



Bank Polski

Appendix to Resolution No. 59 /2022

of the Supervisory Board of 11 April 2022

Report
of the Supervisory Board
of PKO Bank Polski S.A.
for 2021

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Pursuant to Article 382 of the Commercial Companies Code, § 70 (1) (14) and § 71 (1) (12) of the Regulation of the Minister of Finance of 29 March 2018 on current and periodical information provided by issuers of securities and conditions for considering equivalent the information required under the legislation of a non-Member State (hereinafter called the "Regulation on current and periodical information") and § 15 (1) (15) of the Articles of Association of PKO Bank Polski S.A., the Supervisory Board of PKO Bank Polski S.A. (hereinafter called the "Supervisory Board") expressed a positive opinion on the following reports as regards their consistency with the books, documents and the facts:

- 1) the consolidated financial statements of the PKO Bank Polski S.A. Group (hereinafter called the "Bank's Group") for the year ended 31 December 2021;
- 2) the financial statements of PKO Bank Polski S.A. (hereinafter called the "Bank") for the year ended 31 December 2021;
- 3) the PKO Bank Polski S.A. Group Directors' Report for 2021, prepared together with the Directors' Report of PKO Bank Polski S.A.

on the basis of:

- the contents of the aforementioned reports presented to and discussed by the Bank's Management Board;
- the reports on the audit of the separate and consolidated financial statements of the Bank and the Bank's Group and the audit firm's additional report for the Audit Committee of the Bank's Supervisory Board;
- meetings with the representatives of the audit firm, including the key registered auditor;
- the recommendation of the Audit Committee of the Bank's Supervisory Board on giving a positive opinion on the audited financial statements.

The financial statements specified in (1)-(2) were audited by the audit firm PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k. which was appointed by the Supervisory Board to audit the separate financial statements of the Bank and the consolidated financial statements of the Bank's Group for 2021.

The results of the evaluation, including the statement of grounds, are presented below:

1. The Supervisory Board has read and analysed the financial statements of PKO Bank Polski S.A. for the year ended 31 December 2021, comprising:
 - 1) selected financial data;
 - 2) the income statement for the period from 1 January 2021 to 31 December 2021;
 - 3) the statement of comprehensive income for 2021;
 - 4) the statement of financial position prepared as at 31 December 2021;
 - 5) the statement of changes in equity for the year ended 31 December 2021;
 - 6) the statement of cash flows for the period from 1 January 2021 to 31 December 2021;
 - 7) notes to the financial statements.

2. The Supervisory Board has read and analysed the consolidated financial statements of the PKO Bank Polski S.A. Group for the year ended 31 December 2021, comprising:
 - 1) selected consolidated financial data;
 - 2) the consolidated income statement for the period from 1 January 2021 to 31 December 2021;
 - 3) the consolidated statement of comprehensive income for 2021;
 - 4) the consolidated statement of financial position prepared as at 31 December 2021;
 - 5) the consolidated statement of changes in equity for the year ended 31 December 2021;
 - 6) the consolidated statement of cash flows for the period from 1 January 2021 to 31 December 2021;
 - 7) notes to the consolidated financial statements.
3. The Supervisory Board has read and analysed the PKO Bank Polski S.A. Group Directors' Report for 2021, prepared together with the Directors' Report of PKO Bank Polski S.A.

The financial statements of PKO Bank Polski S.A. and the consolidated financial statements of the PKO Bank Polski S.A. Group for the year ended 31 December 2021 were prepared within the deadline specified in the legal regulations, in accordance with International Financial Reporting Standards as adopted by the European Union as at 31 December 2021 and, to the extent not covered by the aforementioned standards, in accordance with the requirements of the Accounting Act and the secondary legislation issued on its basis, as well as the requirements relating to issuers of securities admitted to or applying for admission to trading on the official stock exchange market.

The financial statements of PKO Bank Polski S.A. for the year ended 31 December 2021 and the consolidated financial statements of the PKO Bank Polski S.A. Group for the year ended 31 December 2021 present the accounting policies applied consistently in all the years presented, except for the issues described in the note "Changes in the accounting policies applicable from 1 January 2021 and the explanation of the differences between the previously published financial statements and these financial statements".

Having analysed the independent registered auditor's reports and the audit firm's additional report for the Audit Committee of the Bank's Supervisory Board and based on the meetings with the audit firm, and taking into account the positive recommendations of the Audit Committee of the Bank's Supervisory Board presented on 23 February 2022, the Supervisory Board gave a positive opinion on the consolidated financial statements of the PKO Bank Polski S.A. Group for the year ended 31 December 2021, the financial statements of PKO Bank Polski S.A. for the year ended 31 December 2021 and the PKO Bank Polski S.A. Group Directors' Report for 2021, prepared together with the Directors' Report of PKO Bank Polski S.A.

In particular, the independent registered auditor presented its opinions:

- on the financial statements of PKO Bank Polski S.A. for the year ended 31 December 2021, concluding that they give a fair and clear view of the Bank's economic and financial position as at 31 December 2021 and that they have been prepared on the basis of properly maintained books of account in accordance with the provisions of Chapter 2 of the Accounting Act, and that they comply, in terms of form and content, with the laws applicable to the Bank and its Articles of Association;

- on the consolidated financial statements of the PKO Bank Polski S.A. Group for the year ended 31 December 2021, concluding that they give a fair and clear view of the consolidated economic and financial position of the Bank's Group as at 31 December 2021 and that they comply, in terms of form and content, with the laws applicable to the Bank's Group and the Articles of Association of the Parent Company.

In addition, with regard to the PKO Bank Polski S.A. Group Directors' Report for 2021, prepared together with the Directors' Report of PKO Bank Polski S.A., the registered auditor concluded, based on the work performed during the audit of the financial statements, that the Directors' Report had been prepared in accordance with Article 49 of the Accounting Act, § 70 and § 71 of the Regulation on current and periodical information, and Article 111a (1)-(2) of the Banking Law, and that it was consistent with the information in the financial statements.

Based on the above procedures, the Supervisory Board is of the opinion that the consolidated financial statements of the PKO Bank Polski S.A. Group for the year ended 31 December 2021, the financial statements of PKO Bank Polski S.A. for the year ended 31 December 2021, and the PKO Bank Polski S.A. Group Directors' Report for 2021, prepared together with the Directors' Report of PKO Bank Polski S.A. are consistent with the books, documents and the facts.

Pursuant to Article 4a (1) of the Accounting Act, the Supervisory Board also assures that the aforementioned statements and reports meet the requirements provided for in that Act.

Therefore, the Supervisory Board has requested that the Annual General Meeting of PKO Bank Polski S.A. approve the aforementioned statements and reports.

EVALUATION OF THE MANAGEMENT BOARD'S PROPOSALS FOR RETAINING THE UNAPPROPRIATED PROFIT OF PKO BANK POLSKI S.A. FOR THE PRIOR YEARS AS UNAPPROPRIATED PROFIT AND FOR THE APPROPRIATION OF PKO BANK POLSKI S.A.'S PROFIT EARNED IN 2021

1. The Supervisory Board, given the positive recommendation of the Audit Committee of the Supervisory Board, gave a positive opinion on the Management Board's proposal for retaining the unappropriated profit of PKO Bank Polski S.A. for the prior years as unappropriated profit.

In accordance with the aforementioned proposal of the Management Board and the above opinion of the Supervisory Board:

The unappropriated profit of PKO Bank Polski S.A. for the prior years of PLN 5 500 000 000 will be retained as unappropriated profit.

2. The Supervisory Board, given the positive recommendation of the Audit Committee of the Supervisory Board, gave a positive opinion on the Management Board's proposal for the appropriation of PKO Bank Polski S.A.'s profit earned in 2021.

In accordance with the aforementioned proposal of the Management Board and the above opinion of the Supervisory Board:

1. Out of PKO Bank Polski S.A.'s net profit earned in 2021 of PLN 4 596 336 372, PLN 2 287 500 000 will be earmarked for a dividend, which represents 49.77% of PKO Bank Polski S.A.'s net profit earned in 2021.
2. The remainder of the profit of PLN 2 308 836 372 will remain unappropriated.

REPORT ON THE ACTIVITIES OF THE SUPERVISORY BOARD AS A CORPORATE BODY IN 2021

Information on the Supervisory Board's term of office and another year of activities during the term of office, and on the composition of the Supervisory Board, functions performed on the Supervisory Board and changes in the composition of the Supervisory Board during the financial year

As at 31 December 2021, the composition of the Supervisory Board was as follows:

(all members appointed for another joint, three-year term of office which began on the date of the Annual General Meeting of PKO Bank Polski S.A. convened for 26 August 2020)

No.	Name and surname	Function	Date of appointment/ dismissal
1.	Maciej Łopiński	Chairman of the Supervisory Board	Appointed to the Supervisory Board on 7 June 2021 for the current joint term of office of the Supervisory Board. (Notarial Deed /Repertorium A-6639/2021, Resolution No. 37/2021) The State Treasury, as an Authorized Shareholder within the meaning of the Bank's Articles of Association, appointed Mr. Maciej Łopiński Chairman of the Supervisory Board.
2.	Wojciech Jasiński	Deputy Chairman of the Supervisory Board	Appointed to the Supervisory Board on 25 February 2016 for the term of office of the Supervisory Board which began on the date of the Annual General Meeting convened for 26 June 2014. (Notarial Deed /Repertorium A-1583/2016, Resolution No. 11/2016) On 22 June 2017, he was dismissed from the Supervisory Board and then appointed to the Supervisory Board for the term of office of the Supervisory Board which began on the date of the Annual General Meeting convened for 22 June 2017. (Notarial Deed /Repertorium A-8117/2017, Resolutions Nos. 36/2017 and 41/2017). Appointed to the Supervisory Board on 26 August 2020 for another joint term of office of the Supervisory Board. (Notarial Deed /Repertorium A-6938/2020, Resolution No. 41/2020) On 7 June 2021, the State Treasury, as an Authorized Shareholder within the meaning of the Bank's Articles of Association, appointed Mr. Wojciech Jasiński Deputy Chairman of the Supervisory Board.

3.	Dominik Kaczmarek	Secretary of the Supervisory Board	Appointed to the Supervisory Board on 7 June 2021 for the current joint term of office of the Supervisory Board. (Notarial Deed / <i>Repertorium</i> A-6639/2021, Resolution No. 38/2021) On 8 June 2021, the Supervisory Board appointed Mr. Dominik Kaczmarek Secretary of the Supervisory Board.
4.	Mariusz Andrzejewski	Member of the Supervisory Board	Appointed to the Supervisory Board on 22 June 2017 for the term of office of the Supervisory Board which began on the date of the Annual General Meeting convened for 22 June 2017. (Notarial Deed / <i>Repertorium</i> A-8117/2017, Resolution No. 44/2017) Appointed to the Supervisory Board on 26 August 2020 for another joint term of office of the Supervisory Board. (Notarial Deed / <i>Repertorium</i> A-6938/2020, Resolution No. 36/2020)
5.	Grzegorz Chłopek	Member of the Supervisory Board	Appointed to the Supervisory Board on 26 August 2020 for another joint term of office of the Supervisory Board. (Notarial Deed / <i>Repertorium</i> A-6938/2020, Resolution No. 37/2020)
6.	Andrzej Kisielewicz	Member of the Supervisory Board	Appointed to the Supervisory Board on 25 February 2016 for the term of office of the Supervisory Board which began on the date of the Annual General Meeting convened for 26 June 2014. (Notarial Deed / <i>Repertorium</i> A-1583/2016, Resolution No. 12/2016). On 22 June 2017, he was dismissed from the Supervisory Board and then appointed to the Supervisory Board for the term of office of the Supervisory Board which began on the date of the Annual General Meeting convened for 22 June 2017. (Notarial Deed / <i>Repertorium</i> A-8117/2017, Resolutions Nos. 36/2017 and 47/2017). Appointed to the Supervisory Board on 26 August 2020 for another joint term of office of the Supervisory Board. (Notarial Deed / <i>Repertorium</i> A-6938/2020, Resolution No. 42/2020)
7.	Rafał Kos	Member of the Supervisory Board	Appointed to the Supervisory Board on 26 August 2020 for another joint term of office of the Supervisory Board. (Notarial Deed / <i>Repertorium</i> A-6938/2020, Resolution No. 43/2020)
8.	Tomasz Kuczur	Member of the Supervisory Board	Appointed to the Supervisory Board on 12 October 2021 for the current joint term of office of the Supervisory Board. (Notarial Deed / <i>Repertorium</i> A-11108/2021, Resolution No. 3/2021)
9.	Krzysztof Michalski	Member of the Supervisory Board	Appointed to the Supervisory Board on 17 September 2019 for the term of office of the Supervisory Board which began on the date of the Annual General Meeting convened for 22 June 2017. (Notarial Deed / <i>Repertorium</i> A-10231/2019, Resolution No. 7/2019) Appointed to the Supervisory Board on 26 August 2020 for another joint term of office of the Supervisory Board. (Notarial Deed / <i>Repertorium</i> A-6938/2020, Resolution No. 44/2020)
10.	Bogdan Szafranski	Member of the Supervisory Board	Appointed to the Supervisory Board on 12 October 2021 for the current joint term of office of the Supervisory Board. (Notarial Deed / <i>Repertorium</i> A-11108/2021, Resolution No. 4/2021)
11.	Agnieszka Winnik-Kalemba	Member of the Supervisory Board	Appointed to the Supervisory Board on 7 June 2021 for the current joint term of office of the Supervisory Board. (Notarial Deed / <i>Repertorium</i> A-6639/2021, Resolution No. 36/2021)

Changes in the composition of the Supervisory Board in 2021:

In 2021, the following changes in the composition of the Bank's Supervisory Board took place:

- Mr. Marcin Izdebski resigned from the Supervisory Board as from 6 June 2021;
- on 7 June 2021, the Annual General Meeting of the Bank:
 - dismissed Grażyna Ciużyńska from the Supervisory Board;
 - appointed Dominik Kaczmarek, Maciej Łopiński and Agnieszka Winnik-Kalemba to the Supervisory Board;
- Mr. Piotr Sadownik resigned from the Supervisory Board as from 11 October 2021;
- on 12 October 2021, the Extraordinary General Meeting of the Bank:
 - dismissed Zbigniew Hajłasz from the Supervisory Board;
 - appointed Tomasz Kuczur and Bogdan Szafranski to the Supervisory Board.

When making changes to the composition of the Supervisory Board, the General Meeting confirmed the individual suitability of the new members of the Supervisory Board in connection with their appointment for the current, joint term of office and the collective suitability of the entire body which takes into account the personnel changes made. In addition, the AGM confirmed the suitability of the current members remaining on the Supervisory Board in connection with the annual, periodic assessment of suitability.

According to point 2.3 of "Best Practice for WSE-Listed Companies 2021" adopted for use by the Bank, as well as the requirement binding on the Bank, arising from the Act of 11 May 2017 on Registered Auditors, Registered Audit Companies and on Public Oversight, at least two members of the Supervisory Board meet the independence criteria specified in that Act, and they have no actual and significant relationships with a shareholder holding at least 5% of the total number of votes at the company.

Therefore, each member of the Bank's Supervisory Board made a declaration on meeting or not meeting the independence criteria so defined. According to those declarations, eight members of the Supervisory Board (i.e. Mariusz Andrzejewski, Grzegorz Chłopek, Andrzej Kisielewicz, Rafał Kos, Maciej Łopiński, Tomasz Kuczur, Bogdan Szafranski, Agnieszka Winnik-Kalemba) meet the independence criteria, and three members of the Supervisory Board (i.e. Wojciech Jasiński, Dominik Kaczmarek, Krzysztof Michalski) do not meet the independence criteria.

Diversity in terms of gender, age and experience - statistics as at 31 December 2021

Gender	Women	Men		
Supervisory Board	1	10		
Age	30-41 years	41-51 years	51-60 years	over 60 years
Supervisory Board	2	4	1	4
Years with the Bank*	up to 5 years	5-10 years		
Supervisory Board	9	2		

*Years with the Bank for the Supervisory Board is years in a position on the Supervisory Board

Information on the number of meetings held by the Supervisory Board and the number of resolutions adopted

In 2021, the Supervisory Board held a total of 15 meetings on the following dates: 21 January, 16 February, 18 March, 28 April, 27 May, 8 June, 15 June, 25 June, 11 August, 14 September, 23 September, 14 October, 26 October, 4 November and 16 December.

In 2021, the Supervisory Board adopted 194 resolutions.

A list of the resolutions adopted by the Supervisory Board in 2021 constitutes Appendix No. 1 to this Report.

Information on the attendance of the Supervisory Board members at the meetings

All absences of the Supervisory Board members at the meetings in 2021 were excused by Resolutions of the Supervisory Board Nos.: 64/2021, 81/2021, 106/2021, 130/2021 and 131/2021, which concerned the absence of three Supervisory Board members at four meetings of the Supervisory Board.

Significant problems addressed by the Supervisory Board

In 2021, in addition to matters relating to the acceptance of documents for the Annual General Meeting (arising from the generally applicable laws and the Bank's Articles of Associations) and the matters specified in the titles of the resolutions adopted by the Supervisory Board in 2021, which are listed in Appendix No. 1 to this Report, the Supervisory Board addressed, among other things, the following issues:

1. changes in the composition of the Bank's Management Board;
2. proposals in the course of proceedings to appoint a firm to audit the financial statements of PKO Bank Polski S.A. and the PKO Bank Polski S.A. Group for the years 2022-2023 as part of the proceedings to appoint the audit firm to audit the financial statements of the Bank and the Bank's Group for the years 2022-2023, continued in 2021;
3. the draft financial plan for 2022;
4. information on the implementation of the tax strategy for 2020;
5. material on PKO Bank Polski against the background of the capital market;
6. information on housing loans supported by the State Treasury;
7. information on the proposal to establish another branch of PKO Bank Polski S.A. abroad and on the functioning of PKO's foreign branches in 2020;
8. materials on the activities in the ESG area in the PKO Bank Polski S.A. Group. ESG ratios for the PKO Bank Polski S.A. Group and the Cooperation of the Bank and the Group companies with rating agencies and ESG agencies in 2020. Prospects for cooperation in 2021;
9. material on Road2Cloud: Technological Transformation Programme of the Bank;
10. material on the review of Blockchain applications and selected implementations at PKO Bank Polski S.A.;
11. information on Operator Chmury Krajowej sp. z o.o.;
12. material on the adoption of Key Performance Indicators for the ESG area in the PKO Bank Polski S.A. Group by the Bank's Management Board;

13. the analysis concerning possible scenarios for the use of PKO Bank Polski S.A.'s own properties and those leased by the Bank and the Group companies in Warsaw and material on the implementation of the Plan for Warsaw – new office space for the needs of the Bank's Head Office and the Group companies;
14. material on the Polish payment standard BLIK - 6 years of digital acceleration;
15. material on PKO Ubezpieczenia (*PKO Insurance*). Summary 2020 and development plans for 2021;
16. material on Masterlease and Automarket – the first summary of the results within the structure of the PKO Leasing Group;
17. information on the functioning of the Financial Shield PFR 2.0;
18. material on PKO Bank Polski S.A.'s commitment to activities and projects supporting Poland's economy, fighting the COVID-19 pandemic, and the state administration;
19. material summarizing PKO Bank Polski S.A.'s measures to support the call centre of GIS (*Chief Sanitary Inspector*) as regards call centres and IT systems;
20. information on the implementation of the decision on the organization and establishment of temporary hospitals by PKO Bank Polski S.A.;
21. the framework work plan for the Supervisory Board and the Committees of the Supervisory Board for 2022.

