

**Regulations of the Risk Committee of the Supervisory Board of Alior Bank S.A.**

<b>I. General information</b>				
<ol style="list-style-type: none"> <li>1. Legal basis for appointing the Risk Committee of the Supervisory Board of Alior Bank S.A. is Article 9cb.1.2 of the Banking Law (Journal of Laws 2018.2187, as amended).</li> <li>2. The Risk Committee of the Supervisory Board of Alior Bank Spółka Akcyjna (“Committee”) reports to the Supervisory Board and operates based on the Regulations adopted by the Supervisory Board.</li> </ol>				
<b>II. Composition of the Committee</b>				
<ol style="list-style-type: none"> <li>1. The Committee is appointed by virtue of a resolution of the Supervisory Board and comprises Members of the Supervisory Board, from among whom the Chairperson of the Committee is appointed. No Committee Member may perform an executive function in the Bank.</li> <li>2. Committee Members should feature appropriate knowledge and expertise to monitor the risk strategy and willingness of Alior Bank S.A. to take risks, as well as to effectively assess the policies and processes applicable at the Bank aimed at ensuring effective risk management and risk control.</li> <li>3. The Chairperson of the Audit Committee may also be a Committee Member.</li> <li>4. Membership in the Committee ceases upon:               <ol style="list-style-type: none"> <li>4.1. resignation or dismissal from the function of a Committee Member in the mode adopted for his appointment,</li> <li>4.2. resignation or dismissal from the function of a Member of the Supervisory Board of the Bank.</li> </ol> </li> <li>5. The meetings of the Committee may be attended by persons invited by the Chairperson, but without the right to vote.</li> <li>6. The Committee has the right to seek the advice of external experts.</li> </ol>				
<b>III. Goals and tasks of the Risk Committee</b>				
<ol style="list-style-type: none"> <li>1. Supporting the Supervisory Board in the supervision of the risk management process at the Bank.</li> <li>2. Providing opinions on the Bank’s overall current and future readiness to accept risk.</li> <li>3. Providing opinions on the risk management strategy at the Bank and analysing information regarding the implementation of that strategy submitted by the Management Board.</li> <li>4. Supporting the Supervisory Board in the supervision of the implementation of the Bank’s risk management strategy by senior management.</li> <li>5. Verifying compliance of the price of liabilities and assets offered to customers with the Bank’s business model and its risk strategy. In the event of non-compliance, submitting to the Bank’s management board proposals aimed at ensuring that the prices of liabilities and assets are adequate to these risks.</li> <li>6. Providing opinions on regulations defining the Bank’s strategy and approach to risk-taking, in particular:               <ul style="list-style-type: none"> <li>– Risk management strategy and appetite, which comprises credit, model, financial, operational, and capital risks,</li> <li>– Risk Management Policy at Alior Bank S.A.,</li> <li>– Risk Management Policy of the Alior Bank S.A. Capital Group in Relation to Subsidiaries.</li> </ul> </li> <li>7. Analysis of cyclical reports on the implementation of the above strategies and policies, i.a.</li> </ol>				
<b>Item</b>	<b>Subject of reporting</b>	<b>Frequency</b>	<b>When</b>	<b>Mode</b>
1.	Risk management strategy and risk appetite for the next year	annually	December	on-site

2.	Settlement of risk appetite for the previous year	annually	by the end of Q1 meeting prior to the publication of FS for H1	on-site
3.	Review of the implementation of the risk appetite after H1	annually	in Q2 or Q3 within a month after receiving the assessment by the Bank meeting prior to the publication of FS	on-site
4.	Updating the Recovery Plan	annually	by the end of the month following the publication of FS	on-site
5.	Discussion of the results of the annual BION supervisory survey	annually	by the end of following month	on-site
6.	Excerpt from risk reports (preliminary data) – capital, credit, operating, financial, model risks	quarterly		on-site
7.	Risk management – report for the Management Board and Supervisory Board (final data) – capital, credit (including concentration), operational, financial, model risks, including the assessment of adaptation to regulatory changes	quarterly		circulation
8.	Implementation of key risk parameters for all risks material on a monthly basis	monthly		circulation
<b>Credit risk</b>				
1.	Reports on credit risk stress test	annually	by the end of Q1 in Q2	on-site
2.	Review of the Credit Concentration Risk Management Policy	annually	by the end of the second month following the end of the quarter	on-site
3.	Mortgage-collateralised portfolio risk management (Recommendation S)	quarterly	by the end of the second month following the end of the quarter	circulation
4.	Retail exposure portfolio risk management (Recommendation T)	quarterly	by the end of the month following the end of the quarter	circulation
5.	Presentation of TOP 10 NPLs (without RES)	quarterly	by the end of the month following the end of the quarter	circulation
6.	Presentation of TOP 10 GWRs (Joint Risk Groups) after monitoring	quarterly	by the end of the month following the end of the quarter	circulation

