

**WNIOSEK ZARZĄDU  
DOTYCZĄCY PODZIAŁU ZYSKU ZA 2023 ROK  
ORAZ NIEPODZIELONEGO ZYSKU  
Z LAT UBIEGŁYCH****MANAGEMENT BOARD MOTION  
REGARDING DISTRIBUTION OF PROFIT EARNED  
BY THE BANK IN 2023 AND UNDIVIDED PROFIT  
FROM PREVIOUS YEARS**

Zarząd ING Banku Śląskiego S.A. proponuje Zwyczajnemu Walnemu Zgromadzeniu:

1. dokonanie podziału zysku netto ING Banku Śląskiego S.A. za 2023 rok i niepodzielonego zysku z lat ubiegłych, zgodnie z poniższym:
  - 1) zysk netto za rok 2023 w kwocie 4 440 878 562,72 złotych przeznacza się na:
    - a) wypłatę dywidendy: 3 330 560 000,00 złotych,
    - b) ogólny kapitał rezerwowy: 1 110 318 562,72 złotych,
  - 2) niepodzielony zysk z lat ubiegłych w kwocie 8 106 953,30 złotych przeznacza się na zasilenie ogólnego kapitału rezerwowego.
2. wypłatę dywidendy z zysku za rok 2023 w kwocie 3 330 560 000,00 złotych oraz wykorzystanie na wypłatę dywidendy kapitału rezerwowego przeznaczonego na ten cel, w kwocie 1 008 275 000,00 złotych.

W związku z powyższym, Zarząd Banku proponuje wypłatę dywidendy w łącznej wysokości 4 338 835 000,00 złotych, tj. w kwocie 33,35 złotych brutto na jedną akcję, na następujących zasadach:

- 1) dniem, według którego ustala się listę akcjonariuszy uprawnionych do dywidendy (dzień dywidendy) będzie 17 kwietnia 2024 roku,
- 2) wypłata dywidendy nastąpi w dniu 6 maja 2024 roku (termin wypłaty dywidendy).

The Management Board of ING Bank Śląski S.A. hereby propose to the Ordinary General Meeting:

1. the following distribution of the 2023 net profit and undivided profit from previous years of ING Bank Śląski S.A.:
  - 1) net profit for 2023 in the amount of PLN 4,440,878,562.72 shall be allocated to:
    - a) dividend payout: PLN 3,330,560,000.00,
    - b) general reserve capital: PLN 1,110,318,562.72,
  - 2) undivided profit from previous years in the amount of PLN 8,106,953.30, shall be allocated to increase the general reserve capital.
2. dividend payout from the 2023 profit in the amount of PLN 3,330,560,000.00 and use the reserve capital earmarked for that purpose for dividend payout, in the amount of PLN 1,008,275,000.00.

Having regard to the above, the Bank Management Board hereby propose to pay the dividend totalling PLN 4,338,835,000.00, that is PLN 33.35 per share in gross terms, on the following terms and conditions:

- 1) 17 April 2024 shall be the date of record upon which the list of shareholders of record who are entitled to the dividend payment is determined (record date),
- 2) the dividend shall be paid out on 6 May 2024 (payment date).

Zarząd ING Banku Śląskiego S.A.  
Management Board of ING Bank Śląski S.A.



# Supervisory Board's Report

for 2023





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Operations of the Supervisory Board and its Committees

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# Summary

of operations of the Supervisory Board and its committees in 2023 along with information on the composition of the Board and its committees



# Legal basis of the functioning of the Supervisory Board at ING Bank Śląski S.A.

*Acting pursuant to Article 382 §3.3) of the Commercial Companies and Partnerships Code (CCPC) and the provisions of the Best Practice for GPW Listed Companies, the ING Bank Śląski S.A. Supervisory Board herewith submit to the Ordinary General Meeting the Report of the ING Bank Śląski S.A. Supervisory Board for 2023.*

The ING Bank Śląski S.A. Supervisory Board (the "Supervisory Board") operate pursuant to the *Banking Law, the Commercial Companies and Partnerships Code, the ING Bank Śląski S.A. Charter* (the "Bank Charter") and the *ING Bank Śląski S.A. Supervisory Board Bylaw*. Pursuant to §19.5 of the *Bank Charter*, Supervisory Board Members are appointed for the joint term of office which commences as of the appointment date and lasts for the full four consecutive financial years. The current term of office commenced on 29 March 2019. Therefore, the mandates of the Supervisory Board Members of the current term of office expire as of the date of the General Meeting approving the financial statements for 2023.





# Composition of the Supervisory Board at ING Bank Śląski S.A.

## Division of functions, and changes on the Supervisory Board during the financial year

### 2023 saw the following changes on the Supervisory Board:

On 26 January 2023, the Bank received from Mr Aris Bogdaneris a letter of resignation from the capacity as Member of the Bank Supervisory Board, effective as of the date of the subsequent Ordinary General Meeting of the Bank ("OGM"). Following the notice received, the agenda of the OGM on 26 April 2023 provided for an item on changes to the Supervisory Board. Furthermore, the agenda included an item on the change of the number of the Supervisory Board Members – from seven to eight.

*Pursuant to the Policy of Appointing and Recalling Members of the Supervisory Board of ING Bank Śląski S.A. and the Policy for the Assessment of the Suitability of the Members of the Supervisory Board, Management Board and key function holders at ING Bank Śląski S.A., the Remuneration and Nomination Committee (the "Committee") made an individual assessment of the candidates for the Supervisory Board, i.e.: Mr Hans De Munck and Ms Katarzyna Zajdel-Kurowska, and a collective assessment of the Supervisory Board. Upon completing the assessment, the Committee concluded that the competences of the individual members of the Supervisory Board were complementary and allowed for ensuring adequate level of collective performance of supervision duties in respect of all the business areas of the Bank. The relevant recommendation of the Committee was published on the Bank's website before the date of the OGM.*

On 26 April 2023, the OGM passed resolutions on a change in the number of the Supervisory Board Members (from seven to eight) and on the appointment of Mr Hans De Munck and Ms Katarzyna Zajdel-Kurowska to the Supervisory Board. Mr Hans De Munck is related to ING Group. Ms Katarzyna Zajdel-Kurowska is an Independent Member of the Supervisory Board within the meaning of the Act on Statutory Auditors, Auditing Firms and Public Oversight of 11 May 2017.