The topics discussed by the Supervisory Board on a regular basis are:

- 1) the report on the implementation of PKO Bank Polski S.A.'s strategy (in shock socio-economic change conditions caused by the coronavirus epidemic);
- 2) information on the financial results of the PKO Bank Polski S.A. Group, the PKO Bank Polski S.A. Group Directors' Report, and the results of PKO Bank Polski S.A. compared with its rival banks;
- 3) the condensed interim financial statements of PKO Bank Polski S.A. for a six-month period and the condensed interim consolidated financial statements of the PKO Bank Polski S.A. Group for a six-month period;
- 4) the PKO Bank Polski S.A. Group Directors' Report for the first half of the year;
- 5) information on the application of the accounting policies relating to bancassurance;
- 6) reports: Model risk in PKO Bank Polski S.A., Credit risk in PKO Bank Polski S.A., Financial risk in PKO Bank Polski S.A., Operational risk in PKO Bank Polski S.A., Capital adequacy in PKO Bank Polski S.A., Business risk and macroeconomic risk in PKO Bank Polski S.A., Compliance risk and conduct risk, Reputation risk;
- 7) the assessment of the adequacy and effectiveness of the internal control system;
- 8) the status of settlement agreements concerning loans in CHF;
- 9) information on the condition of the Bank's IT System;
- 10) information on the Bank's security;
- 11) material on the assessment of risk related to money laundering and terrorism financing in PKO BP (self-assessment of an obliged institution);
- 12) material on the situation of KREDOBANK S.A.;
- 13) information on the activities outsourced by the Bank to external entities;
- 14) material on court proceedings in which PKO Bank Polski S.A. is a party;
- 15) information on the results of the Supervisory Review and Evaluation Process and the updates of the SREP results (the KOBRA evaluation);

- 16) materials on the macroeconomic situation in Poland and around the world and macroeconomic and market forecasts for the following years;
- 17) information on marketing agreements and public relations and social communication agreements with a value exceeding PLN 500 000 (in words: five hundred thousand) net per annum, concluded on the basis of the “conditional consent” of the Supervisory Board;
- 18) information on the conclusion of release from debt agreements or agreements with a similar effect by the Bank, with a value exceeding PLN 50 000;
- 19) information on the manner of performance of the cash donation agreement with the PKO Bank Polski Foundation and the release from debt agreement with the PKO Bank Polski Foundation;
- 20) information on court cases handed over for conducting in 2020 to CHF law firms with which agreements were concluded on the basis of the resolutions of the Supervisory Board and the Management Board of the Bank;
- 21) material summarizing PKO Bank Polski S.A.’s measures with regard to the Financial Shield 1.0/2.0 PFR for MICRO, SMALL AND MEDIUM-SIZED COMPANIES. Project ARKA (ARK) (Financial Shields PFR 1.0 and 2.0). Summary of PKO Bank Polski S.A.’s measures to support the GIS call centre;
- 22) information concerning the “Business model for the treasury activities of PKO Bank Polski S.A.”;
- 23) information on the correspondence sent to the Supervisory Board.

On 23 September 2021, the Supervisory Board:

- as a result of reading the documentation on the appointment of the audit firm and analysing the Audit Committee’s recommendations in this regard, prepared in accordance with the generally applicable laws in force as at the appointment date and the regulations on the appointment of the audit firm adopted by the Supervisory Board;
- in conjunction with Resolution No. 18/2021 of the Audit Committee of the Supervisory Board of 23 September 2021 on the approval of the Commission’s report on the performance of the procedure for appointing the audit firm and on recommendations to the Supervisory Board as to the adoption of a resolution on the appointment of the audit firm to audit and review the financial statements of PKO Bank Polski S.A. and the PKO Bank Polski S.A. Group for the years 2022-202 - unanimously adopted a resolution based on which:

it appointed PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp. k. the audit firm to audit and review the financial statements of PKO Bank Polski S.A., the PKO Bank Polski S.A. Group and the foreign branches of PKO Bank Polski S.A. for the years 2022-2023.

On 23 February 2022, having read the annual statement on independence issued by the audit firm PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp. k., the Supervisory Board issued a statement (accepting the related recommendation of the Audit Committee of the Supervisory Board) concerning the audit firm conducting the audit of the consolidated financial statements of the PKO Bank Polski S.A. Group for the year ended 31 December 2021 and the financial statements of PKO Bank Polski S.A. for the year ended 31 December 2021, prepared pursuant to § 70 (1) (7) and § 71 (1) (7) of the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information provided by issuers of securities and conditions for considering equivalent the information required under the legislation of a non-Member State, in which it declared that the appointment of the audit firm PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp. k. conducting the audit of the

consolidated financial statements of the PKO Bank Polski S.A. Group for the year ended 31 December 2021 and the financial statements of PKO Bank Polski S.A. for the year ended 31 December 2021 (hereinafter called the "Audit") was performed in compliance with the laws applicable as at the appointment date and the internal regulations of PKO Bank Polski S.A. regarding the appointment of the audit firm, adopted by the Supervisory Board.

Furthermore, the Supervisory Board stated that:

1. the audit firm PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp. k. and the members of the team performing the Audit met the conditions for preparing an unbiased and independent report on the Audit, in accordance with the generally applicable laws, the auditing standards and the principles of professional ethics;
2. PKO Bank Polski S.A. complies with the generally applicable laws relating to the rotation of the audit firm and the key registered auditor conducting the audit of the consolidated financial statements of the PKO Bank Polski S.A. Group and the financial statements of PKO Bank Polski S.A. and those relating to the mandatory cooling-off periods;
3. PKO Bank Polski S.A. has a policy in place for appointing the audit firm to audit the financial statements of PKO Bank Polski S.A. and the PKO Bank Polski S.A. Group, and a procedure for appointing the audit firm to audit the financial statements of PKO Bank Polski S.A. and the PKO Bank Polski S.A. Group, as well as a policy for the provision of permitted non-audit services by the audit firm conducting the audit, the entities related to that audit firm and the member firms of the audit firm's network to PKO Bank Polski S.A. and the companies in the PKO Bank Polski S.A. Group, including services conditionally exempt from the prohibition on being provided by the audit firm.

Inspections performed

In 2021, in justified cases, the Supervisory Board obtained additional information with the participation of the Internal Audit Department and the Bank's units and the Supervisory Board's committees, on the projects carried out at the Bank and the audits performed.

Information on the suspensions of Management Board members from performing their functions by the Supervisory Board and on delegating Board members to perform the functions of Management Board members

In 2021, the Supervisory Board did not make any decisions on the suspension of the Management Board members from performing their functions and did not delegate any Supervisory Board members to perform the functions of Management Board members.

Information on the changes in the composition of the Management Board made by the Supervisory Board in 2021 is presented in the PKO Bank Polski S.A. Group Directors' Report for 2021 prepared together with the Directors' Report of PKO Bank Polski S.A.

Information on the degree of implementation of the policy of diversity with regard to the Management Board and the Supervisory Board

The policy of diversity in respect of the Supervisory Board and the Management Board of the Bank is specified accordingly in:

- the Policy concerning the assessment of the suitability of candidates for members and the members of the Supervisory Board of Powszechna Kasa Oszczędności Bank Polski S.A., adopted by the General Meeting;
- the Policy concerning the suitability of the members of the Management Board and key function holders at the Bank and the assessment of suitability in the companies of the Bank's Group, adopted by the Supervisory Board.

In accordance with the diversity criteria specified in the aforementioned policies, both the Supervisory Board and the Management Board of the Bank are diverse in terms of the basic diversity criteria, i.e. in terms of objective substantive criteria relating to educational background, skills, specialist knowledge and professional experience, and they are also diverse in terms of an additional criterion, i.e. in terms of age.

The composition of the bodies of the Supervisory Board and the Management Board of the Bank offers access to a broad range of competences, knowledge and skills (including knowledge of the Polish language) adequate to the positions held, which guarantee that the members of the Supervisory Board and the Management Board of the Bank - individually and as a body - issue independent opinions and decisions relating to all of the Bank's activities.

The composition of the Supervisory Board and the Management Board of the Bank is also diverse in terms of gender (approx. 9% and approx. 13%, respectively), nevertheless, it does not ensure the achievement of the diversity objectives in this regard, set (in the aforementioned policies) as a gender minority of at least 30%.

Due to the superiority of the requirement for the individual and collective suitability of the aforementioned bodies, the objectives concerning the diversity of the composition of the Supervisory Board and the Management Board are taken into account in selecting members of the bodies only insofar as it does not have an adverse effect on the functioning and suitability of those bodies.

Summary

In 2021, the Supervisory Board of PKO Bank Polski S.A. exercised continuous supervision over the Bank's activities and development in all areas of its operations and fulfilled its duties in a diligent and effective manner. The Supervisory Board operated in accordance with the Articles of Association of the Bank and the Regulations of the Supervisory Board which are reviewed and updated on a regular basis. Moreover, the Supervisory Board defined the tasks, responsibilities and competences which it handed over to the committees of the Supervisory Board. The meetings of the committees of the Supervisory Board were held regularly, with a frequency appropriate for the tasks delegated to them. The composition of the committees of the Supervisory Board was assessed as being adequate in terms of the number of members and their experience and knowledge.

The Supervisory Board members met the requirements concerning the possession of knowledge, skills and experience appropriate for their functions and the duties entrusted. In the opinion of the Supervisory Board, the professional experience and diverse competences of the Supervisory Board members allowed it to examine and give opinions on the

topics presented to it in a comprehensive manner and to represent a broad spectrum of views with regard to the evaluation of the Management Board's work and the functioning of PKO Bank Polski S.A.

The cooperation of the Supervisory Board with the Bank's Management Board was good. The Supervisory Board had current and full information on the events affecting the Bank.

In 2021, all Supervisory Board members participated actively in the Supervisory Board's meetings, and the discussions conducted took into account the assessment of the Bank's current position, market changes as well as good practices and standards. The meetings were long enough to enable the issues on the agendas of the meetings to be discussed in full and to allow time for discussing other Bank-related topics which were important to the Supervisory Board members. The meetings were held regularly, and the Supervisory Board members received materials well in advance of the meetings. The number of meetings was sufficient to enable the Supervisory Board to perform its duties in full.

Other information on the Supervisory Board's work

In 2021, the Supervisory Board had the following committees: the Appointments and Remuneration Committee, the Risk Committee, the Audit Committee and the Strategy Committee. The annual reports on the activities of the aforementioned committees constitute Appendices 2, 3, 4 and 5, respectively, to this Report.

On 23 February 2022, the Supervisory Board issued a statement relating to the Audit Committee of the Supervisory Board of PKO Bank Polski S.A., prepared in accordance with § 70 (1) (8) and § 71 (1) (8) of the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information provided by issuers of securities and conditions for considering equivalent the information required under the legislation of a non-Member State, stating that:

1. PKO Bank Polski S.A. complies with the legal regulations concerning the appointment, composition and functioning of the Audit Committee of the Supervisory Board of PKO Bank Polski S.A., including those regarding the fulfilment of the independence criteria by its members and the requirements concerning the possession of the knowledge and skills required in the industry in which PKO Bank Polski S.A. operates as well as those relating to accounting or the audit of financial statements;
2. the Audit Committee of the Supervisory Board of PKO Bank Polski S.A. functioning at PKO Bank Polski S.A. had performed and continued to perform the audit committee tasks specified in the applicable laws.

ASSESSMENT OF THE BANK'S POSITION ON A CONSOLIDATED BASIS, TAKING INTO ACCOUNT THE ASSESSMENT OF THE INTERNAL CONTROL SYSTEM, RISK MANAGEMENT SYSTEM, COMPLIANCE AND THE INTERNAL AUDIT FUNCTION

Assessment of the Bank's position on a consolidated basis

In order to assess the Bank's position, in 2021 the Supervisory Board of PKO Bank Polski S.A. analysed the information and reports submitted by the Management Board and the organizational units of PKO Bank Polski S.A. regularly and

ordered the performance of additional analyses of issues significant from the perspective of the assessment of the Bank's position.

In 2021, the PKO Bank Polski S.A. Group continued implementing its strategy for the years 2020-2022 PKO Bank of the Future. We support the growth of Poland and Poles", based on the use of modern technologies and deepening the relations with Customers through continued development of the remote channels, precise customization of its offer and advanced data analysis, so as to become PKO Bank of the Future.

The financial objectives set out in the Strategy remain under the pressure of the COVID-19 pandemic and the changes in the economic and regulatory environment. The results for 2021 show that the Bank maintained its budgeted profitability, high operational and risk management effectiveness, as well as its strong capital position.

In 2021, the PKO Bank Polski S.A. generated a record net profit of PLN 4 874 million, which represents an increase of PLN 7 431 million y/y. The change in the net profit was due to the following:

- 1) a significant improvement in net impairment allowances and write-downs of PLN 7 833 million as a result of:
 - the cost of the legal risk of mortgage loans in convertible currencies of PLN 6 552 million being charged to 2020 costs, which reflected the decision of the Extraordinary General Meeting of 23 April 2021 (EGM) on concluding settlements with Customers;
 - an improvement in net allowances for expected credit losses of PLN 910 million mainly as a result of a change in macroeconomic projections in the absence of the materialization of credit risk;
 - an improvement in net impairment allowances for non-financial assets of PLN 370 million, among other things, as the effect of the recognition in 2020 of an impairment allowance for Bank Pocztowy S.A.'s shares (PLN (93) million), the goodwill which resulted from the acquisition of Nordea Bank Polska S.A. (PLN (116) million) and PKO Leasing Pro S.A. (PLN (31) million), the capitalized costs of acquisition of OFE (*Open Pension Fund*) Customers (PLN (49) million) and the impairment of real estate (PLN (62) million);
- 2) an improvement in the result on business activities of PLN 577 million, which reached PLN 15 202 million, mainly as a result of:
 - an increase in net fee and commission income of PLN 511 million due to an increase in the result on all the main items, both commissions relating to loans, cards and savings;
 - an increase in other net income of PLN 530 million, mainly net foreign exchange gains (as the effect of the recognition of the result related to closing the currency position following the EGM's decision to offer settlements to Customers), net other operating income and expenses (among other things, as the effect of the recognition of lower provisions for the refunds of commissions for the early repayment of consumer loans and the development of other leasing activities), and the result on financial transactions (mainly under the influence of an increase in the result on derivative instruments);
 - a drop in net interest income of PLN 464 million, determined by the low interest rate environment in the first three quarters of 2021, which was partially offset by an increase in interest-bearing assets;
- 3) an increase in operating expenses of PLN 191 million, mainly an increase in employee benefit expense accompanied by a drop in regulatory costs.

In 2021, there was a noticeable increase in the scale of the activities of the Bank's group:

- total assets exceeded PLN 418 billion (+ PLN 41 billion y/y);
- Customers' deposits increased to approximately PLN 322 billion (+ PLN 40 billion y/y) - as a result of an increase in both retail and private banking deposits and in corporate deposits;
- financing provided to Customers increased to approximately PLN 248 billion (+ PLN 12 billion y/y) as a result of an increase in financing provided both to retail and corporate Customers;
- there was a significant increase in the banking securities portfolio of nearly PLN 12 billion y/y to PLN 122 billion.

The Group maintained strong capital and liquidity positions. As at the end of 2021, the PKO Bank Polski S.A. Group's total ratio amounted to 18.23% and its LCR ratio amounted to 193%.

On 4 October 2021, PKO Bank Polski S.A., as the first bank in Poland, launched the process of systemic resolution of the problem of housing loans in Swiss francs (CHF) by offering settlements to individual Customers who have active loans in CHF, which were to be used for meeting their own housing needs. The settlements are offered in the course of mediation proceedings conducted by the Mediation Centre at the Amicable Court at the PFSA, in the course of court proceedings and proceedings initiated by a request for a summons to attempt a settlement. The process - for Customers who have iPKO - is carried out remotely, and the borrowers only visit a branch once - at the time the settlement is signed.

As at the end of 2021, over 19 thousand requests for mediation were registered. 7 182 mediations were ended positively, and in the case of 5 754 cases a settlement was signed. As at the end of 2021, there were 1 399 which were ended negatively. The total number of settlements concluded as at 31 December 2021 amounted to 5 887, including 5 754 concluded in the course of mediation proceedings and 133 concluded in the course of court proceedings. By 22 February 2022 the number of requests registered amounted to 22,7 thousand, 9 343 settlements were concluded, including 9 191 settlements concluded through mediation proceedings and 152 settlements concluded in court proceedings.

The PKO Bank Polski S.A. Group committed itself to combating the pandemic right from the start. In 2021, it took measures to ensure business continuity and safety for its Customers and employees. It supported local communities and nationwide measures. It continued the digitization and automation of processes and the implementation of advanced digital solutions.

In 2021, the Bank's Group:

- had the largest share in the Polish banking market for savings (19.2%) and loans (17.4%) as well as the market for investment funds for private individuals (19.9%). PKO Bank Polski S.A. is the leader in terms of the number of current accounts (nearly 8.5 million) and payment cards (over 9.8 million);
- made a wide range of innovative services available in remote channels;
- dynamically developed new functionalities of the IKO mobile banking in which the number of active applications exceeded 6.1 million (an increase of nearly 18% y/y);
- had the largest network of the Bank's branches which consisted of 975 own outlets (i.e. branches, offices and centres) and 447 agencies;
- as part of its risk management strategy, it laid down the main rules of ESG risk management and set a strategic ESG risk tolerance limit in order to reduce its exposure to carbon-intensive sectors, and it adopted key performance indicators to be achieved in individual areas.

Assessment of the adequacy and effectiveness of the internal control system, including the control function, compliance unit and internal audit unit

PKO Bank Polski S.A. has an internal control system which forms part of the management system.

The purpose of the internal control system is to ensure:

1. the effectiveness and efficiency of PKO Bank Polski S.A.'s activities;
2. the reliability of financial reporting;
3. the compliance with the risk management policies at PKO Bank Polski S.A.;
4. the compliance of PKO Bank Polski S.A.'s activities with the generally applicable laws, internal regulations of PKO Bank Polski S.A., supervisory recommendations and the market standards adopted by PKO Bank Polski S.A.

The Management Board of PKO Bank Polski S.A. is responsible for designing, implementing and operating an adequate and effective internal control system.

The Supervisory Board of PKO Bank Polski S.A. oversees the implementation and operation of the internal control system and assesses its adequacy and effectiveness, including the assessment of the adequacy and effectiveness of the individual elements of the system, i.e.:

1. the control function;
2. the compliance unit;
3. an independent internal audit unit.

The internal control system is assessed on the basis of the assessment criteria specified in the Management Board's resolution on the principles of operation of the internal control system at PKO Bank Polski S.A., taking into account information relevant to the adequacy and effectiveness of the internal control system, including information provided by, among other things:

1. the Management Board of PKO Bank Polski S.A.;
2. the Audit Committee of the Supervisory Board of PKO Bank Polski S.A.;
3. the compliance unit;
4. the internal audit unit;
5. the registered auditor;
6. representatives of the authorized supervisory institutions.

In this regard, the Supervisory Board of PKO Bank Polski S.A. is supported by the Audit Committee of the Supervisory Board of PKO Bank Polski S.A. which is responsible, in particular, for monitoring the internal control system on an ongoing basis.

The internal control system is organized at three independent levels:

1. the first level consists of the organizational structures of PKO Bank Polski S.A. carrying out operating activities, in particular: sales of products and customer service, and other organizational structures of PKO Bank Polski S.A. carrying out risk-generating operational tasks and functioning on the basis of other internal regulations of PKO Bank Polski S.A.;

2. the second level consists of the activities of:

- the compliance unit;
- the specialized organizational structures of PKO Bank Polski S.A. responsible for the identification, measurement, control, monitoring and reporting of individual risk types, as well as threats and irregularities, to ensure that the activities carried out on the first level are properly designed, and that the structures of the second level manage risk in an effective manner and support the operational efficiency of PKO Bank Polski S.A.;

3. the third level is the activities of the internal audit unit which carries out independent audits of the elements of the Bank's management system, including the risk management system and the internal control system.

The independence of the levels consists of the organizational separation of:

- the second level, as regards the development of systemic solutions, from the first level;
- the third level from the first and second levels.

