

**Report of the Supervisory Board
of Bank Polska Kasa Opieki Spółka Akcyjna
on the activities in 2022 along with assessments and
opinions prepared in accordance with regulatory
requirements**

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I. Legal basis

The report of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna on the activities in 2022 along with assessments and opinions prepared in accordance with regulatory requirements (hereinafter referred to as "Report") was prepared pursuant to Article 382 § 3.3 of the Commercial Companies Code, § 18.4 and 18.5 of the Articles of Association of Bank Polska Kasa Opieki Spółka Akcyjna (hereinafter referred to as the "Bank's Articles of Association") and Item 2.11. of the Best Practice for WSE Listed Companies 2021.

II. Composition and organisation of the work of the Supervisory Board in 2022

Between 1 January 2022 and 31 December 2022, the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna (hereinafter referred to as "Bank", "Bank Pekao S.A.") was made up of the following members:

Beata Kozłowska-Chyła – Chairwoman of the Supervisory Board,
Joanna Dynysiuk – Deputy Chairwoman of the Supervisory Board,
Małgorzata Sadurska – Deputy Chairwoman of the Supervisory Board,
Stanisław Ryszard Kaczoruk – Secretary of the Supervisory Board,
Sabina Bigos-Jaworowska – Member of the Supervisory Board,
Justyna Głębiowska-Michalak – Member of the Supervisory Board,
Marcin Izdebski – Member of the Supervisory Board,
Michał Kaszyński – Member of the Supervisory Board,
Marian Majcher – Member of the Supervisory Board.

Five members of the Supervisory Board, namely Sabina Bigos-Jaworowska, Justyna Głębiowska-Michalak, Stanisław Ryszard Kaczoruk, Michał Kaszyński, and Marian Majcher meet the independence criteria set out in the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Oversight, as well as there are no actual and material ties to a shareholder holding at least 5% of the total number of votes in the company. For information on the composition of the Supervisory Board in the context of its diversity, see Chapter XII "Assessment of the degree of implementation of the diversity policy".

The Supervisory Board exercised permanent supervision over the Bank's activity in accordance with the rights and obligations defined in the Commercial Companies Code (hereinafter referred to as "CCC", the Bank's Articles of Association and resulting from the Corporate Governance Principles and the Code of Best Practices.

In 2022, the Supervisory Board held 15 meetings, during which it considered 242 pieces of information, analyses and motions and adopted 184 resolutions.

The Supervisory Board performed its tasks both at the meetings and as part of the works of the Board Committees.

The following committees of the Supervisory Board continued their activity in 2022: (i) Audit Committee, (ii) Nomination and Remuneration Committee, and (iii) Risk Committee. Reports on the activities of these committees, approved by the Supervisory Board, form an integral part of the Report.

In 2022, the Supervisory Board acted on the basis of the Regulations of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna adopted by resolution No. 10/22 of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna of 24 January 2022, which include the requirements arising from Recommendation Z of the Polish Financial Supervision Authority.

The Regulations of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna take into account the requirements arising from Recommendation Z of the Polish Financial Supervision Authority,

as well as the applicable provisions of the Commercial Companies Code regarding the operation of the supervisory board. The Supervisory Board assesses that the Regulations of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna, as a regulation defining the functioning of the Supervisory Board, are adequate and compliant with the provisions of law and requirements of supervisory authorities.

III. Personnel-related matters

In the period from 1 January 2022 to 15 June 2022, the Management Board of the Bank was composed of the following members:

Leszek Skiba – President of the Management Board of the Bank,
Jarosław Fuchs – Vice President of the Bank's Management Board,
Marcin Gadomski – Vice President of the Management Board of the Bank,
Jerzy Kwieciński – Vice President of the Management Board of the Bank,
Paweł Strączyński – Vice President of the Management Board of the Bank,
Błażej Szczecki – Vice President of the Management Board of the Bank,
Wojciech Werochowski – Vice President of the Management Board of the Bank,
Piotr Zborowski – Vice President of the Management Board of the Bank,
Magdalena Zmitrowicz – Vice President of the Management Board of the Bank.

The Supervisory Board of the Bank, acting pursuant to Article 368 § 4 in conjunction with Article 369 § 1 of the Commercial Companies Code and taking into account the assessment of compliance with the suitability requirements, on 14 June 2022 unanimously appointed, as of the day following the Ordinary General Meeting of the Bank approving the Bank's financial statements for the financial year 2021, members of the Management Board of the Bank for a new joint term of office of 3 years.

The following persons were appointed to the Management Board of the Bank for the next three-year joint term of office starting on the date stated above:

- 1) Leszek Skiba as President of the Management Board of the Bank,
- 2) Marcin Gadomski as Vice President of the Management Board of the Bank supervising the management of significant risk in the Bank's operations,
- 3) Jarosław Fuchs as Vice President of the Management Board of the Bank,
- 4) Jerzy Kwieciński as Vice President of the Management Board of the Bank,
- 5) Paweł Strączyński as Vice President of the Management Board of the Bank,
- 6) Błażej Szczecki as Vice President of the Management Board of the Bank,
- 7) Wojciech Werochowski as Vice President of the Management Board of the Bank,
- 8) Piotr Zborowski as Vice President of the Management Board of the Bank,
- 9) Magdalena Zmitrowicz as Vice President of the Management Board of the Bank.

The Supervisory Board of the Bank, as a result of its assessments, concluded that all members of the Management Board of the Bank and the Management Board of the Bank as a whole meet the requirements referred to in Article 22aa Act of 29 August 1997 – Banking Law and the suitability requirements referred to in the Policy of selection of candidates for the function of a member of the Management Board and Key Function Holders and assessment of the suitability of the proposed and appointed members of the Management Board, Supervisory Board and Key Function Holders at Bank Polska Kasa Opieki Spółka Akcyjna.

None of the above persons appointed to the Management Board of the Bank, in accordance with the submitted declarations, conducts activities competitive to the Bank, is involved in a competitive company as a partner in a civil law partnership, partnership or capital company, nor is it involved in a competitive legal person as a member of its governing body. Furthermore, none of the appointed

persons is listed in the Register of Insolvent Debtors kept pursuant to the Act of 20 August 1997 on the National Court Register.

In view of the above, in the period from 16 June 2022 to 31 December 2022, the Management Board of the Bank was composed of the following members:

Leszek Skiba – President of the Management Board of the Bank,
 Jarosław Fuchs – Vice President of the Bank's Management Board,
 Marcin Gadomski – Vice President of the Management Board of the Bank,
 Jerzy Kwieciński – Vice President of the Management Board of the Bank,
 Paweł Strączyński – Vice President of the Management Board of the Bank,
 Błażej Szczecki – Vice President of the Management Board of the Bank,
 Wojciech Werochowski – Vice President of the Management Board of the Bank,
 Piotr Zborowski – Vice President of the Management Board of the Bank,
 Magdalena Zmitrowicz – Vice President of the Management Board of the Bank.

IV. Main activities of the Supervisory Board

Meetings of the Supervisory Board

In 2022, the Supervisory Board held 15 meetings (24 January 2022, 18 February 2022, 2 March 2022, 1 April 2022, 27 April 2022, 12 May 2022, 30 May 2022, 14 June 2022, 7 July 2022, 3 August 2022, 12 September 2022, 12 October 2022, 2 November 2022, 21 November 2022, 16 December 2022).

Attendance of the Supervisory Board Members at individual meetings has been presented below:

Date	Participating Members
24 January 2022	B.Kozłowska-Chyła, J.Dynysiuk, M.Sadurska, S.R.Kaczoruk, S.Bigos-Jaworowska, J.Głębikowska-Michalak, M.Izdebski, M.Kaszyński, M.Majcher
18 February 2022	B.Kozłowska-Chyła, J.Dynysiuk, M.Sadurska, S.R.Kaczoruk, S.Bigos-Jaworowska, J.Głębikowska-Michalak, M.Kaszyński, M.Majcher
2 March 2022	B.Kozłowska-Chyła, J.Dynysiuk, M.Sadurska, S.R.Kaczoruk, S.Bigos-Jaworowska, J.Głębikowska-Michalak, M.Izdebski, M.Kaszyński, M.Majcher
1 April 2022	B.Kozłowska-Chyła, J.Dynysiuk, M.Sadurska, S.R.Kaczoruk, J.Głębikowska-Michalak, M.Izdebski, M.Kaszyński, M.Majcher
27 April 2022	J.Dynysiuk, M.Sadurska, S.R.Kaczoruk, S.Bigos-Jaworowska, J.Głębikowska-Michalak, M.Izdebski, M.Kaszyński, M.Majcher
12 May 2022	B.Kozłowska-Chyła, M.Sadurska, S.R.Kaczoruk, S.Bigos-Jaworowska, J.Głębikowska-Michalak, M.Kaszyński, M.Majcher
30 May 2022	B.Kozłowska-Chyła, J.Dynysiuk, M.Sadurska, S.R.Kaczoruk, S.Bigos-Jaworowska, J.Głębikowska-Michalak, M.Izdebski, M.Kaszyński, M.Majcher
14 June 2022	B.Kozłowska-Chyła, J.Dynysiuk, M.Sadurska, S.R.Kaczoruk, S.Bigos-Jaworowska, J.Głębikowska-Michalak, M.Izdebski, M.Kaszyński, M.Majcher

7 July 2022	B.Kozłowska-Chyła, J.Dynysiuk, M.Sadurska, S.R.Kaczoruk, S.Bigos-Jaworowska, M.Izdebski, M.Kaszyński, M.Majcher
3 August 2022	B.Kozłowska-Chyła, M.Sadurska, S.R.Kaczoruk, S.Bigos-Jaworowska, J.Głębikowska-Michalak, M.Izdebski, M.Kaszyński, M.Majcher
12 September 2022	B.Kozłowska-Chyła, J.Dynysiuk, M.Sadurska, S.R.Kaczoruk, S.Bigos-Jaworowska, J.Głębikowska-Michalak, M.Izdebski, M.Kaszyński, M.Majcher
12 October 2022	B.Kozłowska-Chyła, J.Dynysiuk, M.Sadurska, S.R.Kaczoruk, S.Bigos-Jaworowska, M.Izdebski, M.Kaszyński, M.Majcher
2 November 2022	B.Kozłowska-Chyła, J.Dynysiuk, M.Sadurska, S.R.Kaczoruk, S.Bigos-Jaworowska, J.Głębikowska-Michalak, M.Izdebski, M.Kaszyński
21 November 2022	B.Kozłowska-Chyła, J.Dynysiuk, M.Sadurska, S.R.Kaczoruk, S.Bigos-Jaworowska, J.Głębikowska-Michalak, M.Izdebski, M.Kaszyński, M.Majcher
16 December 2022	B.Kozłowska-Chyła, J.Dynysiuk, M.Sadurska, S.R.Kaczoruk, S.Bigos-Jaworowska, J.Głębikowska-Michalak, M.Izdebski, M.Kaszyński, M.Majcher

Tasks performed by the Supervisory Board

The activity of the Supervisory Board in 2022, as it was the case in the previous years, focused both on strategic issues and on issues related to exercising supervision over the on-going operation of the Bank. Continuous adaptation of the Bank's operations to the evolving geopolitical situation was an additional challenge.

Strategic matters included primarily the assessment of the proposal on the distribution of the Bank's profit for 2021 as well as the referral of that matter to the General Meeting for the purpose of adopting a resolution. As part of strategic issues, the Supervisory Board approved the "Capital Management Strategy – 2022", the "Multi-Annual Capital Management Strategy 2022-2024", and the "Strategy for the Management of Non-Performing Exposures (NPEs) at Bank Pekao S.A.". Furthermore, the Supervisory Board got acquainted with the quarterly information on the "Monitoring of the achievement of the Strategy for 2021-2024". Moreover, the Supervisory Board approved the updated "Investment Strategy of Bank Pekao S.A.", the updated "Investment and Market Risk Policy 2022", approved the update of financial risk limits, as well as reviewed the results of the assessment of the "Investment Policy and Market Risk 2021" and approved the "Credit Risk Policy 2022" and its subsequent updates.

The Supervisory Board approved (i) the "OHS Policy in Bank Pekao S.A. Group", (ii) "Bancassurance Policy in Bank Polska Kasa Opieki Spółka Akcyjna", (iii) the amended procedure "Strategic Planning, Budgeting, Forecasting and Monitoring of Financial Plans in Bank Pekao S.A.", (iv) "Policy of estimation of expected credit losses in Bank Pekao S.A.", (v) "Purchasing Policy in Bank Polska Kasa Opieki Spółka Akcyjna", (vi) Policy of purchasing/selling shares and stocks of Bank Pekao S.A. Group".

The Supervisory Board also approved the "Financing Plan for the year 2022" and gave a positive opinion on the "Financial Plan for Bank Polska Kasa Opieki Spółka Akcyjna Capital Group for the year 2022" and its later amendment, and also approved the "Long-term Financing Plan for the years 2022-2024". The Supervisory Board approved the "Group Recovery Plan for the Capital Group of Bank Pekao S.A." and the updated "Individual Recovery Plan of Bank Pekao S.A.", as well as the updated "Risk

Appetite of the Pekao Group".

The Supervisory Board assessed (i) the position of the Management Board of the Bank regarding the implementation of the recommendation of the Polish Financial Supervision Authority ("PFSA") of 10 February 2022 concerning the mitigation of risk in the operations of Bank Polska Kasa Opieki Spółka Akcyjna by maintaining, both at the individual and consolidated dimensions, own funds to cover the additional capital charge in order to absorb potential losses arising from the occurrence of stress conditions and (ii) the position of the Management Board of the Bank regarding the acceptance for implementation of the recommendation of the Polish Financial Supervision Authority of 24 February 2022 concerning the mitigation of risk in the Bank's operations by not taking, without prior consultation with the supervisory authority, other activities, in particular those beyond the scope of current business and operating activities, which may result in a decrease in own funds, including possible dividend payments from undistributed profit from previous years (i.e. from 2020 and previous years) and share redemptions.

The Supervisory Board analysed quarterly reports on capital management, capital adequacy and liquidity situation of the Bank and the Group.

The Supervisory Board also reviewed, on a systematic basis, the following: (i) financial situation, (ii) sales results concerning key products, i.e. PLN mortgage loans, consumer loans, investment funds, (iii) quality of assets, and (iv) risk level, (v) financial results of the Bank Pekao S.A. Group, (vi) the current situation in the Bank and information about macroeconomic outlook in Poland, including the prospects of GDP growth, inflation and interest rates, deposits and loans.

In addition, the Supervisory Board issued opinions (i) on the commencement of the due diligence process as part of the sale of portfolios of non-performing receivables from retail customers, sole proprietorships and small- and medium-sized enterprises, (ii) on the commencement of the due diligence process of receivables held by the Bank, as part of the project pursued by the Bank, involving the sale of a portfolio of non-performing receivables from debtors from the segment of corporate customers and small- and medium-sized enterprises.

The Supervisory Board reviewed the "Information on the results in 2021 and the challenges for 2022 of the Enterprise Banking Division and the Corporate Banking, Markets and Investment Banking Division".

The Supervisory Board reviewed the "Annual Bancassurance Activity Risk Report for Q1-Q4 2021", "Information on bancassurance activities in 2021" and quarterly information on bancassurance risk and reports on bancassurance activities.

Within the framework of its duties set forth in § 8 of the Regulations of the Supervisory Board, the Supervisory Board adopted the work schedule of the board for the year 2022.

The Supervisory Board supervised the process of managing risks at the Bank. It approved the warning level for operating losses and sub-levels for event classes for the Capital Group of Polska Kasa Opieki Spółka Akcyjna and for the Bank for the year 2022, as well as the "Operational Risk Management Strategy" and the "Operational Risk Management Policy". The Supervisory Board approved the results of the annual review of the risk and capital management system and the ICAAP process and the "ICAAP Policy – Risk and Capital Management Principles". Moreover, the Supervisory Board examined the results of the review of the "Model Risk Management Principles" Policy and approved the "Model Risk Management Principles" Policy. In addition, the Supervisory Board assessed the "Annual Model Risk Report – 2021" and positively assessed the effectiveness of model risk management by the Bank and approved the updated internal capital regulations: (i) Capital Management Policy of Bank Pekao S.A., (ii) Capital Planning at Bank Pekao S.A., (iii) Policy of Capital

Management Plans at Bank Pekao S.A., and (iv) Excessive Financial Leverage Risk Management Policy at Bank Pekao S.A.

The Supervisory Board conducted an in-depth analysis of quarterly reports on financial risk management, operational risk control, loan portfolio and debt collection activities.

The Supervisory Board reviewed (i) information on the financing of Pekao Leasing sp. z o.o., (ii) information on the Regulations of the Management Board of the Bank, (iii) information on the planned annex to the loss coverage guarantee agreement and gave its opinion on (iv) Information on amendments to the Regulations of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna in 2021.

The Supervisory Board adopted the "Policy of customer communication registration in connection with the requirements of the MiFID regulations" as well as approved the "Policy of New Product Implementation Process at Bank Pekao S.A.". Furthermore, the Supervisory Board adopted the "Policy of cooperation of the Internal Audit Department of Bank Polska Kasa Opieki Spółka Akcyjna with the Audit Office of Powszechny Zakład Ubezpieczeń Spółka Akcyjna and the statutory auditor", "Policy of the Bank Polska Kasa Opieki Spółka Akcyjna Group - Cooperation of the Internal Audit Department of Bank Polska Kasa Opieki Spółka Akcyjna with the internal audit units of the Bank's Subsidiaries" and "Cooperation Policy of the Compliance Department of Bank Pekao S.A. with the Compliance Office of PZU S.A. and with the compliance units of the Bank's Subsidiaries".

In order to ensure the highest possible level of ICT security, the Supervisory Board has regularly reviewed information on the state of ICT security of the Bank. The Supervisory Board examined information on the prevention of money laundering and financing of terrorism and on the sanctions, as well as the information "Assessment of the risk of money laundering and financing of terrorism in Bank Polska Kasa Opieki Spółka Akcyjna".

The Supervisory Board assessed the financial statements of Bank Polska Kasa Opieki Spółka Akcyjna and the Capital Group of Bank Polska Kasa Opieki Spółka Akcyjna for the year ended 31 December 2021 as well as the report on the activities of the Capital Group of Bank Polska Kasa Opieki Spółka Akcyjna for 2021 and for Q1 2022. In addition, the Supervisory Board acknowledged the information on the interim summary financial statements of Bank Pekao S.A. and the Capital Group of Bank Pekao S.A. and the semi-annual report on the activities of the Capital Group of Bank Pekao S.A., as well as the Report of the Capital Group of Bank Pekao S.A. for Q3 2022.

In connection with the publication of the separate and consolidated annual report, the Supervisory Board (i) adopted the content of the statement on the Audit Committee of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna and (ii) adopted the content of the statement on the selection of an audit firm to audit the annual separate and consolidated financial statements in accordance with the regulations, including those concerning the selection and selection procedure of the audit firm.

The Supervisory Board examined the recommendations of the Auditor KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k. contained in the "Letter to the Management Board for the period ending 31 December 2021".

In accordance with its statutory duties, the Supervisory Board considered and gave a positive opinion on the motions, information and reports, as well as on the agenda of the Ordinary General Meeting of Bank Polska Kasa Opieki Spółka Akcyjna for the financial year 2021 and draft resolutions of the Ordinary General Meeting of Bank Polska Kasa Opieki Spółka Akcyjna for the financial year 2021.

The Supervisory Board got acquainted with the information on activities in the field of data management and data quality.

The Supervisory Board paid a lot of attention to issues related to the functioning of internal audit processes. It approved the update of the "Internal Audit Department Strategy for 2021-2023". The Supervisory Board also approved the Audit Plan of Bank Polska Kasa Opieki Spółka Akcyjna for the year 2023, which included, but was not limited to: (i) the Annual Audit Plan for the year 2023", (ii) the Strategic Audit Plan for the years 2023-2027, and (iii) the Annual and Strategic Plan of the Pekao Brokerage House. Additionally, the Supervisory Board exercised supervision over the schedule and implementation of the post-inspection recommendations issued by the Polish Financial Supervision Authority after problem-related inspections and the Supervisory Examination and Assessment, and became acquainted with the results of verification of these recommendations, performed by the Internal Audit Department. The Supervisory Board also reviewed the Report on the activities of the Internal Audit Department of Bank Pekao S.A. in 2021 and the presentation on the assessment of the Internal Audit Department performance in 2021. In addition, the Supervisory Board became acquainted with the quarterly reports on the Bank's Internal Control System and the results of the Bank's Internal Control System Review for 2021.

The Supervisory Board approved the appointment of the Department Director, Compliance Department and approved the terms of their remuneration.

Within the framework of its supervision over effective management of non-compliance risk, the Supervisory Board approved (i) Compliance Department Action Plan for 2023, and reviewed (ii) Compliance Department Activity Report for 2021, and (iii) quarterly reports on the activities of the Compliance Department. The Supervisory Board approved the "Policy for managing conflicts of interest in the Pekao Group" and reviewed the information on the assessment of the legitimacy of direct application of Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law and compliance of the internal regulations of Bank Pekao S.A. with the above Directive.

Furthermore, the Supervisory Board got acquainted with the report on the functioning of the compliance system with the law regarding the functioning of Bank Polska Kasa Opieki S.A. as a trust bank between 1 April 2021 and 31 March 2022 as well as with regular reports on the operation of the legal compliance supervision system at the Pekao Brokerage House.