*Pursuant to the Policy for the Assessment of the Suitability of the Members of the Supervisory Board, Management Board and key function holders at ING Bank Śląski S.A. and in keeping with the Suitability Assessment Procedure for Members of the Supervisory Board, Members of the Management Board and Audit Committee at ING Bank Śląski S.A., the Committee made an individual assessment of the candidates for the Audit Committee, i.e.: Mr Hans De Munck and Ms Katarzyna Zajdel-Kurowska. Following the assessment, the Committee concluded that each of the aforesaid candidates have the knowledge, skills and experience required to hold the function of a member of the Supervisory Board Audit Committee, provide assurance of proper performance of duties relating to that function and fulfil other requirements as set out in Article 22aa of the *Polish Banking Law Act*. At the same time, Committee stated that the individual competences of the incumbent Members of the Audit Committee;*

i.e. Ms Monika Marcinkowska (the Committee Chair), Ms Dorota Dobija and Mr Michał Szczurek and the aforesaid candidates for Members of the Audit Committee were complementary and that they allowed for ensuring adequate level of collective performance of supervision duties for all the areas falling within the capacity of the Audit Committee. It was further attested that the new Audit Committee would satisfy both the criterion of the collective suitability covering a sufficient number of members having the knowledge of and skills in accounting, as to the audit of the financial statements and as to banking and the criterion of a sufficient number of members being independent, including an independent Chair of the Audit Committee.





Taking account of the above changes and existing suitability assessments of individual Supervisory Board Members, and in view of Mr Aleksander Galos' resignation from his membership in the Risk Committee and Audit Committee, and of Mr Stephen Creese's resignation from his membership in the Audit Committee, on 2 June 2023, the Supervisory Board changed the compositions of the Audit Committee and of the Risk Committee. Effective as of 5 June 2023, the Supervisory Board appointed Mr Hans De Munck and Ms Katarzyna Zajdel-Kurowska to the Audit Committee. The Supervisory Board appointed Ms Katarzyna Zajdel-Kurowska to the Risk Committee as of the same date.

**Following the changes made on 5 June 2023, the Supervisory Board Audit Committee have operated in the following composition:**

**Ms Monika Marcinkowska**  
*Committee Chair (independent member)*

**Ms Dorota Dobija**  
*Committee Member (independent member)*

**Mr Hans De Munck**  
*Committee Member*

**Mr Michał Szczurek**  
*Committee Member*

**Ms Katarzyna Zajdel-Kurowska**  
*Committee Member (independent member)*

**Following the changes made on 5 June 2023, the Supervisory Board Risk Committee have operated in the following composition:**

**Ms Dorota Dobija**  
*Committee Chair (independent member)*

**Mr Stephen Creese**  
*Committee Member*

**Ms Małgorzata Kołakowska**  
*Committee Member*

**Ms Monika Marcinkowska**  
*Committee Member (independent member)*

**Ms Katarzyna Zajdel-Kurowska**  
*Committee Member (independent member)*





The composition of the Remuneration and Nomination Committee remained unchanged. The Committee have operated in the following composition:

**Mr Aleksander Galos**  
*Chair (independent member)*

**Ms Dorota Dobija**  
*Committee Member (independent member)*

**Ms Małgorzata Kołakowska**  
*Committee Member*

Following the by-election to the Supervisory Board during the year, as at 31 December 2023, the Supervisory Board Members were:

**Mr Aleksander Galos**  
*Chair (independent member)*

**Ms Małgorzata Kołakowska**  
*Deputy Chair I*

**Mr Michał Szczurek**  
*Deputy Chair*

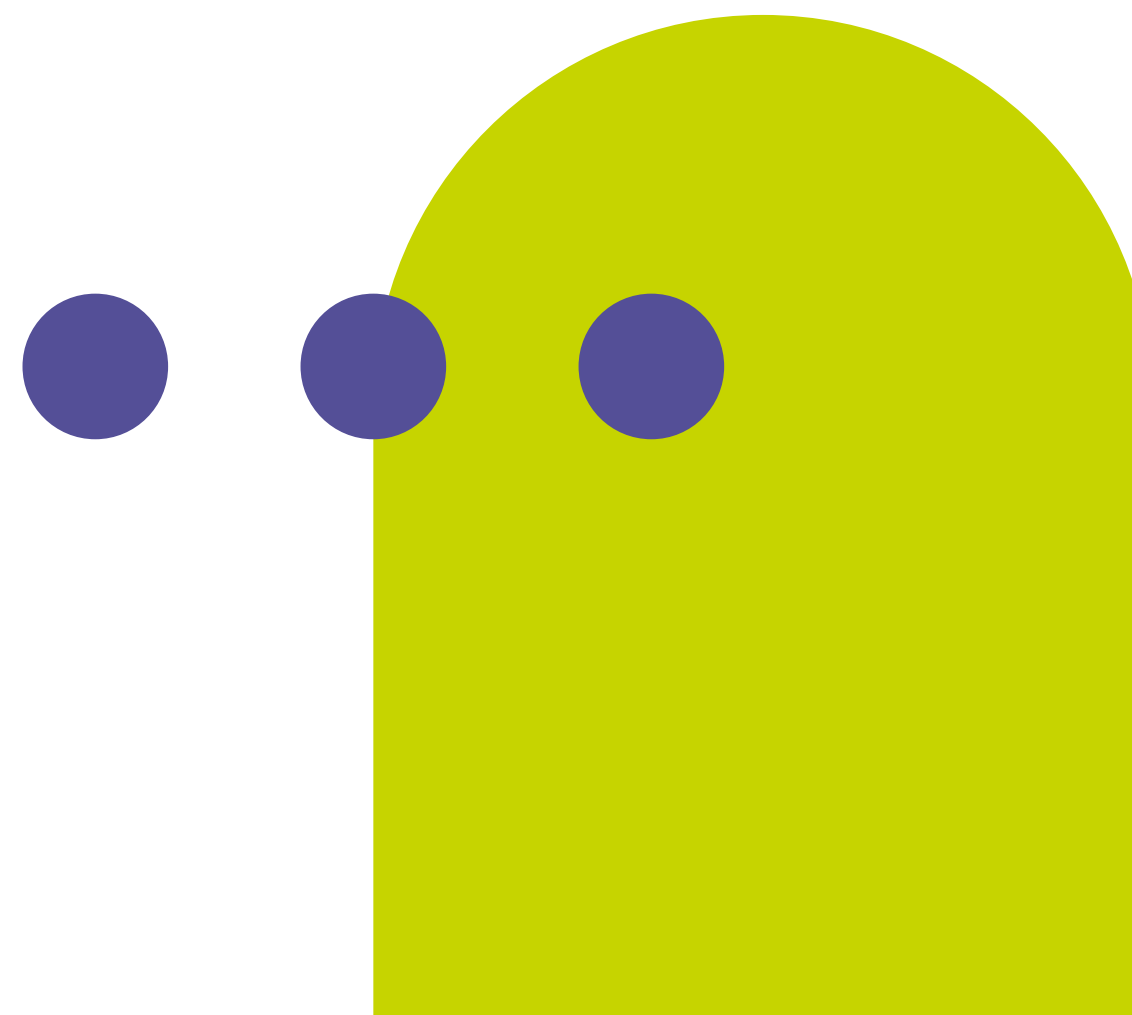
**Mr Stephen Creese**  
*Member*

**Ms Dorota Dobija**  
*Member (independent member)*

**Ms Monika Marcinkowska**  
*Member (independent member)*

**Mr Hans De Munck**  
*Member*

**Ms Katarzyna Zajdel-Kurowska**  
*Member (independent member)*







# Information on compliance

## with the *Principles of Corporate Governance for Supervised Institutions and Best Practice for GPW Listed Companies*

The Supervisory Body fulfil their tasks pursuant to a special authorisation granted thereto under the *Bank Charter* and the *Supervisory Board Bylaw* as well as the requirements of the *Principles of Corporate Governance for Supervised Institutions* and the *Best Practice for GPW Listed Companies*, as adopted on 22 July 2021 by way of Supervisory Board Resolution No. 60/XII/2021 on the opinion on the Management Board's decision concerning application of the *Best Practice for GPW Listed Companies 2021* by the Bank and implementation of its principles referring to the Board.

According to the representations filed by the Members of the Supervisory Board, four (4) out of eight (8) Members of the Supervisory Board meet the independence criteria set out in the *Bank Charter*. Those are: Supervisory Board Chair – Mr Aleksander Galos and Board Members – Ms Dorota Dobija, Ms Monika Marcinkowska and Ms Katarzyna Zajdel-Kurowska. That means that the requisite number of Board Members satisfy the requirements arising from the *Best Practice for GPW Listed Companies* in regard to independence. The other four Members, namely: Ms Małgorzata Kołakowska (Board Deputy Chair I), Mr Michał Szczurek (Board Deputy Chair), Mr Stephen Creese and Mr Hans De Munck (Board Members) have ties with ING Bank N.V., the strategic shareholder of the Bank.

As practised by the Bank, every year, all Supervisory Board Members file representations regarding their independence (or lack thereof), considering in particular the independence criteria laid down in the Act of 11 May 2017 on Auditors, Audit Firms and Public Supervision, and also the absence of actual and material relations with any shareholder who holds at least 5% of the total vote in the company. Independent members attest thereby that they have no relationship with the Bank, its shareholders, or employees that could have a significant impact on their ability to make impartial decisions. Furthermore, Members are required to notify the Bank immediately of occurrence of any circumstances impacting their independence. Therefore, the Supervisory Board confirmed that there were neither ties nor circumstances which might compromise the satisfaction of independence criteria by the Board Members.

Professional resumes of all the Supervisory Board Members, including their functions on the Supervisory Board Committees, have been published on the Bank's website: <https://en.ing.pl/company-profile/authorities>. Personal bios of the Supervisory Board Members with their individual competencies have also been given below. Furthermore, on the Bank's website, there are annotations on filing independence statements or statements on ties with ING Bank N.V. There is also the information on compliance with the requirements under Article 22aa of the *Polish Banking Law Act*. Additionally, in keeping with the *Best Practice for GPW Listed Companies*, on the Bank's website one may also find the share of men and women in the Bank Management Board and Supervisory Board. A summary thereof has also been presented below.





# Competency Profiles of Supervisory Board Members

Supervisory Board Members have high qualifications. All Members have the relevant experience and knowledge that enable them to exercise oversight of the Bank. Six out of the eight Supervisory Board Members are Polish citizens and native speakers of Polish. As for the other two Members, one of them is British and the other one is Belgian.

Personal bios of Board Members showing their individual competencies have been given below.





### Mr Aleksander Galos

*Independent Supervisory Board Member  
Chair of the Supervisory Board  
Chair of the Remuneration and Nomination Committee*

He graduated from the School of Law and Administration of the Jagiellonian University in Kraków, where he received his master's degree in law. He is a licensed attorney. He completed with diploma post-graduate studies in Management at the Warsaw School of Economics. He studied at the Warsaw School of Economics – post-graduate studies in Accounting (without diploma). He was member of the Supervisory Board of Bank PKO BP S.A. and Bank Zachodni WBK S.A., amongst others. He has been engaged by the Law Firm Kocharński Zięba i Partnerzy Sp. k. He has been Member the ING Bank Śląski S.A. Supervisory Board since April 2014, and Supervisory Board Chair since November 2021 (previously, he was the Secretary to the Supervisory Board).

### Ms Małgorzata Kołakowska

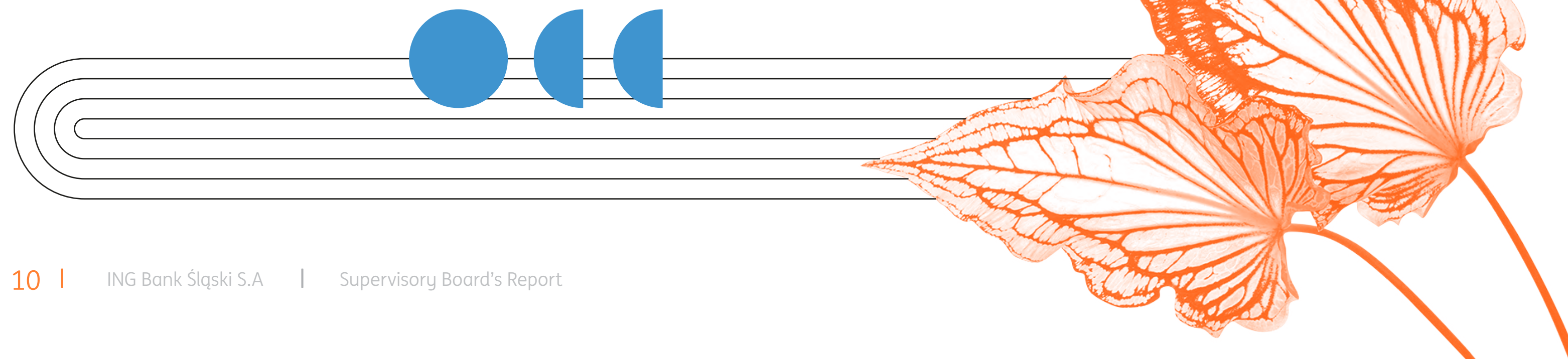
*Deputy Chair I of the Supervisory Board  
Remuneration and Nomination Committee Member  
Risk Committee Member*

She graduated from the Faculty of International Trade Economics and Organisation at the Main School of Planning and Statistics (at present Warsaw School of Economics) with a master's degree in economics. She completed the Advanced Management Program (AMP) at the Harvard Business School. She was the President of the ING Bank Śląski S.A. Management Board between 2010-2016, and then moved on to hold the function of the Global Head for Wholesale Banking Network. Since 2018, she has been the CEO of ING Bank N.V., London Branch (the United Kingdom, Middle East). Before joining ING, she was the managing director (Poland and the Baltics) at the European Bank of Reconstruction and Development and the finance director at McDonald's Poland. She has been on the Supervisory Board of ING Bank Śląski S.A. since 2016.

