

INFORMATION
FOR THE SHAREHOLDERS OF BANK POLSKA KASA OPIEKI SPÓŁKA AKCYJNA
CONCERNING SUITABILITY REQUIREMENTS APPLICABLE TO CANDIDATES FOR THE
POSITION OF SUPERVISORY BOARD MEMBERS

In connection with the planned changes to the make-up of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna ("Supervisory Board"), Bank Polska Kasa Opieki Spółka Akcyjna ("Bank") hereby provides the Bank's Shareholders with information on the suitability requirements applicable to candidates for the position of Supervisory Board Members. An item concerned with the appointment of Supervisory Board Members is included in the Bank's Notice convening the Ordinary Meeting of Shareholders of Bank Polska Kasa Opieki Spółka Akcyjna for 22 May 2020.

The suitability assessment is performed by the Supervisory Board and comprises *assessment of individual suitability*, i.e. assessment of the fulfillment of the suitability criteria by each of the candidates separately, and *assessment of collective suitability*, i.e. assessment of the fulfillment of the suitability criteria by the entire make-up of the Supervisory Board. The above means that the specific qualifications of the individual Supervisory Board Members should be of complementary nature, so as to ensure that an appropriate level of collective supervision over the Bank.

**Individual suitability criteria applicable to candidates for the position of
a Supervisory Board Member.**

Pursuant to the *Policy for the assessment of suitability of the proposed and appointed Management Board and Supervisory Board Members, as well as persons holding Key Positions at Bank Polska Kasa Opieki Spółka Akcyjna* ("Policy") in effect at the Bank, a candidate for the position of a Supervisory Board Member shall be subjected to suitability assessment - a procedure during which the professional qualifications and the reputation of the candidate, as well as their fulfillment of additional criteria are evaluated.

Suitability criteria related to professional qualifications

The assessment of professional qualifications takes into consideration the following:

- 1) knowledge - academic degree in an area relevant for the function performed, training courses completed, professional titles held and knowledge obtained otherwise in the course of the professional career;
- 2) experience gained while performing specific functions or holding specific positions, with the following taken into account: nature, scale and complexity of the business activity in relation to which a given function was performed or a given position was held, as well as management-related experience - at least 5 years of experience at academic, administration or other positions related to management and control of, as well as supervision over financial or other institutions;
- 3) skills required to perform the function of the Supervisory Board Member.

under reserve, that experience obtained at positions held for less than 5 years may be considered to be satisfying the requirements pertaining to practical experience if the person in question meets the knowledge-related requirements, and under reserve that knowledge-related requirements may be considered to have been met if an academic degree in an area other than relevant to the function performed is held by the person in question, provided that the experience-related requirements are met.

The skills and experience referred to above should be understood as skills and experience related to the banking sector and financial services, especially in the area of banking and finance, economy, business management, law, administration or other areas relevant for the function held, covering at least two of the following specialty fields:

- knowledge of financial markets, including knowledge of the global dynamics of the economic and financial system;
- knowledge of regulatory frameworks and requirements relating to the operation of credit institutions/banks;
- strategic planning skills and understanding of business strategies or business plans of credit institutions/banks, as well as their implementation;
- risk management skills (identification, assessment, monitoring, control and mitigation of main risk types inherent in the operation of credit institutions/banks);
- ability to evaluate the effectiveness of solutions adopted in a credit institution/bank;
- ability to establish effective management, supervision and control mechanisms;
- ability to analyze financial statements of credit institutions/banks, to identify key issues based on such information and to implement appropriate controls and measures;
- international experience and knowledge of foreign markets;

under proviso that the knowledge and experience-related requirements are properly suited to the specific function held at the Bank. In addition, a candidate for the position of a Supervisory Board Member shall be familiar with regulations concerning the competence of the individual Statutory Organs of the Bank.

A candidate for the position of a Supervisory Board Member shall have experience that is sufficient to enable the candidate to constructively question the decisions taken, and to effectively exercise supervision of the Management Board.

A candidate for the position of a Supervisory Board Member shall guarantee due performance of the duties they are to be entrusted with. While assessing such guarantees, the professional attitude, as well as moral and ethical standards of the candidate for the position of the Supervisory Board Member need to be taken into consideration, enabling the candidate to reliably and correctly perform, in the future, their duties. The following should be taken into account: diligence, integrity, objective attitude, unbiased approach, responsibility, professional knowledge and professional acting standards.

Suitability criteria related to reputation

Each candidate for the position of the Supervisory Board Member should enjoy good reputation by complying with the reputation-related criteria set forth below.