The Supervisory Board reviewed the Pekao Brokerage House Report for 2021 regarding the application of the "PFSA Guidelines on the provision of brokerage services on the OTC derivatives market" as well as the "Report of compliance of the provision of investment services by the Bank in 2021 with the Guidelines for OTC derivatives issued by the Polish Financial Supervision Authority".

According to the Bank's internal regulations, the Supervisory Board reviewed remunerations of the Internal Audit Department and the Compliance Department employees.

The Supervisory Board became acquainted with (i) the "Periodical Business Continuity and Crisis Management Report", (ii) information on the implementation by the Bank of the provisions of the Act of 7 July 2022 on crowdfunding for business ventures and assistance to borrowers – suspension of loan repayment at customer's request "credit holiday", (iii) information on inspections conducted at Bank Pekao S.A., (iv) information on the commencement of work on the issue of non-preferred senior bonds, (v) as well as with the report on management information in the field of outsourcing in reliance on data for the year 2021 and for H1 2022.

The Supervisory Board reviewed the information on the recommendations received from PZU S.A. on the selection of an audit firm to audit financial statements for the years 2024-2028 with an option to extend it to include the years 2029-2030.

The Supervisory Board examined (i) information on the increase in the share capital of Pekao Bank

Hipoteczny Spółka Akcyjna, (ii) information on the profitability and reorganisation of Bank Pekao outlets, (iii) information on the effectiveness of marketing campaigns, (iv) an analysis of the understanding of outsourcing services in the context of the requirement to obtain the consent of the Supervisory Board, (iv) the annual report "Compliance with the Policy of Registration of Communications with customers in connection with the requirements of the MIFID regulations".

The Supervisory Board positively assessed (i) the Bank's compliance with the Principles of Corporate Governance for Supervised Institutions in 2021 and (ii) the compliance with the principles of corporate governance by the Bank in 2021 and the manner in which Bank Polska Kasa Opieki Spółka Akcyjna performs disclosure obligations related to their application, as set out in the Warsaw Stock Exchange Rules and in the provisions on current and periodic information provided by issuers of securities.

The Supervisory Board of the Bank approved the "Information Policy of Bank Pekao S.A. on Capital Adequacy". In accordance with the "Information Policy of Bank Pekao S.A. on Capital Adequacy", the Supervisory Board periodically approved the "Information on Capital Adequacy of the Bank Pekao S.A. Capital Group" and the "Simplified Quarterly Report on Capital Management". Furthermore, the Supervisory Board approved the procedure "Profitability Monitoring Policy and Contingency Plan for Profitability Improvement at Bank Pekao S.A.".

The Supervisory Board, acting pursuant to § 3 of the "Procedure for periodic assessment of market conditions of significant transactions" in conjunction with Article 90j.2 of the Act of 29 July 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies, decided to recognise that a significant transaction with a related entity – Pekao Leasing sp. z o.o. and Pekao Faktoring sp. z o.o. had been concluded on arm's length terms as part of the Bank's ordinary activities.

The Supervisory Board, in fulfilment of obligations arising from Item 2.7 of Recommendation Z of the Polish Financial Supervision Authority regarding the rules of internal governance in banks, approved the "Principles of introducing changes in the organisational structure of Bank Polska Kasa Opieki Spółka Akcyjna".

The Supervisory Board also dealt with issues concerned with the remuneration policy and suitability assessment. The Supervisory Board approved the amended "Remuneration Policy of Bank Polska Kasa Opieki Spółka Akcyjna". The Supervisory Board positively assessed the functioning of the "Remuneration Policy of Bank Polska Kasa Opieki Spółka Akcyjna" and the "Remuneration Policy for Members of the Supervisory Board and Management Board of Bank Polska Kasa Opieki Spółka Akcyjna", and then adopted the "Report from the assessment of the functioning of the Remuneration Policy of the Bank in 2021". Additionally, the Supervisory Board decided to submit the aforementioned Report to the General Meeting of Shareholders in order to verify whether the adopted Remuneration Policy of the Bank is conducive to the growth and security of the Bank's operations. Furthermore, the Supervisory Board examined a report from Audit PK-2021-0103 Implementation of the Remuneration Policy – variable remuneration components and decided (i) to accept the selection of an external advisor responsible for auditing the report of the Management Board of the Bank on the implementation of additional Management Objectives. Additionally, the Supervisory Board made the decision to accept the report on the remunerations of members of the Management Board of the Bank and the Supervisory Board for the year 2021, to provide the said report to the statutory auditor for review, as well as to present the report together with the report of the statutory auditor and their assessment to the General Meeting. The Supervisory Board got acquainted with the information on the selection of a statutory auditor to be entrusted with the performance of a service consisting in the assessment of the remuneration report referred to in the Act of 29 July 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies ("Public Offering Act") to the extent specified in Article 90g.10 of that Act. The Supervisory

Board approved amendments to the Rules of the Variable Remuneration System for the Management Staff – participants who are not Members of the Management Board / Supervisory Board, as well as to the Rules of the Variable Remuneration System for Members of the Management Board, and concluded annexes to the agreements for the provision of management services with Members of the Management Board.

The Supervisory Board adopted amendments to the template of the agreement for the provision of management services concluded with Members of the Management Board of the Bank. Having regard to the above, and then in view of amendments to the "Remuneration Policy of Bank Polska Kasa Opieki Spółka Akcyjna", the Supervisory Board agreed to conclude annexes to the agreements for the provision of management services concluded with Members of the Management Board of the Bank.

The Supervisory Board adopted (i) prerequisites for 2022 for the Variable Remuneration System for Members of the Management Board, (ii) management objectives for each member of the Management Board for 2022 and additional management objectives for 2022 for all members of the Management Board of the Bank.

The Supervisory Board, having reviewed the self-assessment questionnaires of individual suitability prepared by Members of the Supervisory Board, made (i) a secondary assessment of the individual suitability of individual Members of the Supervisory Board and (ii) a self-assessment of the collective suitability of the Supervisory Board, the results of which are included in the Information on the results of the self-assessment of the individual suitability of members of the Supervisory Board Bank Polska Kasa Opieki Spółka Akcyjna and the self-assessment of the collective suitability of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna attached to this Report.

In consideration of the above, the Supervisory Board decided to provide information to the General Meeting of Shareholders concerning the results of the self-assessment of the individual suitability of members the Supervisory Board of the Bank and the self-assessment of the collective suitability of the Supervisory Board of the Bank, together with a request for their approval and assessment of the suitability of the members of the Supervisory Board and the Supervisory Board.

The Supervisory Board made (i) a positive secondary assessment of the individual suitability of individual Members of the Management Board of the Bank and (ii) a positive secondary assessment of the collective suitability of the Management Board of Bank Polska Kasa Opieki Spółka Akcyjna. In view of the need to be appointed for another joint term of office, the Supervisory Board made (i) a positive assessment of the individual suitability of individual candidates to the Management Board of the Bank and (ii) a positive assessment of the collective suitability of the proposed composition of the Management Board of the Bank. Considering the results of the individual and collective suitability assessment of the proposed candidates for the Management Board of the Bank, the Supervisory Board made decisions on appointing them for a new, joint three-year term of office.

With regard to the decisions described above, the Supervisory Board agreed for the Bank to inform the Polish Financial Supervision Authority (i) of the secondary assessment of the individual suitability of the members of the Supervisory Board and of the secondary assessment of the collective suitability of the Supervisory Board and (ii) of the secondary assessment of the individual suitability of the members of the Management Board of the Bank and on the secondary assessment of the collective suitability of the Management Board of the Bank, as well as (iii) the conducted assessments of the individual suitability of members of the Management Board of the Bank and the assessment of the collective suitability of the Management Board of the Bank in connection with the planned appointment for a new joint term of office.

The Supervisory Board (i) assessed the implementation of additional management objectives in 2021 by individual members of the Management Board of the Bank who performed functions in the Management

Board of the Bank in 2021, (ii) assessed the degree of achievement of the prerequisites set under the Variable Remuneration System for 2021 for Members of the Management Board who performed functions in the Management Board of the Bank in 2021, (iii) made the compliance assessment and risk assessment of the individual current and former members of the Management Board of Bank Polska Kasa Opieki Spółka Akcyjna, (iv) assessed the degree of implementation of the management objectives set for individual members of the Management Board for 2021, (v) determined the amount and awarded the variable remuneration for 2021 to the current and former members of the Management Board of the Bank, and confirmed the acquisition of its part payable upfront, (vi) decided to inform the current and former members of the Management Board of the Bank about the variable remuneration granted to them for 2021, as well as about the acquisition of its parts payable upfront, (vii) confirmed the acquisition and accepted the settlement of the deferred parts of remuneration for 2022 for the years 2016-2020 in relation to the current and former Members of the Management Board of the Bank.

The Supervisory Board made decisions granting Members of the Management Board of the Bank approval to sit in supervisory boards of companies which do not form part of the Capital Group of the Bank.

The Supervisory Board monitored the situation of the Bank and the Pekao Group on an ongoing basis, in the context of the dynamic geopolitical situation related, among others, to the war in Ukraine.

The Supervisory Board of the Bank made decisions to sign annexes to existing contracts, and continue current contracts entered into with the trading partners of the Bank.

The Supervisory Board reviewed applications and gave non-binding opinions on financing both external entities and companies from the Bank's Group.

Acting pursuant to § 18.16 of the Bank's Articles of Association, the Supervisory Board approved motions of the Management Board of the Bank concerning the sale of real properties.

Acting pursuant to § 18.18 of the Bank's Articles of Association, the Supervisory Board approved the motions of the Management Board of the Bank regarding outsourcing.

The Supervisory Board reviewed information on on-going projects of the Bank.

Additionally, the Supervisory Board, acting pursuant to the provisions of § 14.8 of the Bank's Articles of Association, adopted amendments to the Regulations of the Supervisory Board.

The Supervisory Board of the Bank, acting pursuant to § 6.9 of the Regulations of the Supervisory Board amended and established the consolidated text of the Regulations of (i) the Nomination and Remuneration Committee, (ii) the Risk Committee and (iii) the Audit Committee.

The Supervisory Board, acting pursuant to § 6.5 of the Regulations of the Supervisory Board, appointed members of the Nomination and Remuneration Committee.

Given the amendment to the Commercial Companies Code, the Supervisory Board established the rules for the Management Board of the Bank to provide information stemming from the amended Commercial Companies Code.

In view of the above, the Supervisory Board reviewed (i) information on resolutions of the Management Board of the Bank and their subject matter, and (ii) information on significant circumstances related to the conduct of Bank Pekao S.A.'s affairs. and (iii) acknowledged reports on the activities of the Committees of the Supervisory Board.

Acting pursuant to § 6.10 of the Regulations of the Supervisory Board, the Supervisory Board adopted annual reports on the activities of Committees of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna in 2021.

The Supervisory Board adopted the "Report of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna on the activities in 2021 along with assessments and opinions prepared in accordance with regulatory requirements" and decided to submit the document in question to the General Meeting.

The Supervisory Board assessed the adequacy and effectiveness of the procedure for anonymous reporting of violations by employees applicable at the Bank for the period 2020-2021, and as part of the assessment, issued recommendations and assessed the adequacy and effectiveness of the procedure for anonymous reporting of violations by the employees of the Bank, i.e. the Whistleblowing Policy of Bank Pekao S.A., for the period from 01/01/2022 to 30/06/2022.

Within the scope of its competence set forth in § 18.17 of the Bank's Articles of Association, the Supervisory Board also examined motions to enter into commitments or dispose of assets whose value in respect of a single entity exceeded 5% of the Bank's own funds, as well as other motions regarding transactions related to credit risk.

Moreover, the Supervisory Board of the Bank examined motions addressed to it by Members of the Supervisory Board and those regarding Members of the Management Board of the Bank, including the motion by a member of the Supervisory Board regarding the planned appointment as a member of the supervisory board of an entity outside the Bank Pekao S.A. Group. or a motion by a member of the Supervisory Board regarding the planned appointment as a Member of the Management Board / President of the Management Board of a company from outside the Bank Pekao S.A. Group.

The Supervisory Board examined motions and information on confidential matters, including information on the Protection System (IPS).

The Supervisory Board commissioned an analysis of the review of the legal and regulatory bases regarding matters presented to the Supervisory Board and its committees, and then reviewed the results of this analysis prepared by a legal advisor.

The Supervisory Board examined quarterly information on the expenses of the Marketing Department related to marketing services and quarterly information on expenses under (i) agreements for legal services at Bank Pekao S.A., (ii) agreements for management consulting services at Bank Pekao S.A., (iii) agreements for legal, marketing public relations services and management consulting services in the subsidiaries of the Bank.

The Supervisory Board reviewed the information on the activities of the Companies of the Bank Polska Kasa Opieki Spółka Akcyjna Group.

The Supervisory Board acknowledged regular information on the investor relations activity of the Bank and information on relations with trade union organisations and Workers' Council operating at the Bank in 2021.

In the opinion of the Supervisory Board, the activities undertaken by the Supervisory Board to perform its duties in 2022 were effective.

V. Assessment of the report on the activities of Bank Pekao S.A. Group for the year 2022, the financial statements of the Bank and the Bank Group for the year 2022, and the motion of the Management Board of the Bank regarding the distribution of net profit for 2022.

Assessment of the report on the activities of Bank Pekao S.A. Group for the year 2022, the financial statements of the Bank and the Bank Group for the year 2022

The Supervisory Board of Bank Pekao S.A., acting pursuant to Article 382 § 3.1 of the Commercial Companies Code, § 18.1 and 18.3 of the Bank's Articles of Association, § 70.1.14 and § 71.1.12 of the Regulation of the Minister of Finance of 29 March 2018 on the current and periodic information provided by issuers of securities and on conditions under which information required by legal regulations of a third country may be recognised as equivalent, positively assessed the "Report on the activities of Bank Pekao S.A. Group for the year 2022 (prepared jointly with the Report on the activities of Bank Pekao S.A.)", "Separate financial statements of Bank Pekao S.A. for the year ended 31 December 2022" ("separate financial statements") and the "Consolidated Financial Statements of Bank Pekao S.A. for the year ended on 31 December 2022" ("consolidated financial statements").

Report on the results of the assessment of the "Consolidated Financial Statements of Bank Pekao S.A. Group for the year ended on 31 December 2022", "Separate Financial Statements of Bank Pekao S.A. Group for the year ended on 31 December 2022" and "Report on the activities of Bank Pekao S.A. Group for the year 2022 (prepared jointly with the Report on the activities of Bank Pekao S.A.)" was attached to the Report and constitutes its integral part.

As a result of the above assessment, having reviewed the independent statutory auditor's report on the audit of the separate financial statements of Bank Polska Kasa Opieki Spółka Akcyjna and consolidated financial statements of the Bank Polska Kasa Opieki Spółka Akcyjna Group for the year ended 31 December 2022, the Supervisory Board gives a positive opinion on the results obtained and recommends that the General Meeting adopts resolutions approving the said reports and statements.

When making this recommendation, the Supervisory Board took the following into consideration:

- The Bank's activity in 2022 was focused on maintaining further sustainable growth in all areas, effective strengthening of its position on the retail banking market and its leader position in corporate banking.
- In 2022, the Bank's net profit amounted to PLN 1,898.3 million. This result was lower by PLN 338.5 million than the result achieved in 2021.
- In 2022, the net profit of the Capital Group of Bank Pekao S.A. distributable to shareholders of the Bank amounted to PLN 1,717.6 million. This result was lower by PLN 457.3 million than the result achieved in 2021, mainly due to regulatory events, which include:
 - recognition of costs related to the modification of PLN mortgage loan agreements granted to consumers due to their suspension of loan repayments in the amount of PLN 1,958 million,
 - creation of a provision for legal risk of foreign currency mortgage loans in the amount of PLN 1,598 million,
 - recognition of the cost of the fee for the Protection System of banks operating as a joint-stock company in the amount of PLN 482 million,
 - recognition of the costs of additional payments to the Borrower Support Fund in the amount of PLN 169 million,

- creation of provisions for the reimbursement for increased mortgage loan margins to customers before the mortgage establishment in the amount of PLN 112 million.
- Profit (loss) on interest in the Group was 45.6% higher, whereas in the Bank – 48.0% higher, compared to the result achieved in 2021.
- Profit (loss) on fees and commissions in the Group was higher 4.5%, whereas in the Bank – 6.7% higher, compared to the result achieved in 2021, mainly due to the transactional activity of customers, including on the currency market, and the adaptation of the product range to evolving market conditions.
- Operating costs both in the Group and the Bank were higher by 9.2% YoY, significantly below inflation.
- The return on average equity (ROE) for the Group and for the Bank amounted to 7.6% and 8.7%, respectively.
- As at the end of December 2022, credit facilities and loans at nominal value in the Group amounted to PLN 175,846.6 million and were at a similar level (0.4% lower at the Bank) compared to the end of December 2021. Retail customer loans were 7.2% lower (6.9% lower at the Bank) compared to the end of December 2021. As at the end of December 2022, corporate loans, together with non-Treasury debt securities, were 6.5% higher (5.8% higher at the Bank) compared to the end of December 2021, along with an increase recorded in the corporate segment (16% YoY).
- The Bank and the Bank Pekao S.A. Group retained a solid capital base (the combined TCR capital ratio for the Group and the Bank at the end of December 2022 amounted to 17.4% and 19.5%, respectively), and a safe liquidity profile reflected in the net loan to deposit ratio at the level of 75.2% for the Group and 71.2% for the Bank. This, together with high equity level, enables further sound and stable development of activities pursued by the Bank.
- In 2022, the Bank increased its commercial activities, actively supported customers in maintaining financial liquidity, continued digitisation and automation of processes as well as implementation of advanced digital solutions.
- In accordance with the Strategy, activities aimed at improving efficiency and migration of processes to remote channels are under way. In 2022, the Bank reduced its network by 53 outlets.
- The Bank made available to retail customers a rich deposit offer, e.g. interest rate of 8.0% per annum on savings accounts, a deposit with a fund at 8.0% per annum for a period of 12 months, deposits with "Żubr" in PeoPay with an interest rate of up to 7.0% per annum.
- In the wake of Russian aggression against Ukraine, the Bank has supported the Ukrainian people in every possible way. A special offer has been prepared for retail and corporate customers. The Bank, The Bank Pekao S.A. Foundation, as well as employees, were involved in humanitarian aid and support for Ukraine and its citizens.
- The Bank Pekao S.A. Foundation made donations to the Polish Red Cross and Caritas Polska for the ongoing needs of refugees under these organisations' care.
- In 2022, the Bank was awarded the title of Best Quality Employer for the second time, for exemplary respect of labor law, care for safety and working conditions, and implementation of innovative solutions in the HR area.

In accordance with strategic plans, the Bank:

- will remain a **universal bank**,
- will remain a **first choice bank** for an increasing number of our customers,
- continues to develop a **remote distribution and customer service model**,
- focuses on **cost- and process efficiency**,
- focuses on growth in the **most profitable market segments**.

The Bank's goal is to have a strong position among the most profitable and effective banks in Poland, and the main strategic goals are:

- to significantly improve return on equity (ROE),
- to reduce the cost-to-income ratio (C/I),
- to increase the number of active mobile banking customers from 2 million in 2020 to 3.2 million in 2024,
- to achieve digitisation rate at the target level of ~100% in 2024.

The strategy is based on four pillars: Customer, Growth, Efficiency and Responsibility.

Assessment of the motion of the Management Board of the Bank concerning the distribution of net profit for the year 2022

The Supervisory Board of Bank Pekao S.A. assessed the motion of the Management Board of the Bank concerning the distribution of net profit of Bank Pekao S.A. for the year 2022.

The Supervisory Board approved the motion concerning the distribution of net profit of Bank Pekao S.A. for the year 2022, taking into consideration:

- 1) that the Bank has a strong capital position; the Common Equity Tier 1 capital ratio (CET1) of the Bank Pekao S.A. Group in December 2022, taking into account 25% of the profit earned in H1 2022, reached the level of 15.6% (and for the Bank the CET1 amounted to 17.5%). The capital buffer of the Group above the minimum regulatory requirements for Tier 1 capital amounts to 6.1 p.p. In addition, the low level of the additional capital charge to absorb potential losses resulting from the occurrence of stress conditions (P2G) imposed by the Polish Financial Supervision Authority confirms the Bank's resistance to the materialisation of stress conditions. Such a strong capital position ensures the safe position of the Bank, even in the event of volatility on the market, and it allows to pursue development plans,
- 2) that the Bank meets the criteria laid down by the Office of the Polish Financial Supervision Authority regarding the conditions and restrictions in profit distribution, in particular the recommendation to limit the amount of dividend payable from the profit earned in the period from 1 January to 31 December 2022 to 75% of the amount of this profit,
- 3) the directional proposals for distributing the profit of Bank Pekao S.A. for the years 2021-2024,
- 4) that the Bank has low exposure to mortgage loans denominated in CHF,
- 5) the need to meet the MREL requirement from 31 December 2023,
- 6) compliance with the Financial Plan and Capital Management Strategy for the year 2023,
- 7) the macroeconomic situation.

Results of the assessment of the request of the Management Board of Bank Polska Kasa Opieki Spółka Akcyjna regarding the distribution of profit of Bank Polska Kasa Opieki Spółka Akcyjna for 2022 are presented in a separate Report.