The individual elements of the internal control system pursue specific objectives, including:

1. the control function (the controls, independent monitoring of compliance with them and reporting) – ensures compliance with the controls relating to, in particular, the risk management at PKO Bank Polski S.A. and covers all units and the organizational positions within these units, responsible for carrying out the tasks assigned to this function;
2. the compliance unit – manages compliance risk understood as the risk of suffering legal sanctions, incurring financial losses or reputation loss as a result of the non-compliance of the Bank, its employees or entities acting on its behalf with the generally applicable laws, internal regulations and the market standards adopted by PKO Bank Polski S.A., and it determines solutions for ensuring compliance and managing compliance risk, as well as identification, assessment, control, monitoring and reporting of such risk;
3. the internal audit unit – makes a systematic assessment of the adequacy and effectiveness of the risk management system and the internal control system at the first and second levels of the internal control system, taking into account the adequacy and effectiveness of the risk controls and control mechanisms selected for auditing, and in the event of identification of gaps or irregularities it gives instructions and recommendations (assurance activities) and adds value by indicating possible improvements to the processes functioning at PKO Bank Polski S.A. (advisory activities).

Information on the irregularities identified, assessments given, the results of monitoring the measures taken to eliminate gaps or weaknesses and other important information on the functioning of the elements of the internal control system was presented to the Management Board of PKO Bank Polski S.A., the Audit Committee of the Supervisory Board of PKO Bank Polski S.A., the Risk Committee of the Supervisory Board of PKO Bank Polski S.A., and the Supervisory Board of PKO Bank Polski S.A. by the individual elements of the internal control system in periodic reports.

In order to assess the adequacy and effectiveness of the internal control system, the Supervisory Board of PKO Bank Polski S.A., among other things, reviewed the functioning of the elements of the internal control system, analysed the information and reports submitted by the Management Board, the organizational units of PKO Bank Polski S.A., and ordered the performance of additional analyses in cases relevant to the assessment of the internal control system.

Taking into account the information received, the Supervisory Board of PKO Bank Polski S.A. did not identify any significant weaknesses in the operation of the internal control system of PKO Bank Polski S.A. which might jeopardize the achievement of the objectives of that system and assessed its adequacy and effectiveness as being “sufficient” (on a four-point scale: satisfactory, sufficient, unsatisfactory, critical).

Assessment of the risk management system (including the assessment of the adequacy and effectiveness of that system)

Risk management is one of the most important internal processes at PKO Bank Polski S.A., which is aimed at ensuring the profitability of business activities, while ensuring an appropriate level of capital adequacy measures and controlling the level of risk and keeping it within the risk tolerance and the system of limits adopted by the Bank, in a changing macroeconomic and legal environment. The risk management system is supervised by the Supervisory Board which regularly monitors and evaluates whether or not the risk identification, measurement or estimation, control, monitoring and reporting methods are tailored to the magnitude and profile of the risk of the Bank and the PKO Bank Polski S.A. Group. The Supervisory Board evaluates whether or not the Bank’s current and planned activities are properly taken into account in the risk management system. In the opinion of the Supervisory Board, the risk management system is properly tailored to the scale of the activities and the materiality, scale and complexity of the individual types of risk, and it is controlled and adjusted on an ongoing basis to take account of new risk factors and sources. According to the Supervisory Board’s assessment, PKO Bank Polski S.A. has an organizational structure which is tailored to the magnitude and profile of the risk borne by the Bank and which ensures the effective management of that risk. To the best of its knowledge, the way in which risk is managed at PKO Bank Polski S.A. and the effectiveness of the risk management system, as well as the management reporting system which enables the risk level and capital adequacy to be monitored ensure that the risk management system in place is appropriate from the perspective of the risk profile and the Bank’s Strategy.

The risk management system supports the implementation of the Bank’s Strategy in keeping with the risk management strategy of PKO Bank Polski S.A. and the PKO Bank Polski S.A. Group, and it takes into account the pursuit of the capital objectives desired by the Bank, the risk tolerance level and the capital planning process, including the policy relating to the sources of capital.

All of the Bank’s organizational units participate in the risk management process. The process is supervised by the Supervisory Board which controls and evaluates the adequacy and effectiveness of the risk management system, in particular on the basis of periodic risk reports and information on the implementation of the risk management strategy, as well as conclusions drawn from stress tests. It also evaluates whether or not the individual elements of the risk management system contribute to ensuring the correctness of the process of determining and pursuing the Bank’s detailed objectives. In particular, it verifies whether:

1. formalized rules are applied to manage individual risk types in order to determine the magnitude of the risk assumed;
2. the Bank’s organizational regulations take into account tailoring the organizational structure to the magnitude of the risk incurred;

3. formalized procedures designed to identify, measure or estimate and monitor the risk arising in the Bank's activities are applied and whether these procedures also take into account the anticipated level of future risk;
4. formalized risk-mitigating limits and procedures to be followed when these limits are exceeded are applied as part of the risk management system;
5. the adopted management reporting system enables the risk level to be monitored;
6. the risk management system is tailored on an ongoing basis to take into account new risk factors and sources.

The Bank has an integrated risk management structure which ensures that all risks which have a material impact on the Bank's activities are identified, measured, monitored and controlled. Determining the risk level which the Bank is able to accept in conducting its current and future operations is one of the basic elements of risk management. As regards the risk level generated, the scope of risk is determined from the perspective of the pursuit of the risk management objectives, taking into account financial, capital and strategic plans. On the basis of the assumptions which ensure a fair risk assessment, in particular taking into account the provisions of the recommendations of the Polish Financial Supervision Authority, as part of risk measurement the following stress tests are conducted:

- 1) specific stress tests, conducted separately for individual risk types, used to assess the sensitivity of a given risk to the occurrence of unfavourable market situations;
- 2) comprehensive stress tests, conducted jointly for concentration risk and the risk types considered to be material, used to determine the sensitivity of the Bank's capital adequacy measures and results to the materialization of a negative scenario of changes in the environment and the functioning of the Bank.

Stress tests are used to estimate potential losses in the case of a market situation which is not typically described using statistical measures. In accordance with the requirements set out in the generally applicable laws and on the basis of the provisions of the internal regulations, the Bank develops recovery plans for the Bank and the Bank's Group in case of emergencies which may have a material impact on the functioning of the Bank. The risk management structure is complemented by a coherent and transparent risk level reporting system, the use of risk-mitigating limits and management actions which determine the process of managing individual risk types. The maximum magnitude of the risk which the Bank and the Bank's Group are prepared to assume has been determined in the form of strategic tolerance limits for individual types of risk specified in the Risk Management Strategy of PKO Bank Polski S.A. and the PKO Bank Polski S.A. Group.

PKO Bank Polski S.A. has determined a risk culture constituting one of the key elements of effective risk management, enabling the right and conscious decisions to be made. The risk culture is shaped on the basis of a full understanding of the risk to which the Bank is exposed and the method of managing that risk, taking into account the adopted strategic tolerance limits. The Bank's risk culture is based on four pillars:

- 1) example from the top – the Bank determines and communicates the basic values and expectations from the employees;
- 2) accountability – the employees on all levels should know and understand the Bank's basic values and, to the extent necessary to perform their tasks, the Bank's appetite for risk and its ability to bear it;

- 3) effective communication and constructive critique – the decision-making processes should encourage the expression of views, enable current practices to be tested, stimulate constructive critique among the employees, and foster the creation of open and constructive commitment;
- 4) appropriate remuneration system – the remuneration system should play a key role in adapting behaviour as regards assuming risk that is adequate to the Bank’s risk profile and its long-term interests.

The Supervisory Board is supported by the following committees:

1. the Risk Committee, with respect to giving opinions on the Bank’s comprehensive current and future readiness to assume risk, taking into account the risk profile of the Bank’s Group, which takes the form, in particular, of the strategic risk tolerance limits, supervising the implementation of the risk management system at the Bank by the Management Board, evaluating the adequacy and effectiveness of the risk management system, and supervising the implementation of the risk management strategy, as well as assessing the risk related to the products and financial services offered and reviewing whether the prices of the liabilities and assets offered to customers take full account of the Bank’s business model and risk management strategy;
2. the Audit Committee, with respect to monitoring the financial reporting process and the performance of audits and the independence of the registered auditor and the audit firm, adequacy and effectiveness of the internal control system, including the adequacy and effectiveness of the control function, compliance unit and internal audit unit, and risk management with regard to financial reporting;
3. the Appointments and Remuneration Committee, with respect to giving opinions on and monitoring the Bank’s remuneration policy and supporting the Bank’s bodies in shaping and implementing the remuneration policy;
4. the Strategy Committee, with respect to giving opinions on the Bank’s Strategy adopted by the Management Board, supervising the implementation of the Bank’s Strategy and giving opinions on the Bank’s strategic activities which require the consent of the Supervisory Board.

The risk management process is carried out at three independent but complementary levels:

1. the first level – is composed of the organizational structures responsible for product management, sales of products and customer service, and of other structures which perform risk-generating operational tasks, functioning on the basis of the internal regulations. This function is performed in all the units of the Bank and the entities in the Bank’s Group. The Bank’s units implement the relevant risk control mechanisms (especially limits) designed by the Bank’s units situated in the second level, and they ensure that the limits are observed by applying the relevant controls. Furthermore, the entities in the Bank’s Group are obliged to have consistent and comparable systems for assessing and controlling risk in the Bank and the entities in the Bank’s Group, taking into account the specific nature of each entity and its market;
2. the second level – covers the operations of the compliance unit and involves the identification, measurement or assessment, control, monitoring and reporting of significant types of risk, and the threats and irregularities identified – these tasks are carried out by dedicated organizational structures operating on the basis of the applicable internal regulations of the Bank; the aim of these structures is to ensure that the tasks performed as part of the first level are properly designed in the Bank’s internal regulations and that they mitigate the risk, support risk measurement, assessment and analysis, and contribute to operational efficiency in an effective manner. The

second level supports the activities undertaken in order to eliminate unfavourable deviations from the financial plan (i.e. the budget) as regards the figures which affect the quantitative strategic risk tolerance limits included in the financial plan (these activities are carried out at the Bank, in particular in the Bank's units responsible for controlling). This function is performed, in particular, in the Risk Management Area, the Compliance Department, the Bank's units responsible for controlling and the committees supporting risk management at the Bank;

3. the third level consists of the internal audit function which performs independent audits of the individual elements of the Bank's management system, including the risk management system and the internal control system; the internal audit operates independently of the first and second lines of defence and may support their activities by way of consultations but without participating in their decision-making. This function is performed in accordance with the Bank's internal regulations governing the functioning of the internal control system.

The independence of the levels consists of ensuring organizational separation at the following levels:

1. the function of the second level with regard to creating system solutions is independent of the function of the first level;
2. the function of the third level is independent of the functions of the first and second levels;
3. the function of compliance risk management is subordinate to the President of the Management Board.

In order to assess the adequacy and effectiveness of the risk management system, the Supervisory Board of PKO Bank Polski S.A., among other things, reviewed the functioning of the elements of the risk management system by analysing the information and reports submitted by the Management Board and the organizational units of PKO Bank Polski S.A. and ordered the performance of additional analyses in cases relevant to the assessment of the risk management system.

In the opinion of the Supervisory Board, the structure of risk management is adequate to the size of the Bank, the type of its operations and the risk profile assumed, taking into account the macroeconomic environment and the possibility of unfavourable events materializing. Risk management is integrated with the planning and controlling systems. The Supervisory Board oversees and evaluates the risk management process, especially on the basis of regular risk reports divided into individual types of risk, which take into account current information on the implementation of the Risk Management Strategy and include conclusions from stress tests. If necessary, the Supervisory Board orders the verification of the risk management system.

In 2021, the Supervisory Board assessed the risk management system as being effective, efficient and in compliance with the external regulations, including recommendations of the Polish Financial Supervision Authority.

In the opinion of the Supervisory Board, in 2021 the Bank operated in a safe manner, with its own funds at an adequate level. In particular, the Bank:

- by resolution of the Extraordinary General Meeting of the Bank of 23 April 2021 on the conclusion of settlements with consumers who have concluded agreements with the Bank on mortgage loans or advances indexed to foreign currencies or denominated in foreign currencies, established a special fund of PLN 6 700 million to be used for offsetting specific accounting losses which will result from the recognition of the financial implications of

settlements with consumers (this amount was taken out of the Bank's supplementary capital, the part thereof created from retained earnings available for appropriation, and transferred to the aforementioned special fund);

- introduced a programme for concluding settlements with borrowers for housing loans granted in CHF in order to reduce losses due to the legal risk for that portfolio on the basis of terms and conditions accepted by the Supervisory Board, which consists of offering the borrowers the possibility of converting a foreign currency loan into a Polish zloty loan as if, from the date of conclusion of the CHF loan agreement, the loan was raised in PLN – the Supervisory Board monitors the progress of the programme on an ongoing basis;
- after obtaining the relevant permissions of the Polish Financial Supervision Authority, it included the net profit for the first half of 2021, less the anticipated charges, of PLN 2 073 million, in Common Equity Tier 1 capital;
- maintained the capital adequacy measures at a safe level (as at 31 December 2021), above the supervisory and regulatory limits: the total capital ratio (TCR) of the Bank of 19.84% and the Common Equity Tier 1 capital (T1) of the Bank of 18.47% (in 2021, PKO Bank Polski S.A. maintained a safe capital base);
- regularly tailored its sources of financing to the Bank's liquidity needs, including the redemption of its own issues in EUR and CHF under the EMTN programme;
- maintained a good liquidity position – as at the end of 2021, the core deposit base constituted approx. 94.3% of all deposits with the Bank (excluding the interbank market);
- maintained the utilization of the strategic tolerance limits for individual types of risk and capital adequacy at levels which did not jeopardize the Bank's stability in 2021;
- maintained a favourable level of the financial results due to the balance sheet structure linked to a safe level of equity;
- updated the Risk Management Strategy as regards the list of strategic tolerance limits, in particular in order to adapt to EBA guidelines and PFSA recommendations, including taking account of the European supervisory measure NSFR (net stable funding ratio) and ESG risks, and it also redefined strategic tolerance limits for interest rate risk to better reflect the objectives of managing that risk;
- introduced the process of signing settlements with customers with regard to the portfolio of mortgage loans in CHF to reduce losses due to the legal risk for that portfolio;
- placed an emphasis on counteracting the risks which resulted from the pandemic to ensure safety for the Customers and employees and the continuity of business processes, in particular:
 - ✓ it continuously monitored reports of cases of infections among the employees, the employees' contact with infected persons, preventive quarantines and those imposed by the State Sanitary Inspectorate (SANEPID); the meetings of the Crisis Centre and the task and regional teams were held regularly in order to coordinate the measures taken by the Bank's Group as regards the COVID-19 pandemic on an ongoing basis;
 - ✓ it identified the risks posed by COVID-19 on an ongoing basis; the said risks were monitored and reported to the Operational Risk Committee on a regular basis;
 - ✓ it took measures to mitigate the risks identified, including, in particular, with regard to working methods and conditions and ensuring the appropriate efficiency of the IT infrastructure and its security;
- conducted regular educational campaigns for the customers and employees on cybersecurity which is particularly important due to the increasing use of remote channels in the processes of serving the customers;

- in response to the challenge posed by the environment of dynamically changing interest rate levels, it concluded IRS hedging transactions and structured assets and liabilities appropriately, striving to limit interest income sensitivity, taking into account movements in the sensitivity of economic value;
- took account of the following in the risk and capital adequacy management system:
 - a) the obligation to maintain the combined buffer requirement above the minimums laid down in Article 92 of the CRR, which is the total of the applicable buffers, i.e.:
 - 1) a capital conservation buffer of 2.5%;
 - 2) a countercyclical capital buffer of 0.01%;
 - 3) a systemic risk buffer of 0%;
 - 4) an other systemically important institutions buffer (“O-SII”) of 1%;
 - b) the decision of the Polish Financial Supervision Authority of 5 November 2021 on maintaining own funds to cover an additional capital requirement to secure the risk arising from mortgage-secured foreign currency loans and advances to households (the capital add-on for the capital ratios amounted to: for the total capital ratio: 0.12 p.p., for the Tier 1 capital ratio: 0.09 p.p. and for the Common Equity Tier 1 capital ratio: 0.07 p.p.);
 - c) the obligation to maintain the net stable funding ratio (NSFR) above the minimum laid down in Article 428b of the CRR, i.e. 100%.

Due to the recognition of allowances for legal risk, related to mortgage loans in foreign currencies as at the reporting date 31.12.2020, the Bank disclosed a material foreign currency position in CHF which resulted in exceeding the strategic tolerance limit for foreign currency risk. The foreign currency position was limited, and the limit overrun was eliminated at the end of April 2021.

With a view to safeguarding a good quality loan portfolio and minimizing the impact of COVID-19 on Customers, in 2021 the Bank and the Bank’s Group monitored the situation of Customers on an ongoing basis and adjusted the lending policy to the market and economic situation.

In 2021, the Polish Development Fund (PFR) began the process of clearing the PFR Financial Shield subsidies for micro, small and medium-sized enterprises. The clearing process is carried out by the bank through which the financial subsidy agreement was concluded. As part of the clearance process of the Financial Shield 1.0 (which began in April 2021), the Bank provided forms to over 67 thousand companies by 31 December 2021. Nearly 64.8 thousand companies received a positive decision from the PFR on writing off the loan – subsidies totalling PLN 10 billion were cleared, and the write-off amounted to PLN 6.4 billion. The process of clearing PFR financial subsidies obtained under the Financial Shield 2.0 took place exclusively through iPKO and iPKO biznes banking, and it began in November 2021.

In 2021, the Bank conducted periodic tests, supervisory tests and reverse stress tests.

As part of the stress tests designed by the European Banking Authority - for the time horizon covering the years 2021-2023, where the point of reference was the actual results for 2020, the Bank analysed two scenarios: a baseline scenario and a shock scenario, taking into account the main assumptions:

- 1) the static balance sheet as at the end of 2020;
- 2) the Bank’s unchanged business profile over the time horizon being examined - in terms of the geographical area and the structure of products and services;

3) the capital requirements may not drop below the 2020 level - after taking into account the effect of the implementation of IFRS 9.

In all scenarios, the Bank's total capital requirement exceeded the minimum requirement set out in the CRR.

The stress tests conducted in 2021 showed the Bank's strong capital resilience to possible adverse changes in the macroeconomic environment.

In the opinion of the Supervisory Board, the following key areas of involvement of the Management Board and the Supervisory Board, including, among other things:

- reducing losses on the loan portfolio and minimizing the risk of occurrence of credit exposures subject to impairment, while preserving the expected level of profitability and the value of the loan portfolio;
- continuation of the programme for concluding settlements with borrowers for housing loans granted in CHF in order to reduce losses due to the legal risk for that portfolio;
- monitoring the level of the legal risk resulting from changes in the legal framework for the Bank's activities;
- effective and rational management of capital adequacy to maintain the TCR and CET1 ratios above the regulatory and supervisory requirements;
- ensuring safety for the Bank's customers and employees during the COVID-19 pandemic;
- counteracting the increasing threat of cyberattacks;
- identification of threats relating to the war in Ukraine and their impact on the situation in the Bank's Group;
- maintaining priorities with regard to operational effectiveness, a good liquidity position and stable sources of financing, while optimizing costs and maintaining a safe level of risk and the expected capital adequacy level;
- supporting the economic development of Poland, taking into account the needs shaped by the new technologies on the market;
- increasing complexity of the regulatory environment, including capital requirements, liquidity requirements, management of individual types of risk, and the security of data in the Bank's systems;
- structuring assets and liabilities and interest rates on assets and liabilities appropriately and concluding IRS hedging transactions in order to limit interest income sensitivity, taking into account movements in the sensitivity of economic value in the environment of changing interest rate levels,

will be particularly important to the Bank's development in the following periods.