While assessing the candidate's reputation, particular attention should be paid to the following:

- penal and administrative proceedings,
- factors related to the adequacy of the activities undertaken by the candidate for the position of the Supervisory Board Member in business relations, both currently and in the past,

- situations regarding past and present business activity and financial standing of the candidate for the position of the Supervisory Board Member, with their potential impact on the candidate's reputation considered,
- outcomes of minor incidents which do not impinge on the reputation of the candidate individually, but may exert a material impact collectively,
- non-banking activity that could adversely impact the reputation of the candidate for the position of the Supervisory Board Member.

Additional criteria

When assessing suitability, other criteria relevant for the operation of the Supervisory Board shall also be taken into consideration. These include the following:

- potential conflicts of interests, inter alia those resulting from the performance of non-banking activities;
- performance of competitive activities,
- ability to devote a sufficient amount of time to perform the duties of a Supervisory Board Member, with the restrictions concerning the functions performed, as provided for in Article 22aa of the Banking Law taken into consideration,
- compliance with the Independence criterion. This criterion needs to be complied with by at least half of all Supervisory Board members,
- team management skills - this criterion needs to be complied with by the Chairperson of the Supervisory Board,
- Collective Suitability Requirements.

Collective Suitability Requirements Applicable to the Supervisory Board

Pursuant to the Policy in effect at the Bank, qualifications of the individual Supervisory Board Members should be of complementary nature, so as to ensure an appropriate level of collective supervision over the Bank.

At least half of the Supervisory Board Members, including the Chairperson of the Supervisory Board, should possess a good knowledge of the banking market in Poland, by meeting, jointly, the following criteria:

- 1) having professional experience gained on the Polish market, relevant for the supervisory function performed at the Bank,
- 2) having their permanent place of residence in Poland,
- 3) having a good command of Polish.

At least half of the Supervisory Board Members should meet the independence requirements set forth in the Bank's Statute. At least three independent Supervisory Board Members should be competent in the area of accounting or financial audits, and at least one of them should additionally meet the independence criteria in the meaning of Article 86(5) of the Act on Certified Auditors, their Self-Government, Entities Authorized to Audit Financial Statements and on Public Scrutiny of 7 May 2009.

In order to ensure that an audit committee may be established, with its make-up meeting the requirements of Article 129 of the Act on Certified Auditors, Audit Companies and Public Scrutiny of 11 May 2017, at least 2 Supervisory Board Members should meet the criteria based on which they may be deemed to be independent in the meaning of Article 129(3) of the said Act.

Requirements referred to in Article 22aa of the Banking Law Act of 29 August 1997

Regardless of the requirements stemming from the Policy, Supervisory Board Members should also meet the requirements set forth in Article 22aa of the Banking Law Act of 29 August 1997, in its wording in effect since 4 May 2019. They should, in particular:

- 1) possess the knowledge, skills and experience relevant for the function they hold and the duties they perform, they should guarantee the such duties will be performed in a due manner, with the said guarantee pertaining, in particular, t the reputation, integrity and reliability of a given person, as well as to its ability to manage the bank's activities in a prudent and stable manner,
- 2) hold, simultaneously with their position within the Bank's Supervisory Board, not more than:
 - one position of a management board member and to positions of a supervisory board member, or
 - four positions of a supervisory board member.

In addition to the documents identified in the Policy, a candidate for the position of a Supervisory Board Member should also submit to the Bank, on each occasion, the following:

- 1) documents or representations concerning:
 - a change of their first name, last name or citizenship,
 - material status and assets held;
- 2) information required to assess the fulfillment of the requirements described above, i.e. information concerning:
 - place of residence or domicile,
 - education, occupation, skills and professional experience, including history of employment, professional training courses completed, places of employment, positions held and functions performed within the bodies of financial sector entities,
 - penal proceedings and fiscal offense proceedings against the candidate for the position of a management board or supervisory board member, or against a candidate for another key position at a bank,
 - administrative sanctions imposed,
 - administrative sanctions imposed on other entities in connection with the scope of responsibility of the candidate for the position of a management board member or a supervisory board member or a candidate for another key position at a bank,
 - court proceedings that may adversely impact the reputation of the candidate for the position of a management board member or a supervisory board member or a candidate for another key position at a bank, as well as administrative, disciplinary or enforcement proceedings such a candidate was or is a party to.

- knowledge of Polish and foreign languages,
- attitude adopted in life, as well as in the professional environment and in business relations, as well as attitude assumed towards persons adversely affected by the candidate's actions.