Having regard to the above, the Supervisory Board decided to recommend to the General Meeting to adopt the resolution on the distribution of net profit of Bank Pekao S.A. for 2022 in the amount of PLN 1,898,320,125.62 (in words: one billion eight hundred ninety-eight million three hundred twenty thousand one hundred and twenty-five zlotys 62/100), in accordance with the motion of the Management Board of the Bank, i.e.:

- 1) the amount of PLN 958,015,624.10 (in words: nine hundred fifty-eight million fifteen thousand six hundred and twenty-four zlotys 10/100) to be allocated for dividend,
- 2) the amount of PLN 940,304,501.52 (in words: nine hundred and forty million three hundred and four thousand five hundred and one zlotys 52/100) to be allocated to reserve capital.

VI. Assessment of the adequacy of internal regulations concerning the functioning of the Supervisory Board and the Management Board and the effectiveness of operation of these bodies

In 2022, the activity of the Management Board of the Bank was governed in the Regulations of the Management Board of Bank Polska Kasa Opieki Spółka Akcyjna adopted by Resolution No. 3/I/22 of the Management Board of Bank Polska Kasa Opieki Spółka Akcyjna of 5 January 2022. As at the date of this Report, the Regulations of the Management Board of Bank Polska Kasa Opieki Spółka Akcyjna adopted by Resolution No. 31/I/23 of 23 January 2023 were in force. The Supervisory Board assesses that the Regulations of the Management Board of Bank Polska Kasa Opieki Spółka Akcyjna, as a regulation defining the functioning of the Management Board, are adequate and compliant with the provisions of law and requirements of supervisory authorities.

Assessment of the effectiveness of the Management Board of the Bank

The Supervisory Board positively assesses the effectiveness of the Management Board's activities, taking into account, among others: (i) good financial results, (ii) effective cost management, (iii) effective and consistent risk management, (iv) strong capital and liquidity base, (v) high level of the Bank's security, (vi) efficient internal control system, and (vii) operational effectiveness.

In the opinion of the Supervisory Board, Bank Pekao S.A. has a strong capital and liquidity structure while also maintaining the highest risk management standards and continuing to improve cost efficiency. The above means that the strategic objectives of the Bank, announced as part of the Strategy of the Bank for the years 2021-2024 titled "Responsible Bank. Modern Banking", may be pursued in an efficient manner. And that the Bank may become the leader in terms of profitability in the Polish banking sector by following the path of smart growth and relying on a business model that is based on high efficiency and quality of processes.

In the opinion of the Supervisory Board, the activities undertaken by the Management Board of the Bank to perform its duties in 2022 were effective.

Considering the above, the Supervisory Board recommends the General Meeting to acknowledge, in accordance with Article 395 § 2.3 of the Commercial Companies Code, the fulfilment of duties in 2022 to members of the Management Board of the Bank, Leszek Skiba for the period from 1 January 2022 to 31 December 2022, Magdalena Zmitrowicz for the period from 1 January 2022 to 31 December 2022, Jarosław Fuchs for the period from 1 January 2022 to 31 December 2022, Marcin Gadomski for the period from 1 January 2022 to 31 December 2022, Błażej Szczecki for the period from 1 January 2022 to 31 December 2022, Wojciech Werochowski for the period from 1 January 2022 to 31 December 2022, Jerzy Kwieciński for the period from 1 January 2022 to 31 December 2022, Paweł Strączyński for the period from 1 January 2022 to 31 December 2022, Piotr Zborowski for the period from 1 January

2022 to 31 December 2022.

Assessment of the effectiveness of the Supervisory Board of the Bank

Assessment of the adequacy of internal regulations concerning the functioning of the Supervisory Board and the effectiveness of this body's operation was presented in a separate Report.

In accordance with the powers and responsibilities set forth in the Commercial Companies Code, Banking Law, Recommendations of the Polish Financial Supervision Authority, Best Practice for WSE Listed Companies, and the Bank's Articles of Association, in 2022 the Supervisory Board exercised continuous supervision over the Bank's activity. The activities of the Supervisory Board were supported by the Committees operating at the Supervisory Board, i.e. the Audit Committee, the Nomination and Remuneration Committee and the Risk Committee.

The good financial results of the Bank in 2022, its position in the Polish banking sector, adequate capital management and efficient risk management should be deemed to stem, *inter alia*, from proper operations of the Supervisory Board and from its fulfilment of the tasks and responsibilities imposed thereon.

Taking into consideration the above, the activities of the Supervisory Board and its Committees in 2022 may be assessed as effective, professional and performed in accordance with the best practices.

Taking into account the activities in 2022 presented above, the Supervisory Board recommends the General Meeting to acknowledge, in accordance with Article 395 § 2.3 of the Commercial Companies Code, the fulfilment of duties in 2022 to the members of the Supervisory Board, Beata Kozłowska-Chyła for the period from 1 January 2022 to 31 December 2022, Joanna Dynysiuk for the period from 1 January 2022 to 31 December 2022, Stanisław Ryszard Kaczoruk for the period from 1 January 2022 to 31 December 2022, Małgorzata Sadurska for the period from 1 January 2022 to 31 December 2022, Sabina Bigos-Jaworowska for the period from 1 January 2022 to 31 December 2022, Justyna Głębiowska-Michalak for the period from 1 January 2022 to 31 December 2022, Michał Kaszyński for the period from 1 January 2022 to 31 December 2022, to Marian Majcher for the period from 1 January 2022 to 31 December 2022, to Marcin Izdebski for the period from 1 January 2022 to 31 December 2022.

VII. Assessment of the fulfilment by the management board of the obligations referred to in Article 380¹ of the CCC

On 13 October 2022, the provision of Article 380¹ of the Commercial Companies Code went into force, according to which the management board of a joint-stock company is obliged to provide the supervisory board, without an additional request, with information about:

- resolutions of the company's management board and their subject matter;
- situation of the company, including its assets, as well as significant circumstances in the field of running the company's affairs, in particular in the operational, investment and HR areas;
- progress in the achievement of the designated directions of development of the company's activities and deviations from the directions set beforehand, with an indication of the justification for such deviations;
- transactions and other events or circumstances that significantly affect or may affect the company's financial standing, including its profitability or liquidity,
- changes to the information provided to the supervisory board beforehand, if these changes significantly affect or may affect the situation of the company.

As part of the information obligation mentioned above, the company's management board should also provide the supervisory board with information about the condition of subsidiaries and affiliates.

In order to fulfil the above-mentioned obligations, the Supervisory Board adopted Resolution No. 157/22 of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna of 12 October 2022 on establishing the rules for the provision by the Management Board of Bank Polska Kasa Opieki Spółka Akcyjna of information stemming from the Commercial Companies Code.

The Management Board of the Bank fulfils the obligations stemming from the provision of Article 380¹ of the Commercial Companies Code as part of the management information system operating at the Bank in accordance with § 17 of the Regulation of the Minister of Finance, Funds and Regional Policy of 8 June 2021 on the risk management system and internal control system and remuneration policy in banks.

Furthermore, the Management Board of the Bank provides the Supervisory Board with information about significant circumstances related to the conduct of the affairs of Bank Pekao S.A., as well as with information on resolutions of the Management Board of the Bank and their subject matter adopted since the last meeting of the Supervisory Board.

The Supervisory Board positively assesses the fulfilment by the Management Board of the obligations under Article 380¹ of the CCC.

VIII. Assessment of the method of preparing or submitting to the Supervisory Board by the Management Board of the Bank information, documents, reports or explanations requested in the manner specified in Article 382 § 4 of the Commercial Companies Code

Pursuant to Article 382 § 4 of the Commercial Companies Code, in order to fulfil its duties, the Supervisory Board may examine all the company's documents, review the company's assets as well as request the management board, commercial proxies and persons employed in the company under an employment contract or performing specific activities for the company on a regular basis under a contract for a specific task, a contract of mandate or another contract of a similar nature to prepare or provide any information, documents, reports or explanations concerning the company, in particular, concerning its activities or assets. The subject matter of the request may also be information, reports or explanations held by the body or the obligated person regarding subsidiaries and related companies. The above-mentioned information, documents, reports or explanations are submitted to the supervisory board immediately, not later than within two weeks from the date of submitting the request to the body or obligated person, unless a longer period is specified in the request (Article 382 § 5 of the Commercial Companies Code). Furthermore, the Management Board may not restrict the access of members of the supervisory board to information, documents, reports or explanations requested by them (Article 382 § 6 of the Commercial Companies Code).

In the reporting period, the Management Board of the Bank provided the Supervisory Board with properly prepared information, documents, reports and explanations in a timely manner, and accordingly, the Supervisory Board positively assesses the activities of the Management Board of the Bank in this respect.

IX. Information on the total remuneration due from the Bank for all audits commissioned by the Supervisory Board during the financial year in the manner specified in Article 382¹ of the CCC

According to Article 382¹ of the Commercial Companies Code, the Supervisory Board may commission,

at the company's expense, an audit of a specific matter concerning the company's operations or its assets and the preparation of specific analyses and opinions by a selected advisor. In 2022, the total remuneration due from the Bank for all audits commissioned by the Supervisory Board in the manner specified in Article 382¹ of the CCC amounted to PLN 221,449.20 gross.

X. Reports on the activities of the Supervisory Board Committees in 2022

Report on the activities of the Audit Committee of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna in 2022

Members of the Audit Committee

The Audit Committee of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna ("Audit Committee") is composed of from 3 (three) to 5 (five) Members selected by the Supervisory Board. At least one Audit Committee Member has knowledge and skills in the area of accounting or auditing the financial statements. The majority of the Audit Committee Members, including its Chairman and the Audit Committee Member having knowledge and skills in the field of accounting or auditing the financial statements, are independent from the Bank within the meaning of Article 129.3 of the Act on Statutory Auditors, Audit Firms and Public Oversight of 11 May 2017. Audit Committee Members have knowledge and skills in the Bank's industry. This condition is deemed to be met if at least one Member of the Audit Committee has knowledge and skills in that industry or if individual Members have knowledge and skills in specific areas of that industry.

Between 1 January 2022 and 31 December 2022, the Audit Committee comprised the following members:

- 1) Justyna Głębiowska-Michalak – Chairwoman of the Audit Committee,
- 2) Marcin Izdebski – Secretary of the Audit Committee,
- 3) Joanna Dynysiuk – Member of the Audit Committee,
- 4) Sabina Bigos-Jaworowska – Member of the Audit Committee,
- 5) Michał Kaszyński – Member of the Audit Committee.

J.Głębiowska-Michalak, S.Bigos-Jaworowska and M.Kaszyński meet the criteria of independence.

The composition of the Audit Committee in 2022 met the requirements laid down in the Act on Statutory Auditors, Audit Firms and Public Oversight of 11 May 2017.

Responsibilities of the Audit Committee

In 2022, the Audit Committee operated on the basis of the Regulations of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna, the consolidated text of which was adopted by Resolution No. 108/21 of the Supervisory Board of the Bank of 8 July 2021, and then amended by Resolution No. 10/22 of the Supervisory Board of the Supervisory Board of the Bank of 24 January 2022, as well as on the basis of the Regulations of the Audit Committee, the consolidated text of which was adopted by Resolution No. 165/20 of the Supervisory Board of the Bank of 10 November 2020, and then amended by Resolution No. 11/22 of the Supervisory Board of the Bank of 24 January 2022.

The Audit Committee supports the Supervisory Board of the Bank in fulfilling its obligations regarding, among others (i) monitoring the financial reporting process, (ii) financial audit activities and the correctness and effectiveness of internal control and risk management systems and the internal

audit function, (iii) compliance with laws and procedures regulating the Bank's operations, (iv) the independence of the statutory auditor and the audit firm as well as (v) resources of the Internal Audit Department.

The tasks of the Audit Committee include, among others:

- monitoring the effectiveness of internal control systems as well as risk management and internal audit systems, including in the field of financial reporting;
- controlling and monitoring the independence of the statutory auditor and the audit firm, in particular when services other than audit are provided for the Bank by the audit firm;
- informing the Supervisory Board about the results of the audit and explaining how the audit has contributed to the reliability of financial reporting, as well as what was the role of the Audit Committee in the audit process;
- assessing the independence of the statutory auditor and expressing consent to the provision of permitted non-audit services and developing a policy for selecting an audit firm to conduct the audit;
- specifying the procedure for selecting the audit firm;
- issuing opinions on the audit plan presented by the Internal Audit for a given financial year as well as presenting recommendations to the Supervisory Board regarding approval thereof.

Audit Committee meetings are usually attended by the President of the Management Board of the Bank, and each Audit Committee meeting is attended by Heads of the following Departments: Internal Audit, Legal and Compliance, as well as by other Members of the Managerial Staff whose functions are relevant to the agenda of a given meeting.

To ensure the proper level of transparency and an unbiased approach, the Chairwoman of the Audit Committee, J.Głębikowska-Michalak, held individual meetings with the Head of the Internal Audit Department and the Head of the Compliance Department, without the participation of other members of the Bank's managerial staff. The Chairwoman of the Audit Committee J.Głębikowska-Michalak held an individual meeting with the key auditor of KPMG Audyt spółka z ograniczoną odpowiedzialnością sp.k., without the participation of members of the Management Board of the Bank. Representatives of KPMG Audyt spółka z ograniczoną odpowiedzialnością sp.k. confirmed their independence with respect to the Bank and its subsidiaries, i.e. they informed they met requirements referred to in Articles 69-73 of the Act on Statutory Auditors, Audit Firms and Public Oversight of 11 May 2017.

External Auditor

The audit firm conducting audits of the Bank's financial statements and consolidated financial statements of the Bank's Capital Group for the years 2021-2023 is KPMG Audyt spółka z ograniczoną odpowiedzialnością sp.k. under the agreement of 24 July 2018 (along with subsequent annexes).

Audit Committee Meetings

Meetings of the Audit Committee are held depending on current needs, but in no case less frequently than four times per year, at dates that are crucial for the Bank's quarterly reporting cycle and that stem from the analysis of the annual audit plan submitted by the Head of the Internal Audit Department.

In 2022, the Audit Committee met 14 times (on: 24 January 2022, 18 February 2022, 2 March 2022, 1 April 2022, 27 April 2022, 12 May 2022, 30 May 2022, 7 July 2022, 3 August 2022, 12 September 2022, 12 October 2022, 2 November 2022, 21 November 2022 and 16 December 2022).

Attendance of the Audit Committee Members at the individual meetings is summarised below:

Date	Participating Members		
24 January 2022	J.Głębikowska-Michalak, M.Izdebski, M.Kaszyński	S.Bigos-Jaworowska,	J.Dynysiuk,
18 February 2022	J.Głębikowska-Michalak, M.Kaszyński	S.Bigos-Jaworowska,	J.Dynysiuk,
2 March 2022	J.Głębikowska-Michalak, M.Izdebski, M.Kaszyński	S.Bigos-Jaworowska,	J.Dynysiuk,
1 April 2022	J.Głębikowska-Michalak, J.Dynysiuk, M.Kaszyński		
27 April 2022	J.Głębikowska-Michalak, M.Izdebski, M.Kaszyński	S.Bigos-Jaworowska,	J.Dynysiuk,
12 May 2022	J.Głębikowska-Michalak, S.Bigos-Jaworowska ,M.Kaszyński		
30 May 2022	J.Głębikowska-Michalak, M.Izdebski, M.Kaszyński	S.Bigos-Jaworowska,	J.Dynysiuk,
7 July 2022	S.Bigos-Jaworowska, J.Dynysiuk, M.Izdebski, M.Kaszyński		
3 August 2022	J.Głębikowska-Michalak, M.Kaszyński	S.Bigos-Jaworowska,	M.Izdebski,
12 September 2022	J.Głębikowska-Michalak, M.Izdebski, M.Kaszyński	S.Bigos-Jaworowska,	J.Dynysiuk,
12 October 2022	S.Bigos-Jaworowska, J.Dynysiuk, M.Izdebski, M.Kaszyński		
2 November 2022	J.Głębikowska-Michalak, M.Izdebski, M.Kaszyński	S.Bigos-Jaworowska,	J.Dynysiuk,
21 November 2022	J.Głębikowska-Michalak, M.Izdebski, M.Kaszyński	S.Bigos-Jaworowska,	J.Dynysiuk,
16 December 2022	J.Głębikowska-Michalak, M.Izdebski, M.Kaszyński	S.Bigos-Jaworowska,	J.Dynysiuk,

Principal tasks carried out by the Audit Committee in 2022

In 2022, the Audit Committee operated on the basis of the Rules of Procedure of the Audit Committee, taking into account the provisions of the Act on Statutory Auditors, Audit Firms and Public Oversight of 11 May 2017, Recommendation L on the role of Statutory Auditors in the process of supervision of banks and savings and credit unions issued by the Polish Financial Supervision Authority and "Good practices for public-interest entities concerning the principles of appointment, composition and functioning of the Audit Committee" issued by the Polish Financial Supervision Authority, including with regard to questions contained in Part XIII of that document.

The Audit Committee also operated in accordance with the Principles of Corporate Governance for Supervised Institutions issued by the Polish Financial Supervision Authority and the Best Practice for WSE Listed Companies.

In 2022, the Audit Committee considered cases in the following areas:

- approval of the "Questionnaire on audit committees in banks";
- adoption of monthly reports on financial results of Bank Pekao S.A. Group: in November 2021, December 2021, January 2022, February 2022, March 2022, April 2022, May 2022, June 2022, July 2022, August 2022, September 2022 and October 2022;
- assessment of the financial statements of Bank Polska Kasa Opieki Spółka Akcyjna and the Capital Group of Bank Polska Kasa Opieki Spółka Akcyjna for the year ended 31 December 2021 as well as the report on the activities of the Capital Group of Bank Polska Kasa Opieki Spółka Akcyjna for 2021;
- assessment of the "Report of the Capital Group of Bank Pekao S.A. for Q1 2022" and the "Report of the Capital Group of Bank Pekao S.A. for Q3 2022";
- assessment of interim summary financial statements of Bank Pekao S.A. and Capital Group of Bank Pekao S.A. and report on the activities of Capital Group of Bank Pekao S.A. for H1 2022;
- issuing an opinion on the motion of the Management Board of Bank Polska Kasa Opieki Spółka Akcyjna regarding the distribution of profit of Bank Polska Kasa Opieki Spółka Akcyjna for 2021;
- acknowledgment of documents prepared by KPMG Audyt Spółka z ograniczoną odpowiedzialnością spółka komandytowa;
- consideration of the motion to expand the range of services rendered by the audit firm KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k. for Bank Polska Kasa Opieki Spółka Akcyjna;
- acknowledgment of the "Information on the capital adequacy of the Capital Group of Bank Pekao S.A. as at: 31 December 2021, 31 March 2022, 30 June 2022, 30 September 2022", and the "Simplified Quarterly Report on Capital Management for: Q4 2021 and Q1, Q2 and Q3 2022";
- issuing an opinion on the "Capital Management Strategy – 2022" and the "Multiannual Capital Management Strategy 2022-2024";
- acknowledgment of the Capital Management report – quarterly report for the period: Q4 2021 and Q1, Q2 and Q3 2022;
- issuing an opinion and recommending to the Supervisory Board of the Bank a positive opinion on the "Financial Plan of the Capital Group of Bank Polska Kasa Opieki Spółka Akcyjna for 2022" and approval of the adjustment of the Financial Plan of the Capital Group of Bank Polska Kasa Opieki S.A. for 2022;
- assessment of independence, approval regarding the selection of a statutory auditor to be entrusted with the performance of a service consisting in the assessment of the remuneration report referred to in the Act of 29 July 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies to the extent specified in Article 90g.10 of that Act;
- issuing an opinion on Information on the expenditures of the Marketing Department related to marketing services in the period of Q1-Q4 2021 and Q1 and Q2 2022;
- issuing an opinion on the "Report on civil court proceedings pending with the participation of Bank Polska Kasa Opieki Spółka Akcyjna" in 2021, in Q1 2022, in H1 2022, in Q3 2022;
- acknowledgment of the Capital Management report – quarterly report for the period: Q4 2021

and Q1, Q2 and Q3 2022;