### Mr Michał Szczurek

*Deputy Chair of the Supervisory Board  
Audit Committee Member*

He graduated, with a master's degree in economic science, from a joint programme of Warsaw University and Columbia University. Also studied at the Faculty of Law and Administration, University of Warsaw and at the Department of Computer Sciences, Faculty of Electronics, University of Warsaw. He has been working at ING Group since the formative years of his career. He sat on the Management Boards of: Nationale-Nederlanden Polska PTE S.A. (later known as ING Nationale-Nederlanden Polska Powszechnie Towarzystwo Emerytalne S.A.), Towarzystwo Ubezpieczeń na Życie ING Nationale-Nederlanden, ING Nationale-Nederlanden Polska S.A. and ING Bank Śląski S.A. (where he supervised the retail banking area). He also held functions on the Management Board of TMB Bank in Thailand, ING Bank Romania and was the Head of Challengers & Growth Markets (C&G), ING Asia. Since 2023, Country Manager for ING Bank Italia. He has been on the Supervisory Board of ING Bank Śląski S.A. since 2018.





### Mr Stephen Creese

*Supervisory Board Member  
Risk Committee Member*

He graduated, with a bachelor's (BA) degree, from University of Manchester, Economics and Economic History, Faculty of Arts. He has also passed *Certified Information Systems Security Professional (CISSP)* exams. From 1998 to 2021, he worked for Citigroup Inc., where he acted as an audit manager, Managing Director of Risk and Control in both Operations and Markets sales and trading, then Regional Head of Operational Risk – EMEA countries. Since June 2021, he has been Global Head of Non-Financial Risk (NFR) within ING Group. He has been on the Supervisory Board of ING Bank Śląski S.A. since 2021.

### Ms Dorota Dobija

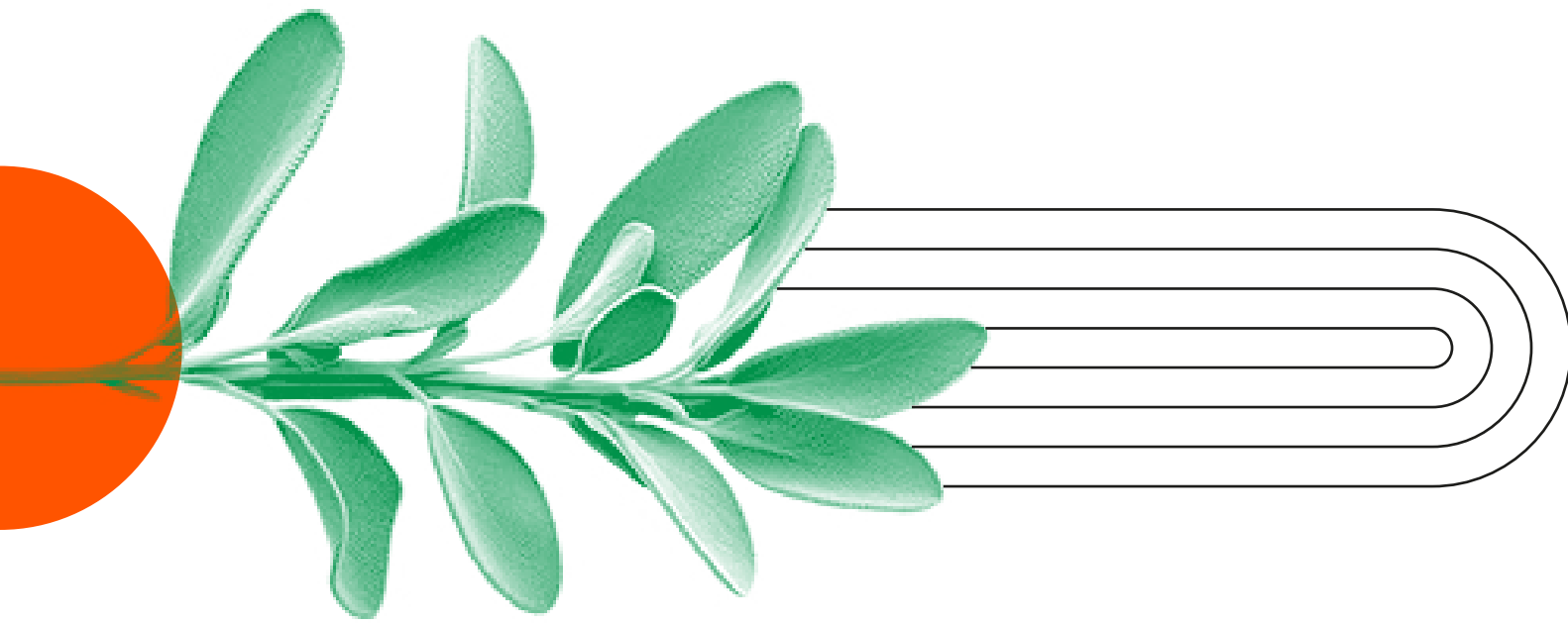
*Independent Supervisory Board Member  
Chair of the Risk Committee  
Remuneration and Nomination Committee Member  
Audit Committee Member*

She received her master's degree in Cybernetics and Computer Science (specialty: Data Processing and Accounting). She got her PhD in economic science (specialty: Accounting) and habilitation degree in economic science (management science). She has been Full Professor in economic science since 2015. She is a certified accountant, a lecturer and researcher. She gave lectures at the Cracow University of Economics, the University of Warsaw, amongst others, and Kozminski University where she has worked to this day. She was also a visiting professor at various universities around the world, including in Australia, Hongkong, the United Kingdom and others. She held supervisory functions in XIII National Investment Fund "Fortuna" and Pekao Investment Banking. She has been on the Supervisory Board of ING Bank Śląski S.A. since 2021.