7.	Presentation of the Portfolio of Treasury Transactions	quarterly	by the end of the month following the end of the quarter	circulation
8.	Monthly implementation of risk appetite and reserve budget – summary	monthly	by the end of following month	circulation
<b>Model risk</b>				
1.	Report on the implementation of the model risk management policy	annually	by the end of the week after the end of Q1	circulation
2.	Model risk level report for the Supervisory Board	semi-annually	by the end of the week after the end of Q1	circulation
<b>Financial risk</b>				
1.	Liquidity stress test report in accordance with Recommendation P	annually	by the end of Q3	on-site
2.	Implementation of key liquidity risk parameters	monthly	by the end of following month	circulation
<b>Operational risk</b>				
1.	Annual operational risk assessment report	annually	by the end of Q1	circulation
2.	Annual report on information technology risk at Alior Bank	annually	by the end of Q1	circulation
3.	Operational risk management in the Alior Bank S.A. Group	quarterly	By the 15 <sup>th</sup> day of the second month following the end of the quarter	circulation
<b>Capital management</b>				
1.	Internal Capital Adequacy Assessment Process (ICAAP) Review Reports	annually	by the end of Q3	circulation
2.	Presentation of capital adequacy for the Supervisory Board	semi-annually	by the end of the month following the end of H1 and H2	circulation
<b>Compliance</b>				
1.	Compliance Risk Management Report	quarterly	by the end of the second month following the end	circulation

of the quarter

The detailed scope of individual reports is consistent with the Alior Bank S.A. Management Information System Manual.

8. In justified cases, the reporting procedure may be changed with the consent of the Chairperson.
9. The Committee forwards its conclusions and opinions to the Supervisory Board in the form of resolutions.
10. The Committee has the right to ask the Bank for additional information and materials necessary to perform its duties under these regulations.
11. The Bank replies to the Committee's questions within a maximum of 4 business days.
12. For questions requiring additional analyses, if it is not possible to provide an answer within the time limit specified above, the Bank shall inform the Committee that the answer will be given at a later date, together with a specification of this date.

#### **IV. The manner of schedule of committee meetings and decision-making**

1. The Committee shall hold at least four meetings during a calendar year.
2. Chairperson of the Committee:
  - 2.1. coordinates the work of the Committee and is authorised to issue and accept statements on behalf of the Committee.
  - 2.2. convenes a meeting of the Committee on their own initiative or at the request of a Committee Member,
  - 2.3. establishes the agenda of the meeting, decides on the list of persons invited to participate in the meeting of the Committee and conducts the meetings of the Committee,
  - 2.4. chairs meetings of the Committee, and in the event of their absence, appoints another Committee Member to act in this capacity,
  - 2.5. appoints a person to act as Secretary of the Committee,
  - 2.6. decides to use the circulation procedure in a given case.
3. Information about the meeting should be provided to the Committee Members at least 5 business days before the meeting, whereas in urgent cases, not later than one business day before the meeting.
4. The quorum at the meeting is formed by the presence of at least two members of the Committee.
5. The Committee adopts resolutions at its meetings by a majority of votes of the present members. In the case of an equal number of votes for and against, the vote of the Chairperson of the Committee shall prevail.
6. Each Committee Member may participate in the meeting by means of a conference telephone or other telecommunication device which enables efficient conduct of the meeting. Such participation is tantamount to the presence of given member at the meeting, and the meeting should then be deemed to have been convened at the place from which the audio or video call is initiated. Any resolution adopted during such discussion shall be considered valid.
7. The Committee may adopt resolutions by circulation, provided that all Committee Members have been informed about the proposed content of the resolution and it has been approved by at least three Committee Members or two Committee Members if one of them is the Chairperson.
8. The Committee adopts resolutions by circulation within 5 business days.
9. The Committee draws up minutes of its meetings or activities conducted in a different form and informs the Supervisory Board and the Management Board of the Bank at least once a year about the Committee's activities, findings, conclusions and recommendations as well as about any other matters required by the provisions of these regulations.
10. The Secretary of the Committee is responsible for:
  - 10.1. preparing minutes of the committee meeting no later than 5 business days after the end of the meeting,
  - 10.2. collecting the signatures of the Committee Members participating in the meeting under the minutes,
  - 10.3. keeping records of resolutions/opinions issued by the committee,
  - 10.4. monitoring the status of the implementation of the recommendations contained in the committee's decisions,

- 10.5. archiving the original minutes/resolutions of the committee in the Bank's systems.
11. The minutes of the Committee meeting should include at least:
- 11.1. the date of the meeting,
  - 11.2. the agenda,
  - 11.3. names and surnames of persons present at the meeting,
  - 11.4. the conclusions and opinions taken, together with the results of voting.

**V. Final provisions**

- 1. Any matters not governed by these Regulations shall be regulated by the relevant provisions of Polish law.
- 2. Any amendments to the Regulations require a resolution of the Supervisory Board.
- 3. At its meeting, the Supervisory Board at least once a year gets acquainted with the report on the activities of the Risk Committee.

The end