- issuing an opinion on the Report on the activities of the Compliance Department in 2021 together with the Report on the activities of the Compliance Department in the Q4 2021;
- acknowledgment of the Report on the activities of the Compliance Department for the period: Q1, Q2 and Q3 2022;
- issuing an opinion on the Report on the activities of the Internal Audit Department of Bank Pekao S.A. in 2021;
- acknowledgment of the Report on the activities of the Internal Audit Department of Bank Pekao S.A. for the period: Q1, Q2 and Q3 2022;
- issuing an opinion on the "Annual Bancassurance Risk Report for Q1-Q4 2021";
- issuing an opinion on the "Quarterly risk report for bancassurance activities for the period: Q1, Q2 and Q3 2022";
- acknowledgment of (i) the Report on the Internal Control System at the Bank in Q4 2021, (ii) the results of the Review of the Internal Control System at the Bank for 2021 and (iii) Responses to the Audit Committee to questions regarding the internal control system included in "Best practices for public interest entities regarding the rules for the appointment, composition and functioning of the audit committee";
- acknowledgment of the report on the Bank's Internal Control System for the period: Q1, Q2 and Q3 2022;
- recommending that the Supervisory Board acknowledge the "Information on the Regulations of the Management Board of Bank Polska Kasa Opieki Spółka Akcyjna";
- consideration of the request for amendment of the Regulations of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna and for adoption of its consolidated text, as well as for amendment of the Regulations of the Audit Committee of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna;
- issuing an opinion on consent to outsourcing for CA Consulting Spółka Akcyjna with its registered office in Warsaw;
- issuing an opinion on the approval of the appointment of the Department Director, the Compliance Department and the acceptance of the terms of their remuneration;
- issuing an opinion on the Report on the functioning in the Bank of the "Whistleblowing Policy at Bank Pekao S.A." for 2020-2021;
- recommending to the Supervisory Board information on the status of implementation of post-inspection recommendations issued by the Polish Financial Supervision Authority;
- acknowledgment of the status of implementation of the audit recommendations;
- issuing an opinion on the request of the Management Board of Bank Polska Kasa Opieki Spółka Akcyjna regarding the assessment of a material transaction as concluded on market terms as part of the normal operations of the Bank;
- issuing an opinion on the amended Procedure "Strategic Planning, Budgeting, Forecasting and Monitoring of Financial Plans in Bank Pekao S.A.";
- acknowledgment of the "Information on the status of implementation at Bank Polska Kasa Opieki Spółka Akcyjna of the Recommendation of the Polish Financial Supervision Authority regarding the principles of internal governance in banks";
- issuing an opinion on the "Policy for managing conflicts of interest in the Pekao Group" and the "Regulations for managing conflicts of interest in the Pekao Group";
- acknowledgment of information on expenses arising from agreements for specific services

of Bank Polska Kasa Opieki Spółka Akcyjna and of the Bank Polska Kasa Opieki Spółka Akcyjna Capital Group for: Q4 2021 and Q1, Q2 and Q3 2022;

- issuing opinions on the sale of real properties owned by the Bank;
- issuing an opinion on the "Information on the assessment of the legitimacy of direct application of Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law and compliance of the internal regulations of Bank Pekao S.A. with the above Directive";
- issuing an opinion the position of the Management Board of the Bank regarding the implementation of the recommendation of the Polish Financial Supervision Authority of 24 February 2022 concerning the mitigation of risk in the Bank's operations by not taking, without prior consultation with the supervisory authority, other activities, in particular those beyond the scope of current business and operating activities, which may result in a decrease in own funds, including possible dividend payments from undistributed profit from previous years (i.e. from 2020 and previous years) and share redemptions;
- acknowledgment of the "Information on the status of the implementation of Recommendation R";
- issuing an opinion on the "Report on the operation of the system for supervising legal compliance at the Pekao Brokerage House" in H2 2021 and H1 2022;
- acknowledgment of the "Information on the results of the review of the legal and regulatory bases regarding matters presented to the Supervisory Board and its committees";
- issuing an opinion on the "Presentation of the Internal Audit Department's Performance Assessment in 2021";
- assessment of the compliance by Bank Polska Kasa Opieki Spółka Akcyjna with the Principles of Corporate Governance for Supervised Institutions in 2021 and the principles of corporate governance by the Bank as well as the manner in which the Bank performs disclosure obligations related to their application, as set out in the Warsaw Stock Exchange Rules and in the provisions on current and periodic information provided by issuers of securities;
- acknowledgment of the "Report of compliance of the provision of investment services by the Bank in 2021 with the Guidelines for OTC derivatives issued by the Polish Financial Supervision Authority";
- issuing an opinion on the "Information on amendments to the Regulations of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna in 2021";
- issuing an opinion on the agenda of the Ordinary General Meeting of Bank Polska Kasa Opieki Spółka Akcyjna for the financial year 2021 and draft resolutions of the Ordinary General Meeting of Bank Polska Kasa Opieki Spółka Akcyjna for the financial year 2021;
- issuing an opinion on the Report on Remuneration of members of the Management Board and Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna for 2021, submission of the Report on Remuneration to the statutory auditor for assessment as well as presentation of the Report on Remuneration together with the statutory auditor's report along with his/her assessment to the General Meeting of Shareholders of the Bank, with a request for adoption of a resolution expressing giving an opinion on the Report on Remuneration;
- issuing an opinion on the Pekao Brokerage House Report for 2021 regarding the application of the "PFSA Guidelines on the provision of brokerage services on the OTC derivatives market";
- issuing an opinion on the schedule of tasks aimed at implementing post-inspection recommendations and eliminating violations of law and internal regulations identified by the Polish Financial Supervision Authority after a problem-related inspection in the area of bank management carried out between 29 November 2021 and 14 January 2022;

- issuing an opinion on the motion of the Management Board of Bank Polska Kasa Opieki Spółka Akcyjna regarding the establishment and accession by the Bank, in capacity of shareholder, to the unit managing the protection system referred to in Article 4.1.9a of the Banking Law;
- issuing an opinion on the schedule of tasks related to the implementation of recommendations after the problem-related inspection carried out by the Office of the Polish Financial Supervision Authority, concerning compliance with selected obligations in the field of counteracting money laundering and financing of terrorism of 13 May 2022;
- acknowledgment of the information on the activation of the budget for the continuation of the A07 project "Development of the Adaptive GRC application" in 2022;
- issuing an opinion and recommending approval to the Supervisory Board on the "Policy of cooperation of the Internal Audit Department of Bank Polska Kasa Opieki Spółka Akcyjna with the Audit Office of Powszechny Zakład Ubezpieczeń Spółka Akcyjna and the statutory auditor" and "Policy of the Bank Polska Kasa Opieki Spółka Akcyjna Group - Cooperation of the Internal Audit Department of Bank Polska Kasa Opieki Spółka Akcyjna with the internal audit units of the Bank's Subsidiaries";
- issuing an opinion on the motion of the Management Board of the Bank regarding the continuation of outsourcing to Powszechny Zakład Ubezpieczeń Spółka Akcyjna with its registered office in Warsaw, i.e. entrusting, pursuant to Article 6a.1.1 and 6a.1.2 of the Banking Law, performance of actual or legal actions related to banking activity;
- issuing an opinion on the "Customer communication registration policy in conjunction with the requirements of the MiFID regulation";
- recommending that the Supervisory Board acknowledge the "Information on the activities of the companies of the Bank Polska Kasa Opieki Spółka Akcyjna Group";
- issuing an opinion on the "Policy of cooperation of the Compliance Department of Bank Pekao S.A. with the Compliance Office of PZU S.A. and compliance units of the Bank's subsidiaries";
- issuing an opinion on the "Report on management information in the field of outsourcing; data for 2021"; and the "Report on management information in the field of outsourcing: data for H1 2022";
- acknowledgment of the "Information concerning the recommendation of the auditor KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k. contained in the "Letter to the Management Board for the period ending 31 December 2021".
- issuing an opinion on the amendment to the contract with ArchiDoc S.A. with its registered office in Chorzów, number PEKAO/ARCHIDOC/398144/2019, concluded on 15 April 2019, i.e. conclusion of an annex causing modification of the subject matter of the contract and increasing the limit of remuneration payable to ArchiDoc S.A. with its registered office in Chorzów;
- acknowledgment of the information regarding the conclusion of the Service Entrustment Agreement with Pekao Bank Hipoteczny S.A.;
- issuing an opinion on the "OHS Policy of the Bank Pekao S.A. Group";
- issuing an opinion on the schedule of actions aimed at implementing the recommendations of the Polish Financial Supervision Authority regarding the improvement of the functioning of inquiries about accounts to the Central Information Office kept by the National Clearing House, addressed to the Bank in a letter of 2 August 2022, ref. No. DBK-DBKZK5.7360.13.2021.EO;
- recommending to the Supervisory Board to acknowledge the "Information on Investor Relations of Bank Pekao S.A. in H1 2022, September 2022"; and "Information on Investor Relations of Bank Pekao S.A. in 2022, as at: March 2022";

- acknowledgment of the "Report on the functioning of the compliance system with the law regarding the functioning of Bank Polska Kasa Opieki S.A. as a trust bank for the period from 01/04/2021 to 31/03/2022";
- acknowledgment of the information on the increase in the share capital and the establishment of the Waterfall Project consisting in reviewing the strategic options of Pekao Bank Hipoteczny Spółka Akcyjna;
- recommending the Supervisory Board to acknowledge the information on the recommendations received from PZU S.A. on the selection of an audit firm to audit financial statements for the years 2024-2028 with an option to extend it to include the years 2029-2030 and the schedule of actions to be taken in connection with the selection of the audit firm;
- consent to the commissioning of certain non-prohibited services to KPMG Advisory sp. z o.o. sp. k. with its registered office in Warsaw;
- recommending to the Supervisory Board to acknowledge the Analysis of four marketing campaigns in the context of expenses and achieved effectiveness, in the periods: Q4 2021 and June-August 2022;
- issuing an opinion on the assessment of the adequacy and effectiveness of the procedure in place at the Bank for anonymous reporting of breaches violations by employees;
- recommending the Supervisory Board to acknowledge the Information on resolutions of the Management Board of the Bank and their subject matter in the period from 13 October 2022 to 2 November 2022;
- recommending to the Supervisory Board to acknowledge information on significant circumstances related to the conduct of the affairs of Bank Pekao S.A. as at November 2022;
- acknowledgment and recommending to the Supervisory Board to acknowledge Information on controls and inspections conducted at Bank Pekao S.A. as at 31 October 2022;
- issuing an opinion on the adjustment of the "Financial Plan of the Capital Group of Bank Polska Kasa Opieki S.A. for 2022";
- recommending to the Supervisory Board to acknowledge the document of the audit firm KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k. "Presentation of the plan and approach to the audit of the Capital Group of Bank Pekao S.A. for the financial year ending 31 December 2022";
- acknowledgment of the "Top Risks 2023" presentation;
- acknowledgment of the information on the schedule of tasks aimed at implementing post-inspection recommendations and eliminating violations of law and internal regulations as well as errors in reporting and accounting records after the Problem-Related Inspection 2022 carried out by the Polish Financial Supervision Authority regarding the assessment of asset quality and credit risk management carried out on from 23 May 2022 to 4 July 2022;
- issuing an opinion on the request of the Management Board of Bank Polska Kasa Opieki Spółka Akcyjna regarding outsourcing to Pekao Direct sp. z o.o.;
- acknowledgment of the information on the commencement of work on the issue of non-preferred senior bonds;
- approval of the "Report on the activities of the Audit Committee in 2021" and the "Report on the activities of the Audit Committee in Q3 2022";
- acknowledgment of information on significant circumstances regarding the situation of Bank Pekao S.A. companies;
- acknowledgment of information on the effectiveness of marketing campaigns related to sales,

along with a particular analysis of the "Cash Loan, Credit Card with Żubr" campaign run in June-August 2022, as well as information on the image, recognition and brand awareness of Bank Polska Kasa Opieki Spółka Akcyjna;

- adoption of the annual report "Compliance with the Customer communication registration policy in conjunction with the requirements of the MiFID regulations" for 2021;
- acknowledgment of the Information on the review of personnel resources in the Financial Division;
- issuing an opinion on the "Policy of the Bank Pekao S.A. Group regarding the purchase/sale of shares and stocks";
- issuing an opinion on outsourcing to the following companies: CHL Cash Management sp. z o.o., CHL Konwój sp. z o.o., Solid MCG sp. z o.o., Solid Security sp. z o.o. regarding the performance of actual actions related to banking activities, consisting in the processing and storage of cash and the transport of the Bank's cash assets;
- issuing an opinion on outsourcing to IBM POLSKA Sp. z o. o. of IT services related to access to the Bank's IT environments;
- issuing an opinion on the Audit Plan for 2023;
- issuing an opinion on the "Internal Audit Strategy for 2021-2023 (Updated)";
- acknowledgment of the presentation of "TOP 5 priorities for the Bank";
- issuing an opinion on the schedule of tasks aimed at implementing the recommendations issued by the Polish Financial Supervision Authority after the Supervisory Audit and Assessment as at 31 December 2021;
- overview of the report PK-2022-0028, Explanatory proceedings – the process of purchasing the Contact Center system;
- issuing an opinion on the Compliance Action Plan for 2023.

In the above cases, the Audit Committee acknowledged the information, issued positive opinions as well as recommended to the Supervisory Board of the Bank adoption of resolutions or adoption of the information in accordance with the requests of the Management Board of the Bank.

Furthermore, the Audit Committee adopted 146 resolutions in 2022 during meetings and using means of direct remote communication outside meetings, in accordance with the Regulations of the Audit Committee of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna.

As regards the Internal Audit function, the Audit Committee regularly reviewed the reports on the activities of the Internal Audit.

The Audit Committee performed its duties in accordance with its rights and obligations.

Report on the activities of the Nomination and Remuneration Committee of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna in 2022

Members of the Nomination and Remuneration Committee

Pursuant to the Regulations of the Nomination and Remuneration Committee of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna in force from 1 January 2022 to 1 November 2022, the Nomination and Remuneration Committee of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna ("Nomination and Remuneration Committee") was composed of 3 (three) to 5 (five)

members elected by the Supervisory Board from among its members.

From 2 November 2022, in connection with the adoption by the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna ("Supervisory Board of the Bank") of Resolution No. 161/22 amending the Regulations of the Nomination and Remuneration Committee of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna and establishing the consolidated text of the Regulations of the Nomination and Remuneration Committee of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna, the Nomination and Remuneration Committee is composed of 3 (three) to 7 (seven) members elected by the Supervisory Board of the Bank from among its members.

Between 1 January 2022 and 1 November 2022, the Nomination and Remuneration Committee was composed of the following members:

- 1) Beata Kozłowska-Chyła – Chairwoman of the Nomination and Remuneration Committee,
- 2) Małgorzata Sadurska – Secretary of the Nomination and Remuneration Committee,
- 3) Sabina Bigos-Jaworowska – Member of the Nomination and Remuneration Committee,
- 4) Joanna Dynysiuk – Member of the Nomination and Remuneration Committee,
- 5) Marian Majcher – Member of the Nomination and Remuneration Committee.

On 2 November 2022, the Supervisory Board of the Bank, by virtue of Resolution No. 162/22, appointed Michał Kaszyński to the Nomination and Remuneration Committee for the current joint term of office of the Supervisory Board of the Bank.

On 2 November 2022, the Supervisory Board of the Bank, by virtue of Resolution No. 163/22, appointed Stanisław Ryszard Kaczoruk to the Nomination and Remuneration Committee for the current joint term of office of the Supervisory Board of the Bank.

Between 2 November 2022 and 31 December 2022, the Nomination and Remuneration Committee was composed of the following members:

- 1) Beata Kozłowska-Chyła – Chairwoman of the Nomination and Remuneration Committee,
- 2) Małgorzata Sadurska – Secretary of the Nomination and Remuneration Committee,
- 3) Sabina Bigos-Jaworowska – Member of the Nomination and Remuneration Committee,
- 4) Joanna Dynysiuk – Member of the Nomination and Remuneration Committee,
- 5) Marian Majcher – Member of the Nomination and Remuneration Committee,
- 6) Michał Kaszyński – Member of the Nomination and Remuneration Committee,
- 7) Stanisław Ryszard Kaczoruk – Member of the Nomination and Remuneration Committee.

S.Bigos-Jaworowska, S.R.Kaczoruk, M.Kaszyński and M.Majcher meet the independence criteria.

Responsibilities of the Nomination and Remuneration Committee

In 2022, the Nomination and Remuneration Committee operated on the basis of the Regulations of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna adopted by Resolution No. 10/22 of the Supervisory Board of the Bank of 24 January 2022, as well as on the basis of the Regulations of the Nomination and Remuneration Committee of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna Spółka Akcyjna adopted by Resolution No. 167/20 of the Supervisory Board of the Bank of 10 November 2020. On 2 November 2022, the Supervisory Board of the Bank adopted Resolution No. 161/22 amending the Regulations of the Nomination and Remuneration Committee of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna and establishing the consolidated text of the Regulations of the Nomination and Remuneration Committee of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna.

The Nomination and Remuneration Committee supports the Supervisory Board of the Bank in performance of its tasks related, for instance, to shaping the composition of the Management Board of the Bank and supervising the policy of the Management Board of the Bank in relation to the selection and appointment of persons holding managerial positions at the Bank. The Committee, in its activity, aims at prudent and stable management of risk, capital and liquidity as well as at special care for the long-term interests of the Bank and of its shareholders.

The tasks of the Nomination and Remuneration Committee include, but are not limited to:

- submitting proposals concerning the determination of the terms and conditions of agreements governing the employment or other legal relationship between the Members of the Management Board and the Bank, including remuneration for the Members of the Bank's Management Board, as well as concerning the approval of the policy of variable components of remuneration of persons holding managerial positions at the Bank in accordance with separate regulations and in order to submit proposals on remuneration of the Members of the Supervisory Board of the Bank to the General Meeting,
- preparing recommendations concerning compliance with suitability requirements for appointing members of the Management Board of the Bank and Members of the Supervisory Board of the Bank in accordance with separate regulations;
- drawing up a report for the General Meeting regarding the assessment of the functioning of the remuneration policy in place at the Bank.

The Nomination and Remuneration Committee performed other tasks resulting from applicable laws or recommendations of supervisory authorities.

Meetings of the Nomination and Remuneration Committee

Meetings of the Nomination and Remuneration Committee are held at least twice a year.

In 2022, the Nomination and Remuneration Committee held 9 meetings (on: 24 January 2022, 18 February 2022, 1 April 2022, 27 April 2022, 12 May 2022, 14 June 2022, 7 July 2022, 2 November 2022 and 16 December 2022).

The participation of the Members of the Nomination and Remuneration Committee in each meeting is presented below:

Date	Participating Members
24 January 2022	B.Kozłowska-Chyła, M.Sadurska, S.Bigos-Jaworowska, J.Dynysiuk, M.Majcher
18 February 2022	B.Kozłowska-Chyła, M.Sadurska, S.Bigos-Jaworowska, J.Dynysiuk, M.Majcher
1 April 2022	B.Kozłowska-Chyła, M.Sadurska, J.Dynysiuk, M.Majcher
27 April 2022	M.Sadurska, S.Bigos-Jaworowska, J.Dynysiuk, M.Majcher
12 May 2022	B.Kozłowska-Chyła, M.Sadurska, S.Bigos-Jaworowska, M.Majcher

14 June 2022	B.Kozłowska-Chyła, M.Sadurska, S.Bigos-Jaworowska, J.Dynysiuk, M.Majcher
7 July 2022	B.Kozłowska-Chyła, M.Sadurska, S.Bigos-Jaworowska, J.Dynysiuk, M.Majcher
2 November 2022	B.Kozłowska-Chyła, M.Sadurska, S.Bigos-Jaworowska, J.Dynysiuk,
16 December 2022	B.Kozłowska-Chyła, M.Sadurska, S.Bigos-Jaworowska, J.Dynysiuk, M.Majcher, S.R.Kaczoruk, M.Kaszyński

Principal tasks carried out by the Nomination and Remuneration Committee in 2022

In 2022, the Nomination and Remuneration Committee considered cases in the following areas:

- approval of the "Report on the activities of the Nomination and Remuneration Committee in 2021" and submission of the "Report on the activities of the Nomination and Remuneration Committee in 2021" to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna for approval;
- acknowledgment of the "Report on the activities of the Nomination and Remuneration Committee in Q3 2022";
- issuing a recommendation regarding the approval of the "Principles of introducing changes in the organisational structure of Bank Polska Kasa Opieki Spółka Akcyjna";
- issuing a positive opinion and recommendation regarding the approval of the amended "Remuneration Policy of Bank Polska Kasa Opieki Spółka Akcyjna";
- issuing an opinion and recommendation regarding the approval of the amended "Remuneration Policy for Members of the Supervisory Board and Management Board of Bank Polska Kasa Opieki Spółka Akcyjna";
- issuing a recommendation regarding the assessment of the functioning of the Remuneration Policy of Bank Polska Kasa Opieki Spółka Akcyjna in 2021 and the adoption of the "Report on evaluation of the functioning of the Remuneration Policy of the Bank in 2021";
- issuing an opinion on amendment to the Remuneration Policy of Bank Polska Kasa Opieki Spółka Akcyjna and issuing a recommendation on approval of that amendment and conclusion with Members of the Management Board of Bank Polska Kasa Opieki Spółka Akcyjna annexes to the agreements for the provision of management services;
- review of the Audit Report PK-2021-0103, Implementation of the Remuneration Policy – variable components of remuneration;
- issuing a positive opinion and recommendation regarding the approval of the terms of remuneration of the Department Director, Compliance Department;
- review of the information on relations with trade union organisations and Workers' Council operating at the Bank in 2021.
- issuing a positive opinion and recommendation regarding the approval of amendments to the Rules of the Variable Remuneration System for the Management Staff – participants who are not Members of the Management Board / Supervisory Board, as well as to the Rules of the Variable Remuneration System for Members of the Management Board, and conclusion of annexes to the agreements for the provision of management;