### Ms Monika Marcinkowska

*Independent Supervisory Board Member  
Chair of the Audit Committee  
Risk Committee Member*

She received her master's degree from the University of Łódź, Faculty of Management and Marketing, specialty: Accounting. She got her PhD in economic science (management science) and habilitation degree in economic science. She has been Full Professor in economic science since 2014. She is a lecturer and researcher at the University of Lodz. During her professional career, she worked at PBG S.A., Pekao S.A., PKO BP S.A. and BRE Bank S.A., as well as held supervisory functions at Pocztylion-Arka PTE SA, DI Xelion sp. z o.o., and Polski GAZ TUW. She has also been Member of the European Banking Authority's Banking Stakeholder Group, and has acted as coordinator of the Sustainable Finance Working Group since March 2020. She has also worked in the Belgian think-tank called Breugel. She has been on the Supervisory Board of ING Bank Śląski S.A. since 2021.





### Mr Hans De Munck

*Supervisory Board Member  
Audit Committee Member*

He graduated from the University of Chicago, Graduate School of Business, receiving his Master in Business Administration with high honours. He also completed the General Management Program at Vlerick Business School. He was a teaching and research assistant at the Faculty of Applied Economics, Catholic University of Leuven in Belgium. He has worked at ING Group since the formative years of his career, where he has held managerial functions in the area of asset and liabilities management, market risk management, integration and risk analyses. He has been the Chief Financial Officer at ING Belgium since 2018. He joined the Supervisory Board of ING Bank Śląski S.A. in 2023.

### Ms Katarzyna Zajdel-Kurowska

*Independent Supervisory Board Member  
Risk Committee Member  
Audit Committee Member*

She graduated, with a master's degree, from the Warsaw University, Faculty of Economic Sciences. She was with Citibank Poland (Citibank Handlowy) for many years; while working there, she held the functions of the Chief Economist and Head of Treasury Research for CEE, among others. She was the Undersecretary of State in the Polish Ministry of Finance, and Alternate Executive Director at the International Monetary Fund. She sat on the Management Board of the National Bank of Poland. She was also Alternate Executive Director and Executive Director at the World Bank Group. Between January 2023 and 7 January 2024, she was the Advisor to the CEO of the Polish Development Fund. She joined the Supervisory Board of ING Bank Śląski S.A. in 2023.





The above details have been summarised in the table below.

Independence criterion and competencies	Name	Satisfies the criterion of independence as per the Act on Statutory Auditors, Auditing Firms and Public Oversight		Knowledge of and competency in accounting or financial statements auditing, confirmed with the qualifications of the chartered auditor (including confirmation with the qualifications of the statutory auditor)		Has knowledge of and competency in the banking area
		satisfies the criterion	no	qualifications		
				yes	no	
	Aleksander Galos	yes	no		n/a	yes
	Małgorzata Kołakowska	no	yes	competence acquired through professional career and in executive positions in Bank authorities		yes
	Michał Szczurek	no	yes	competence acquired through professional career and in executive positions in Bank authorities		yes
	Stephen Creese	no	no		n/a	yes
	Dorota Dobija	yes	yes	<b>Certified Accountant</b> <b>Professor in economic science</b> university degree – specialty: data processing and accounting		yes
	Monika Marcinkowska	yes	yes	<b>Professor in economic science</b> university degree – specialty: accounting		yes
	Hans De Munck	no	yes	competence acquired through professional career and in executive positions in Bank authorities		yes
	Katarzyna Zajdel-Kurowska	yes	yes	competence acquired through professional career		yes

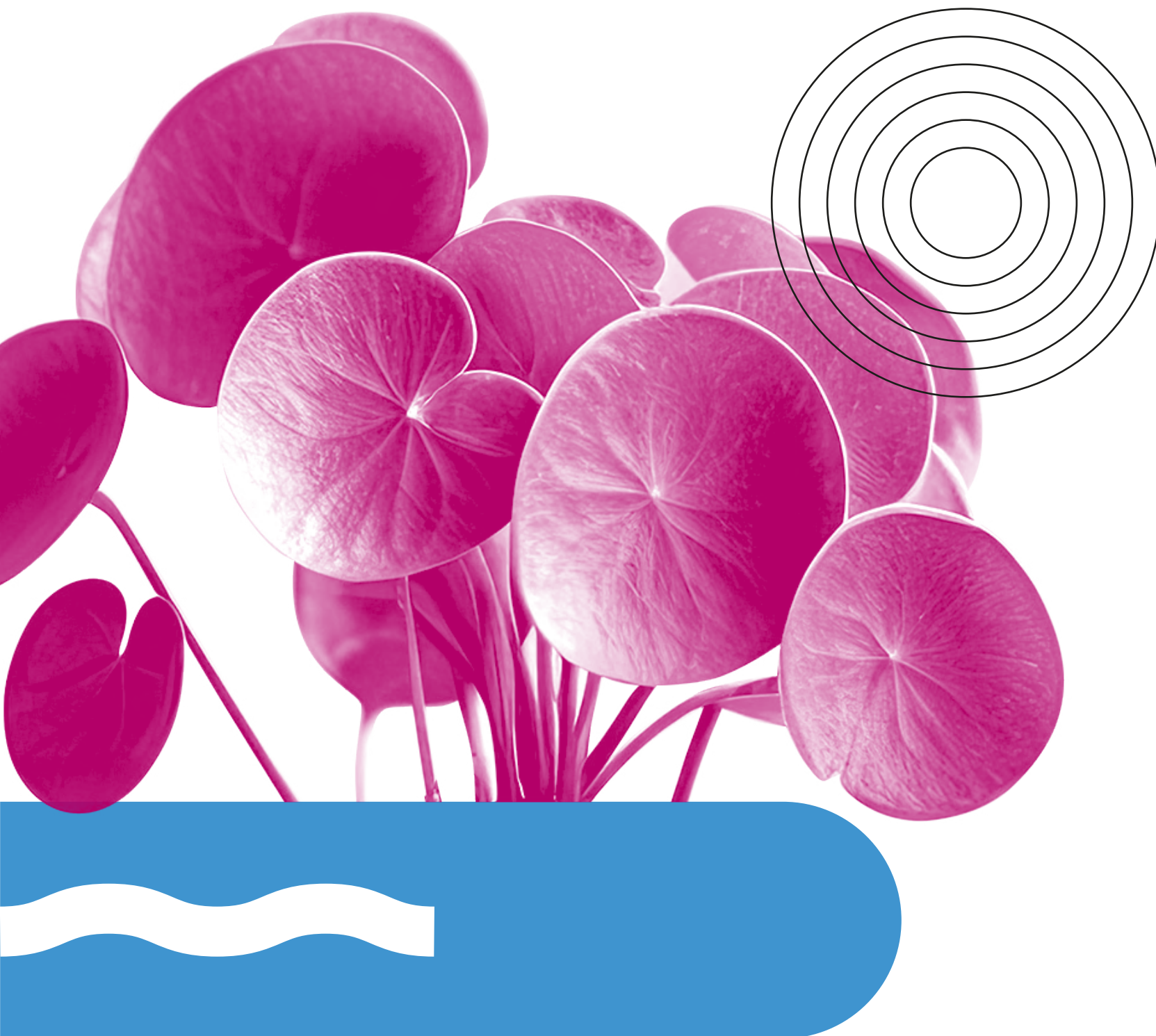
Professional diversity of Supervisory Board Members can be summarised as in the table below:

Number of Supervisory Board Members from legal sector	Number of Supervisory Board Members from financial sector	Number of Supervisory Board Members from higher education sector
1	5	2



# Competency Profiles of Management Board Members

Professional resumes of all the Management Board Members have been published on the Bank's website: <https://en.ing.pl/company-profile/authorities>. Education, competences and specialist knowledge demonstrated by individual Management Board Members have been outlined below.



## Management Board Member

## Education, competences and expertise

### Brunon Bartkiewicz

President of the Management Board,  
CEO Division

- Main School of Planning and Statistics in Warsaw (currently Warsaw School of Economics), Foreign Trade Faculty – master's degree
- Graduate School of Business Stanford University, Standard Executive Program

### Joanna Erdman

Vice-President of the Management Board,  
CRO Division

- Warsaw School of Economics, Finance & Statistics – master's degree
- London Business School, Senior Executive Programme
- Advanced Risk Management Program, Wharton University
- Sustainable Finance, University of Cambridge
- Sustainability and Climate Risk, Global Association of Risk Professionals (GARP)

### Marcin Giżycki

Vice-President of the Management Board,  
Retail Clients Division

- University of Economics in Katowice, Banking and Finance Faculty – master's degree
- Poznań School of Banking, Banking and Finance Faculty – BA studies
- Graduate School of Business Stanford University, Standard Executive Program

### Bożena Graczyk

Vice-President of the Bank Management Board,  
CFO Division

- University of Łódź, Foreign Trade Faculty – master's degree
- University of Łódź, the Centre of European Studies
- University of Limburg as part of Tempus Programme
- University of Bristol, the United Kingdom and École Nationale des Ponts et Chaussées, France, Executive MBA in International Business
- Diploma of The Accountants Association of Poland; certified auditor qualifications
- University of Navarra, Spain, Advanced Management Program
- IESE Business School

### Ewa Łuniewska

Vice-President of the Bank Management Board,  
Business Clients Division

- Warsaw School of Economics  
Foreign Trade Faculty – master's degree

### Michał H. Mrozek

Vice-President of the Bank Management Board,  
Wholesale Banking Division

- Georgetown University School of Foreign Service, Washington, D.C.  
International Trade & Finance – Joint degree – Bachelor Cum Laude and Masters Dean Citation

### Sławomir Soszyński

Vice-President of the Bank Management Board,  
CIO Division

- Nicolaus Copernicus University, Toruń, Theoretical Physics and Information Technology – master's degree,  
Kozminski University, Warsaw, MBA

### Alicja Żyła

Vice-President of the Bank Management Board,  
COO Division

- University of Economics in Katowice, master's degree in Economics,  
International Economic Relationships/ European Integration
- Tilburg University of Business Studies,
- ING International Management Development, Programme, Marketing Training for ING Staff, ING Group Amsterdam



# Form and manner of oversight

## Number and frequency of the Supervisory Board meetings and number of resolutions passed

The Supervisory Board work according to a meetings schedule and an Outline Work Plan. The Board debate analysing the company situation versus the sector and the market, based on the materials submitted by the Company Management Board and those coming from internal functions of the Company as well as those attained from exterior sources, also taking advantage of the works of the Board committees. In particular, the Supervisory Board approve the Company strategy and verify the performance of the Management Board as far as delivery of preset strategic goals is concerned. Further, the Board monitor the results of the Company.

In 2023, meeting agendas included ongoing business matters, submissions made by the Bank Management Board as well as any other material issues that required attention of the Supervisory Board. The Supervisory Board exercised oversight of the Bank's operations primarily during the meetings and took the required decisions in the form of resolutions. During the meetings, the Members of the Supervisory Board are joined by Members of the Bank Management Board as well as the Heads of the Internal Audit Department and the Centre of Expertise – Compliance, and other invited guests who give presentations on specific topics within their competence.

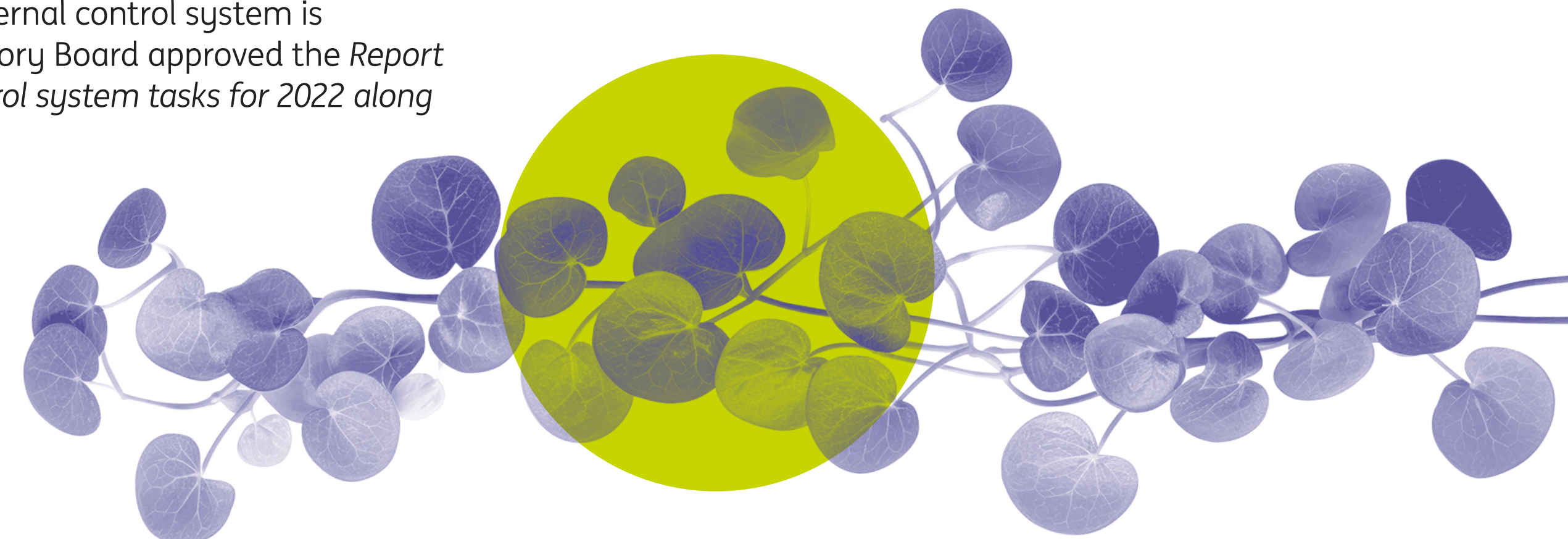
The Supervisory Board attach particular significance to the Bank having an adequate and effective risk management system