Warsaw, 11 April 2022

List of the resolutions adopted by the Supervisory Board in 2021

1. Resolution No. 1/2021 of the Supervisory Board of 11 January 2021 on granting consent to the conclusion by the Bank of an agreement on financing the implementation of measures taken in execution of the Prime Minister's instruction of 29 October 2020 from funds of the COVID-19 Countermeasure Fund with the State Treasury – Minister of State Assets and on the conclusion of implementing agreements.
2. Resolution No. 2/2021 of the Supervisory Board of 14 January 2021 on granting consent to the conclusion by the Bank of an agreement for the provision of services with Polski Fundusz Rozwoju S.A. as part of PFR Shield 2.0.
3. Resolution No. 3/2021 of the Supervisory Board of 21 January 2021 on granting consent to carrying out a pilot programme.
4. Resolution No. 4/2021 of the Supervisory Board of 21 January 2021 on granting consent to the conclusion by the Bank of an agreement for management consulting services with a value exceeding PLN 500,000 net per annum.
5. Resolution No. 5/2021 of the Supervisory Board of 21 January 2021 on the position of the Supervisory Board of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna concerning the implementation of the Polish Financial Supervision Authority's recommendation.
6. Resolution No. 6/2021 of the Supervisory Board of 21 January 2021 on approval of the financial plan, including capital plan, for 2021.
7. Resolution No. 7/2021 of the Supervisory Board of 21 January 2021 on determining the consolidated text of the Articles of Association of Powszechna Kasa Oszczędności Bank Spółka Akcyjna.
8. Resolution No. 8/2021 of the Supervisory Board of 1 February 2021 on granting consent to sell rights to real estate.
9. Resolution No. 9/2021 of the Supervisory Board of 15 February 2021 on granting consent to sell rights to real estate.
10. Resolution No. 10/2021 of the Supervisory Board of 16 February 2021 on granting consent to proposing and concluding, as part of the court proceedings, settlements relating to loans granted in CHF.
11. Resolution No. 11/2021 of the Supervisory Board of 16 February 2021 on granting consent to amending Resolution No. 18/A/2021 of the Management Board of 14 January 2021 on the pilot programme of settlements relating to loans granted in CHF.
12. Resolution No. 12/2021 of the Supervisory Board of 16 February 2021 on the policy for the section of the audit company to audit the financial statements of PKO Bank Polski S.A. and the PKO Bank Polski S.A. Group.
13. Resolution No. 13/2021 of the Supervisory Board of 16 February 2021 on granting consent to concluding donation agreements and the release from debt agreement for the benefit of PKO Bank Polski Foundation.
14. Resolution No. 14/2021 of the Supervisory Board of 16 February 2021 on determining MbO goals and their values and weights for the members of the Bank's Management Board for 2021.
15. Resolution No. 15/2021 of the Supervisory Board of 22 February 2021 on determining the consolidated text of the Articles of Association of Powszechna Kasa Oszczędności Bank Spółka Akcyjna.

16. Resolution No. 16/2021 of the Supervisory Board of 22 February 2021 on granting consent to the conclusion by the Bank of an agreement for marketing services with a value exceeding PLN 500,000 net per annum.
17. Resolution No. 17/2021 of the Supervisory Board of 25 February 2021 on granting consent to sell rights to real estate.
18. Resolution No. 18/2021 of the Supervisory Board of 26 February 2021 on granting consent to the conclusion by the Bank of an agreement for legal services with a value exceeding PLN 500,000 net per annum.
19. Resolution No. 19/2021 of the Supervisory Board of 26 February 2021 on the Recovery Plan of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna.
20. Resolution No. 20/2021 of the Supervisory Board of 26 February 2021 on the Recovery Plan of the Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna.
21. Resolution No. 21/2021 of 15 March 2021 on granting consent to the conclusion by the Bank of an agreement for a monetary donation with a value exceeding PLN 20,000.
22. Resolution No. 22/2021 of 18 March 2021 on granting consent to the opening of a Branch of PKO Bank Polski S.A. in Romania and to carrying out cross-border operations by PKO Bank Polski S.A.
23. Resolution No. 23/2021 of 18 March 2021 on granting consent to the Bank taking up or acquiring shares (including warrants) in the case of the need to fulfil the Bank's guarantee obligation or in connection with possible stabilization measures.
24. Resolution No. 24/2021 of 18 March 2021 on granting consent to the conclusion by the Bank of an agreement for marketing services with a value exceeding PLN 500,000 net per annum.
25. Resolution No. 25/2021 of 18 March 2021 on granting consent to the conclusion by the Bank of an agreement for legal services.
26. Resolution No. 26/2021 of 18 March 2021 on the approval of the "Dividend Policy of PKO Bank Polski S.A. and the PKO Bank Polski S.A. Group".
27. Resolution No. 27/2021 of 18 March 2021 on amendments to the agreement for audit services concluded on 24 January 2019 by and between Powszechna Kasa Oszczędności Bank Polski S.A. and PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k.
28. Resolution No. 28/2021 of 18 March 2021 on the approval of the "Remuneration Policy for Employees of the Bank and the PKO BP SA Group".
29. Resolution No. 29/2021 of 18 March 2021 on the approval of the "Principles of employing and remunerating members of the Management Board of the Bank".
30. Resolution No. 30/2021 of 18 March 2021 on the approval of the principles for capital adequacy and equity management in PKO Bank Polski S.A. and the PKO Bank Polski S.A. Group.
31. Resolution No. 31/2021 of 21 March 2021 on draft resolutions of the Annual General Meeting of Powszechna Kasa Oszczędności Bank Polski S.A.
32. Resolution No. 32/2021 of 26 March 2021 on granting consent to sell rights to real estate.
33. Resolution No. 33/2021 of 29 March 2021 on granting consent to the conclusion by the Bank of framework agreements for the provision of consulting and advisory services and to concluding agreements on its basis with a value exceeding PLN 500,000 net per annum.
34. Resolution No. 34/2021 of 29 March 2021 on granting consent to sell rights to real estate.

35. Resolution No. 35/2021 of 8 April 2021 on granting consent to releasing from a debt.
36. Resolution No. 36/2021 of 9 April 2021 on granting consent to sell rights to real estate.
37. Resolution No. 37/2021 of 14 April 2021 on granting consent to the Bank's acquiring shares in the case of the need to fulfil the Bank's guarantee obligation.
38. Resolution No. 38/2021 of 14 April 2021 on granting consent to sell rights to real estate.
39. Resolution No. 39/2021 of 14 April 2021 on granting consent to the Bank's acquiring shares with a view to reselling them to selected institutional investors.
40. Resolution No. 40/2021 of 19 April 2021 on granting consent to a change in the conditions of the consent expressed in Resolution No. 136/2020 of the Supervisory Board of 3 November 2020 on granting consent to the amendment of the framework agreement for marketing services concluded by the Bank and to concluding agreements for marketing services on its basis with a value exceeding PLN 500,000 net per annum.
41. Resolution No. 41/2021 of 19 April 2021 on granting consent to sell rights to real estate.
42. Resolution No. 42/2021 of 23 April 2021 on amending the agreement for audit services concluded on 24 January 2019 by and between Powszechna Kasa Oszczędności Bank Polski S.A. and PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k.
43. Resolution No. 43/2021 of 23 April 2021 on amending a resolution on initiating the proceedings relating to ordering audits of the financial statements of PKO Bank Polski S.A. and the PKO Bank Polski S.A. Group for 2022-2023.
44. Resolution No. 44/2021 of 28 April 2021 on the Supervisory Board's statement concerning the audit firm conducting the audit of the consolidated financial statements of the PKO Bank Polski S.A. Group as at and for the year ended 31 December 2020 and the financial statements of PKO Bank Polski S.A. as at and for the year ended 31 December 2020.
45. Resolution No. 45/2021 of 28 April 2021 on consolidated financial statements of the PKO Bank Polski S.A. Group for the year ended 31 December 2020.
46. Resolution No. 46/2021 of 28 April 2021 on financial statements of PKO Bank Polski S.A. for the year ended 31 December 2020.
47. Resolution No. 47/2021 of 28 April 2021 on the PKO Bank Polski S.A. Group Directors' Report for 2020 prepared together with the Directors' Report of PKO Bank Polski S.A.
48. Resolution No. 48/2021 of 28 April 2021 on the Supervisory Board's evaluation and the statement of grounds, concerning the consolidated financial statements of the PKO Bank Polski S.A. Group as at and for the year ended 31 December 2020, the financial statements of PKO Bank Polski S.A. as at and for the year ended 31 December 2020 and the PKO Bank Polski S.A. Group Directors' Report for 2020, prepared together with the Directors' Report of PKO Bank Polski S.A., in terms of their consistency with the books, documents and the facts.
49. Resolution No. 49/2021 of 28 April 2021 on the Supervisory Board's statement concerning the Audit Committee of the Supervisory Board of PKO Bank Polski S.A.
50. Resolution No. 50/2021 of 28 April 2021 on an assessment of the manner of fulfilling information duties by the Bank.
51. Resolution No. 51/2021 of 28 April 2021 on the assessment of the application by PKO Bank Polski S.A. of "Corporate Governance Principles for supervised institutions" in 2020.

52. Resolution No. 52/2021 of 28 April 2021 on granting consent to the conclusion by the Bank of a framework agreement for marketing services in which the maximum amount is not specified and to concluding agreements with a value exceeding PLN 500,000 net per annum on its basis.
53. Resolution No. 53/2021 of 28 April 2021 to the conclusion by the Bank of an agreement with the entity referred to in that resolution.
54. Resolution No. 54/2021 of 8 May 2021 on granting consent to the conclusion by the Bank of framework agreements for marketing services and to concluding agreements with a value exceeding PLN 500,000 net per annum on its basis.
55. Resolution No. 55/2021 of 9 May 2021 on retaining unappropriated profits of PKO Bank Polski S.A. for prior years as retained earnings.
56. Resolution No. 56/2021 of 9 May 2021 on covering the loss of PKO Bank Polski S.A. for 2020.
57. Resolution No. 57/2021 of 9 May 2021 on the report "Assessment of the functioning of the remuneration policy of PKO Bank Polski in 2020".
58. Resolution No. 58/2021 of 9 May 2021 and an assessment of the rationality of the policy pursued by the Bank with respect to sponsorship, charity or similar activities in 2020.
59. Resolution No. 59/2021 of 9 May 2021 on the adoption of the "Report on remuneration of the members of the Management Board and Supervisory Board of Powszechna Kasa Oszczędności Bank Polski S.A. for 2019-2020".
60. Resolution No. 60/2021 of 9 May 2021 on the report of the Supervisory Board of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna for 2020.
61. Resolution No. 61/2021 of 9 May 2021 on draft resolutions of the Annual General Meeting of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna.
62. Resolution No. 62/2021 of 18 May 2021 on granting consent to sell rights to real estate.
63. Resolution No. 63/2021 of 18 May 2021 on granting consent to the amendment of an agreement concluded by the Bank on financing the implementation of measures taken in execution of the Prime Minister's instruction of 29 October 2020 from funds of the COVID-19 Countermeasure Fund with the State Treasury – Minister of State Assets and on the conclusion of implementing agreements in connection with the organization of a vaccination centre.
64. Resolution No. 64/2021 of 27 May 2021 on excusing the absence of a member of the Supervisory Board from a meeting of the Supervisory Board.
65. Resolution No. 65/2021 of 27 May 2021 on granting consent to terms and conditions for the conclusion of settlements concerning loans granted in CHF.
66. Resolution No. 66/2021 of 27 May 2021 on granting consent to the conclusion by the Bank of agreements for advisory services with a value exceeding PLN 500,000 net per annum.
67. Resolution No. 67/2021 of 27 May 2021 on the approval of variable remuneration for 2020 for the Director of the Internal Audit Department.
68. Resolution No. 68/2021 of 27 May 2021 on the achievement of MbO goals for 2020 for the members of the Bank's Management Board.

69. Resolution No. 69/2021 of 27 May 2021 on the approval of the amount of variable components of the remuneration to be paid to members of the Bank's Management Board in 2021 and in January 2022 for 2016-2020, including determining the existence of reasons to reduce the amount or limit the funds for these payments.
70. Resolution No. 70/2021 of 27 May 2021 on granting a severance bonus to the President of the Management Board of the Bank.
71. Resolution No. 71/2021 of 27 May 2021 on granting consent to the amendment of an agreement for legal services concluded by the Bank whereby the fee will be increased to the amount exceeding PLN 500,000 net per annum.
72. Resolution No. 72/2021 of 27 May 2021 on changing the terms of the consent granted in Resolution No. 28/2020 of the Supervisory Board of 1 April 2020 on granting consent to the conclusion by the Bank of agreements for legal services with a value exceeding PLN 500,000 net per annum.
73. Resolution No. 73/2021 of 2 June 2021 on granting consent to sell rights to real estate.
74. Resolution No. 74/2021 of 8 June 2021 on the election of the Secretary of the Supervisory Board of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna.
75. Resolution No. 75/2021 of 8 June 2021 on the appointment of a member of the Nomination and Remuneration Committee.
76. Resolution No. 76/2021 of 8 June 2021 on the appointment of the Chairman of the Nomination and Remuneration Committee.
77. Resolution No. 77/2021 of 8 June 2021 on the appointment of the President of the Management Board of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna.
78. Resolution No. 78/2021 of 8 June 2021 on the appointment of A Vice-President of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna.
79. Resolution No. 79/2021 of 8 June 2021 on the conclusion of an agreement for the provision of services with the President of the Management Board of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna.
80. Resolution No. 80/2021 of 8 June 2021 on the conclusion of an agreement for the provision of services with A Vice-President of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna.
81. Resolution No. 81/2021 of 15 June 2021 on excusing the absence of a member of the Supervisory Board from a meeting of the Supervisory Board.
82. Resolution No. 82/2021 of 15 June 2021 on the dismissal of a Member of the Management Board of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna.
83. Resolution No. 83/2021 of 15 June 2021 on the dismissal of a member of the Strategy Committee
84. Resolution No. 84/2021 of 15 June 2021 on the appointment of the Chairman of the Strategy Committee.
85. Resolution No. 85/2021 of 15 June 2021 on the appointment of a member of the Risk Committee.
86. Resolution No. 86/2021 of 15 June 2021 on the appointment of the Chairman of the Risk Committee.
87. Resolution No. 87/2021 of 15 June 2021 on the appointment of a member of the Audit Committee.
88. Resolution No. 88/2021 of 15 June 2021 on the appointment of a member of the Audit Committee.
89. Resolution No. 89/2021 of 15 June 2021 on the appointment of the Chairman of the Audit Committee.
90. Resolution No. 90/2021 of 15 June 2021 on granting a severance bonus to A Vice-President of the Management Board of the Bank.

91. Resolution No. 91/2021 of 15 June 2021 on the appointment of A Vice-President of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna.
92. Resolution No. 92/2021 of 15 June 2021 on the approval of the Organizational Rules of Procedure of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna.
93. Resolution No. 93/2021 of 15 June 2021 on the approval of a report on the individual suitability assessment of A Vice-President of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna.
94. Resolution No. 94/2021 of 15 June 2021 on the approval of the report on the individual suitability assessment of A Vice-President of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna.
95. Resolution No. 95/2021 of 15 June 2021 on the approval of the report on the periodical individual suitability assessment of A Vice-President of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna.
96. Resolution No. 96/2021 of 15 June 2021 on the approval of the report on the periodical individual suitability assessment of A Vice-President of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna.
97. Resolution No. 97/2021 of 15 June 2021 on the approval of the report on the periodical individual suitability assessment of A Vice-President of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna.
98. Resolution No. 98/2021 of 15 June 2021 on the approval of the report on the periodical individual suitability assessment of A Vice-President of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna.
99. Resolution No. 99/2021 of 15 June 2021 on the approval of the report on the periodical individual suitability assessment of A Vice-President of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna.
100. Resolution No. 100/2021 of 15 June 2021 on the approval of the report on the periodical individual suitability assessment of A Vice-President of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna.
101. Resolution No. 101/2021 of 15 June 2021 on the approval of the report on the collective suitability assessment of members of the Management Board of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna.
102. Resolution No. 102/2021 of 15 June 2021 on the conclusion of an agreement for the provision of services with A Vice-President of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna.
103. Resolution No. 103/2021 of 15 June 2021 on entrusting competences reserved for the President of the Management Board to the Bank's Management Board acting collectively.
104. Resolution No. 104/2021 of 21 June 2021 on granting consent to sell rights to real estate.
105. Resolution No. 105/2021 of 21 June 2021 on granting consent to sell rights to real estate.
106. Resolution No. 106/2021 of 25 June 2021 on excusing the absence of a member of the Supervisory Board from a meeting of the Supervisory Board.
107. Resolution No. 107/2021 of 25 June 2021 on the approval of the Organizational Rules of Procedure of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna.
108. Resolution No. 108/2021 of 25 June 2021 on the approval of the report on the individual suitability assessment of a Vice-President of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna.
109. Resolution No. 109/2021 of 25 June 2021 on the approval of the report on the individual suitability assessment of a Vice-President of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna.
110. Resolution No. 110/2021 of 25 June 2021 on the approval of the report on the collective suitability assessment of members of the Management Board of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna.

111. Resolution No. 111/2021 of 25 June 2021 on the adoption of amendments to “Policy concerning the suitability of Management Board Members and key function holders of the Bank and the assessment of suitability at the Bank’s Group companies”.
112. Resolution No. 112/2021 of 25 June 2021 on the adoption of the “Best Practices for GPW Listed Companies 2021”.
113. Resolution No. 113/2021 of 25 June 2021 on granting consent to the conclusion by the Bank of an agreement for advisory services with a value exceeding PLN 500,000 net per annum.
114. Resolution No. 114/2021 of 25 June 2021 on granting the consent to the conclusion by the Bank of an agreement for legal and business advisory services and accounting, tax and reporting services.
115. Resolution No. 115/2021 of 6 July 2021 on granting consent to the conclusion of an agreement with the entity referred to in that resolution and mobilization of funds in Q3 2021 to support a social campaign.
116. Resolution No. 116/2021 of 6 July 2021 on granting consent to sell rights to real estate.
117. Resolution No. 117/2021 of 11 August 2021 on the principles of compliance, compliance risk and conduct risk management in PKO Bank Polski S.A.
118. Resolution No. 118/2021 of 11 August 2021 amending the resolution on initiating the proceedings relating to ordering audits of the financial statements of PKO Bank Polski S.A. and the PKO Bank Polski S.A. Group for 2022-2023.
119. Resolution No. 119/2021 of 11 August 2021 on the position of the Supervisory Board of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna concerning the implementation of the Polish Financial Supervision Authority’s recommendation.
120. Resolution No. 120/2021 of 11 August 2021 on granting consent to amending the terms and conditions for the conclusion of settlements concerning loans granted in CHF.
121. Resolution No. 121/2021 of 11 August 2021 on the Recovery Plan of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna.
122. Resolution No. 122/2021 of 11 August 2021 on the Recovery Plan of the Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna.
123. Resolution No. 123/2021 of 11 August 2021 on selling rights to real estate.
124. Resolution No. 124/2021 of 11 August 2021 on granting consent to the performance of the function of a member of the Supervisory Board of Bank Pocztowy S.A. by a member of the Bank’s Management Board.
125. Resolution No. 125/2021 of 11 August 2021 on changing the terms of the consent granted in Resolution No. 28/2020 of the Supervisory Board of 1 April 2020 on granting consent to the conclusion by the Bank of agreements for legal services with a value exceeding PLN 500,000 net per annum.
126. Resolution No. 126/2021 of 11 August 2021 on changing the terms of the consent granted in Resolution No. 18/2021 of the Supervisory Board of 26 February 2021 on granting consent to the conclusion by the Bank of agreements for legal services with a value exceeding PLN 500,000 net per annum.
127. Resolution No. 127/2021 of 11 August 2021 on granting consent to the conclusion by the Bank of an agreement for legal services with a value exceeding PLN 500,000 net per annum for conducting mediation proceedings in cases involving loans denominated in /indexed to the Swiss franc.