- issuing a recommendation on the approval by the Supervisory Board of the Bank of the selection of an external advisor who will be responsible for auditing the report of the Management Board of the Bank on the implementation of additional management objectives;
- reviewing the information on the selection of a statutory auditor to be entrusted with the performance of a service consisting in the assessment of the remuneration report referred to in the Act of 9 July 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies to the extent specified in Article 90g.10 of that Act.
- issuing an opinion and recommendation on designating the prerequisites for the Variable Remuneration System for Members of the Management Board for 2022;
- expressing an opinion and issuing a recommendation on the decision on the designation or change of management objectives for each member of the Management Board of the Bank for 2022 as part of the Variable Remuneration System and additional Management Objectives for all members of the Management Board of the Bank;
- issuing a recommendation on the preparation and adoption of the Report on Remuneration of members of the Management Board and Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna for 2021, submission of the Report on Remuneration to the statutory auditor for assessment as well as presentation of the Report on Remuneration together with the statutory auditor's report along with his/her assessment to the General Meeting of Shareholders of the Bank, with a request for adoption of a resolution expressing giving an opinion on the Report on Remuneration;
- issuing a recommendation on secondary assessments of the individual suitability of Members of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna;
- issuing a recommendation on the self-assessment of the collective suitability of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna;
- issuing a recommendation on providing the General Meeting of Shareholders with information on the results of the self-assessment of the individual suitability of members the Supervisory Board of the Bank and the self-assessment of the collective suitability of the Supervisory Board of the Bank, together with a request for their approval;
- issuing a recommendation on the consent to inform the Polish Financial Supervision Authority by the Bank about the secondary assessments of the individual suitability of Members of the Management Board of Bank Polska Kasa Opieki Spółka Akcyjna and the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna as well as the secondary assessment of the collective suitability of the Management Board of Bank Polska Kasa Opieki Spółka Akcyjna and the Supervisory Board Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna;
- issuing a recommendation on the consent for Members of the Management Board of the Bank to sit on the bodies of companies outside the Bank Pekao Group, on secondary assessments of the individual suitability of Members of the Management Board of the Bank, as well as on informing the Polish Financial Supervision Authority about secondary assessments of the individual suitability of Members of the Management Board of the Bank, as well as on the results of these assessments and decisions made;
- issuing a recommendation on the adoption of amendments to the template of the agreement for the provision of management services concluded with Members of the Management Board of the Bank;

- issuing a recommendation on the consent to the conclusion of annexes to the agreements for the provision of management services concluded with Members of the Management Board of the Bank;
- issuing a recommendation on suitability assessments of current Members of the Management Board of the Bank, including issuing recommendations on: (i) individual assessments of Members of the Management Board of the Bank, (ii) collective assessment of the Management Board of the Bank, (iii) informing the Polish Financial Supervision Authority about the suitability assessments carried out, including authorising the Chairperson of the Supervisory Board to its signing;
- issuing a recommendation on the assessment of the individual suitability of Members of the Management Board of Bank Polska Kasa Opieki Spółka Akcyjna;
- issuing a recommendation on the assessment of the collective suitability of the Management Board of Bank Polska Kasa Opieki Spółka Akcyjna;
- issuing a recommendation on the appointment of Members of the Management Board of Bank Polska Kasa Opieki Spółka Akcyjna for a new, joint term of office of three years;
- issuing a recommendation on the consent to inform the Polish Financial Supervision Authority by the Bank about the completed assessments of the individual suitability of Members of the Management Board of Bank Polska Kasa Opieki Spółka Akcyjna and the assessment of the collective suitability of the Management Board of Bank Polska Kasa Opieki Spółka Akcyjna in connection with the planned appointment for a new joint term of office;
- issuing an opinion and recommendation on the assessment of the implementation in 2021 of additional management objectives by Members of the Management Board of the Bank, conditioning the possibility of receiving variable remuneration for 2021;
- issuing an opinion and recommendation on the assessment of the degree of implementation of the prerequisites set out under the Variable Remuneration System for 2021;
- expressing an opinion and issuing a recommendation on the compliance assessment and risk assessment of current and former Members of the Management Board of Bank Polska Kasa Opieki Spółka Akcyjna;
- issuing an opinion and recommendation on the assessment of the degree of implementation of the management objectives set for current and former Members of the Management Board of the Bank for 2021;
- issuing a recommendation on the determination of the amount and award of the Variable Remuneration for 2021 for current and former Members of the Management Board of Bank Polska Kasa Opieki Spółka Akcyjna, as well as confirmation of the acquisition of its part payable upfront;
- issuing a recommendation on informing current and former Members of the Management Board of Bank Polska Kasa Opieki Spółka Akcyjna about the variable remuneration awarded to them for 2021, as well as about the acquisition of its parts payable upfront;
- issuing a recommendation on the determination of the acquisition and acceptance of the settlement of the deferred parts of variable remuneration for 2016-2020 attributable to 2022 in relation to current and former Members of the Management Board of Bank Polska Kasa Opieki Spółka Akcyjna;
- issuing a recommendation on the correction of an obvious typographical error in the template agreement for the provision of management services concluded with Members of the Management Board of the Bank, as well as in annexes to such agreements concluded with current Members of the Management Board of the Bank;

- issuing a recommendation on amending the Regulations of the Nomination and Remuneration Committee of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna and establishing the consolidated text of the Regulations of the Nomination and Remuneration Committee of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna;
- issuing a recommendation on the acceptance of the results of the self-assessment of the individual suitability of Members of the Supervisory Board in connection with the appointment to the Nomination and Remuneration Committee of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna;
- issuing a recommendation on the self-assessment of the collective suitability of the composition of the Nomination and Remuneration Committee of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna and the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna;
- acknowledging and recommending to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna to acknowledge the information on the review of the remuneration of employees of the Internal Audit Department and the Compliance Department, as well as issuing an opinion on the Information on the review of the variable remuneration of managerial position holders (Risk Takers) and those responsible for second-line risk management, and for heading the compliance unit and the internal audit unit.

In the above cases, the Nomination and Remuneration Committee acknowledged the information, issued positive opinions as well as recommended to the Supervisory Board of the Bank adoption of resolutions or adoption of the information in accordance with the requests of the Management Board of the Bank.

The Nomination and Remuneration Committee adopted 89 resolutions in 2022 during meetings and using means of direct remote communication outside meetings, in accordance with the Regulations of the Nomination and Remuneration Committee of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna.

The Nomination and Remuneration Committee was performing its tasks in accordance with the scope of its rights and obligations, and was relying on the support of an external adviser who assisted the Nomination and Remuneration Committee and the Supervisory Board of the Bank in issues related to remuneration terms and conditions.

Report on the activities of the Risk Committee of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna in 2022

Members of the Risk Committee

The Risk Committee of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna ("Risk Committee") is composed of 3 (three) to 5 (five) Members appointed by the Supervisory Board from among its Members, with the majority of Risk Committee Members, including its Chairman, being independent Members of the Supervisory Board of the Bank.

Between 1 January 2022 and 31 December 2022, the Risk Committee comprised the following members:

- 1) Stanisław Ryszard Kaczoruk – Chairman of the Risk Committee,
- 2) Marcin Izdebski – Secretary of the Risk Committee,
- 3) Michał Kaszyński – Member of the Risk Committee,
- 4) Marian Majcher – Member of the Risk Committee,

5) Małgorzata Sadurska – Member of the Risk Committee.

S.R.Kaczoruk, M.Kaszyński and M.Majcher meet the independence criteria.

Responsibilities of the Risk Committee of

In 2022, the Risk Committee operated on the basis of the Regulations of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna adopted by Resolution No. 10/22 of the Supervisory Board of the Bank of 24 January 2022, as well as on the basis of the Regulations of the Risk Committee of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna as amended by the Supervisory Board of the Bank by Resolution No. 12/22 of 24 January 2022.

The Risk Committee assists the Supervisory Board of the Bank in the performance of its responsibilities relating to: supervision over the risk management system and assessment of the adequacy and effectiveness of that system. The Risk Committee acts in accordance with prudent and stable risk, capital and liquidity management and with particular care for the long-term well-being of the Bank and the interests of shareholders.

The tasks of the Risk Committee include, among others:

- expressing an opinion on the Bank's overall current and future willingness to take risks, expressed in the form of risk appetite and the strategy for managing risk in the Bank's activity, developed by the Management Board of the Bank, including policies on credit, financial and operational risks, as well as reports on the risk profile and implementation of the risk management strategy, presented by the Management Board of the Bank;
- supporting the Supervisory Board in supervising the implementation of the risk management strategy in the Bank's operations by senior management;
- verifying whether prices of liabilities and assets offered to customers take fully into account the Bank's business and risk strategies and, where prices do not properly reflect risks in accordance with these strategies;
- presenting the Management Board of the Bank with proposals aiming to ensure that the prices of assets and liabilities are adequate to these risks.

The Risk Committee also performed other tasks resulting from applicable laws or recommendations of supervisory authorities.

Risk Committee Meetings

Meetings of the Risk Committee are held at least twice a year.

In 2022, the Risk Committee met 14 times (on: 24 January 2022, 18 February 2022, 2 March 2022, 1 April 2022, 27 April 2022, 12 May 2022, 30 May 2022, 7 July 2022, 3 August 2022, 12 September 2022, 12 October 2022, 2 November 2022, 21 November 2022 and 16 December 2022).

The participation of the Members of the Risk Committee in individual meetings is presented below:

Date	Participating Members
24 January 2022	S.R.Kaczoruk, M.Izdebski, M.Kaszyński, M.Majcher, M.Sadurska
18 February 2022	S.R.Kaczoruk, M.Kaszyński, M.Majcher, M.Sadurska
2 March 2022	S.R.Kaczoruk, M.Izdebski, M.Kaszyński, M.Majcher, M.Sadurska

1 April 2022	S.R.Kaczoruk, M.Kaszyński, M.Majcher, M.Sadurska
27 April 2022	S.R.Kaczoruk, M.Izdebski, M.Kaszyński, M.Majcher, M.Sadurska
12 May 2022	S.R.Kaczoruk, M.Kaszyński, M.Majcher, M.Sadurska
30 May 2022	S.R.Kaczoruk, M.Izdebski, M.Kaszyński, M.Majcher, M.Sadurska
7 July 2022	S.R.Kaczoruk, M.Izdebski, M.Kaszyński, M.Majcher, M.Sadurska
3 August 2022	S.R.Kaczoruk, M.Izdebski, M.Kaszyński, M.Majcher, M.Sadurska
12 September 2022	S.R.Kaczoruk, M.Izdebski, M.Kaszyński, M.Majcher, M.Sadurska
12 October 2022	S.R.Kaczoruk, M.Izdebski, M.Kaszyński, M.Majcher, M.Sadurska
2 November 2022	S.R.Kaczoruk, M.Izdebski, M.Kaszyński, M.Sadurska
21 November 2022	S.R.Kaczoruk, M.Izdebski, M.Kaszyński, M.Majcher, M.Sadurska
16 December 2022	S.R.Kaczoruk, M.Izdebski, M.Kaszyński, M.Majcher, M.Sadurska

Principal tasks carried out by the Risk Committee in 2022

In 2022, the Risk Committee considered cases in the following areas:

- expressing an opinion on the update of internal capital regulations;
- expressing an opinion and taking credit decisions in matters relating to credit risk transactions;
- acknowledgment of regular information on the area of counteracting money laundering and terrorist financing and sanctions for the period Q4 2021 and Q1, Q2 and Q3 2022;
- acknowledgment of regular information on the Bank's ICT security status for 2021 and Q1, Q2 and Q3 2022;
- acknowledgment of quarterly liquidity information for the period Q4 2021 and Q1, Q2 and Q3 2022;
- expressing an opinion on quarterly financial risk reviews for the period Q4 2021 and Q1, Q2 and Q3 2022;
- expressing an opinion on quarterly reports on operational risk control for the period Q4 2021 and Q1, Q2 and Q3 2022;
- expressing an opinion on quarterly reports on the loan portfolio and debt collection activity as at: 31 December 2021, 31 March 2022, 30 June 2022, 30 September 2022;
- issuing an opinion and recommendation on the update of the limit for receivables for the main business lines of the strategic customer, resulting from the Credit Risk Policy;
- acknowledgment of the information of the Purchasing Department regarding the status of transformation of the purchasing area;
- issuing an opinion and recommendation regarding the approval of the updated "Purchasing Policy in Bank Polska Kasa Opieki Spółka Akcyjna";
- issuing an opinion and recommendation on the motion of the Management Board of Bank Polska Kasa Opieki Spółka Akcyjna regarding the establishment and accession by the Bank, in

capacity of shareholder, to the unit managing the protection system referred to in Article 4.1.9a of the Banking Law;

- issuing an opinion and recommendation on the consent to granting a construction and mortgage loan to a Member of the Management Board;
- issuing an opinion and recommendation on the consent to granting a mortgage loan to a Member of the Management Board;
- expressing an opinion and issuing a recommendation on the consent to granting a credit limit for credit cards to a Member of the Management Board of the Bank;
- issuing an opinion and recommendation on the consent to granting an express loan to a Member of the Management Board of the Bank;
- acknowledging and issuing a recommendation on information regarding the financing of Pekao Leasing sp. z o.o.;
- issuing an opinion and recommending the approval of the "Policy of the New Product Implementation Process in Bank Pekao S.A.";
- issuing an opinion and recommending approval of the amended "Remuneration Policy of Bank Polska Kasa Opieki Spółka Akcyjna";
- issuing an opinion and recommending approval of the amended "Remuneration Policy for Members of the Supervisory Board and Management Board of Bank Polska Kasa Opieki Spółka Akcyjna";
- issuing an opinion and recommending amendments to the Remuneration Policy of Bank Polska Kasa Opieki Spółka Akcyjna;
- issuing an opinion and recommending the approval of the "Policy for estimating expected credit losses in Bank Pekao S.A.";
- issuing an opinion and recommending the approval of the "Strategy for managing non-performing exposures (NPE) at Bank Pekao S.A.";
- acknowledgement and issuing a recommendation on the "Bonasus Programme Status Information";
- expressing an opinion on the position of the Management Board of the Bank regarding the implementation of the recommendation of the Polish Financial Supervision Authority of 10 February 2022 concerning the mitigation of risk in the operations of Bank Polska Kasa Opieki Spółka Akcyjna by maintaining, both at the individual and consolidated dimensions, own funds to cover the additional capital charge in order to absorb potential losses arising from the occurrence of stress conditions and to recommend the Supervisory Board to make a positive assessment of the Management Board of the Bank's position;
- acknowledgment of information on the activities of Bank Pekao S.A. in the face of Russia's aggression against Ukraine;
- acknowledgment of information on the potential impact of the war in Ukraine and changes in the environment on the implementation of the Bank's Strategy;
- acknowledging and issuing a recommendation on the information "Analysis of the impact of the war in Ukraine on the risk profile of Bank Pekao";
- acknowledging and issuing a recommendation on the information "Analysis of the impact of the war in Ukraine – risk map of Bank Pekao, December 2022";
- acknowledgment of the Internal Audit Department's information to the Risk Committee: from the IT Center area; in the field of selected IT audits;
- acknowledgment of the Information from the IT Center on the status of task completion after

- the opening balance;
- acknowledgment of information on the status of activities in the IT area;
 - acknowledgment of information on the post-migration status of customers, products and data regarding the acquired activities of Idea Bank S.A. to the systems of Bank Polska Kasa Opieki Spółka Akcyjna;
 - expressing an opinion and issuing a recommendation on the "Information on the results in 2021 and the challenges for 2022 of the Enterprise Banking Division and the Corporate Banking, Markets and Investment Banking Division".
 - expressing an opinion and issuing a recommendation on the approval of the updated financial risk limits;
 - issuing a recommendation on the presentation by the Supervisory Board of an opinion on the commencement of the due diligence process of receivables held by Bank Polska Kasa Opieki S.A. by potential buyers of these receivables, as part of the project pursued by the Bank, involving the sale of a portfolio of non-performing receivables from debtors from the segment of corporate customers and small- and medium-sized enterprises;
 - issuing an opinion on the performance of due diligence as part of the sale of portfolios of receivables that do not belong to retail customers, sole proprietors as well as small- and medium-sized entrepreneurs;
 - expressing an opinion and issuing a recommendation on the "Money laundering and financing of terrorism risk assessment at Bank Polska Kasa Opieki Spółka Akcyjna";
 - acknowledging and issuing a recommendation on the profitability and reorganisation of the Bank's outlets;
 - acknowledging and issuing a recommendation on information on the schedule of tasks aimed at implementing post-inspection recommendations and eliminating violations of law and internal regulations as well as errors in reporting and accounting records after the Problem-Related Inspection 2022 carried out by the Polish Financial Supervision Authority regarding the assessment of asset quality and credit risk management carried out on from 23 May 2022 to 4 July 2022;
 - expressing an opinion and issuing a recommendation on the "Financing Plan for 2022";
 - expressing an opinion on the "Risk Appetite of the Pekao Group for 2022";
 - adoption of information on the Bank's business continuity and crisis management system in 2021 contained in the "Interim Business Continuity and Crisis Management Report";
 - expressing an opinion and issuing a recommendation on the update of the "Group Recovery Plan for Bank Pekao S.A. Capital Group" and the "Individual Recovery Plan of Bank Pekao S.A.";
 - consideration of the application for amendment of the Regulations of the Risk Committee of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna and for adoption of its consolidated text;
 - issuing an opinion and recommendation on the "Bancassurance Policy at Bank Polska Kasa Opieki Spółka Akcyjna";
 - issuing an opinion and recommendation on the implementation by the Bank of the provisions of the Act of 7 July 2022 on crowdfunding for business ventures and assistance to borrowers – suspension of loan repayment at customer's request "credit holiday";
 - expressing an opinion and recommendation on the "Long-term Financing Plan 2022-2024";
 - adoption of the "Information on activities in the field of data management and data quality in

2021 and Q1 2022";

- expressing an opinion and recommendation on the warning level of operational losses and warning sub-levels for event classes for 2022, "Operational Risk Management Strategy", "Operational Risk Management Policy";
- expressing an opinion and issuing a recommendation on the "Credit Risk Policy 2022" and its subsequent updates;
- expressing an opinion and recommendation on the "Investment Strategy of Bank Pekao S.A." and acceptance of the "Investment Policy and Market Risk 2022" and acceptance of the results of the assessment of the "Investment Policy and Market Risk 2021";
- approval of the Report on the activities of the Risk Committee in 2021;
- expressing an opinion on the "Strategy for managing non-performing exposures (NPE) at Bank Pekao S.A.";
- expressing an opinion and recommendation on the "ICAAP Policy – Risk and Capital Management Principles";
- expressing an opinion on the results of the annual review of the risk and capital management system and the ICAAP process;
- expressing an opinion on the "Model Annual Risk Report – 2021";
- adoption of the cyclical "Information on Bancassurance activities" for the period: 2021 and Q1, Q2 and Q3 2022;
- adoption of information on the planned conclusion of an Annex to the Loss Coverage Guarantee Agreement;
- adoption of information on the model risk management process in the Capital Group of Bank Pekao S.A. companies: Pekao Bank Hipoteczny, Pekao Leasing Sp. z o.o., Pekao Faktoring Sp. z o.o.;
- adoption of information on the current and projected credit exposure towards the entity arising from the merger of Orlen and Lotos, and then PGNiG, its size in relation to meeting the concentration limits and the method of monitoring and managing this issue at the Bank;
- adoption of information on Audit Reports conducted by the Internal Audit Department;
- acknowledgment of information on selected audits: (i) fraud at/Warszawa ul. Towarowa 25 – modus operandi and detection mechanisms implemented by the Internal Audit Department, (ii) audit results at Pekao Leasing: "Tax and insurance management at Pekao Leasing", "Management of leasing contracts and sales channel at Pekao Leasing", "Credit risk management, portfolio review – verification audit and asset management at Pekao Leasing", (iii) "Counterparty risk management", (iv) Counteracting money laundering and financing of terrorism, including identification of the beneficial owner. Sanctions and embargoes, (v) Compliance risk management, (vi) Granting mortgage loans, (vii) Financing business entities from domestic and EU public funds, (viii) Development and configuration management in information systems, (ix) Management of electronic channels access, taking into account information security, development and maintenance of channels – verification audit, (x) Management of information security, business continuity, infrastructure and IT systems in Pekao Faktoring – verification audit, (xi) Marketing activities in the area of marketing budget management, reputation as well as planning and purchase of media and marketing campaigns, (xii) Purchasing process, (xiii) CHF credit management, (xiv) CHF credit management (BPH), (xv) Fraud risk management; (xvi) Data quality management and data use (including Recommendation D of the Polish Financial Supervision Authority regarding the management of information technology and ICT environment security in banks), (xvii) Whistleblowing.

- Confidential information management, (xviii) "Management of leasing contracts and sales channels in Pekao Leasing Sp. z o. o. – verification audit", (xix) "Management of incidents, notifications, problems and failures – verification audit", (xx) "Cryptographic key management;
- expressing an opinion and issuing a recommendation regarding the quarterly report "Monitoring the implementation of the Strategy 2021-2024" for the period: Q4 2021 and Q1, Q2 and Q3 2022;
 - adoption of information regarding court cases against Bank Polska Kasa Opieki Spółka Akcyjna regarding loans in CHF;
 - expressing an opinion and issuing a recommendation on the results of the review of the Model Risk Management Policy and the updated Policy;
 - acknowledgment of the information on the implementation by the Bank of the provisions of the Act of 7 July 2022 on crowdfunding for business ventures and assistance to borrowers – suspension of loan repayment at customer's request "credit holiday";
 - adoption of the "Report on the activities of the Risk Committee in Q3 2022".

In the above cases, the Risk Committee acknowledged the information, issued positive opinions as well as recommended to the Supervisory Board of the Bank adoption of resolutions or adoption of the information in accordance with the requests of the Management Board of the Bank.

The Risk Committee adopted 92 resolutions in 2022 during meetings and using means of direct remote communication outside meetings, in accordance with the Regulations of the Risk Committee of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna.