and an adequate and effective internal control system. In the course of works, the Supervisory Board monitor performance of both systems across the organisation on an ongoing basis. The Supervisory Board further make periodic assessments of their functioning. In 2023, considering the requirements of the *Regulation of the Minister of Finance, Funds and Regional Policy of 8 June 2021 on the risk management system and internal control system and remuneration policy in banks*, the Supervisory Board approved the *Report on the operation of the risk management system in 2022*. Furthermore, considering the information from the report and periodic reports of the CRO Division, the findings made by the external auditor, the findings from regulatory activities of the Polish Financial Supervision Authority and the SREP results, the Supervisory Board made a positive assessment of the adequacy and effectiveness of the risk management system at the Bank in 2022.

As far as performance of the internal control system is concerned, in 2023, the Supervisory Board approved the *Report on fulfilment of the internal control system tasks for 2022 along*

*with the List of critical and high recommendations*. Furthermore, as required by the aforesaid Regulation and considering the following operational aspects for the internal control system:

- assessment of the internal control system made by the Internal Audit Department,
- update of the Bank Management Board on the manner of performing tasks related to the internal control system described in the report,
- periodic reports of the Centre of Expertise – Compliance,
- findings made by a statutory auditor, and
- findings resulting from supervisory activities performed by authorized institutions,







the Supervisory Board assessed with a positive result the adequacy and effectiveness of the internal control system at the Bank in 2022, including a positive assessment of the adequacy and effectiveness of control functions, the Centre of Expertise – Compliance and the Internal Audit Department. The information on the evaluation of the Bank's standing in 2023, including the assessment of the internal control system, risk management system, compliance and the internal audit function has been presented [below](#).

In 2023, the Members of the Bank Supervisory Board devoted sufficient time to performance of their duties. Between 1 January and 31 December 2023, the Supervisory Board held eight meetings. The Supervisory Board also passed resolution by way of circulation (14 cases). The meetings were held at the following dates: 3 February (so-called *Strategy Day*), 10 March, 17 March, 26 April, 2 June, 23 June, 22 September as well as 1 December, and by way of circulation on: 1 February, 13 February, 16 February, 21 March, 12 April, 19 April, 17 May, 23 May, 18 October, 24 October, 2 November, 15 November, 14 December and 19 December. Meetings were held on site and in hybrid mode. In total, the Supervisory Board adopted 112 resolutions, including 18 passed by way of circulation. All the meetings were quorate and held in line with the procedures so that binding resolutions could be taken; the attendance rate during the meetings was high.

### Attendance of the Supervisory Board Members in 2023 has been shown in the table below.

#### Attendance in 2023

(Meeting attendance / Number of meetings during the term of office)

<b>Aleksander Galos</b>	22/22
<b>Małgorzata Kołakowska</b>	21/22
<b>Michał Szczurek</b>	21/22
<b>Stephen Creese</b>	22/22
<b>Dorota Dobija</b>	22/22
<b>Monika Marcinkowska</b>	22/22
<b>Hans De Munck</b> (Member since the date of appointment by OGM, i.e. 26 April 2023)	11/13
<b>Katarzyna Zajdel-Kurowska</b> (Member since the date of appointment by OGM, i.e. 26 April 2023)	13/13
<b>Board Members holding functions in the reporting period</b>	
<b>Aris Bogdaneris</b> (Board Member until the OGM date, i.e. 26 April 2023)	6/9

In addition to regular meetings, the Members of the Supervisory Board stayed in regular and direct contact with the Bank Management Board and took an active part in all the material matters concerning the Company business. The Chair of the Audit Committee regularly meets with the Bank CFO to discuss the Bank's financial statements prior to their publication as well as with the Chief Audit Executive and Centre of Expertise Lead III – Compliance, to discuss the aspects typical for the internal audit and compliance risk management functions. The Chair of the Risk Committee holds regular meetings with the managers of individual risk areas, and the Chair of the Remuneration and Nomination Committee meets with the management of the HR Expert Centre.

The minutes from the Supervisory Board and Committees meetings offer a detailed recount of activity of the Supervisory Board and Board Committees in 2023; the minutes and the resolutions passed by the Supervisory Board as well as the recommendations, opinions and decisions made by Committees are available at the Company's registered office.

Additionally, Members of the Supervisory Board attended internal training sessions held by the Bank. Those training sessions focused on the new non-financial risk dashboardy (NFRD), WIRON and WIBOR transition. Members of the Supervisory Board also attended cybersecurity and anti-fraud training sessions as well as workshops on the hybrid work model.



# Agenda of the Supervisory Board Meetings

In 2023, the Supervisory Board exercised ongoing oversight over the Company operations and kept watch over the Company adherence to the relevant regulations, including: in the area of accounting, finance and reporting of public companies. The works of the Supervisory Board proceeded smoothly, with all Members taking an active part in them.

