterion taking into account that at least half of the members of the Supervisory Board must fulfil this criterion;
- the ability to manage a team taking into account that this criterion should fulfil the Chairman of the Supervisory Board;
- Collective Suitability Requirements.

The collective suitability requirements of Supervisory Board

Accordance with the applicable policy of the Bank the individual qualifications of individual Members of the Supervisory Board should complement in such a way as to allow ensuring adequate levels of collegiate supervision of the Bank.

At least half of the Supervisory Board Members, including the Chairperson of the Supervisory Board, should have a good knowledge of the banking market in Poland by fulfilling all of the below criteria:

- 1) have professional experience gained on the Polish market, as appropriate to the supervisory function performed at the Bank;
- 2) have a permanent place of residence in Poland;
- 3) have a good command of Polish.

At least half of the Supervisory Board Members should meet the independence requirements, defined in the Statute of the Bank. At least three independent members of the Supervisory Board should have competence in accounting or financial revision, including at least one of them should additionally fulfil the conditions of independence as defined in art. 86 section 5 of the act of 7 May 2009 on chartered accountants and their governing body, entities authorized to examine financial statements and on public supervision.