The Risk Committee performed its tasks in accordance with its powers and responsibilities.

XI. Assessment of the situation of the Bank in 2022, including the assessment of the internal control systems, risk management, compliance and internal audit functions

In accordance with the Best Practice for WSE Listed Companies, the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna assessed the Bank's situation in 2022, including assessment of internal control and risk management systems functioning at the Bank.

General assessment of the Bank's situation

The Management Board of the Bank, acting pursuant to § 18.22 of the Bank's Articles of Association, § 10.3 of the Regulation of the Minister of Finance, Funds and Regional Policy of 8 June 2021 on the risk management system, internal control system and remuneration policy in banks in connection with item 4.2. of Procedure "Strategic Planning, Budgeting, Forecasting and Monitoring of Financial Plans at Bank Pekao S.A.", presented the Supervisory Board of the Bank, on a monthly basis, with a report containing information on the financial results and the degree of implementation of the Financial Plan. In reliance on the presented information, in the assessment of the Supervisory Board, the general economic and financial situation of Bank Pekao S.A. is stable. Bank Pekao S.A. meets all requirements of safe operations and of capital adequacy, and it ensures safety of funds entrusted by customers, presenting exceptional capital strength and resilience. The Supervisory Board of Bank Pekao S.A. positively assesses the results achieved in 2022 by the Bank and the Capital Group of Bank Pekao S.A.

The Bank's activity in 2022 was focused on maintaining further sustainable growth in all areas, effective strengthening of its position on the retail banking market and its leader position in corporate banking.

In 2022, the Bank's net profit amounted to PLN 1,898.3 million. This result was lower by PLN 338.5

million than the result achieved in 2021.

In 2022, the net profit of the Capital Group of Bank Pekao S.A. distributable to shareholders of the Bank amounted to PLN 1,717.6 million. This result was lower by PLN 457.3 million than the result achieved in 2021, mainly due to regulatory events, which include:

- recognition of costs related to the modification of PLN mortgage loan agreements granted to consumers due to their suspension of loan repayments in the amount of PLN 1,958 million,
- creation of a provision for legal risk of foreign currency mortgage loans in the amount of PLN 1,598 million,
- recognition of the cost of the fee for the Protection System of banks operating as a joint-stock company in the amount of PLN 482 million,
- recognition of the costs of additional payments to the Borrower Support Fund in the amount of PLN 169 million,
- creation of provisions for the reimbursement for increased mortgage loan margins to customers before the mortgage establishment in the amount of PLN 112 million.

Profit (loss) on interest in the Group was 45.6% higher, whereas in the Bank – 48.0% higher, compared to the result achieved in 2021.

Profit (loss) on fees and commissions in the Group was higher 4.5%, whereas in the Bank – 6.7% higher, compared to the result achieved in 2021, mainly due to the transactional activity of customers, including on the currency market, and the adaptation of the product range to evolving market conditions.

Operating costs both in the Group and the Bank were higher by 9.2% YoY, significantly below inflation.

The return on average equity (ROE) for the Group and for the Bank amounted to 7.6% and 8.7%, respectively.

As at the end of December 2022, credit facilities and loans at nominal value in the Group amounted to PLN 175,846.6 million and were at a similar level (0.4% lower at the Bank) compared to the end of December 2021. Retail customer loans were 7.2% lower (6.9% lower at the Bank) compared to the end of December 2021. As at the end of December 2022, corporate loans, together with non-Treasury debt securities, were 6.5% higher (5.8% higher at the Bank) compared to the end of December 2021, along with an increase recorded in the corporate segment (16% YoY).

The Bank and the Bank Pekao S.A. Group retained a solid capital base (the combined TCR capital ratio for the Group and the Bank at the end of December 2022 amounted to 17.4% and 19.5%, respectively), and a safe liquidity profile reflected in the net loan to deposit ratio at the level of 75.2% for the Group and 71.2% for the Bank. This, together with high equity level, enables further sound and stable development of activities pursued by the Bank.

In 2022, the Bank increased its commercial activities, actively supported customers in maintaining financial liquidity, continued digitisation and automation of processes as well as implementation of advanced digital solutions.

In accordance with the Strategy, activities aimed at improving efficiency and migration of processes to remote channels are under way. In 2022, the Bank reduced its network by 53 outlets.

Bank Pekao S.A. is a universal commercial bank offering a full range of banking services to retail and institutional customers. It operates mainly in Poland. The Bank Pekao S.A. Group comprises financial institutions operating in the banking, asset management, brokerage services, transaction consulting, leasing, and factoring markets. Since 2017, Bank Pekao S.A. has been part of PZU S.A. group, the largest financial institution in Central and Eastern Europe.

In accordance with strategic plans, the Bank:

- will remain a **universal bank**,
- will remain a **first choice bank** for an increasing number of our customers,
- continues to develop a **remote distribution and customer service model**,
- focuses on **cost- and process efficiency**,
- focuses on growth in the **most profitable market segments**.

The Bank's goal is to have a strong position among the most profitable and effective banks in Poland, and the main strategic goals are:

- to significantly improve return on equity (ROE),
- to reduce the cost-to-income ratio (C/I),
- to increase the number of active mobile banking customers from 2 million in 2020 to 3.2 million in 2024,
- to achieve digitisation rate at the target level of ~100% in 2024.

The strategy is based on four pillars: Customer, Growth, Efficiency and Responsibility.

The Bank invests in training and professional development of its employees (in line with their skills and capabilities), creates a friendly work environment and implements the highest standards in human resources management.

Similarly to previous years, activity of the Bank in 2022 was awarded and distinguished for achievements and innovation of offered solutions in the competitions organised by the prestigious foreign and domestic magazines. The Supervisory Board expresses congratulations for the awarded distinctions and agrees with the Management Board that awards for innovative products and services are of particular importance.

Once again, the Bank received the title of "The Best Investment Bank Award", one of the most prestigious awards on the financial market, awarded in a prestigious competition organised by the international magazine Global Finance.

The Bank's Private Banking, in the World's Best Private Banks Awards competition organised by Global Finance, was distinguished for innovation, a wide investment offer, the quality of services provided, as well as for financial results.

In the 18th edition of the Customer's Laurel/Consumer's Laurel plebiscite, the Bank's electronic banking was awarded by consumers with the Customer's Golden Laurel. Customers appreciated the highest quality of service on the Pekao24 website and the PeoPay application.

Bank Pekao S.A. is implementing the ESG Strategy of Bank Pekao S.A. for the years 2021-2024 "Responsible Bank supporting sustainable growth" (hereinafter "ESG Strategy"), announced in June 2021, as planned.

The ESG Strategy is based on three pillars: "Environment", "Social Responsibility" and "Governance".

It is the first document of Bank Pekao S.A. regulating its responsibility for the natural environment, social environment and rules enforced within the organisation. In each of these areas, the Bank has set for itself specific objectives which it will pursue in the following years:

- **"environment"** means objectives which include increasing commitment to financing sustainable projects, supporting energy transition and the transition to a low-carbon economy, and achieving its own climate neutrality by 2030,
- **"social responsibility"** means objectives which include actions to promote the sustainable development of the society, the economy and prosperity, focusing on providing assistance, equal opportunities and preventing exclusion, including through charity and employee volunteer programmes,
- **"governance"** means objectives that include ensuring the highest standards of corporate governance: an ethical approach to business that takes into account ESG issues and promotes the development, diversity and equality of employees in a modern, inclusive organisation.

In accordance with the assumptions included in the first pillar of the ESG Strategy "Environment", the Bank's main intention is to reduce the financing of carbon-intensive projects in its loan portfolio. At the same time, the Bank continues to pursue sustainable financing activities including green and social projects and supports the issuance of ESG bonds of customers. According to the data presented at the end of 2022, the share of green financing in the Bank's gross financing amounted to 4.6%, exceeding the target assumed in the ESG Strategy for 2024 (i.e. 4.0%). The volume of support for the issue of ESG bonds of customers amounted to PLN 8 billion.

In 2022, implementation of green solutions continued with special attention to projects reducing electricity consumption and reducing negative environmental impacts. It is worth emphasising that the Bank has been successively replacing its car fleet with low-emission vehicles, and has also purchased electric and hybrid cars. In 2022, thanks to the contract for the purchase of 35 GWh of electricity with the simultaneous purchase of guarantees of origin (RES), the greenhouse gas emissions were reduced by 34%, compared to the same 12 months of the previous year. This is an important step to fulfil the Bank's declaration to reduce its own CO₂ emissions.

As regards the second pillar of the ESG Strategy "Commitment", the Bank successively increased the participation of employees in activities for the benefit of society and the environment. Volunteer activities in 2022 were aimed at education, relief, equalising opportunities and preventing exclusion, and were mainly addressed to children, youth and seniors. Once again, the number of hours worked as part of voluntary service has gradually increased. 1,230 employees joined numerous campaigns organised with the support of the Bank. They worked a total of over 8,432 hours as part of volunteer programmes. Furthermore, in response to the emergency situation caused by the outbreak of war in Ukraine, employees engaged in nationwide and local crisis volunteering for refugees.

2022 was marked by the maintenance of the highest standards of corporate governance and the development of an ethical approach to business, which are mentioned in detail in the ESG Strategy in the area of Pillar III. The corporate governance applied at the Bank results from the provisions of generally applicable law and the principles included in: the "Best Practice for WSE Listed Companies 2021" (hereinafter "Best Practice 2021"), the "Principles of corporate governance for supervised institutions" of the Polish Financial Supervision Authority as well as in the "Code of Banking Ethics" of the Polish Bank Association. The basic act in the field of ethics of conduct, which should be followed by all employees of the Pekao Group regardless of their position or basis of employment, remains the Code of Conduct of the Pekao Group available on the Bank's website.

At the same time, the Bank's priority as an employer was to ensure equal treatment of employees, opportunities for personal and professional development, as well as to create an atmosphere relied on cooperation and respect. The Bank strived to maintain a balanced level of the number of women and men in managerial positions. Providing flexible work arrangements and supporting work-life balance remained important. The process of closing the gender pay gap continued. The Bank's activities in

the field of personnel strategy, promoting the highest standards of organisational culture and building good relations between employees have been appreciated in numerous lists and rankings (Friendly Workspace, Top Employer, Best Quality Employer).

The Bank's involvement in ESG activities is assessed by the market in international rankings and indices. The Bank's priority also remains to increase its position in rankings concerning activities beneficial to the environment, society and corporate governance.

ESG ratings of Bank Pekao S.A. as at the end of 2022 were as follows:

- MSCI ESG Ratings "BBB",
- FTSE4Good Russell "3,3",
- WIG-ESG – Shares in the index "5.9%",
- Bloomberg Gender Equality-Index "79.9/100",
- Sustainabilitycs "26.5",
- Vigeo Eiris "47/100",
- Ranking Odpowiedzialnych Firm (Ranking of Responsible Businesses) "13th Position (74/100 points) out of 62 companies in the general classification",
- Carbon Disclosure Project (CDP) "D".

Assessment of the internal control system

The Supervisory Board assessed the functioning of the internal control system at Bank Pekao S.A. on the basis of an opinion of the Audit Committee and information from the statutory auditor, the Management Board of the Board, the Internal Audit Department, the Compliance Department, described in the Tasks carried out by the Supervisory Board section.

Bank Pekao S.A. has in place an internal control system compliant with the guidelines set forth in Recommendation "H" of the Polish Financial Supervision Authority, which includes:

- 1) control function (control mechanisms, independent monitoring of compliance with control mechanisms, reporting within the control function),
- 2) independent compliance unit (Compliance Department),
- 3) independent internal audit unit (Internal Audit Department) – this applies to all organisational units of the Bank and its subsidiaries.

The Supervisory Board positively assesses the functioning of the internal audit function at Bank Pekao S.A., which ensures: effective and efficient operation of the Bank, reliable financial reporting, compliance with risk management rules in force at the Bank, compliance of the Bank's operations with applicable laws, internal regulations and market standards. The internal control rules, including the procedures of implementation and monitoring of control mechanisms approved by the Bank Pekao S.A. Management Board and Supervisory Board have been adapted to the Bank's organisational structure, the size and profile of risks identified in the document "ICAAP Policy – Risk and Capital Management Principles", as well as to the scale of the Bank's operations. These rules are reviewed and assessed as part of the internal audit procedure.

The Internal Control System in place at the Bank covers all organisational levels and is imposed by the statutory bodies of the Bank, by the specific organisational units, supervisors at all managerial levels and by all employees. The general objectives of the Internal Control System are as follows:

- 1) ensure effective and efficient operation of the Bank,
- 2) ensure reliable financial reporting,
- 3) ensure compliance with risk management principles in effect at the Bank,

- 4) ensure compliance of the Bank's operations with applicable laws, internal regulations, and market standards.

Within the framework of the overall objectives of the internal control system, the Bank identifies specific objectives of the internal control system and records them in the control function matrix in conjunction with material processes, key controls and their monitoring.

The Internal Control System functioning at the Bank comprises three lines of defence:

- 1) the first line of defence – managing risk in the Bank's operating activity,
- 2) second line of defence – control of risk management by employees at specially designated positions or organisational units, irrespective of the risk management at the first line of defence,
- 3) the third line of defence – includes an independent Internal Audit unit.

The Bank ensures independent monitoring of compliance with control mechanisms in all processes functioning at the Bank through:

- 1) horizontal monitoring as part of the first line of defence and vertical monitoring of the first line of defence by the second line of defence,
- 2) horizontal monitoring as part of the second line of defence,
- 3) horizontal monitoring as part of the third line of defence.

The independent monitoring of compliance with control mechanisms takes place through: on-going verification and testing.

Dedicated structures fully cover the key risk areas on the so-called three lines of defence.

Control functions in regard to subsidiaries are exercised via the Bank's representatives in supervisory boards of these subsidiaries.

The Management Board of the Bank is responsible for designing, implementing and operating an independent, adequate and effectively functioning Internal Control System in all organisational units, business units and at all organisational positions of the Bank.

The Supervisory Board exercises supervision over the implementation of the Internal Control System and assurance of its adequate and effective functioning.

Assessment of the risk management system

The Supervisory Board positively assesses the risk management system functioning in the Bank and in the Pekao Group. The Supervisory Board performed that assessment on the basis of an opinion of the Risk Committee and information from the Management Board of the Bank described in the Tasks carried out by the Supervisory Board section.

Risk management follows a comprehensive and consolidated approach and extends to all units of the Bank and its subsidiaries.

The risk management strategy formulated in the "ICAAP Policy – Risk and Capital Management Principles", adopted by the Management Board of the Bank in accordance with the applicable regulatory requirements, has been approved by the Supervisory Board. The said policy is subject to regular reviews and necessary updates in order to adjust it to the best market practices, legal regulations and changes at the Bank and in its operating environment, as well as in order to maintain its validity and adequacy to the scale and complexity of the operations performed by the Bank and by the Group.

In accordance with applicable laws and supervisory regulations, the Management Board of the Bank is responsible for achieving the strategic risk management objectives. The Supervisory Board, supported by the Risk Committee:

- supervises the introduction of the risk management system,

- assesses the adequacy and effectiveness of the risk management system,

especially by approving the Bank's risk appetite and approving the following documents adopted by the Management Board of the Bank: risk management strategy, capital management strategy, credit risk policy, investment and market risk policy, operational risk strategy and policy, model policy, and by reviewing regular reports of the Management Board of the Bank on the management of particular types of risk as well as the report from the annual review of ICAAP, risk and capital management system.

The Bank's risk management system constitutes an integral element of the Bank's management system. The risk management system is adapted to the Bank's organisational structure and it is adequate to the activities conducted by the Bank, to the size and profile of Tier I and Tier II risks present in the Bank's operations.

As part of the risk management system, the Bank uses formal procedures to identify, measure and monitor risks, as well as risk mitigating limits. The system of managerial information in the Bank enables the effective monitoring of risk levels. Risks are monitored with regard to profitability and the capital required to cover them.

The management of credit risk, liquidity risk, market risk and operational risk is carried out by the Risk Management Division, which is supervised by the relevant Vice President of the Management Board. The management of other types of risks is shared between the Risk Management Division and the other divisions involved in their control.

An important role in credit risk management is played by the Credit Committee, in market and liquidity risk management - by the Asset, Liability and Risk Committee, in operational risk management - by the Risk Committee and the Bank Security Committee, and in model risk management - by the Model Risk Committee. Effective risk management is one of the Bank's strengths.

Assessment of the compliance risk management system

The Supervisory Board supervises the compliance risk management process with the support of the Audit Committee. The Supervisory Board assesses the effectiveness of compliance risk management based on accepted periodic and annual reports of the Compliance Department, information from the Management Board and opinions of the Audit Committee. The Supervisory Board reviews and approves the annual report of the Compliance Department. The Supervisory Board also approves the Compliance Plan for the subsequent year.

The Supervisory Board has positively assessed the compliance risk management system, whose purpose is to ensure the compliance of activities performed by the Bank and its employees with the provisions of law, internal regulations and market standards, in the processes functioning within the Bank.

The Bank has a separate compliance unit – the Compliance Department – which is independent in organisational and operational terms and reports directly to the President of the Management Board of the Bank. The Compliance Department is the key element of ensuring compliance within the Bank.

The Bank ensures compliance through the use of appropriately designed compliance risk control mechanisms/controls and other compliance risk management tools, such as opinions and compliance risk estimations. As part of its control function, the Compliance Department designs and supervises implementation of control mechanisms aiming to ensure compliance with the laws, internal regulations and market standards, or implements these control mechanisms on its own. It also independently monitors compliance with those mechanisms by other organisational units of the Bank. The Compliance Department is also responsible for the implementation, within the Bank's risk management function, of the compliance risk management process, which involves identification, assessment, control and

monitoring of the compliance risk related to the Bank's operation, as well as reporting it. The reports on the performance of tasks by the Compliance Department are submitted, along with the level of the compliance risk estimated, to the Management Board and to the Supervisory Board. The Bank exercises supervision over compliance risk related to the activities of its subsidiaries.

The assumptions of the compliance risk management process are defined in the regulations drawn up by the Management Board and approved by the Supervisory Board, i.e. in the Compliance Policy of Bank Pekao S.A. and in the Regulations on the Functioning of the Compliance Department of Bank Pekao S.A. The following are the key elements supporting this process:

- a) supervision of the Supervisory Board and responsibility of the Management Board for effective management of compliance risk,
- b) properly defined organisational structure and HR policy,
- c) internal regulations concerning compliance,
- d) compliance risk identification, assessment, control, monitoring and reporting processes,
- e) training activities,
- f) continued cooperation of the Compliance Department with the Internal Audit Department and with other organisational units performing duties as part of the compliance risk control and management functions.

In order to ensure compliance with applicable laws, internal regulations and market standards, each employee of the Bank applies appropriate control mechanisms or performs independent monitoring of adherence to control mechanisms, within the scope of the professional duties assigned to him/her.

The Supervisory Board positively assesses cooperation with the Compliance Department.

Assessment of the internal audit function

The Supervisory Board supervises the internal audit area with the support of the Audit Committee.

In 2022, Internal Audit Department (IAD) was given independence, appropriate personnel and financial resources necessary to ensure its efficient operation. The IAD reports directly to the President of the Management Board of the Bank and is functionally subordinated to the Audit Committee and the Supervisory Board.

The Supervisory Board assesses the Internal Control System, including the internal audit function, on the basis of reports from the Internal Audit Department summarising the results of audit activity, presentations of the evaluation of the results of Internal Audit activity and, inter alia, information from the Management Board and the opinion of the Audit Committee. The Supervisory Board approves the Annual and Multi-Annual Audit Plan and the Audit Strategy.

The Supervisory Board has approved the amendment of the terms and condition for the remuneration of the Internal Audit Department Director and accepted the report on the activities of the Internal Audit Department in 2021. The Internal Audit Department Director approved the organisational independence of the activities of the Internal Audit Department in 2021.

In 2022, the "Strategy 2021-2023 of the Internal Audit Department – Update" and the Annual Audit Plan for 2023 together with the Strategic Audit Plan for 2023–2027, as well as the Annual and Strategic Plan of the Pekao Brokerage House, were approved.

The positive assessment of the internal audit function also takes into account the evaluation of key performance indicators, presented annually to supervisory authorities by the Internal Audit Department Director, to ensure that the set objectives are being achieved.

The Internal Audit Department Director presented quarterly reports on the activity of the Internal Audit

Department to the Audit Committee and annual reports on the activity to the Supervisory Board. The Internal Audit also provided an adequate information on the evaluation of the adequacy and effectiveness of internal control systems and risk management.

The Supervisory Board positively assesses the functioning of internal audit in Bank Pekao S.A.

XII. Assessment of the degree of implementation of diversity policy

The Supervisory Board positively assesses the degree of implementation of the diversity policy in Bank Pekao S.A. The objectives of that policy have been defined in the "Gender equality and diversity policy with regard to the Bank's employees, including Members of the Supervisory Board, Members of the Management Board and persons holding key functions at Bank Polska Kasa Opieki Spółka Akcyjna" (hereinafter: "Diversity Policy") in force at the Bank, which defines the objectives and criteria of diversity, including to the extent set out in the Best Practice for WSE Listed Companies. The primary objective of the diversity strategy of the Bank, which the Diversity Policy aims to achieve, is to ensure high quality performance of tasks by employees of the Bank, including the selection of competent persons to perform functions on the Supervisory Board, the Management Board and other key functions at the Bank, by applying first of all objective substantive criteria and taking into account the benefits arising from diversity, understood as differences between persons resulting due to gender, education, age, professional experience, geographical origin and other characteristics. The adopted diversity strategy ensures the selection of persons with diverse knowledge, skills and experience, adequate to their functions and duties, which complement each other across the entire composition of the Management Board/Supervisory Board.