128. Resolution No. 128/2021 of 11 August 2021 on granting a severance bonus to a Vice-President of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna.
129. Resolution No. 129/2021 of 11 August 2021 amending the Resolution on MbO goals and their values and weights for the members of the Bank's Management Board for 2021.
130. Resolution No. 130/2021 of 14 September 2021 on excusing the absence of a member of the Supervisory Board from a meeting of the Supervisory Board.
131. Resolution No. 131/2021 of 14 September 2021 on excusing the absence of a member of the Supervisory Board from a meeting of the Supervisory Board.
132. Resolution No. 132/2021 of 14 September 2021 on the appointment of a Vice-President of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna.
133. Resolution No. 133/2021 of 14 September 2021 on the approval of the Organizational Rules of Procedure of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna.
134. Resolution No. 134/2021 of 14 September 2021 on the approval of the report on the individual suitability assessment of a Vice-President of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna.
135. Resolution No. 135/2021 of 14 September 2021 on the approval of the report on the collective suitability assessment of members of the Management Board of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna.
136. Resolution No. 136/2021 of 14 September 2021 on the conclusion of an agreement for the provision of services with a Vice-President of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna.
137. Resolution No. 137/2021 of 14 September 2021 on granting consent to changing the conditions of the pilot programme for the conclusion of settlements concerning loans granted in CHF.
138. Resolution No. 138/2021 of 23 September 2021 on draft resolutions of the Extraordinary General Meeting of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna.
139. Resolution No. 139/2021 of 23 September 2021 on granting consent to dismiss the Director of the Compliance Department of Powszechna Kasa Oszczędności Bank Polski S.A.
140. Resolution No. 140/2021 of 23 September 2021 on granting consent to entrust the performance of duties of the Director of the Compliance Department of Powszechna Kasa Oszczędności Bank Polski S.A.
141. Resolution No. 141/2021 of 23 September 2021 on the selection of an audit firm to conduct audits and reviews of the financial statements of PKO Bank Polski S.A., the PKO Bank Polski S.A. Group and the foreign branches of PKO Bank Polski S.A. for 2022-2023.
142. Resolution No. 142/2021 of 23 September 2021 on selling rights to real estate.
143. Resolution No. 143/2021 of 23 September 2021 on selling rights to real estate.
144. Resolution No. 144/2021 of 14 October 2021 on the appointment of a member of the Nomination and Remuneration Committee.
145. Resolution No. 145/2021 of 14 October 2021 on the appointment of a member of the Nomination and Remuneration Committee.
146. Resolution No. 146/2021 of 14 October 2021 on the appointment of a member of the Risk Committee.
147. Resolution No. 147/2021 of 14 October 2021 on the appointment of a member of the Strategy Committee.
148. Resolution No. 148/2021 of 14 October 2021 on the appointment of a member of the Strategy Committee

149. Resolution No. 149/2021 of 14 October 2021 on the dismissal of a Member of the Management Board of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna.
150. Resolution No. 150/2021 of 14 October 2021 on the dismissal of a Member of the Management Board of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna.
151. Resolution No. 151/2021 of 14 October 2021 on the appointment of the President of the Management Board of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna.
152. Resolution No. 152/2021 of 14 October 2021 on the appointment of a Vice-President of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna.
153. Resolution No. 153/2021 of 14 October 2021 on the approval of the Organizational Rules of Procedure of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna.
154. Resolution No. 154/2021 of 14 October 2021 on the approval of the Tax Strategy of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna.
155. Resolution No. 155/2021 of 14 October 2021 on granting consent to the conclusion by PKO Bank Polski S.A. of a new agreement of the Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna Tax Group.
156. Resolution No. 156/2021 of 14 October 2021 on granting consent to the conclusion by the Bank of an agreement for management consulting services.
157. Resolution No. 157/2021 of 14 October 2021 on granting consent to the Bank acquiring shares in the case of a need to fulfil the Bank's guarantee obligation.
158. Resolution No. 158/2021 of 14 October 2021 on granting consent to the conclusion by the Bank of an agreement for marketing services with a value exceeding PLN 500,000 net per annum.
159. Resolution No. 159/2021 of 14 October 2021 on the conclusion of an agreement for the provision of services with the President of the Management Board of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna.
160. Resolution No. 160/2021 of 14 October 2021 on the conclusion of an agreement for the provision of services with a Vice-President of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna.
161. Resolution No. 161/2021 of 14 October 2021 on entrusting competences reserved for the President of the Management Board to the Bank's Management Board acting collectively.
162. Resolution No. 162/2021 of 26 October 2021 on granting a severance bonus to the President of the Management Board of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna.
163. Resolution No. 163/2021 of 26 October 2021 on granting a severance bonus to a Vice-President of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna
164. Resolution No. 164/2021 of 26 October 2021 on granting a severance bonus to a Vice-President of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna.
165. Resolution No. 165/2021 of 26 October 2021 on the approval of the report on the individual suitability assessment of a Vice-President of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna.
166. Resolution No. 166/2021 of 26 October 2021 on the approval of the report on the individual suitability assessment of a Vice-President of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna.
167. Resolution No. 167/2021 of 26 October 2021 on the approval of the report on the individual suitability assessment of a Vice-President of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna.

168. Resolution No. 168/2021 of 26 October 2021 on the approval of the report on the individual suitability assessment of a Vice-President of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna.
169. Resolution No. 169/2021 of 26 October 2021 on the approval of the report on the collective suitability assessment of the members of the Management Board of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna.
170. Resolution No. 170/2021 of 26 October 2021 on the approval of the Organizational Rules of Procedure of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna.
171. Resolution No. 171/2021 of 4 November 2021 on the approval of the principles of operations of the internal control system at PKO Bank Polski S.A.
172. Resolution No. 172/2021 of 4 November 2021 on the approval of the "Plan of internal audits for 2022".
173. Resolution No. 173/2021 of 4 November 2021 on granting consent to changing the conditions of opening a branch of PKO Bank Polski S.A. in Romania.
174. Resolution No. 174/2021 of 4 November 2021 on selling rights to real estate.
175. Resolution No. 175/2021 of 4 November 2021 on granting consent to sell rights to real estate.
176. Resolution No. 176/2021 of 23 November 2021 on granting consent to the Bank acquiring shares with a view to reselling them to selected institutional investors.
177. Resolution No. 177/2021 of 23 November 2021 on granting consent to the conclusion by the Bank of agreements for marketing services.
178. Resolution No. 178/2021 of 16 December 2021 amending the resolution on MbO goals and their values and weights for the members of the Bank's Management Board for 2021.
179. Resolution No. 179/2021 of 16 December 2021 on the approval of the "Principles of employing and remunerating members of the Management Board of the Bank".
180. Resolution No. 180/2021 of 16 December 2021 on granting consent to amending the terms and conditions for the conclusion of settlements concerning loans granted in CHF.
181. Resolution No. 181/2021 of 16 December 2021 on the appointment of a member of the Audit Committee.
182. Resolution No. 182/2021 of 16 December 2021 on the approval of the financial plan, including the capital plan, of PKO Bank Polski S.A. and the PKO Bank Polski S.A. Group for 2022.
183. Resolution No. 183/2021 of 16 December 2021 on amending the Audit Charter.
184. Resolution No. 184/2021 of 16 December 2021 on the approval of the risk management strategy in PKO Bank Polski S.A. and the PKO Bank Polski S.A. Group."
185. Resolution No. 185/2021 of 16 December 2021 on the principles of PKO Bank Polski S.A.'s information policy concerning capital adequacy and other information subject to publication.
186. Resolution No. 186/2021 of 16 December 2021 on the approval of the principles of managing conflicts of interest in PKO Bank Polski S.A.
187. Resolution No. 187/2021 of 16 December 2021 on the approval of the Operating Plan of the Compliance Department for 2022.
188. Resolution No. 188/2021 of 16 December 2021 on the approval of the Rules of Procedure of the Management Board of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna.

189. Resolution No. 189/2021 of 16 December 2021 on granting consent to the conclusion by the Bank of an agreement for legal services with a value exceeding PLN 500,000 net per annum concerning court proceedings relating to loans denominated in or indexed to foreign currencies.
190. Resolution No. 190/2021 of 16 December 2021 on the approval of the principles of developing and implementing products and services in PKO Bank Polski S.A.
191. Resolution No. 191/2021 of 16 December 2021 on granting consent to sell rights to real estate.
192. Resolution No. 192/2021 of 16 December 2021 on granting consent to the amendment by the Bank of a framework agreement for marketing services and to concluding agreements with a value exceeding PLN 500,000 net per annum on its basis.
193. Resolution No. 193/2021 of 16 December 2021 on granting consent to concluding donation agreements and the release from debt agreements for the benefit of the PKO Bank Polski Foundation.
194. Resolution No. 194/2021 of 16 December 2021 on granting the consent to the conclusion by the Bank of an agreement with the State Treasury – the Minister for Digitization on support for the process of providing consultation concerning the epidemiological and sanitary situation.



Bank Polski

Appendix No. 2

REPORT ON THE ACTIVITIES
OF THE APPOINTMENTS
AND REMUNERATION COMMITTEE
IN 2021

1. Legal basis

- The Remuneration and Appointments Committee (which operated under the name of the Remuneration Committee until 23 August 2018) was established by Resolution No. 52/2011 of the Supervisory Board of PKO Bank Polski S.A. of 2 November 2011 (as amended) to support the Supervisory Board in performing its statutory duties and tasks arising from the generally applicable laws and the recommendations of supervisory authorities, in particular the Polish Financial Supervision Authority (the “PFSA”) and the European Banking Authority.

On 24 August 2018, the Supervisory Board of PKO Bank Polski S.A., by resolution, transformed the Remuneration Committee into the Remuneration and Appointments Committee (the “**Appointments and Remuneration Committee**” or the “**Committee**”) in order to align the name and activities of the Committee with Article 9cd of the Banking Law (under which an obligation to establish an appointments committee was imposed on significant banks) and with the requirements of the Regulation of the Minister of Finance of 7 May 2018 on the detailed scope of the tasks of the appointments committee in significant banks (Dz.U.2018.883).

- The Committee operates in accordance with the Regulations of the Appointments and Remuneration Committee of the Supervisory Board of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna (the “**Regulations of the Committee**”), which set out the objectives, organization, rules of procedure and tasks of the Committee. The Report was prepared on the basis of § 3(6) of the Committee’s Regulations which constitute an appendix to Resolution No. 118/2020 of the Supervisory Board of PKO Bank Polski S.A. of 24 September 2020 on the Regulations of the Appointments and Remuneration Committee.

2. Composition of the Committee in 2021

Composition of the Committee as at 31 December 2021

Name and surname	Function
Wojciech Jasiński	Chairman of the Committee
Dominik Kaczmarek	Deputy Chairman of the Committee
Andrzej Kisielewicz	Member of the Committee
Tomasz Kuczur	Member of the Committee
Bogdan Szafranski	Member of the Committee

Changes in the composition of the Committee in 2021*

Composition of the Committee until 6 June 2021

No.	Name and surname	Function	Date of appointment
1.	Zbigniew Hajłasz	Chairman of the Committee	Appointed on 24 September 2020 to serve as Member of the Committee and then as Chairman of the Committee.
2.	Marcin Izdebski	Deputy Chairman of the Committee	Appointed on 24 September 2020 to serve as Member of the Committee and then as Deputy Chairman of the Committee.
3.	Grażyna Ciurzyńska	Member of the Committee	Appointed on 24 September 2020 to serve as Member of the Committee. The membership of the Committee ceased on the date of the OGM PKO BP S.A., i.e. on 7 June 2021 as a result of Grażyna Ciurzyńska being dismissed from the Supervisory Board on that day.
4.	Wojciech Jasiński	Member of the Committee	Appointed on 24 September 2020 to serve as Member of the Committee.
5.	Andrzej Kisielewicz	Member of the Committee	Appointed on 24 September 2020 to serve as Member of the Committee.

Composition of the Committee from 8 June 2021 to 14 June 2021

No.	Name and surname	Function	Date of appointment
1.	Wojciech Jasiński	Chairman of the Committee	Appointed on 24 September 2020 to serve as Member of the Committee. Appointed on 8 June 2021 to serve as Chairman of the Committee.
2.	Dominik Kaczmarek	Member of the Committee	Appointed on 8 June 2021 to serve as Member of the Committee.
3.	Zbigniew Hajłasz	Member of the Committee	Appointed on 24 September 2020 to serve as Member of the Committee. On 8 June 2021, he resigned as Chairman of the Committee.
4.	Andrzej Kisielewicz	Member of the Committee	Appointed on 24 September 2020 to serve as Member of the Committee.

Composition of the Committee from 15 June 2021 to 11 October 2021

No.	Name and surname	Function	Date of appointment
1.	Wojciech Jasiński**	Chairman of the Committee	Appointed on 24 September 2020 to serve as Member of the Committee. Appointed on 8 June 2021 to serve as Chairman of the Committee.
2.	Dominik Kaczmarek**	Deputy Chairman of the Committee	Appointed on 8 June 2021 to serve as Member of the Committee. Appointed on 15 June 2021 to serve as Deputy Chairman of the Committee.
3.	Zbigniew Hajłasz	Member of the Committee	Appointed on 24 September 2020 to serve as Member of the Committee.
4.	Andrzej Kisielewicz**	Member of the Committee	Appointed on 24 September 2020 to serve as Member of the Committee.

Composition of the Committee from 14 October 2021

No.	Name and surname	Function	Date of appointment
1.	Wojciech Jasiński	Chairman of the Committee	Appointed on 24 September 2020 to serve as Member of the Committee. Appointed on 8 June 2021 to serve as Chairman of the Committee.
2.	Dominik Kaczmarek	Deputy Chairman of the Committee	Appointed on 8 June 2021 to serve as Member of the Committee. Appointed on 15 June 2021 to serve as Deputy Chairman of the Committee.
3.	Andrzej Kisielewicz	Member of the Committee	Appointed on 24 September 2020 to serve as Member of the Committee.
4.	Tomasz Kuczur	Member of the Committee	Appointed on 14 October 2021 to serve as Member of the Committee.
5.	Bogdan Szafranski	Member of the Committee	Appointed on 14 October 2021 to serve as Member of the Committee.

*changes in the composition of the Supervisory Board in 2021 which resulted in changes in the composition of the Committee presented in the Report of the Supervisory Board of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna for 2021

**Members of the Committee remaining on the Committee as at the date of the EGM of PKO BP S.A. and 13 October 2021

3. Number of meetings of the Committee in 2021

In 2021, the Committee held 12 meetings on the following dates: 16 February, 18 March, 27 May, 8 June, 15 June, 25 June, 11 August, 14 September, 23 September, 14 October, 26 October and 16 December.

The number of the Committee Members participating in its meetings enabled all the meetings of the Committee to be held correctly.

4. Topics of the Committee's work

The Committee – as a result of the analysis performed – gave a positive opinion on:

- 1) MbO goals and their values and weights for the Members of the Bank's Management Board for 2021 and (twice) the amendment of these goals as a consequence of changes in the composition of the Management Board of PKO BP S.A. and the internal segregation of competences in 2021;
- 2) accounting for the achievement of the MbO goals for 2020 for the Members of the Bank's Management Board;
- 3) variable remuneration for 2020 for the Director of the Internal Audit Department and for the Director of the Compliance Department;
- 4) variable remuneration for 2020 for persons holding positions with a material effect on the Bank's risk profile – Material Risk Takers.

Moreover, the Committee:

1. accepted a report titled "Assessment of the functioning of the remuneration policy of PKO Bank Polski S.A. in 2020" and recommended that the Supervisory Board of PKO Bank Polski S.A. accept that report in order to submit it to the Annual General Meeting of PKO Bank Polski S.A.;
2. as regards resolutions related to changes in the composition of the Management Board of PKO Bank Polski S.A. and changes in the internal segregation of competences adopted by resolutions on the Organizational Regulations of PKO Bank Polski S.A., in 2021 passed resolutions on:
 - recommending that the Supervisory Board appoint candidates for members of the Bank's Management Board, including the President of the Bank's Management Board;
 - assessments of the individual suitability of candidates for the Members of the Bank's Management Board and the Members of the Bank's Management Board and the assessment of the collective suitability of the Members of the Bank's Management Board;
 - financial terms of the service contracts with the Members of the Bank's Management Board;
 - opinions on the award of severance pay to former Members of the Bank's Management Board.

The Committee also:

- as a result of the review of the "Policy on the suitability of the Members of the Management Board and persons holding key positions at the Bank and the assessment of suitability in the companies in the Bank's Group", taking into account the opinion of the Risk Committee expressed in the resolution of that Committee, recommended that the Supervisory Board adopt the amendments to the aforementioned Policy, reflected in the resolution on that matter;
- recommended that the Supervisory Board of PKO Bank Polski S.A. approve the amendments to the "Remuneration Policy for the employees of the Bank and the PKO BP S.A. Group" indicated in the resolution on that matter;
- recommended (twice) that the Supervisory Board of PKO Bank Polski S.A. approve the amendments to the "Rules of employment and remuneration of the Members of the Bank's Management Board" indicated in the resolution on that matter.

In 2021, the Committee also passed resolutions on:

- an opinion on the approval of the amount of variable components of the remuneration to be paid to the Members of the Bank's Management Board in 2021 and January 2022 for 2016–2020 and the determination of the existence of reasons to reduce the amount or limit the funds for these payments;
- acceptance of the list of positions of Material Risk Takers;
- amount of remuneration for the person acting as Director of the Compliance Department of Powszechna Kasa Oszczędności Bank Polski S.A.

5. Summary

In 2021, the Committee's meetings were held regularly, with a frequency which guaranteed the proper fulfilment of the Committee's statutory tasks. The composition of the Committee was adequate in terms of the number of Members and their experience and knowledge.

The professional experience and varied competences of the Committee members allowed them to examine, give opinions on, recommend and accept the topics and materials presented to them in a comprehensive manner.

In 2021, all Committee Members participated in the Committee's meetings actively. The meetings were long enough to allow the items on the meeting agendas to be discussed in full, whereas the number of the meetings was sufficient to enable the Committee to discharge its duties in full. The cooperation of the Committee with the Bank's Management Board was good.

Warsaw, 23.02.2022



Bank Polski

REPORT ON THE ACTIVITIES OF
THE RISK COMMITTEE OF
THE SUPERVISORY BOARD
IN 2021

1. Legal basis

- The Risk Committee of the Supervisory Board, hereinafter called the "Risk Committee" or the "Committee", was appointed by Resolution No. 35/2015 of the Supervisory Board of 4 November 2015.
- The Report on the Activities of the Risk Committee has been prepared on the basis of § 3(3) of the Regulations of the Risk Committee of the Supervisory Board of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna, hereinafter called the "Regulations of the Committee", constituting an appendix to Resolution No. 113/2020 of the Supervisory Board of 24 September 2020 on the Regulations of the Risk Committee.

2. Composition of the Risk Committee in 2021

Composition of the Risk Committee as at 31.12.2021

Name and surname	Function
Mariusz Andrzejewski	Chairman of the Risk Committee
Grzegorz Chłopek	Deputy Chairman of the Risk Committee
Wojciech Jasiński	Member of the Risk Committee
Dominik Kaczmarek	Member of the Risk Committee
Andrzej Kisielewicz	Member of the Risk Committee
Krzysztof Michalski	Member of the Risk Committee
Bogdan Szafranski	Member of the Risk Committee

Changes in the composition of the Risk Committee in 2021*

Composition of the Committee until 14 June 2021

No.	Name and surname	Function	Date of appointment
1.	Andrzej Kisielewicz	Chairman of the Committee	Appointed on 24 September 2020 to serve as a Member of the Committee and then as Chairman of the Committee.
2.	Mariusz Andrzejewski	Deputy Chairman of the Committee	Appointed on 24 September 2020 to serve as a Member of the Committee and then as Deputy Chairman of the Committee.
3.	Grzegorz Chłopek	Member of the Committee	Appointed on 24 September 2020 to serve as a Member of the Committee.
4.	Wojciech Jasiński	Member of the Committee	Appointed on 24 September 2020 to serve as a Member of the Committee.
5.	Krzysztof Michalski	Member of the Committee	Appointed on 24 September 2020 to serve as a Member of the Committee.