Furthermore, the following guidelines on gender equality shall apply to all HR processes and decisions implemented/taken at the Bank:

- 1) striving for representation of both genders in external recruitment processes by preparing lists of recommended candidates including at least one candidate of each gender;
- 2) seeking to ensure representation of both sexes in internal recruitment processes, by drawing up lists of recommended candidates for a given post, which contain at least one candidate of each sex,
- 3) eliminating discriminating criteria in relation to gender while preparing job offers and descriptions;
- 4) informing external partners acting in recruitment and training areas about the scope and contents of the Policy and the Bank's commitment to implementation of its goals;
- 5) assuring equal professional development opportunities to all Bank employees (training, coaching, mentoring, and other development actions at work) of any gender, accounting for professional duties, effectiveness, professional potential in accordance with the Bank's organisational needs, standards, and criteria defined in separate internal regulations;
- 6) ensuring equal treatment of employees of the Bank in terms of remuneration and additional benefits, regardless of gender;
- 7) promoting balance in professional and private life of employees by taking advantage of possibilities provided for in relevant regulations in this field and such available facilities like:
 - a) offering flexible working models in a manner consistent with the applicable provisions of law, in particular the provisions of labour and social security law and internal regulations, taking into account business and organisational requirements and needs;
 - b) supporting employees during and after long-term absence by avoiding discrimination during and after long-term absence, enabling employees to remain in contact with the company

during long-term absences, and facilitating return after a long-term absence in accordance with applicable law, in particular: labour and social security law and internal regulations of the Bank;

- 8) incorporating issues related to gender equality in training programmes, including, without limitation, those addressed to management staff, adaptation programmes and other forms of training and communication.

As at 31 December 2022, the Management Board of the Bank was composed of 9 persons (1 woman, 8 men). All persons have a university degree with an economic, social sciences or legal profile, some of them have an Executive Master of Business Administration (MBA) degree and participated in specialist training both domestically and abroad at reputable international universities (IESE, Wharton, CEIB, IMD, INSEAD or Stanford).

The majority, 78% of the members of the Management Board of the Bank, were between 30 and 50 years old, while 22% of the members of the Management Board of the Bank are over 50 years old.

As at 31 December 2022, the Supervisory Board of the Bank was composed of 9 persons (5 women, 4 men). All persons have a university degree with a legal, economic or technical profile. Three members of the Supervisory Board hold the title of Legal Counsel, one person has the qualifications of a statutory auditor, two persons hold a diploma for the completion of Master of Business Administration (MBA) studies, whereas the Chairwoman of the Supervisory Board holds a PhD in legal sciences. All members of the Supervisory Board meet the requirements for candidates for members of supervisory bodies and managing bodies specified in the Act on the Principles of State Asset Management (Dziennik Ustaw 2016, item 2259).

The majority, 55% of the members of the Supervisory Board of the Bank, were above 50 years old, while 45% of the members of the Supervisory Board of the Bank were between 30 and 50 years old.

The composition of the Supervisory Board ensures the diversity of experience in management, supervision and expands the competence of the management board as regards the functioning of the Bank and management assessment.

The policy being implemented by the Bank takes into consideration requirements arising from generally applicable provisions of law, aimed at entities from the banking sector, and recommendations of authorities exercising control and supervision over that sector, especially recommendations included in the Joint Guidelines of the European Banking Authority and the European Securities Markets Authority on the assessment of the suitability of members of the management body and key function holders, pursuant to which the expected minimum share of representatives of an underrepresented gender in statutory bodies of the Bank must be clarified at the level of the policy implemented by the Bank and, as a general rule, must be specified jointly for the Supervisory Board of the Bank and the Management Board of the Bank, as has been applied in the Diversity Policy implemented by the Bank. At the same time, the Ordinary General Meeting, by resolution of 15 June 2022, indicated that in order to ensure sufficient gender diversity in the Supervisory Board, the Bank will strive to achieve the 30% ratio as the target minimum value of participation of representatives of each of the two sexes in the Supervisory Board. The total share of representatives of an underrepresented gender in the Supervisory Board of the Bank and the Management Board of the Bank is consistent with the target set in the Diversity Policy implemented by the Bank and amounts to 33.3%.

XIII. Assessment of the validity of expenditures for culture, sports, charitable institutions, media, social organisations, trade unions

Bank Pekao S.A. and entities of the Pekao Group, as responsible organisations and active participants in social life, also comply with the guidelines included in the "Best Practice for WSE Listed Companies 2021" issued by the Warsaw Stock Exchange in 2021, including principle 1.5 to the extent of undertaken charitable and sponsorship activities. In 2022 Bank Pekao and entities from the Pekao Group implemented a number of initiatives to support culture, sports, charitable institutions, media and social organisations. As a general rule, Bank Pekao and entities from the Pekao Group do not provide support in the form of sponsorship or charitable activity to trade unions and political parties.

The list below shows expenditures borne in this respect in 2022 and mentions key initiatives.

Bank Pekao S.A. carries out its charitable activities mainly through the Foundation of Bank Pekao S.A., which was established in 1997. The scope of the Foundation's charitable and social activities is very extensive. In response to the crisis situation in Ukraine, the foundation undertook a number of activities to help those affected by the war.

The expenditures of the Bank and entities from the Pekao Group by areas included in recommendation 1.5 of the Best Practice for WSE Listed Companies in 2022 (gross):

- Cultural support: PLN 1,092 thousand, including, among others
 - sponsorship of the Royal Castle
 - sponsorship of the Academy of Fine Arts in Warsaw,
 - sponsorship of the Academy of Fine Arts in Cracow.
- Support for sports: PLN 5,031 thousand, including
 - Sponsorship of the Polish Basketball League,
 - Sponsorship of the Polish Basketball Association
 - Sponsorship of the Pekao Szczecin Open tennis tournament
 - Sponsorship of Pekao S.A. "Warszawska Dycha"
 - Sponsorship of volleyball, chess and handball tournaments
- Support for charitable institutions.
- Support for public benefit organisations.
- Support for community organisations: PLN 411 thousand, including:
 - Support for the protection of the species of European bison.
- Media support: PLN 760 thousand.
 - A number of activities related to galas, contests and economic discussions, such as Gala ISBNews, Polska 200-tka WPROST
- Support for trade unions – PLN 0.

In accordance with principle 1.5 of the Best Practice for WSE Listed Companies 2021, in the Statement on non-financial information of the Bank Pekao S.A. Capital Group for the year 2022 which forms an integral part of the Report on the activities of the Bank Pekao S.A. Capital Group for the year 2022, the Bank disclosed expenditures borne in 2022 by the Bank and entities from the Pekao Group to support culture, sports, charitable institutions, media, social organisations, trade unions, etc.

It is the assessment of the Supervisory Board that the expenses incurred by Bank Pekao SA in 2022,

referred to above, were reasonable and consistent with the ESG Strategy "Responsible Bank Supporting Sustainable Growth" adopted by the Management Board of the Bank for the years 2021-2024 and priorities adopted by the Management Board of the Bank as regards corporate social responsibility.

Expenditures for sponsorship and charitable activities were made in accordance with the regulation titled "Principles for granting donations and sponsorship by Bank Polska Kasa Opieki Spółka Akcyjna" in force at the Bank.

Assessment of the Bank's policy concerning sponsorship and charitable activities

The Supervisory Board has prepared and presents to the Ordinary General Meeting the assessment of rationality of the Bank's policy concerning sponsorship and charitable activities.

The major objectives of sponsorship activity of Bank Pekao S.A. include: building the image of the Bank as the leading financial institution in the area of CSR activities, as institution close to customers and communities in which the Bank operates, distinguishing the Bank's brand among the brands of its market competitors, popularisation of the Bank and its products in the public opinion, inducing positive connotations between the given event and the Bank, forming and strengthening the positive opinion about the Bank and its products, and ensuring a permanent communication platform for promotional activities for business divisions of the Bank as well as strong and positive relations with customers of the Bank. The Bank's policy in this regard is governed in the ordinance "Principles of granting donations and sponsorship by Bank Polska Kasa Opieki Spółka Akcyjna". The aforesaid ordinance defines rules, procedure and competencies related to granting donations and sponsorships by Bank Polska Kasa Opieki Spółka Akcyjna.

In its charitable and sponsorship activity, the Bank supports the selected organisations and institutions which carry out different projects in the following areas:

- 1) science, higher education, education, schooling and upbringing, especially in the field of economic education,
- 2) economic development, including the development of entrepreneurship,
- 3) the development of technology, invention and innovation, and the dissemination and implementation of new solutions in economic practice,
- 4) culture, art, protection of cultural property and national heritage,
- 5) sustaining and disseminating national tradition, cultivating Polishness and developing national, civic and cultural awareness,
- 6) activities for veterans and repressed persons,
- 7) charity and social welfare activities,
- 8) promoting and organising volunteer work,
- 9) health protection and promotion,
- 10) assisting victims of catastrophes, natural disasters, armed conflicts and wars at home and abroad,
- 11) supporting and disseminating physical culture and sports,
- 12) ecology and animal protection and protection of natural heritage.

In 2022, the Foundation of Bank Pekao S.A. actively supported activities in the area of promotion and organisation of employee volunteering at the Bank, as well as charitable and social assistance activities. As part of the "We're close" initiative, bank volunteer leaders and teams implemented 93 projects for local communities in 65 towns. The Foundation also provided financial support to non-profit organisations that invited volunteers from the Bank in 2022 to undertake volunteer work in the areas of economic education, charity and social welfare, ecology and environmental protection, animals and protection of natural heritage.

Before a donation is made or sponsorship agreement is concluded, the Bank performs a risk assessment (due diligence), in accordance with regulations on counteracting corruption and conflict of interest in force at the Bank.

The Supervisory Board positively assesses the sponsorship and charitable activity policy pursued by the Bank.

XIV. Assessment of compliance with corporate governance principles by Bank Polska Kasa Opieki Spółka Akcyjna in 2022 and the manner in which Bank Polska Kasa Opieki Spółka Akcyjna performs disclosure obligations related to their application, as set out in the Warsaw Stock Exchange Rules and in the provisions on current and periodic information provided by issuers of securities

In order to comply with requirements laid down in specific principle 2.11.4. of the *Best Practice for WSE Listed Companies 2021*, compliance with corporate governance principles by Bank Polska Kasa Opieki Spółka Akcyjna in 2022 and the manner in which the Bank performs disclosure obligations related to their application, as set out in the Warsaw Stock Exchange Rules and in the provisions on current and periodic information provided by issuers of securities, were analysed.

The principles of corporate governance set out in the Rules of the Stock Exchange in 2022 were the *"Best Practice for WSE Listed Companies 2021"* issued by the Warsaw Stock Exchange by virtue of Resolution No. 13/1834/2021 of the Supervisory Board of Giełda Papierów Wartościowych w Warszawie S.A. (Warsaw Stock Exchange) of 29 March 2021, effective as of 1 July 2021.

Compliance with the "Best Practice 2021" by the Bank

On 3 August 2021, by virtue of resolution No. 392/VIII/21, the Management Board of Bank Pekao S.A. adopted the "Best Practice 2021" for compliance by Bank Pekao S.A.

The analysis of compliance with the "Best Practice 2021" in 2022, the results of which were confirmed by units responsible for compliance with individual specific principles, showed that in the aforementioned period the Bank complied with the "Best Practice 2021" to the extent specified below.

The Bank did not comply with specific principles: 2.1; 2.2; 2.4 of the "Best Practice 2021", regarding the diversity policy and transparency of voting of the management board and the supervisory board. Until 14 June 2022, the Bank did not comply with specific principle 6.4. of the "Best Practice 2021", regarding the method of remunerating members of the Supervisory Board.

Pursuant to § 29.3 of the Warsaw Stock Exchange Rules, the Bank, by means of Report No. 1/2021 of 4 August 2021, published Information on compliance by the Bank with "Best Practice 2021", where the Bank provided explanations for complying with the aforementioned specific principles.

The Bank did not comply with specific principles 2.1. and 2.2. of the "Best Practice 2021", pursuant to which the condition for ensuring the gender diversity of corporate bodies is the share of the minority in a given body at the level not lower than 30%.

The Bank has a "Gender equality and diversity policy with regard to the Bank's employees, including Members of the Supervisory Board, Members of the Management Board and persons holding key functions at Bank Polska Kasa Opieki Spółka Akcyjna" approved by the Supervisory Board, which lays down diversity goals and criteria, including to the extent specified in the Best Practice for WSE Listed Companies 2021. The Diversity Policy being implemented by the Bank was developed taking into consideration requirements arising from generally applicable provisions of law, aimed at entities from

the Banking sector, and recommendations of authorities exercising control and supervision over that sector, especially recommendations included in the Joint Guidelines of the European Banking Authority and the European Securities Markets Authority on the assessment of the suitability of members of the management body and key function holders, pursuant to which the expected minimum share of representatives of an underrepresented gender in statutory bodies of the Bank must be clarified at the level of the Policy implemented by the Bank and, as a general rule, must be specified jointly for the Supervisory Board of the Bank and the Management Board of the Bank, as has been applied in the aforesaid Policy implemented by the Bank. The total share of representatives of an underrepresented gender in the Supervisory Board of the Bank and the Management Board of the Bank is consistent with the target set in the Diversity Policy implemented by the Bank and exceeds 30%.

Until 14 June 2022, the Bank did not comply with specific principle 2.1 in the part concerning the adoption of the Policy in relation to the supervisory board by the general meeting. By virtue of Resolution No. 34 of 15 June 2022, the Ordinary General Meeting of the Bank adopted the above-mentioned Diversity Policy to the extent it applies to members of the Supervisory Board of the Bank.

The Bank also did not comply with specific principle 2.4. of the "Best Practice 2021", pursuant to which votes of the supervisory board and management board must be open, unless provisions of law stipulate otherwise. The Bank does not share the view of the Corporate Governance Committee of WSE that, as a general rule, all resolutions adopted by the Management Board of the Bank and the Supervisory Board must be adopted in a transparent way, i.e. after they have been duly discussed and all members of the body have expressed their opinions. Therefore, both the Regulations of the Supervisory Board and the Regulations of the Management Board of the Bank provide for voting by open ballot, as a general rule, but include exceptions that permit a vote by secret ballot in cases stipulated by law and in other expressly mentioned cases:

- 1) the Regulations of the Supervisory Board stipulate that the Chair must order a vote by secret ballot only in one case, i.e. at the request of at least one member of the Supervisory Board, as an exception from the rule of open votes (§ 11.8 of the Regulations). The other provisions of the Regulations referring to a vote by secret ballot have already been repealed or amended by the Supervisory Board,
- 2) the Regulations of the Management Board of the Bank stipulate that resolutions are to be adopted by open ballot. As an exception to this rule, the Regulations state that only in situations defined by law or in other justified cases, the President of the Management Board may order a secret ballot (§ 8.2 of the Regulations).

Due to the special nature of the banking sector, it is the opinion of the Bank that it is not possible to enumerate in law all situations in which a secret ballot would be the optimal solution from the perspective of corporate governance of the Bank. Therefore, the Bank does not completely exclude the option to vote by secret ballot in cases other than stipulated by law. The Bank has limited the aforesaid option to cases mentioned above, considering this solution as an optimal compromise between full transparency of the decision-making process at the Bank and the need to ensure that members of the Management Board of the Bank and the Supervisory Board are able to adapt to special circumstances.

Until 14 June 2022, the Bank did not comply with specific principle 6.4. "Best Practice 2021", pursuant to which the remuneration of members of committees, in particular the audit committee, must take into account additional workload related to work in these committees. The principles of remuneration applicable to members of the Supervisory Board of the Bank, defined by the General Meeting, did not provide for additional remuneration for members of committees operating under the Supervisory Board, with the exception of an increase in remuneration for the chairpersons of the said committees. On 15

June 2022, the Ordinary General Meeting of the Bank adopted Resolution No. 32 amending Resolution No. 41 of the Ordinary General Meeting of Shareholders of Bank Polska Kasa Opieki Spółka Akcyjna dated 21 June 2018 on principles based on which the remuneration of the members of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna is determined, according to which the remuneration of Members of the Supervisory Board who are members of committees functioning in the Supervisory Board takes into account additional workload related to work in these committees. The Resolution does not apply to members who act in the capacity the Chairperson of the Supervisory Board, Vice-Chairperson of the Supervisory Board, Secretary of the Supervisory Board and chairpersons of the committees functioning in the Supervisory Board, because their remuneration already includes the above expenditures pursuant to Resolution No. 41 of the Ordinary General Meeting of Shareholders of Bank Polska Kasa Opieki Spółka Akcyjna dated 21 June 2018 on principles based on which the remuneration of the members of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna is determined. With the above in mind, specific principle 6.4. has been applied by the Bank since 15 June 2022.

By virtue of Report No. 1/2022 of 15 June 2022, the Bank updated the "Information on the compliance by the company with the rules contained in the Code of Best Practice for WSE Listed Companies 2021" (hereinafter "Information on the compliance with the Best Practice 2021"), bearing in mind resolutions No. 32 and 34 adopted by the Ordinary General Meeting of the Bank.

Disclosure obligations arising from the Warsaw Stock Exchange Rules and the Best Practice 2021

Disclosure obligations concerning compliance with corporate governance principles laid down in the Best Practice 2021 were specified in the Rules of Giełda Papierów Wartościowych w Warszawie S.A. (hereinafter referred to as "Warsaw Stock Exchange Rules"). Rules for the submission of current reports concerning compliance with specific principles of corporate governance laid down in the Warsaw Stock Exchange Rules are defined in Resolution No. 14/1835/2021 of the Supervisory Board of Giełda Papierów Wartościowych w Warszawie S.A. (the Warsaw Stock Exchange) of 29 March 2021 amending the Warsaw Stock Exchange Rules.

1. § 29.3 of the Warsaw Stock Exchange Rules states that in order to ensure comprehensive information on the current status of compliance with corporate governance principles, the issuer must publish information indicating which principles are being observed by them and which principles are not being complied with on a continuous basis. As regards principles which are complied with by the issuer, the information must include a detailed explanation of circumstances and reasons of non-compliance with that principle. If the status of compliance with the principles changes or there are circumstances justifying a change to the explanations regarding non-compliance or compliance with the principle, the issuer is under an obligation to promptly update previously published information.

Furthermore, pursuant to § 29.3a of the Warsaw Stock Exchange Rules, if the specified corporate governance principle was breached incidentally, the issuer must promptly publish information on that fact, indicating the circumstances and reasons for breaching the said principle and explaining how they intend to remove any effects of non-compliance or what steps they intend to take to reduce the risk of non-compliance with that principle in the future, and whether in the last two years there were any cases of an incidental breach of that principle.

Pursuant to Resolution No. 691/2021 of the Management Board of Giełda Papierów Wartościowych w Warszawie S.A. of 1 July 2021 on the provision by listed companies of information concerning compliance with corporate governance principles, listed companies provide this information to the Stock Exchange via the Electronic Information Database ("EID") in the manner specified in Resolution No. 646/2011 of the Management Board of the Warsaw Stock Exchange of 20 May 2011

(as amended), and publish this information on their corporate website immediately after it is provided.

Pursuant to § 29.3 of the Warsaw Stock Exchange Rules, by means of Report No. 1/2021 of 4 August 2021 the Bank published Information on compliance by the Bank with "Best Practice 2021", where the Bank included explanations for principles with which the Bank does not comply, i.e. specific principles: 2.1; 2.2; 2.4, 6.4 concerning the diversity policy, open ballot voting by the management board and supervisory board, and the remuneration of Members of the Supervisory Board.

In connection with the adoption of the following resolutions by the Ordinary General Meeting of the Bank on 15 June 2022:

- 1) Resolution No. 32 amending Resolution No. 41 of the Ordinary General Meeting of Shareholders of Bank Polska Kasa Opieki Spółka Akcyjna dated 21 June 2018 on principles based on which the remuneration of the members of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna is determined,
- 2) Resolution No. 34 on the adoption of the Gender Equality and Diversity Policy with regard to the bank's employees, including members of the Supervisory Board, members of the Management Board and persons holding key functions at Bank Polska Kasa Opieki Spółka Akcyjna to the extent that it applies to members of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna,

the content of the "Information on the compliance with the Best Practice 2021" published in Report No. 1/2021 of 4 August 2021 has changed.

By virtue of Report No. 1/2022 of 15 June 2022, the Bank updated the above-mentioned Information having regard to the resolutions referred to above adopted by the Ordinary General Meeting of the Bank.

The changes consist in:

- 1) updating information on the compliance with Principle 6.4. from 15 June 2022 in connection with the adoption by the Ordinary General Meeting of the Bank of the above-mentioned Resolution No. 32, according to which the remuneration of Members of the Supervisory Board who are members of committees functioning in the Supervisory Board takes into account additional workload related to work in these committees. The Resolution does not apply to members who act in the capacity the Chairperson of the Supervisory Board, Vice-Chairperson of the Supervisory Board, Secretary of the Supervisory Board and chairpersons of the committees functioning in the Bank, because their remuneration already includes the above expenditures pursuant to Resolution No. 41 of the Ordinary General Meeting of Shareholders of Bank Polska Kasa Opieki Spółka Akcyjna dated 21 June 2018 on principles based on which the remuneration of the members of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna is determined,
- 2) updating the comment on non-compliance with principle 2.1. to include information, according to which, by virtue of Resolution No. 34 of 15 June 2022, the Ordinary General Meeting of the Bank adopted the Gender Equality and Diversity Policy with regard to the bank's employees, including members of the Supervisory Board, members of the Management Board and persons holding key functions at Bank Polska Kasa Opieki Spółka Akcyjna to the extent that it applies to members of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna.

The above information did not change until 31/12/2022 and there was no need to update it. There was also no incidental breach of any principle, therefore there was no grounds to publish the report referred to in § 29 (3a) of the Warsaw Stock Exchange Rules.

2. As of 1 July 2021, pursuant to CORPORATE GOVERNANCE COMMITTEE RECOMMENDATIONS ON COMPLIANCE WITH "BEST PRACTICE FOR WSE LISTED COMPANIES 2021" issued by the Warsaw Stock Exchange (GPW), when applying principle 1.1. on running a corporate website, companies must use it to present information on compliance with corporate governance principles published on the basis of the Warsaw Stock Exchange Rules.

The Bank's website publishes "Information on the compliance with the Best Practice 2021".

Disclosure obligations concerning corporate governance principles arising from the Regulation of the Minister of Finance on the current and periodic information provided by issuers of securities and on conditions under which information required by legal regulations of a third country may be recognised as equivalent.

In 2022, the Bank prepared the Statement of Bank Polska Kasa Opieki Spółka Akcyjna on compliance with corporate governance principles in 2021 and included it in the Report on the activities of Bank Pekao S.A. for the year 2021 and in the Report on the activities of the Bank Pekao S.A. Capital Group for the year 2021. The statement was prepared in accordance with the Regulation of the Minister of Finance of 29 March 2018 on the current and periodic information provided by issuers of securities and on conditions under which information required by legal regulations of a third country may be recognised as equivalent, and contained all elements specified in § 70.6.5. of the aforementioned regulation.

When making the statement on compliance with corporate governance principles, the Bank also implemented the Commission Recommendation 2014/208/EU of 9 April 2014 on the quality of corporate governance reporting ("comply or explain").

Summary

In 2022, the Bank applied the corporate governance principles set out in the Warsaw Stock Exchange Rules by complying with the "Best Practice 2021" nearly to the full extent.

Disclosure obligations concerning compliance by the Bank with corporate governance principles laid down in:

- the Rules of Giełda Papierów Wartościowych w Warszawie S.A. (the Warsaw Stock Exchange Rules)

and

- the Regulation of the Minister of Finance on the current and periodic information provided by issuers of securities and on conditions under which information required by legal regulations of a third country may be recognised as equivalent,

Were fulfilled by the Bank in 2022 by:

- ✓ publishing Report No. 1/2022 of 15 June 2022 containing an update of "Information on the compliance with the Best Practice 2021",
- ✓ publishing on the Bank's website the updated "Information on the compliance with the Best Practice 2021",
- ✓ including the *Statement of Bank Polska Kasa Opieki Spółka Akcyjna on compliance with corporate governance principles in 2021* in the Report on the activities of Bank Pekao S.A. for the year 2021, in the Report on the activities of the Capital Group of Bank Pekao S.A. for the year 2021 and in the Annual Report of the Bank. The statement was prepared in accordance with the Regulation of the Minister of Finance of 29 March 2018 on *the current and*

periodic information provided by issuers of securities and on conditions under which information required by legal regulations of a third country may be recognised as equivalent,

ASSESSMENT OF THE SUPERVISORY BOARD

In order to perform the assessment referred to in specific principle 2.11.4 of the "Best Practice 2021", the Supervisory Board thoroughly examined the results of analyses concerning compliance by the Bank with the "Best Practice 2021" in 2022, and actions of the Bank aimed at compliance with the aforementioned corporate governance principles to the greatest possible extent. The Supervisory Board does not raise any objections regarding compliance with corporate governance principles by Bank Polska Kasa Opieki Spółka Akcyjna in 2022 and the manner in which Bank Polska Kasa Opieki Spółka Akcyjna performs disclosure obligations related to their application, as set out in the Warsaw Stock Exchange Rules and in the provisions on current and periodic information provided by issuers of securities, and positively assesses the operations of the Bank to that extent as adequate and consistent with requirements laid down in these provisions.

XV. Assessment of internal governance of Bank Polska Kasa Opieki Spółka Akcyjna, its adequacy, effectiveness and implementation

The Supervisory Board assessed internal governance of Bank Polska Kasa Opieki Spółka Akcyjna, its adequacy, effectiveness and implementation after examining the assessment of the Management Board of the Bank in that regard and on the basis of:

- an opinion of the Audit Committee, and
- conclusions and information presented to the Supervisory Board or its committees by the Management Board of the Bank in the area of internal governance, including information on the status of implementation of Recommendation Z of the Polish Financial Supervision Authority concerning corporate governance principles at banks,
- the results of the assessment of the internal control system, risk management system and compliance with corporate governance principles and other market standards applied at the bank, performed by the Supervisory Board.

The Supervisory Board positively assesses the Bank's internal governance, which has been defined in the Bank's Articles of Association and internal regulations adopted by the Bank.

It is the assessment of the Supervisory Board that the said governance is adequate to the scale of activities pursued by the Bank, compliant with the law, transparent and effective. Internal governance of the Bank consists of:

- the bank management system,
- the organisational structure of the bank,
- rules of operation, rights, duties and responsibilities, and mutual relations between the supervisory board, the management board and key function holders at the bank.

The organisational structure of the Bank ensures effective and prudent management of the Bank, both on a stand-alone basis and at the level of the Group.

The Supervisory Board of the Bank is responsible for effective performance of continuous supervision over all areas of activity pursued by the Bank, including over the implementation of the management system in the Bank and the assessment of adequacy and effectiveness of that system. The Bank

provides the Supervisory Board with access to information, resources and support necessary for the Supervisory Board to perform its duties.

The Supervisory Board exercises continuous supervision over the Bank's operations in all areas of its activity, having regard to the Bank's role as a parent company with respect to its subsidiaries. The Supervisory Board makes decisions on matters reserved for the Supervisory Board pursuant to the provisions laid down in the Articles of Association of the Bank, generally applicable provisions of law, and recommendations of supervision authorities.

The Management Board of the Bank manages the operations of the Bank, including by deciding how to perform tasks, controls and supervises the process of performing tasks and analyses the achieved results. The scope of duties of the Management Board includes matters not reserved for other statutory bodies of the Bank under legal regulations or the Articles of Association of the Bank. The Management Board regularly, and when necessary – immediately, informs the Supervisory Board about events and circumstances relevant to the assessment of the situation of the Bank and its management. The Bank, as the parent company in the Group, ensures proper internal governance throughout the Group, corresponding to the structure, activity and risk of the Group, and exercises appropriate ownership supervision over subsidiaries.

The duties of the Supervisory Board and the Management Board of the Bank are coordinated in a way that ensures the effective operation of these bodies in order to implement the bank management strategy and risk management strategy.

The Bank ensures an appropriate composition of the Supervisory Board and the Management Board and an internal regulation concerning the appointment and dismissal of Members of these Bodies that has been approved by the General Meeting of Shareholders. Furthermore, the Management Board of the Bank has also implemented a written policy for identifying key function at the bank as well as appointing and dismissing key function holders, approved by the Supervisory Board.

Members of the Supervisory Board the Management Board, as well as key function holders at the Bank, meet the suitability requirement, i.e. have knowledge, skills and experience necessary to perform functions or hold positions and perform duties as well as provide a guarantee that the said duties will be duly performed.

In the event of any conflict of interests or a possibility that a conflict of interest may occur, members of the Supervisory Board shall inform the Supervisory Board of this fact and exclude themselves from the discussion and from voting on the adoption of a resolution on a matter in which a conflict of interest has occurred or may have occurred.

In the event of any conflict of interest or a possibility that a conflict of interest may occur, members of the Management Board shall inform the Management Board of this fact and exclude themselves from the discussion and from voting on the adoption of a resolution on a matter in which a conflict of interest has occurred or may have occurred.

The Bank has established appropriate standards of conduct and standards for managing conflicts of interest.

The Bank has the Code of Conduct of the Pekao Group (hereinafter: "Code"), adopted by resolution No. 621/XII/21 of 3 December 2021 of the Management Board of the Bank and approved by resolution No. 167/21 of the Supervisory Board of the Bank of 13 December 2021.

The Code is a document containing the key values and principles applicable in all areas of the Bank's activity and in its organisational culture, affecting the decisions, procedures and organisational system of the Bank.

The Code must be read in conjunction with applicable internal regulations and best practices, which include:

- the Principles of Best Banking Practices of the Polish Bank Association,
- The Best Practice for WSE Listed Companies 2021,
- the Charter of Best Practices in the Financial Market adopted by Resolution of the Polish Financial Supervision Authority.

Provisions laid down in the Code:

- refer to the values defined and adopted at the Bank, identify with them, indicate appropriate patterns of conduct and required standards;
- emphasise the role and importance of the ethical culture of the Bank, which forms the foundation of its activities and actions promoting ethical conduct;
- emphasise the promotion by the Management Board of the Bank and Management Boards of Group Companies of adopted high ethical and professional standards, with particular focus on the awareness of the importance of risk in the activities offered by the Bank and Group Companies and the risk culture – the Bank adopted the Principles of Risk Culture;
- indicate that the Management Board of the Bank and the Management Boards of Group Companies periodically verify and assess compliance with the principles of ethics set out in the Code and inform the Supervisory Board of the Bank and Supervisory Boards of Group Companies, as the case may be, about the results of performed assessments.

The Bank verified and assessed the Bank's compliance with the principles of ethics set out in the Pekao Group Code of Conduct in 2022 and considered that they were adapted to the Bank's internal situation and its environment. The Supervisory Board of the Bank was informed about the results of the assessment.

The Rules for Managing Conflicts of Interest in force at the Bank set forth the rules for managing conflicts of interest and define circumstances that cause or may cause a conflict of interest in the activities of the Bank. The said rules are included in the Policy for Managing the Conflict of Interest in the Pekao Group approved by the Supervisory Board, which must be observed together with specific principles of conduct laid down in the Regulations for Managing Conflicts of Interest in the Pekao Group. These documents set out the methodology for managing conflicts of interest that allows to identify and assess compliance risk connected with a specific conflict, choose appropriate measures to prevent or minimise negative consequences, eliminate conflicts of interest and monitor them.

The Bank defines circumstances in which conflicts of interest are most frequently identified, taking into consideration both areas potentially at risk of a conflict of interest and types of relations concerning the Bank, employees, entities from the Pekao Group and third parties, especially customers and trading partners of the Bank. The identified types of conflicts of interest and the measures to manage them that should be applied by Employees identifying conflicts of interest are included in the Conflicts of Interest Matrix.

As a result of the analysis of provisions laid down in Recommendation Z conducted by the Bank, internal regulations of the Bank concerning conflict of interest management were adapted to its requirements.

The Supervisory Board assesses the functioning of the Bank's internal governance regarding standards of conduct and conflicts of interest as compliant with the provisions laid down in Recommendation Z of the PFSA.

Bank Pekao S.A. has an Outsourcing Policy adopted by the Management Board of the Bank and Order No. D/68/2021 that expands its contents; both of the above documents regulate the rules and procedure for outsourcing operations, including: duties of Bank units supervising outsourcing agreements (work orders) and duties of supporting units participating in the outsourcing process, competence to make outsourcing decisions, rules for assessing trading partners and performing risk analyses, and rules for keeping a register of agreement and communicating with the PFSA. Issues related to outsourcing are covered by the management information system.

In December 2021, internal regulations of the Bank on outsourcing operations were adapted to the requirements laid down in Recommendation Z. As a result of the said changes, the Supervisory Board will receive from the Management Board of the Bank, twice a year, information on the assessment of the performance of agreements in terms of validity and compliance with internal regulations on outsourcing.

The Remuneration Policy for Members of the Supervisory Board and the Management Board of Bank Polska Kasa Opieki Spółka Akcyjna" (hereinafter: "Remuneration Policy") sets out the rules and regulations concerning the determination, monitoring and control of remuneration schemes and practices applied by the Bank, forms a component of governance, and results from the business strategy pursued by the Bank. The policy reflects the mission and values in the Bank's approach to remuneration schemes; defines remuneration pillars, the management of structure, corporate and organisational processes; confirms requirements related to the compliance of remuneration schemes with generally applicable laws; defines principles for monitoring market practices and approach to the issue of remuneration schemes ensuring the continuity of the Bank's operations.

The provisions laid down in Recommendation Z of the Polish Financial Supervision Authority are reflected in the Remuneration Policy in force at the Bank. Each year the Supervisory Board of the Bank assesses the functioning of the Remuneration Policy at the Bank and presents a report to the General Meeting of Shareholders in order for the General Meeting to verify whether the adopted Remuneration Policy of the Bank is conducive to the growth and security of the Bank's operations.

Moreover, the Review Report of the Remuneration Policy is presented to the Supervisory Board of the Bank.

On the basis of information presented in the chapter "Assessment of the risk management system", the Supervisory Board positively assesses the risk management system functioning in the Bank and in the Pekao Group, especially as consistent in that regard with guidelines on corporate governance principles in force at the Bank.

As regards the process of implementing new products, the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna approved an update to the New Product Implementation Process Policy at Bank Pekao Spółka Akcyjna on the basis of the Articles of Association of Bank Polska Kasa Opieki S.A. and Resolution No. 19//22 of the Management Board of the Bank of 12 January 2022 (hereinafter: "New Product Implementation Policy"). The reason for the update is to both mitigate regulatory and operational risk due to the regulatory requirements laid down in Recommendation Z of the Polish Financial Supervision Authority ("PFSA") and EBA Guidelines EBA/GL/2021/05 of 2 July 2021 on internal governance ("EBA Guidelines") as well as to adapt the provisions laid down in internal documents to the changing structure/responsibilities in organisational units of the Bank.

The aim of the New Product Implementation Policy is to promote best practices and standards related to the process of introducing New Products at the Bank by defining rules concerning, inter alia:

- a. the analysis of factors influencing the process of evaluating the implementation of New Products,

- b. documentation necessary for the assessment and approval of the New Product,
- c. the organisation of the New Product approval process, and
- d. the organisation of the process of developing, monitoring and updating the Product Catalogue.

Pursuant to § 12 of the New Product Implementation Policy, the introduction of New Products to the Bank's Product Range or the Implementation of an Insurance Product for distribution requires prior approval by the Management Board of the Bank.

If the Management Board of the Bank did not take into consideration negative opinions expressed by the Compliance Department or units in the Risk Management Division as to the validity of approval granted for a New Product or Implementation of an Insurance Product when approving a New Product or the Implementation of an Insurance Product for distribution, the Management Board of the Bank promptly informs the Supervisory Board of the decision made and states reasons why the Management Board disregarded the opinions of the aforementioned organisational units.

As regards the information policy and disclosures, the Supervisory Board of the Bank, acting pursuant to the Articles of Association of the Bank, "Information Policy of Bank Pekao S.A. regarding capital adequacy" and Regulation of the Minister of Finance, Funds and Regional Policy of 8 June 2021 on the risk management system, internal control system and remuneration policy in banks, approved disclosures related to capital adequacy titled "Information on the capital adequacy of the Capital Group of Bank Pekao S.A. as at 31 December 2022", which included qualitative and quantitative information on capital adequacy.

All information distributed or published through the Marketing Department is provided by substantive units of the Bank and verified prior to its publication/distribution by the Compliance Department or, where required, by the Legal Department.

These issues have been regulated in the Regulation titled "Principles of the information policy of Bank Polska Kasa Opieki Spółka Akcyjna regarding contacts with investors and securities market analysts, media and customers".

The document regulating the rules of marketing communication of Bank Pekao S.A. is the Regulation titled "Rules for developing marketing communication of Bank Polska Kasa Opieki Spółka Akcyjna", which contains guidelines for all organisational units on how to conduct promotional activities and prepare advertising and advertising communication for customers and stakeholders of the bank.

The aim of the regulation is to ensure that promotional activities are carried out and advertising and advertising communication is developed in a proper, transparent way that is clear to customers and stakeholders of the Bank, in compliance with the applicable laws, guidelines of supervisory authorities and trade institutions of which the Bank is a member, and in line with the principles of fair trading on the financial market, good practices and the customer's statements of intent.

Acting on the basis of the aforementioned regulations, the Bank develops and implements, in all channels including bank outlets, corporate website at pekao.com.pl and external marketing channels, communication concerning:

- rules applicable to the bank products and services offered by the bank (especially: accounts, payment cards, electronic banking, savings and investment products, cash loans, housing loans, insurance),
- the terms and conditions of: promotions, contests, special offers, lotteries,
- costs connected with using products and services.

When providing information on types and conditions of provided services, the Bank, acting in the best

interest of the customer:

- provides customers with full, reliable and personalised information about the service, its provider, rules for filing complaints and, where possible, supports customers in filing a complaint,
- exercises due diligence to present information on the product to the fullest possible extent and show differences between individual services offered with an indication of benefits offered by a given service and related risks, enabling the customer to make an informed choice,
- exercises due diligence to ensure that advertising: does not contain information that is untrue or partially true or does not refer to recommendations that became invalid,
- indicates the existence of fees and commissions and the place where documents containing full information on the service being advertised are available,
- applies appropriate graphic solutions that do not hinder the consumer in examining material information concerning the service being advertised, especially information required by law and recommendations of supervisory authorities,
- provides the sources of the presented information, if advertising communication refers to the results of polls, statistical surveys, rankings, ratings or other data,
- focuses on services offered by the bank, does not refer to services offered by other bank, and does not create a negative image of competitors,
- acts pursuant to the provisions of generally applicable law and guidelines of supervisory authorities, the principles of fair trading on the financial market, good practices and statements of intent of the Customer concerning these actions,
- ensures that graphic solutions used in Advertising Communication that do not hinder the consumer in examining material information concerning the Service being advertised, especially information required by law and recommendations of Supervisory Authorities,
- where Advertising Communication is addressed to the Customer via means of electronic communication, the Bank makes every effort to ensure their security while also providing information that the Bank does not require the disclosure of data, including passwords and logins,
- ensures that included links do not lead directly to transaction services.

Pursuant to Regulation (EU) No 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (Taxonomy Regulation, hereinafter referred to as "taxonomy" or "EU taxonomy") and its implementing acts:

- Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation (Delegated Regulation to Article 8 of the Taxonomy Regulation), and
- Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives, In the transition period (i.e. from 1 January 2022 to 31 December

2023), Bank Pekao is required to disclose the share in total assets of exposures to activities described according to technical eligibility criteria, i.e. qualifying for systematics (taxonomy eligibly) in terms of two climate objectives – climate change adaptation or climate change mitigation. In implementing the requirements of the above provisions, the Bank presented information on the share in total assets of exposures to activities that are eligible and not eligible for the taxonomy (broken down by Turnover KPI and Capex KPI) and other information that the Bank is obliged to disclose in the period from 1 January 2022 until 31 December 2023 in accordance with the requirements laid down in Article 10.3 of the Delegated Regulation 2021/2178.

Additionally, Bank Pekao S.A. has disclosed information within the scope specified by the so-called Principle Adverse Impacts, in accordance with Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on disclosure of information related to sustainable development in the financial services sector, for the Pekao Group as an investee.

As a member of the United Nations Global Compact, Bank Pekao S.A. fully identifies with the 10 Principles of Global Compact, supports the efforts of that organisation towards sustainable development and undertakes numerous initiatives promoting respect for human rights, improvement of working conditions, environmental protection and the fight against corruption.

10 Principles of the United Nations Global Compact:

1. Support and respect the protection of internationally proclaimed human rights;
2. Ensure that your company does not participate in any way in the violation of human rights;
3. Respect the freedom of association;
4. Eliminate all forms of forced or compulsory labour;
5. Eradicate all forms of child labour;
6. Effectively combat discrimination in the workplace;
7. Take a preventive approach to environmental protection;
8. Develop initiatives and practices aimed at promoting environmental responsibility;
9. Use and disseminate environmentally responsible technologies, and
10. Fight corruption in all of its forms, including extortion and bribery.

The individual principles of the UN Global Compact are reflected in the policies and internal regulations of the Bank and the Pekao Group and have been described in the Business Strategy and ESG Strategy of Bank Pekao S.A. for the years 2021-2024 "Responsible Bank supporting sustainable development".

XVI. Summary

The Supervisory Board assesses the situation of the Bank as satisfying and stable. The assessment is justified by: (i) good financial results, (ii) effective cost management, (iii) effective and consistent risk management, (iv) strong capital and liquidity base, (v) high level of the Bank's security, (vi) efficient internal control system, and (vii) operational effectiveness.

In the opinion of the Supervisory Board, Bank Pekao S.A. has a strong capital and liquidity structure while also maintaining the highest risk management standards and continuing to improve cost efficiency. The above means that the strategic objectives of the Bank, announced as part of the strategy of the Bank for the years 2021-2024 titled "Responsible Bank. Modern Banking", may be pursued in an efficient manner. And that the Bank may become the leader in terms of profitability in the Polish

banking sector by following the path of smart growth and relying on a business model that is based on high efficiency and quality of processes.