Composition of the Committee in the period from 15 June 2021 to 13 October 2021

No.	Name and surname	Function	Date of appointment
1.	Mariusz Andrzejewski	Chairman of the Committee	Appointed on 24 September 2020 to serve as a Member of the Committee and then as Deputy Chairman of the Committee. On 15 June 2021, he resigned as Deputy Chairman of the Committee. On 15 June 2021, he was appointed Chairman of the Committee.
2.	Grzegorz Chłopek	Deputy Chairman of the Committee	Appointed on 24 September 2020 to serve as a Member of the Committee. On 15 June, he was appointed Deputy Chairman of the Committee.
3.	Wojciech Jasiński	Member of the Committee	Appointed on 24 September 2020 to serve as a Member of the Committee.
4.	Dominik Kaczmarek	Member of the Committee	Appointed on 15 June 2021 to serve as a Member of the Committee.
5.	Andrzej Kisielewicz	Member of the Committee	Appointed on 24 September 2020 to serve as a Member of the Committee and then as Chairman of the Committee. On 15 June 2021, he resigned as Chairman of the Committee.
6.	Krzysztof Michalski	Member of the Committee	Appointed on 24 September 2020 to serve as a Member of the Committee.

Composition of the Committee from 14 October 2021

No.	Name and surname	Function	Date of appointment
1.	Mariusz Andrzejewski	Chairman of the Committee	Appointed on 24 September 2020 to serve as a Member of the Committee and then as Deputy Chairman of the Committee. On 15 June 2021, he resigned as Deputy Chairman of the Committee. On 15 June 2021, he was appointed Chairman of the Committee.
2.	Grzegorz Chłopek	Deputy Chairman of the Committee	Appointed on 24 September 2020 to serve as a Member of the Committee. On 15 June, he was appointed Deputy Chairman of the Committee.
3.	Wojciech Jasiński	Member of the Committee	Appointed on 24 September 2020 to serve as a Member of the Committee.
4.	Dominik Kaczmarek	Member of the Committee	Appointed on 15 June 2021 to serve as a Member of the Committee.
5.	Andrzej Kisielewicz	Member of the Committee	Appointed on 24 September 2020 to serve as a Member of the Committee and then as Chairman of the Committee. On 15 June 2021, he resigned as Chairman of the Committee.
6.	Krzysztof Michalski	Member of the Committee	Appointed on 24 September 2020 to serve as a Member of the Committee.
7.	Bogdan Szafranski	Member of the Committee	Appointed on 14 October 2021 to serve as a Member of the Committee.

*changes in the composition of the Supervisory Board in 2021, which resulted in changes in the composition of the Committee presented in the Report of the Supervisory Board of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna for 2021

3. Information about the meetings of the Risk Committee in 2021

In 2021, the Risk Committee worked on the basis of the Framework Work Plan of the Risk Committee for 2021.

In 2021, as part of fulfilment of its statutory tasks, the Risk Committee held eight meetings (21 January, 18 March, 28 April, 15 June, 25 June, 23 September, 4 November and 16 December).

The number of Risk Committee Members participating in the individual meetings of the Risk Committee enabled all the meetings of the Risk Committee to be held correctly.

The following persons were invited to and participated in the meetings of the Risk Committee: the Members of the Bank's Management Board and the Directors of, among others, the Banking Risk Division, Internal Audit Department and Compliance Department.

In 2021, the Risk Committee held a meeting – without the participation of the Members of the Bank's Management Board – with the Director of the Banking Risk Division.

4. Topics of the Risk Committee's work

In 2021, the most important topics of the Risk Committee's work were issues related to:

- 4.1 giving opinions on the Bank's total, current and future risk appetite, in consideration of the risk profile of the Bank's Group, and giving opinions on the strategy for managing risk in the Bank's operations adopted by the Management Board, as well as information on the pursuit of this strategy and other periodic reports on risk management and capital adequacy submitted by the Management Board, including those related to:
 1. analysing, giving opinions on and accepting periodic reports on risk management, including those relating to credit risk, financial risk, operational risk, as well as business risk and the risk of macroeconomic changes;
 2. analysing, giving opinions on and accepting periodic reports on compliance risk, conduct risk and reputational risk;

3. analysing, giving opinions on and accepting periodic reports on capital adequacy;
4. analysing, giving opinions on and accepting the annual report on model risk.
- 4.2 supporting the Supervisory Board in overseeing the implementation of the strategy for managing risk in the Bank's operations and on-going monitoring of the implementation of the risk management strategy, as well as on-going monitoring of the risk management system;
- 4.3. reviewing the remuneration policy for the employees of the Bank and the Bank's Group, including accepting the report titled "Assessment of the functioning of the remuneration policy at PKO Bank Polski S.A. in 2020", as well as recommendations to the Supervisory Board concerning the assessment of this report;
- 4.4. giving an opinion on the "Policy on the suitability of the members of the Management Board and key function holders at the Bank and the assessment of suitability in the companies in the Bank's Group";
- 4.5. analysing and accepting the List of Material Risk Takers;
- 4.6. assessing the Bank's measures taken to mitigate risks by taking out property insurance for the Bank and liability insurance for the members of the Bank's bodies and proxies.

5. Description of the Risk Committee's work

- 5.1. Giving opinions on the Bank's total, current and future risk appetite, in consideration of the risk profile of the Bank's Group, and giving opinions on the strategy for managing risk in the Bank's operations adopted by the Management Board, as well as information on the pursuit of this strategy and other periodic reports on risk management and capital adequacy submitted by the Management Board. Supporting the Supervisory Board in overseeing the implementation of the strategy for managing risk in the Bank's operations. On-going monitoring of the implementation of the risk management strategy, as well as on-going monitoring of the risk management system.

In carrying out the aforementioned tasks, the Risk Committee, on a quarterly basis, analysed, gave opinions on and accepted reports on credit risk, financial risk, operational risk, business risk, and the risk of macroeconomic changes, which were then discussed at the meetings of the Supervisory Board.

The Risk Committee monitored the risk level on an on-going basis, based on the information contained in the monthly reports prepared for the needs of the Risk Committee by the Banking Risk Division.

Moreover, the Risk Committee, on a quarterly basis, analysed, gave opinions on and accepted reports on compliance risk and conduct risk and, bi-annually, analysed, gave opinions on and accepted reports on reputational risk, which were then discussed by the Supervisory Board.

As part of the on-going monitoring of the effectiveness of the Bank's risk management system, the Risk Committee met with the Director of the Banking Risk Division on 23 September 2021 (without the participation of the Members of the Bank's Management Board). During the meeting, issues related to the key challenges for the risk area were discussed, in particular.

Moreover, on 16 December 2021 the Risk Committee, having analysed the scope of the changes made, gave a positive opinion on:

- Risk Management Strategy of PKO Bank Polski S.A. and the PKO Bank Polski S.A. Group including, among other things, changes aimed at updating the framework of Strategic Tolerance Limits (STLs) and incorporating the changes arising from the regulation on prudential requirements for credit institutions and investment firms, access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, the EBA guidelines and PFSA recommendations;
- Principles of information policy of PKO Bank Polski S.A. regarding capital adequacy and other information subject to disclosure, including, among other things, changes in the acceptance of the Report on capital adequacy and other information subject to disclosure and the deadlines for its publication, updating information on the frequency and scope of the information published on an annual, interim and quarterly basis, in accordance with the requirements set out in CRR2 and Regulation 2021/637, disclosure of quarterly data in a separate Report, the scope of the information on the list of disclosures regarding exposures subject to measures applied in response to the COVID-19 crisis in accordance with the EBA Guidelines.

- 5.2 Analysing and giving an opinion on the annual report on model risk

The Risk Committee analysed, gave its opinion on and accepted the report on model risk in PKO Bank Polski SA - the annual report for 2020, which was then considered by the Supervisory Board.

5.3 Analysing and giving opinions on periodic reports on capital adequacy

The Risk Committee, on a quarterly basis, analysed, gave its opinion on and accepted reports on capital adequacy which were then discussed by the Supervisory Board.

5.4 On 18 March 2021, the Risk Committee, having analysed the scope of the changes made, gave a positive opinion on the Principles for managing capital adequacy and equity in PKO Bank Polski SA and in the PKO Bank Polski S.A. Group, including changes consisting of, among other things, presenting the Bank's dividend policy in a separate document.

5.5 Moreover, on 18 March 2021, the Risk Committee analysed the list of Material Risk Takers and accepted that list.

5.6 On 7 May 2021, the Risk Committee, using the means of direct remote communication (electronic mail), accepted the report titled "Assessment of the functioning of the Remuneration Policy at PKO Bank Polski S.A. in 2020" and recommended that the Supervisory Board give a positive opinion on that report in order to present it to the General Meeting of PKO Bank Polski S.A.

On 25 June 2021, the Risk Committee did not make any comments on the proposed amendments to the "Policy on the suitability of the members of the Management Board and key function holders at the Bank and the assessment of suitability in the companies in the Bank's Group" and recommended that they be introduced. The amendments consisted of, among other things, tailoring the content of the aforementioned Policy to the changes arising from Recommendation Z issued by the PFSA and the new Best Practice for GPW Listed Companies 2021.

5.7 The Risk Committee:

- on 4 November 2021, read and analysed the information prepared in accordance with the Committee's recommendation, concerning the Investment Portfolio managed by the Treasury Department;
- on 16 December 2021, read and analysed the information prepared in accordance with the Committee's recommendation, concerning strategic balance sheet management in the context of stabilization of the interest rate margin and mitigating interest rate risk, including the structure of the benchmark portfolio.

5.8 On 16 December 2021, the Risk Committee, having analysed the scope of the changes made, gave a positive opinion on the Principles for managing conflicts of interests at PKO Bank Polski S.A., including changes related to incorporating the requirements set out in Recommendation Z of the Polish Financial Supervision Authority on the principles of corporate governance in banks in this regard.

5.9 In 2021, the Risk Committee read and accepted twice (on 21 January and 16 December) information concerning the assessment of the Bank's measures taken to mitigate risks by taking out property insurance for the Bank and liability insurance for the members of the Bank's bodies and proxies.

5.10 Work plans of the Risk Committee for 2021 and 2022

The Risk Committee, at the meetings held on:

- 21 January 2021, adopted the Framework Work Plan of the Risk Committee for 2021;
- 16 December 2021, adopted the Framework Work Plan of the Risk Committee for 2022.

6. Summary

In 2021, the Committee's meetings were held regularly, with a frequency which guaranteed the proper fulfilment of the Committee's statutory tasks. The composition of the Committee was adequate in terms of the number of Committee members and their experience and knowledge.

The professional experience and varied competences of the Committee members allowed them to examine, give opinions on, recommend and accept the topics and materials presented to them in a comprehensive manner.

The cooperation of the Committee with the Bank's Management Board was good.

In 2021, all Committee members participated in the Committee's meetings actively. The meetings were long enough to allow the items on the meeting agendas to be discussed in full and to provide time for discussing other topics of importance to the Committee members. The Committee members received materials well in advance of the meetings.

Warsaw, 09.03.2022



Bank Polski

Appendix No. 4

REPORT ON THE ACTIVITIES OF
THE AUDIT COMMITTEE OF
THE SUPERVISORY BOARD
IN 2021

1. Legal basis

- The Audit Committee of the Supervisory Board of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna, hereinafter called the "Audit Committee" or the "Committee", was established by Resolution No. 44/2006 of the Supervisory Board of PKO Bank Polski S.A. of 30 November 2006 (as amended);
- The Report on the activities of the Audit Committee was prepared on the basis of § 3(4) of the Regulations of the Audit Committee of the Supervisory Board of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna (hereinafter called the "Regulations of the Audit Committee"), constituting an appendix to Resolution No. 114/2020 of the Supervisory Board of PKO Bank Polski S.A. of 24 September 2020 on the Regulations of the Audit Committee.

2. Composition of the Audit Committee in 2021

Composition of the Audit Committee as at 31.12.2021

Name and surname	Function
Agnieszka Winnik-Kalemba	Chair of the Audit Committee
Mariusz Andrzejewski	Deputy Chairman of the Audit Committee
Grzegorz Chłopek	Member of the Audit Committee
Dominik Kaczmarek	Member of the Audit Committee
Rafał Kos	Member of the Audit Committee
Bogdan Szafranski	Member of the Audit Committee

Changes in the composition of the Audit Committee in 2021*

Composition of the Committee until 6 June 2021

No.	Name and surname	Function	Date of appointment
1.	Grażyna Ciużyńska	Chair of the Committee	Appointed on 24 September 2020 to serve as Member of the Committee and then as Chair of the Committee.
2.	Grzegorz Chłopek	Deputy Chairman of the Committee	Appointed on 24 September 2020 to serve as Member of the Committee and then as Deputy Chairman of the Committee.
3.	Mariusz Andrzejewski	Member of the Committee	Appointed on 24 September 2020 to serve as Member of the Committee.
4.	Marcin Izdebski	Member of the Committee	Appointed on 24 September 2020 to serve as Member of the Committee.
5.	Rafał Kos	Member of the Committee	Appointed on 24 September 2020 to serve as Member of the Committee.

Composition of the Committee from 7 June 2021 to 14 June 2021

No.	Name and surname	Function	Date of appointment
1.	Grzegorz Chłopek	Deputy Chairman of the Committee	Appointed on 24 September 2020 to serve as Member of the Committee and then as Deputy Chairman of the Committee.
2.	Mariusz Andrzejewski	Member of the Committee	Appointed on 24 September 2020 to serve as Member of the Committee.
3.	Rafał Kos	Member of the Committee	Appointed on 24 September 2020 to serve as Member of the Committee.

Composition of the Committee from 15 June 2021 to 15 December 2021

No.	Name and surname	Function	Date of appointment
1.	Agnieszka Winnik-Kalemba	Chair of the Committee	Appointed on 15 June 2021 to serve as Member of the Committee and then as Chair of the Committee.
2.	Mariusz Andrzejewski	Deputy Chairman of the Committee	Appointed on 24 September 2020 to serve as Member of the Committee. Appointed on 15 June 2021 to serve as Deputy Chairman of the Committee.
3.	Grzegorz Chłopek	Member of the Committee	Appointed on 24 September 2020 to serve as Member of the Committee and then as Deputy Chairman of the Committee. On 15 June 2021, he resigned as Deputy Chairman of the Committee.
4.	Dominik Kaczmarek	Member of the Committee	Appointed on 15 June 2021 to serve as Member of the Committee.
5.	Rafał Kos	Member of the Committee	Appointed on 24 September 2020 to serve as Member of the Committee.

Composition of the Committee from 16 December 2021

No.	Name and surname	Function	Date of appointment
1.	Agnieszka Winnik-Kalemba	Chair of the Committee	Appointed on 15 June 2021 to serve as Member of the Committee and then as Chair of the Committee.
2.	Mariusz Andrzejewski	Deputy Chairman of the Committee	Appointed on 24 September 2020 to serve as Member of the Committee. Appointed on 15 June 2021 to serve as Deputy Chairman of the Committee.
3.	Grzegorz Chłopek	Member of the Committee	Appointed on 24 September 2020 to serve as Member of the Committee.
4.	Dominik Kaczmarek	Member of the Committee	Appointed on 15 June 2021 to serve as Member of the Committee.
5.	Rafał Kos	Member of the Committee	Appointed on 24 September 2020 to serve as Member of the Committee.
6.	Bogdan Szafranski	Member of the Committee	Appointed on 16 December 2021 to serve as Member of the Committee.

*changes in the composition of the Supervisory Board of 2021 which resulted in changes in the composition of the Audit Committee presented in the Report of the Supervisory Board of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna for 2021

3. Information about the meetings of the Audit Committee in 2021

In 2021, the Audit Committee worked on the basis of the Framework Work Plan for the Audit Committee for 2021.

In 2021, as part of the fulfilment of its statutory tasks, the Audit Committee held nine meetings (16 February, 18 March, 28 April, 27 May, 15 June, 11 August, 23 September, 4 November and 16 December).

The number of the Audit Committee Members participating in the individual meetings of the Audit Committee enabled all the meetings of the Audit Committee to be held correctly.

The following persons were invited to and participated in the meetings of the Audit Committee: the Members of the Bank's Management Board and, among others, the Directors of the Internal Audit Department (IAD) and the Compliance Department (CD).

In 2021, the Audit Committee held meetings – without the participation of the Members of the Management Board – with the Directors of the Banking Risk Division, IAD, Legal Department and CD, as well as the audit firm.

4. Topics of the Audit Committee's work:

In 2021, the most important topics of the Audit Committee's work were issues related to:

- 1) monitoring the financial reporting process;
 - 2) monitoring the effectiveness of the internal control system and the effectiveness of the risk management system;
 - 3) monitoring the performance of audit activities;
 - 4) controlling and monitoring the independence of the registered auditor and the audit firm carrying out the audit of the financial statements as well as cooperation with the audit firm and other matters related to the registered auditor and the audit firm;
 - 5) proceedings in the matter of the appointment of the audit firm to audit the financial statements of the Bank and the Bank's Group for the years 2022-2023,
- to the extent referred to in the Regulations of the Audit Committee.

The Committee also performed tasks with regard to, among other things:

- 1) implementation of the recommendations issued by the Polish Financial Supervision Authority (hereinafter called the "PFSA");
- 2) analysing the financial results achieved by the PKO Bank Polski S.A. Group in the respective periods;
- 3) obtaining information regarding legal issues of major significance to the Bank;
- 4) in-depth analysis of the process of acquisition of companies, using selected transactions of the Bank and the entities in the Bank's Group (BG) as an example.

5. Description of the Audit Committee's work

5.1. Monitoring the financial reporting process

1. Review of the interim and annual financial statements of PKO Bank Polski S.A. and the PKO Bank Polski S.A. Group (separate and consolidated).

As part of the said review, the Audit Committee focused, among other things, on:

- 1) the results of the independent registered auditor's audit of the financial statements of PKO Bank Polski S.A. and the PKO Bank Polski S.A. Group for 2020 and obtaining the independent registered auditor's opinion (contained in the audit reports) that both the separate financial statements of the Bank and the consolidated financial statements of the PKO Bank Polski S.A. Group give a fair and clear view of the financial position of the Bank and the Bank's Group as at 31 December 2020, the results of operations and the cash flows the Bank and the Group for the financial year then ended, in accordance with the applicable International Financial Reporting Standards as adopted by the European Union and the adopted accounting policies, and that they comply, in terms of form and content, with the laws applicable to the Bank and the Group and the Bank's Articles of Association, and have been prepared appropriately, on the basis of properly maintained books of account, in accordance with the provisions of Chapter 2 of the Accounting Act of 29 September 1994;
- 2) the analysis of the aforementioned financial statements and the additional report of the audit firm for the Audit Committee, taking into account: the information, schedules, recommendations, problems and other elements referred to in the Regulations of the Audit Committee as regards the monitoring of the financial reporting process;
- 3) the analysis of the financial results achieved by the PKO Bank Polski S.A. Group in the respective periods, with a particular emphasis on the major events affecting the functioning and financial results of the Bank's Group, including the coronavirus pandemic and the measures taken by the Bank in relation to mortgage loans in foreign currencies, as well as the analysis of information concerning, among other things, the total assets and equity & liabilities of the Bank's Group, the levels of individual income statement items and changes in these items, results in comparable conditions, financial effectiveness ratios, capital adequacy measures and the level of the total capital ratio.

The Audit Committee, having:

- read the consolidated financial statements of the PKO Bank Polski S.A. Group for the year ended 31 December 2020 and the financial statements of PKO Bank Polski S.A. for the year ended 31 December 2020;
- heard the audit firm's opinion on the audit of the consolidated financial statements of the PKO Bank Polski S.A. Group for the year ended 31 December 2020 and the financial statements of PKO Bank Polski S.A. for the year ended 31 December 2020, as well as
- read the independent registered auditor's reports on the audit of the aforementioned financial statements and the additional reports for the Audit Committee, prepared by the audit firm (in connection with the audit of the

aftermentioned financial statements), having discussed them and having analysed those reports, and bearing in mind the opinion issued by the audit firm (contained in the audit reports), recommended that the Supervisory Board of PKO Bank Polski S.A. give a positive opinion on: the Consolidated Financial Statements of the Powszechna Kasa Oszczędności Bank Polski S.A. Group for the year ended 31 December 2020 and the Financial Statements of Powszechna Kasa Oszczędności Bank Polski S.A. for the year ended 31 December 2020.

Moreover, the Committee recommended that the Supervisory Board give a positive opinion on the PKO Bank Polski S.A. Group Directors' Report for 2020, prepared together with the Directors' Report of PKO Bank Polski S.A.

The Audit Committee, having:

- read the Condensed interim consolidated financial statements of the PKO Bank Polski S.A. Group for the six months ended 30 June 2021 and the Condensed interim financial statements of PKO Bank Polski S.A. for the six months ended 30 June 2021, the results of the review of those financial statements by the audit firm, and taking into account the results of the review of those financial statements performed by the audit firm which confirmed its independence and presented:
 - the scope of the work and the basis for the auditor's review of the separate financial statements of the Bank and the review of the consolidated financial statements of the Group;
 - the materiality levels adopted by the auditor for the purposes of the audit of the separate financial statements of the Bank and for the purposes of the audit of the consolidated financial statements, as well as the level of adjustments;
 - the key audit areas and the audit adjustments identified,

accepted the aforementioned financial statements.

Moreover, the Audit Committee accepted the PKO Bank Polski S.A. Group Directors' Report for the first half of 2021:

- reviewed the PKO Bank Polski S.A. Group reports for the first quarter of 2021 and the third quarter of 2021, accepted the PKO Bank Polski S.A. Group Report for the first quarter of 2021 and the PKO Bank Polski S.A. Group Report for the third quarter of 2021.

2. The Audit Committee on:

- 18 March 2021 passed a resolution in which it recommended that the Supervisory Board approve the "Dividend policy of PKO Bank Polski S.A. and the PKO Bank Polski S.A. Group";
- 7 May 2021, using the means of direct remote communication (electronic mail), passed:
 - a resolution in which it recommended that the Supervisory Board give a positive opinion on the Management Board's proposal for retaining the unappropriated profit of PKO Bank Polski S.A. for the prior years as unappropriated profit, pursuant to Resolution No. 156/E/2021 of the Management Board of 6 May 2021 on retaining the unappropriated profit of PKO Bank Polski S.A. for the prior years as unappropriated profit;
 - a resolution in which it recommended that the Supervisory Board give a positive opinion on the Management Board's proposal for offsetting PKO Bank Polski S.A.'s loss for 2020, contained in Resolution No. 155/E/2021 of the Management Board of 6 May 2021 on offsetting PKO Bank Polski S.A.'s loss for 2020.

5.2. Monitoring the effectiveness of the internal control system and of the risk management system

1) The Audit Committee:

- 1) on 16 February 2021, having analysed the materials concerning the assessment of the adequacy and effectiveness of the internal control system for 2020, i.e.:
 - the material "Assessment of the adequacy and effectiveness of the internal control system for 2020", containing a summary of the key information on the functioning of the Bank's internal control system in 2020;
 - the material "Adequacy and effectiveness of the functioning of the compliance unit and the control function at PKO Bank Polski S.A.;
 - "Annual report on the IAD's activities, including the IAD's information on the adequacy and effectiveness of the risk management system and internal control system for 2020";
 - having obtained detailed information from the Directors of the CD and IAD on the functioning of the individual elements of the internal control system,

on the basis of the available information and periodic reports – gave a positive opinion as regards the Supervisory Board’s overall assessment of the internal control system as being “sufficient” and of the individual elements of that system as being:

- “sufficient” – for the assessment of the control function;
- “sufficient” – for the assessment of the compliance unit”;
- “satisfactory” – for the assessment of the internal audit unit.

- 2) On 4 November 2021, the Audit Committee gave a positive opinion on the principles of the functioning of the internal control system at PKO Bank Polski S.A., introduced by Resolution No. 414/C/2021 of the Management Board of 21 October 2021 on the principles of the functioning of the internal control system at PKO Bank Polski S.A.
- 3) Moreover, on 4 November 2021 the Audit Committee:
 - held a meeting with the IAD Director (without the participation of the members of the Management Board);
 - analysed and accepted the Report on the remuneration of the IAD’s employees (the analysis for 2020);
 - passed a resolution in which it gave a positive opinion on the “Plan of internal audits for 2022”.
- 4) On 16 December 2021, the Audit Committee gave a positive opinion on amended Appendices No. 1 “Principles for performing internal audits at PKO Bank Polski S.A.” and No. 2 “Principles of the functioning of the internal audit unit at PKO Bank Polski S.A.” for the Audit Charter, constituting appendices to Resolution No. 491/C/2021 of the Management Board of 6 December 2021, amending the resolution on the approval of the Audit Charter.
- 5) In addition, the Audit Committee – on a quarterly basis – analysed and received information from the IAD on the degree of completion of the plan of internal audits and the implementation of the recommendations.
- 6) As part of the activities related to monitoring the operations of the CD, the Audit Committee:
 - received and analysed the Report prepared by the CD on compliance risk and conduct risk on a quarterly basis;
 - analysed and accepted the Report on the remuneration of the CD’s employees (an analysis relating to 2020);
 - held a meeting with the CD Director on 11 August 2021 (without the participation of the members of the Management Board);
 - on 23 September 2021:
 - passed a resolution in which it gave a positive opinion on the request of the Bank’s Management Board to the Bank’s Supervisory Board on giving consent to dismissing the Director of the Bank’s Compliance Department;
 - passed a resolution by means of which it gave a positive opinion on the request of the Bank’s Management Board to the Bank’s Supervisory Board on giving consent to entrusting the performance of the duties of the Director of the Bank’s Compliance Department and, according to the recommendation of the Appointments and Remuneration Committee expressed in Resolution No. 39/2021 of the Appointments and Remuneration Committee of 23 September 2021 on the amount of the remuneration for the person performing the duties of the Director of the Bank’s Compliance Department, approved the fixed remuneration for the person holding the position of Director of the Compliance Department, in the event of entrusting the performance of those duties to him/her, at the level specified in that resolution of the Appointments and Remuneration Committee, having obtained additional information and explanations relating to the procedure for appointing/dismissing the CD Director, and having heard the persons whom the aforementioned resolutions concerned.
- 7) Moreover, the Audit Committee:
 - on 27 May 2021 approved the variable remuneration for 2020 for the Director of the Compliance Department;
 - on 11 August 2021 passed a resolution in which it gave a positive opinion on the “Principles for ensuring compliance and managing compliance risk and conduct risk at PKO Bank Polski S.A.”, constituting an appendix to Resolution No. 302/C/2021 of the Management Board of 4 August 2021 amending the resolution on the principles for ensuring compliance and managing compliance risk and conduct risk at

PKO Bank Polski SA and amending the resolution on the metric of the product “Provision of securities custodian services”, “Rules of maintenance of securities accounts by PKO Bank Polski SA”, “Rules of maintenance of collective accounts by PKO Bank Polski SA” and “Rules on cash accounts for customers for whom PKO Bank Polski SA maintains securities accounts or collective accounts”.

- 8) As part of the ongoing monitoring of the effectiveness of the risk management system, a meeting was held on 23 September 2021 with the Director of the Banking Risk Division (without the participation of the members of the Management Board), which was attended by the Members of the Audit Committee.

5.3 Implementation of the PFSA recommendations

The Audit Committee analysed and took note of the information about the stage of implementation of the PFSA recommendations on a quarterly basis.

5.4 Monitoring the performance of audit activities, controlling and monitoring of the independence of the registered auditor and the audit firm auditing the financial statements, as well as cooperation with the audit firm

- 1) On 28 April 2021, the Audit Committee recommended that the Supervisory Board of PKO Bank Polski S.A. pass a resolution on a statement concerning the audit firm auditing the Consolidated Financial Statements of the PKO Bank Polski S.A. Group for the year ended 31 December 2020 and the Financial Statements of PKO Bank Polski S.A. for the year ended 31 December 2020, as set out in the appendix to that resolution. The said resolution contained, among other things, a statement signed by the representatives of the audit firm PricewaterhouseCoopers Polska sp. z o.o. Audyt Sp.k. confirming the independence of the registered auditor, the audit firm PricewaterhouseCoopers Polska sp. z o.o. Audyt Sp.k., its Partners, senior management and the managers conducting the audit of Powszechna Kasa Oszczędności Bank Polski S.A.;
In addition, on 28 April 2021, during the meeting of the Audit Committee, the representative of the audit firm PricewaterhouseCoopers Polska sp. z o.o. Audyt Sp.k., the key registered auditor of that firm, confirmed the auditor's independence. Furthermore, she confirmed that, during the audit of the financial statements of the Bank and the consolidated financial statements of the Bank's Group, the auditor received all the necessary information and explanations from the Management Board, without leaving any issues open.
- 2) The Audit Committee:
 - on 16 February 2021 held a meeting with the audit firm PricewaterhouseCoopers Polska sp. z o.o. Audyt Sp.k. as part of discussing the Group's preliminary unaudited consolidated financial results for the fourth quarter of 2020 and 2021, during which the main observations on the audit of the financial statements of PKO Bank Polski and the PKO Bank Polski Group for 2020 were presented and a confirmation of the independence of the team of registered auditors conducting the audit and the independence of the aforementioned audit firm was obtained;
 - on 28 April 2021 held a meeting with the audit firm PricewaterhouseCoopers Polska sp. z o.o. Audyt Sp.k. (without the participation of the Members of the Management Board) during which, among other things, matters concerning the correctness and compliance of the recognition of issues relating to mortgage loans in CHF in financial statements with the applicable requirements and market standards were discussed. Moreover, the Audit Committee obtained confirmation from the representatives of the aforementioned audit firm that, during the audit of the models, the auditors had access to all reports and analyses, including the results of the survey conducted among the Bank's customers. Moreover, they had access to legal experts, both internal and external, and to the business advisor whom they were able to contact in an independent manner;
 - on 16 December 2021 held a meeting with the audit firm PricewaterhouseCoopers Polska sp. z o.o. Audyt Sp.k. during which it took note of the information concerning the planned approach to the audit of the financial statements of PKO Bank Polski S.A. (the Bank) and the PKO Bank Polski S.A. Group (the Group) for the reporting period ended 31 December 2021, including the scope of work and the basis for the audit of the financial statements, the audit timetable, the materiality level, the audit firm's proposition concerning the adjustment threshold for the purposes of communication with the Committee and the Bank's Management Board, the audited Group companies and the scope of those audits as well as the audit risks identified. A confirmation was also obtained from the audit firm of the independence of the registered auditor, the audit firm PricewaterhouseCoopers Polska sp. z o.o. Audyt Sp.k. as well as its Partners and management executives conducting the aforementioned audit within the meaning of the generally applicable laws and regulations in this regard.

5.5 Issues relating to proceedings concerning the appointment of the audit firm to audit the financial statements of the Bank and the Bank's Group for the years 2022–2023

- 1) The Audit Committee, in continuing the work commenced in 2020, related to proceedings concerning ordering the audit of the financial statements of PKO Bank Polski S.A. and the PKO Bank Polski S.A. Group for the years 2022–2023, on:
 - 16 February 2021 passed a resolution in which it recommended that the Supervisory Board introduce changes to the policy for appointing the audit firm to audit the financial statements of PKO BP S.A. and the PKO Bank Polski S.A. Group;
 - 18 March 2021:
 - passed a resolution in which it recommended that the Supervisory Board pass a resolution on amendments to the contract on the audit of the financial statements concluded on 24 January 2019 by and between Powszechna Kasa Oszczędności Bank Polski S.A. and PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp. k. The above amendment related to increasing the fees for PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp. k. for the audit of the separate financial statements of the Bank and the consolidated financial statements of the Bank's Group for the financial year from 1 January 2020 to 31 December 2020;
 - read the Report of the Commission responsible for the appointment of the auditor on the performance of the procedure for appointing the audit firm to audit and review the financial statements of PKO Bank Polski S.A. and the PKO Bank Polski S.A. Group for the years 2022–2023, recommending the continuation of the proceedings and negotiations;
- 2) on 20 April 2021, using the means of direct remote communication (electronic mail):
 - passed a resolution in which it gave its consent to the provision of an assurance service by PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp. k.;
 - passed a resolution in which it recommended that the Supervisory Board pass a resolution on amending the contract on the audit of the financial statements concluded on 24 January 2019 by and between Powszechna Kasa Oszczędności Bank Polski S.A. and PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp. k.;
 - passed a resolution in which it recommended that the Supervisory Board pass a resolution amending Resolution No. 147/2020 of the Supervisory Board of 17 December 2020 on initiating proceedings related to ordering the audit of the financial statements of PKO Bank Polski S.A. and the PKO Bank Polski S.A. Group for the 2022–2023;
- 3) on 11 August 2021:
 - passed a resolution in which it recommended that the Supervisory Board pass a resolution amending Resolution No. 147/2020 of the Supervisory Board of 17 December 2020 on initiating proceedings related to ordering the audit of the financial statements of PKO Bank Polski S.A. and the PKO Bank Polski S.A. Group for the years 2022–2023;
 - accepted an update to the Information on the report of the commission responsible for the appointment of the auditor on the performance of the procedure for appointing the audit firm to audit the financial statements for the years 2022–2023. Having read the conclusions of the commission responsible for the appointment of the auditor and having analysed the evaluation of the proposals, the Audit Committee recommended that the commission continue conducting the proceedings in order to examine additional areas of the competences of both tenderers and to ask both tenderers to present commercial proposals to the extent specified by the Committee;
- 4) on 23 September 2021:
 - read the Report of the commission responsible for appointing the audit firm on the performance of the procedure for appointing the audit firm to audit the financial statements for the years 2022–2023 – updated in accordance with the recommendation of 11 August 2021 and formulated a recommendation for one of the proposals, pointing out the elements constituting the grounds for that recommendation;
 - passed a resolution in which it:
 - recommended appointing PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp. k. the audit firm to audit and review the financial statements of PKO Bank Polski S.A., the PKO Bank Polski S.A. Group and the foreign branches of PKO Bank Polski S.A. for the years 2022–2023;
 - in the event of rejection of the recommendation of the aforementioned entity, it recommended appointing the audit firm indicated in the resolution the audit firm to audit and review the financial

statements of PKO Bank Polski S.A., the PKO Bank Polski S.A. Group and the foreign branches PKO Bank Polski S.A. for the years 2022–2023;

- passed a resolution in which it gave its consent to the provision of the permitted non-audit services specified in the proposal of 10 February 2021 and its updated version, by the audit firm specified in that resolution, the entities related to that audit firm and the member firms of that audit firm's network, and set out the terms and conditions of cooperation;
- 5) on 16 December 2021 passed a resolution in which it gave its consent to the provision of an assurance service by PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp. k.

5.6 Issues related to the analysis of the process of acquisition of companies, using selected transactions of the Bank and the entities in the Bank's Group as an example.

The Audit Committee:

- on 23 September 2021:
 - read a supplement to the Information on the profitability of housing loans in foreign currencies and Polish zlotys and, as a result of the analysis of the information received and on the basis of the additional explanations obtained, it found it reasonable to continue discussing the topic of profitability of housing loans in foreign currencies and Polish zlotys;
 - ordered the Internal Audit Department to carry out an audit to the extent referred to in that order;
- on 4 November 2021 obtained information on the scope of the work performed so far and the preliminary conclusions from the audits ordered and read another supplement to the aforementioned Information, and on 16 December 2021 it read and analysed the Report on the aforementioned audit and requested supplementing it with the issues pointed out while discussing it.

5.7 Legal issues of major significance to the Bank

On 16 December 2021, the Audit Committee held a meeting with the Director of the Legal Department (without the participation of the members of the Management Board) during which the Director of that Department assured that all legal issues of major significance to the Bank were presented at the Supervisory Board's meetings on a regular basis.

5.8 Work plan of the Audit Committee for 2022

At the meeting on 16 December 2021, the Audit Committee adopted the Framework Work Plan of the Audit Committee for 2022.

6. Summary

In 2021, the Audit Committee's meetings were held regularly, with a frequency appropriate for the tasks entrusted to the Committee. The composition of the Committee was adequate in terms of the number of Members and their experience and knowledge.

The Audit Committee met the requirements relating to the number of Committee Members who meet the independence criterion in accordance with the Act on Registered Auditors, Audit Firms and Public Oversight and have the knowledge of and skills in accounting or auditing financial statements and have the knowledge of and skills in banking.

The professional experience and varied competences of the Committee members allowed them to examine, give opinions on, recommend and accept respectively the topics and materials presented to them in a comprehensive manner.

In 2021, all Committee Members participated in the Committee's meetings actively. The meetings were long enough to allow the items on the meeting agendas to be discussed in full and to provide time for discussing other topics of importance to the Bank and the Committee Members. The Committee Members received materials well in advance of the meetings. The number of meetings was sufficient to enable the Committee to discharge its duties in full.

The cooperation of the Audit Committee with the Management Board, the Directors of the IAD, CD, Legal Department, Banking Risk Division and other key persons at the Bank, as well as the audit firm was good.

The Audit Committee found the independence of the audit process satisfactory as a result of monitoring the process and based on the analysis of the information and materials received from the Bank and the audit firm.

Based on the analysis of the periodic reports and documents received as well as other sources of information, including the oral replies of the members of the Management Board and other persons participating in the Committee meetings (among others, the representatives of the audit firm, the Directors of the IAD, CD and Banking Risk Division), the Audit Committee regularly monitored the areas and processes subject to its supervision and assessed them on a current and periodic basis, including the financial reporting process and the information subject to disclosure, the adequacy and effectiveness of the internal control system, including its elements, as well as conducting audit activities and the independence of the registered auditor and the audit firm, and the activities undertaken and their results in the aforementioned respect. The assessment of the risk of the areas and processes subject to the Audit Committee's supervision, reflected, among other things, in the resolutions passed and the documents accepted by the Committee as well as the information provided by the Audit Committee to the Supervisory Board of PKO Bank Polski S.A. was sufficient, satisfactory or positive enough and did not result in the need to take any additional measures.

Warsaw, 23.02.2022



Bank Polski

Appendix No. 5

REPORT ON THE ACTIVITIES OF THE STRATEGY COMMITTEE IN 2021

1. Legal basis:

- 1) The Strategy Committee was appointed by Resolution No. 73/2016 of the Supervisory Board of 25 August 2016;
- 2) The Report has been prepared on the basis of § 3 (3) of the Regulations of the Strategy Committee constituting an appendix to Resolution No. 73/2016 of the Supervisory Board of 25 August 2016 on the appointment of the Strategy Committee (as amended).

2. Composition of the Strategy Committee in 2021

Composition of the Strategy Committee as at 31 December 2021

Name and surname	Function
Dominik Kaczmarek	Chairman of the Strategy Committee
Mariusz Andrzejewski	Member of the Strategy Committee
Andrzej Kisielewicz	Member of the Strategy Committee
Tomasz Kuczur	Member of the Strategy Committee
Krzysztof Michalski	Member of the Strategy Committee
Bogdan Szafrański	Member of the Strategy Committee

Changes in the composition of the Strategy Committee in 2021*

Composition of the Strategy Committee until 7 June 2021

No.	Name and surname	Function	Date of appointment
1.	Piotr Sadownik	Chairman of the Committee	Appointed on 24 September 2020 to serve as a Member of the Committee and then as Chairman of the Committee.
2.	Zbigniew Hajłasz	Deputy Chairman of the Committee	Appointed on 24 September 2020 to serve as a Member of the Committee and then as Deputy Chairman of the Committee.
3.	Mariusz Andrzejewski	Member of the Committee	Appointed on 24 September 2020 to serve as a Member of the Committee.
4.	Grażyna Ciużyńska	Member of the Committee	Appointed on 24 September 2020 to serve as a Member of the Committee.
5.	Andrzej Kisielewicz	Member of the Committee	Appointed on 24 September 2020 to serve as a Member of the Committee.
6.	Krzysztof Michalski	Member of the Committee	Appointed on 24 September 2020 to serve as a Member of the Committee.

Composition of the Strategy Committee in the period from 7 June 2021 to 14 June 2021

No.	Name and surname	Function	Date of appointment
1.	Piotr Sadownik	Chairman of the Committee	Appointed on 24 September 2020 to serve as a Member of the Committee and then as Chairman of the Committee.
2.	Zbigniew Hajłasz	Deputy Chairman of the Committee	Appointed on 24 September 2020 to serve as a Member of the Committee and then as Deputy Chairman of the Committee.
3.	Mariusz Andrzejewski	Member of the Committee	Appointed on 24 September 2020 to serve as a Member of the Committee.
4.	Andrzej Kisielewicz	Member of the Committee	Appointed on 24 September 2020 to serve as a Member of the Committee.
5.	Krzysztof Michalski	Member of the Committee	Appointed on 24 September 2020 to serve as a Member of the Committee.

Composition of the Strategy Committee in the period from 15 June 2021 to 10 October 2021

No.	Name and surname	Function	Date of appointment
1.	Dominik Kaczmarek	Chairman of the Committee	Appointed on 15 June 2021 to serve as a Member of the Committee and then as Chairman of the Committee.
2.	Zbigniew Hajłasz	Deputy Chairman of the Committee	Appointed on 24 September 2020 to serve as a Member of the Committee and then as Deputy Chairman of the Committee.
3.	Mariusz Andrzejewski	Member of the Committee	Appointed on 24 September 2020 to serve as a Member of the Committee.
4.	Andrzej Kisielewicz	Member of the Committee	Appointed on 24 September 2020 to serve as a Member of the Committee.
5.	Krzysztof Michalski	Member of the Committee	Appointed on 24 September 2020 to serve as a Member of the Committee.
6.	Piotr Sadownik	Member of the Committee	Appointed on 24 September 2020 to serve as a Member of the Committee and then as Chairman of the Committee. On 15 June 2021, he resigned as Chairman of the Committee.

Composition of the Strategy Committee on 11 October 2021

No.	Name and surname	Function	Date of appointment
1.	Dominik Kaczmarek**	Chairman of the Committee	Appointed on 15 June 2021 to serve as a Member of the Committee and then as Chairman of the Committee.
2.	Zbigniew Hajłasz	Deputy Chairman of the Committee	Appointed on 24 September 2020 to serve as a Member of the Committee and then as Deputy Chairman of the Committee.
3.	Mariusz Andrzejewski**	Member of the Committee	Appointed on 24 September 2020 to serve as a Member of the Committee.
4.	Andrzej Kisielewicz**	Member of the Committee	Appointed on 24 September 2020 to serve as a Member of the Committee.
5.	Krzysztof Michalski**	Member of the Committee	Appointed on 24 September 2020 to serve as a Member of the Committee.

Composition of the Strategy Committee from 14 October 2021

No.	Name and surname	Function	Date of appointment
1.	Dominik Kaczmarek	Chairman of the Committee	Appointed on 15 June 2021 to serve as a Member of the Committee and then as Chairman of the Committee.
2.	Mariusz Andrzejewski	Member of the Committee	Appointed on 24 September 2020 to serve as a Member of the Committee.
3.	Andrzej Kisielewicz	Member of the Committee	Appointed on 24 September 2020 to serve as a Member of the Committee.
4.	Tomasz Kuczur	Member of the Committee	Appointed on 14 October 2021 to serve as a Member of the Committee.
5.	Krzysztof Michalski	Member of the Committee	Appointed on 24 September 2020 to serve as a Member of the Committee.
6.	Bogdan Szafrański	Member of the Committee	Appointed on 14 October 2021 to serve as a Member of the Committee.

*changes in the composition of the Supervisory Board in 2021 which resulted in changes in the composition of the Committee presented in the Report of the Supervisory Board of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna for 2021

**Committee Members remaining on the Committee as at the date of the EGM of PKO BP S.A. and 13 October 2021



3. Number of meetings of the Strategy Committee in 2021

In 2021, as part of the fulfilment of its statutory tasks, the Strategy Committee held three meetings (27 May, 15 June and 23 September).

The number of Strategy Committee Members participating in the individual meetings of the Strategy Committee in 2021 enabled all the meetings of the Strategy Committee in 2021 to be held correctly.

4. Topics of the Strategy Committee's work

In 2021, the most important topics of the Strategy Committee's work were issues related to supporting the Supervisory Board in overseeing the implementation of the Strategy of PKO Bank Polski S.A. for the years 2020-2022 "PKO Bank Przyszłości" [*PKO Bank of the Future*] in the context of the difficult situation relating to the coronavirus pandemic.

The Strategy Committee:

- 1) on 27 May 2021, having obtained information about the key areas on which the Bank focused in 2020 as part of implementation of the Strategy of PKO Bank Polski S.A. for the years 2020-2022 in the context of the difficult situation relating to the coronavirus pandemic and the challenges arising from the changing macroeconomic environment, accepted information titled "Implementation of the strategy of PKO Bank Polski S.A. in 2020 – in shock socio-economic change conditions caused by the coronavirus epidemic";
- 2) on 15 June 2021 obtained information about the commencement of the review of the Strategy of PKO Bank Polski S.A. for the years 2020-2022;
- 3) on 23 September 2021 accepted information titled "Implementation of the strategy of PKO Bank Polski S.A. in the first half of 2021 in shock socio-economic change conditions caused by the coronavirus epidemic."

In addition, the Chairman of the Strategy Committee Dominik Kaczmarek conducted activities as a Member of the Committee responsible for obtaining the necessary information and documents in order to perform the duties of the Committee on the basis of the authorization of June 25, 2021. As a result of the analysis of the above-mentioned documentation and the talks conducted, the Chairman of the Strategy Committee Dominik Kaczmarek presented to the Supervisory Board on 11 August 2021, information on the results of the activities carried out together with relevant recommendations.

5. Summary

In 2021, the Strategy Committee's meetings were held regularly, with a frequency which guaranteed the proper fulfilment of the Committee's statutory tasks. The composition of the Strategy Committee was adequate in terms of the number of Strategy Committee members and their experience and knowledge.

The professional experience and varied competences of the Strategy Committee members allowed them to examine, give opinions on, recommend and accept the topics and materials presented to them in a comprehensive manner.



The cooperation of the Strategy Committee with the Bank's Management Board was good.

In 2021, all Strategy Committee members participated in the Committee's meetings actively. The meetings were long enough to allow the items on the meeting agendas to be discussed in full and to provide time for discussing other topics of importance to the Strategy Committee members. The Strategy Committee members received materials well in advance of the meetings.

Warsaw, 24.03.2022

Assessment of the application of corporate governance principles by PKO Bank Polski S.A. and the method of fulfilment of disclosure obligations relating to their application, set out in the Exchange Rules and the regulations on current and periodic information provided by issuers of securities

In accordance with the principle laid down in Section 2.11.4 of the Best Practice for WSE-Listed Companies 2021, the supervisory board prepares an annual report and presents it to the annual general meeting for approval. The report referred to above contains, among other things, an assessment of the application of corporate governance principles by the company and the method of fulfilment of disclosure obligations regarding their application, set out in the Exchange Rules and the regulations on current and periodic information provided by issuers of securities, along with information about the measures which the supervisory board took to make that assessment.

The Bank's Supervisory Board took note of the manner in which individual corporate governance principles are applied and of the materials concerning the market practice in this regard.

The Supervisory Board has made a positive assessment of both the scope of application of corporate governance principles by the Bank and the manner in which the disclosure obligations regarding corporate governance principles were fulfilled in 2021. Those obligations were fulfilled in accordance with the WSE Rules and the requirements of the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information provided by issuers of securities and conditions for recognizing as equivalent information required under the laws of a non-Member State (the "Regulation"). In the opinion of the Supervisory Board, the Bank carries out its activities in a transparent manner, following corporate governance principles, including those relating to the protection of shareholders' rights and the provision of access to reliable information to shareholders, investors and the media. To summarize, in the opinion of the Supervisory Board, the Bank attaches a lot of importance to the proper enforcement of corporate governance principles and properly fulfils the disclosure obligations regarding the application of those principles.

I. Disclosure obligations regarding corporate governance principles set out in the WSE Rules

In the first half of 2021, the Bank applied the principles contained in "Best Practice for WSE-Listed Companies 2016". During that period, there were no incidental violations of any of the principles.

The Supervisory Board of the Warsaw Stock Exchange, by Resolution No. 13/1834/2021 of 29 March 2021, adopted a set of new corporate governance principles for stock exchange companies which are issuers of shares, convertible bonds or priority bonds which are admitted to trading on the regulated market operated by the above exchange, i.e. the "Best Practice for WSE-Listed Companies 2021" (Best Practice 2021), which came into force on 1 July 2021.

The Best Practice 2021 include, among other things, ESG-related issues, among others, climate protection, sustainable development, diversity in the composition of companies' bodies and equal pay as well as new rules for the appropriation of profit, issue of shares excluding pre-emptive rights or the purchase of own shares. A lot of attention was paid to the best possible preparation

of the general meeting, indicating the maximum recommended deadline for draft resolutions to be sent in by the shareholders, as well as the process of putting forward candidates for members of supervisory boards and appointing them to the board, in accordance with the requirements defined by law for audit committee members, and the policy of diversity adopted as a result of the application of the relevant principle of Best Practice 2021.

The principles contained in Best Practice 2021 are addressed to all of a company's bodies. The Bank's Management Board, the Bank's Supervisory Board and the Bank's General Meeting have commented on the application of those principles – all of the Bank's bodies have adopted Best Practice 2021 without any eliminations.

Information (in the formula provided for in the Exchange Rules) about the scope of application of the above principles by the Bank is available on the Bank's website ([Best Practice for WSE Companies 2021 - PKO Bank Polski \(pkobp.pl\)](#)).

The Bank also discloses reports on the possible, incidental non-application of a principle contained in Best Practice 2021 on that website. In 2021, none of the Bank's bodies declared derogation from any of the principles contained in Best Practice 2021.

Due to the need to constantly monitor the observance of Best Practice 2021 inside the Bank, certain mechanisms have been put in place to enable such monitoring and, if a principle arising from Best Practice 2021 is not applied, the publication of a relevant report in line with the WSE Rules.

II. Disclosure obligations regarding corporate governance principles set out in the regulations on current and periodic information provided by issuers of securities

According to the Regulation, the Bank is required to include, in the annual periodic report, a statement on the application of corporate governance, constituting a separate section of the report, which includes the elements specified in § 70 (6) (5) of the Regulation.

In the PKO Bank Polski S.A. Group Directors' Report for 2021, the statement is included in Chapter 11.

According to the Regulation, the statement should indicate:

- 1) the sets of corporate governance principles which the issuer is obliged to follow and the places where the text of the set of principles is available to the public, or
- 2) the sets of corporate governance principles which the issuer may have decided to follow voluntarily and the place where the text of the set is available to the public, or
- 3) any information about the corporate governance practices applied by the issuer which go beyond the requirements provided for in the national legislation, along with information about the corporate governance practices applied by the issuer.

The Regulation provides that to the extent to which the issuer has derogated from the provisions of the set of corporate governance principles referred to in (1) and (2), these provisions should be specified and the reasons for the derogation should be explained.

As regards the requirements regarding the obligations arising from the Regulation, concerning the identification of the sets of corporate governance principles applicable at the Bank and how they are observed, the PKO Bank Polski S.A. Group Directors' Report for 2021 contains a description of the state of observance of:

- 1) Best Practice 2016;
- 2) Best Practice 2021;
- 3) Corporate Governance Principles for Supervised Institutions issued by the PFSA, along with an indication of the principles not observed and the rationale.

The implementation of other requirements concerning the content of the statement on the application of corporate governance referred to in the Regulation is included in the subchapters of chapter 11 of the PKO Bank Polski S.A. Group Directors' Report for 2021.

Assessment of the reasonableness of the expenditures incurred by PKO Bank Polski S.A. and the PKO Bank Polski S.A. Group on supporting culture, sport, charitable institutions, media, social organizations, trade unions and the like in 2021

In accordance with the principle contained in point 2.11.5. of Best Practice for WSE-Listed Companies 2021, adopted for application by Resolution No. 112/2021 of the Supervisory Board of 25 June 2021 on the adoption of “Best Practice for WSE-Listed Companies 2021” for application, the Supervisory Board prepares a report which includes, among other things, an assessment of the reasonableness of the expenditures incurred by PKO Bank Polski S.A. and the PKO Bank Polski S.A. Group on supporting culture, sport, charitable institutions, media, social organizations, trade unions and the like in 2021 and presents it to the Annual General Meeting.

The Supervisory Board has assessed that the expenditures incurred by PKO Bank Polski S.A. and the PKO Bank Polski S.A. Group on supporting culture, sport, charitable institutions, media, social organizations, trade unions and the like in 2021 were incurred in a reasonable manner. In the opinion of the Supervisory Board, the activities undertaken in 2021 build a positive image of PKO Bank Polski S.A.'s brand and strengthen its good reputation, which, as a result, translates into the satisfaction of its stakeholders: customers, co-operators, shareholders, representatives of the state and local administration, as well as its employees.

Information about the expenditures incurred by PKO Bank Polski S.A. and the PKO Bank Polski S.A. Group on supporting culture, sport, charitable institutions, media, social organizations, trade unions and the like in 2021.

The Bank's mission is to support the development of Poland and Poles by exerting a positive influence on people, companies and the environment. Treating these assumptions as a priority, PKO Bank Polski S.A., in cooperation with the PKO Bank Polski Foundation and the companies in the Bank's Group, ensures that the sponsorship and charitable activities carried out serve to build the Bank's image as a leader in the financial market, an institution that is trustworthy, socially engaged, innovative and open to the development and needs of its customers.

PKO Bank Polski S.A. builds its capital based on the national values and traditions. It conducts and supports activities aimed at commemorating important historic events, promoting pro-social attitudes and popularizing the Polish tradition and culture. It is actively involved in educational and sports projects. Its experience and leading position in the financial market require it to promote entrepreneurship and support the Polish economy.

As part of the budget spent on sponsorship and charitable activities in 2021, PKO Bank Polski S.A., the PKO Bank Polski Foundation and the companies in the PKO Bank Polski S.A. Group earmarked the following amounts for supporting the objectives indicated:

	OBJECTIVE	PLN'000
1	culture and art	4 097.62
2	science and education	990.10
3	sport	17 554.57
4	business	5 223.30
5	charitable activities	16 789.59

PKO Bank Polski S.A. is a bank which carries out sponsorship activities appropriate to the position of the leader of the Polish banking sector, as well as the value of the brand whose image is made up of more than 100 years of the history of PKO Bank Polski S.A., a consistently built market credibility, and ensuring the security of the funds entrusted by its Customers.

In 2021, PKO Bank Polski S.A. received 458 new sponsorship applications. Financial support was provided to 196 sponsorship projects (144 new ones and 52 projects initiated in the previous years).

PKO Bank Polski S.A. carried out sponsorship projects based on the Rules for conducting marketing activities and public relations (PR) and social communication at PKO Bank Polski (the Rules) and based on internal regulations governing the operations of the Sponsorship Committee functioning at PKO Bank Polski S.A.

According to the Articles of Association of PKO Bank Polski S.A., the conclusion of sponsorship agreements with one counterparty with a value in excess of PLN 500 000 (net) a year requires obtaining the consent of the Supervisory Board, therefore, the leading sponsorship projects were presented to the Supervisory Board for prior evaluation and decision.

In considering applications for the implementation of a sponsorship project, PKO Bank Polski S.A. takes into account image benefits and business profits. An important element of the sponsorship projects being implemented is taking care of the active content-related participation of the representatives of PKO Bank Polski S.A. in panel discussions, lectures and networking.

In accordance with the applicable Rules, the offers selected were presented at the meetings of the Sponsorship Committee.

The Committee consisted of PKO Bank Polski S.A.'s employees – representatives of various business areas as well as marketing and communication, which ensures the comprehensive verification of the potential of each application.

In 2021, PKO Bank Polski S.A. carried out its sponsorship activities in the following areas:

- BUSINESS – strengthening PKO Bank Polski S.A.'s leading position in the financial market, consolidating its position as the technological leader in the Polish banking sector, supporting Polish entrepreneurs, cooperating with local authorities and state administration;
- SPORT – encouraging a healthy lifestyle, physical activity, supporting amateur and professional sport;
- CULTURE and ART – supporting the development of cultural institutions, protection and promotion of the national heritage, promotion of young talent;
- SCIENCE and EDUCATION – cooperation with universities, supporting educational projects promoting the development of entrepreneurship, innovation and new technologies.

Information concerning the sponsorship activities of PKO Bank Polski S.A. in each subject area is published in the PKO Bank Polski S.A. Group Directors' Report for 2021.

The PKO Bank Polski Foundation carries out activities for the public good on behalf of PKO Bank Polski S.A. and the PKO Bank Polski S.A. Group in the following areas: education, upbringing, social welfare, protection and promotion of health, culture and art, environmental protection, support for the development of local and other communities, as well as the promotion of social goals in the banking environment and the organization of volunteering.

The tasks carried out by the PKO Bank Polski Foundation contribute to creating a positive image of PKO Bank Polski S.A., which helps to build relationships with its stakeholders.

In line with the adopted course of action, the primary aim of the tasks carried out by the PKO Bank Polski Foundation is to provide technical and financial support for projects of importance to the development of Poland, implemented for and in consultation with local communities, serving the purpose of building a civic society.

The PKO Bank Polski Foundation carries out projects on its own or cooperates in this regard with the Bank, taking up social tasks to complement sponsorship projects.

In 2021, out of 724 applications for financial donations for carrying out social tasks, 243 projects were approved. A donation is transferred on the basis of an agreement concluded by and between the PKO Bank Polski Foundation and the project partner. Moreover, in 2021 the charitable activities of the PKO Bank Polski Foundation were also aimed at assisting in fighting the COVID-19 pandemic and protecting society from its effects.

In 2021, in-kind donations in the form of computer hardware and furniture withdrawn from use at PKO Bank Polski S.A. were made to 60 non-governmental organizations through the PKO Bank Polski Foundation.

The aim of the activities of the PKO Bank Polski Foundation is specified in the Articles of Association of the PKO Bank Polski Foundation, whereas the rules of cooperation between PKO Bank Polski S.A. and the PKO Bank Polski Foundation are governed in an agreement. In 2021, the main source of funding for the statutory objectives of the PKO Bank Polski Foundation were donations made by PKO Bank Polski S.A. as the donor. Additionally, PKO Bank Polski S.A. transfers a part of the profit generated on non-cash transactions with charity cards Inteligo Visa payWave "Dobro procentuje" (Goodness pays interest) to the PKO Bank Polski Foundation. The support is designated to one of the four charity initiatives, selected by the Customer.

The process of assessment of applications for a donation consists of analysing each application at the meeting of the Team of the PKO Bank Polski Foundation in order to agree on recommendations. In the event of applying for subsidies in excess of PLN 20 thousand, an application is subject to an additional evaluation by the members of the Programme Council of the PKO Bank Polski Foundation which is responsible for the rationality of the charity policy. A donation is made on the basis of an agreement concluded by and between the PKO Bank Polski Foundation and a beneficiary.

In 2021, the Foundation carried out its activities in the following programme areas:

- EDUCATION – supporting science, education and alternative forms of education in Poland;
- TRADITION – cultivating tradition, protecting the historical heritage and educating in the spirit of patriotism;
- HOPE – social assistance for people at risk of exclusion, in particular those who are disadvantaged or disabled;
- HEALTH – protection of life and health and preventive healthcare;
- CULTURE – protection of the national heritage in culture and art and supporting the artistic work of young Polish artists, made available on a pro bono basis;
- ECOLOGY – undertaking social initiatives aimed at popularizing knowledge in the field of protection of the natural environment, especially water reservoirs;
- SPORT – encouraging physical activity, in particular among children and adolescents, as well as promoting physical activity among people with disabilities.

Information concerning the activities of the PKO Bank Polski Foundation in 2021 is published in the PKO Bank Polski S.A. Group Directors' Report for 2021, as well as in the Report on the activities of the PKO Bank Polski Foundation which, after each financial year, is evaluated by a registered auditor and published on the website of the PKO Bank Polski Foundation. Moreover, the Supervisory Board receives quarterly information about the utilization of the funds transferred by PKO Bank Polski S.A. by the PKO Bank Polski Foundation.

The companies in the PKO Bank Polski S.A. Group engaged – in cooperation with the PKO Bank Polski Foundation – in activities supporting medical institutions and social organizations in fighting the COVID-19 pandemic and helping people in need. They also carried out their own sponsorship projects: both image-related and industry-related.