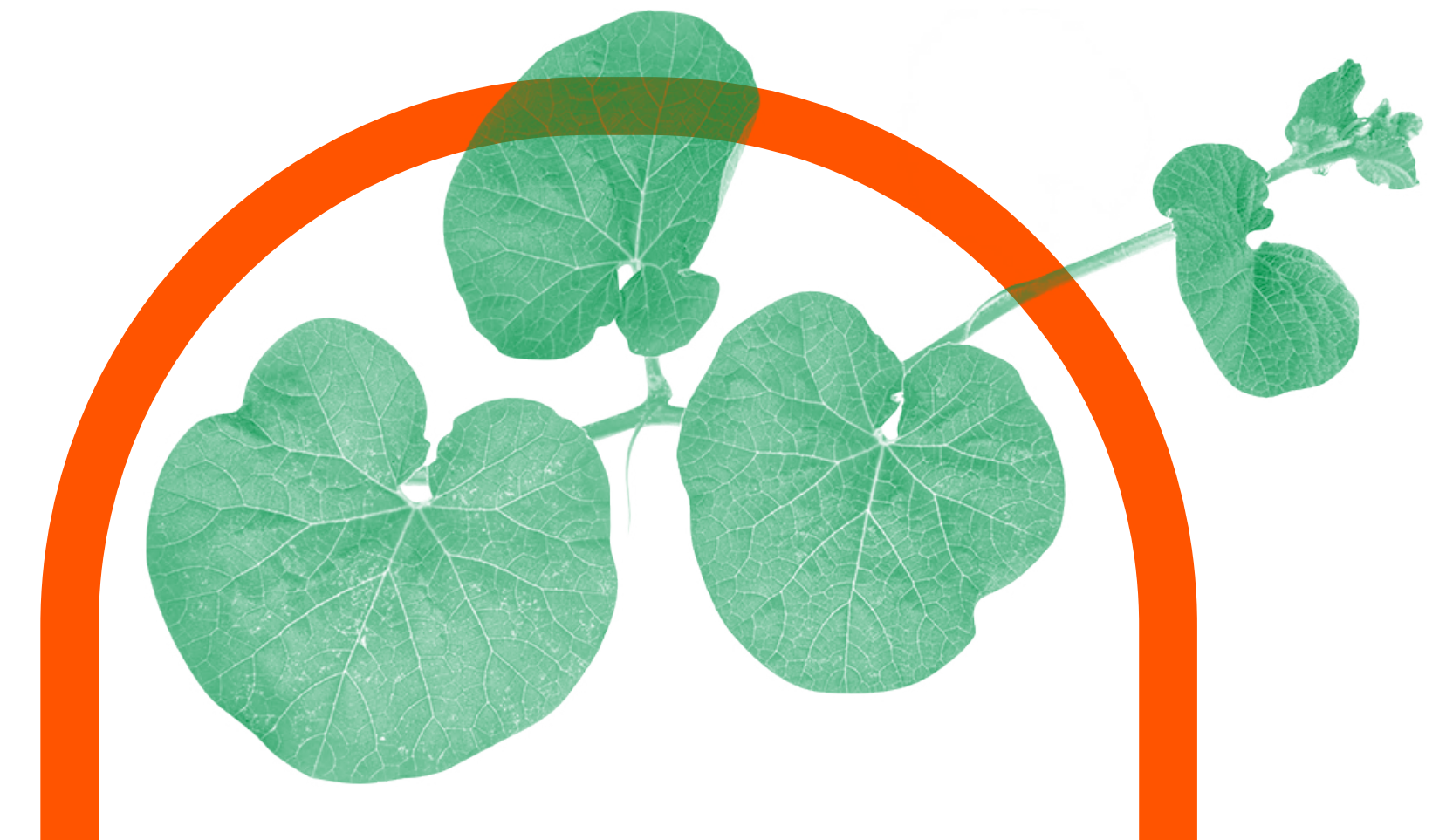
During the meetings, the Supervisory Board reviewed the matters required under the CCPC as well as the matters relating to the day-to-day operations of the Company.

In the course of works in Q1 last year, the Supervisory Board developed and submitted to the GM *inter alia*: the requisite report on the evaluation of the Bank's standing, including the assessment of the internal control system, risk management, compliance and the internal audit function, and also the Supervisory Board's report on their operations. Furthermore, the Supervisory Board submitted to the OGM the assessment on satisfaction of corporate governance-related disclosure duties by the Bank and assessment of the rationality of the Bank's policy concerning sponsorship and charity initiatives. In 2023, the Supervisory Board reviewed and gave a positive opinion on the draft resolutions of the OGM convened on 26 April 2023.

The topics discussed by the Supervisory Board in 2023 have been detailed below. Those topics were also discussed by the Supervisory Board Committees (within their remit) who gave their recommendations and opinions for the Supervisory Board.

## 1. Finance, including:

- approval of the *Bank Strategy for 2023–2025* and changes thereto, as well as continuous oversight of the implementation of the approved financial plan,
- approval of the report on the results of review of the Annual Financial Statements of ING Bank Śląski S.A. for 2022 (separate and consolidated), Management Board Report on Operations of ING Bank Śląski S.A. Group in 2022 covering the Report on Operations of ING Bank Śląski S.A., including the Management Board statement on the application of corporate governance rules, Report on non-financial information of ING Bank Śląski S.A. Group for 2022, including non-financial information of ING Bank Śląski S.A.,
- assessment of the Bank Management Board motion regarding distribution of profit earned by the Bank in 2022,
- approval of amendments to the *Capital Management Policy at ING Bank Śląski S.A.*,
- approval of the 2022 ING Bank Śląski S.A. ICAAP Report,
- opinion on the Bank Management Board's declaration on the application by the Bank of the Polish Financial Supervision Authority's recommendation on mitigating the inherent risk of Bank's operations.
- opinion on the Bank Management Board's statement regarding application by ING Bank Śląski S.A. of the Polish Financial Supervision Authority's recommendation on the Pillar 2 Guidance (P2G) capital add-on.
- approval of the updated *Recovery Plan for ING Bank Śląski S.A.*,
- regular update of the Bank Management Board on related-party agreements,
- regular update of the Bank Management Board on the operations of the ING Bank Śląski S.A. Brokerage Office,





- annual update on capital investments as required by the *ING Bank Śląski S.A. Equity Investment and Corporate Governance Policy*,
- annual report on the supervision system in custody operations, and
- annual report on fulfilment by the Bank of the obligations regarding: issuing or sharing financial instruments as well as recommending, offering or otherwise enabling the purchase or subscription of financial instruments and structured deposits by clients of the Retail Customers Division, Wholesale Banking Division and Business Clients Division.

## 2. Internal audit at the Bank, including:

- noting the reports on the status of the 2022 audit plan delivery and the status and changes in due dates of audit issue closure,
- approval of the Annual Report on delivery of the objectives, mission and strategy including internal control system and risk management system assessment for 2022,
- noting the Report on the results of quality assurance and improvement process within Internal Audit Department function for 2022,
- approval of the Report on the audit of the principles of remunerating the persons holding managerial positions

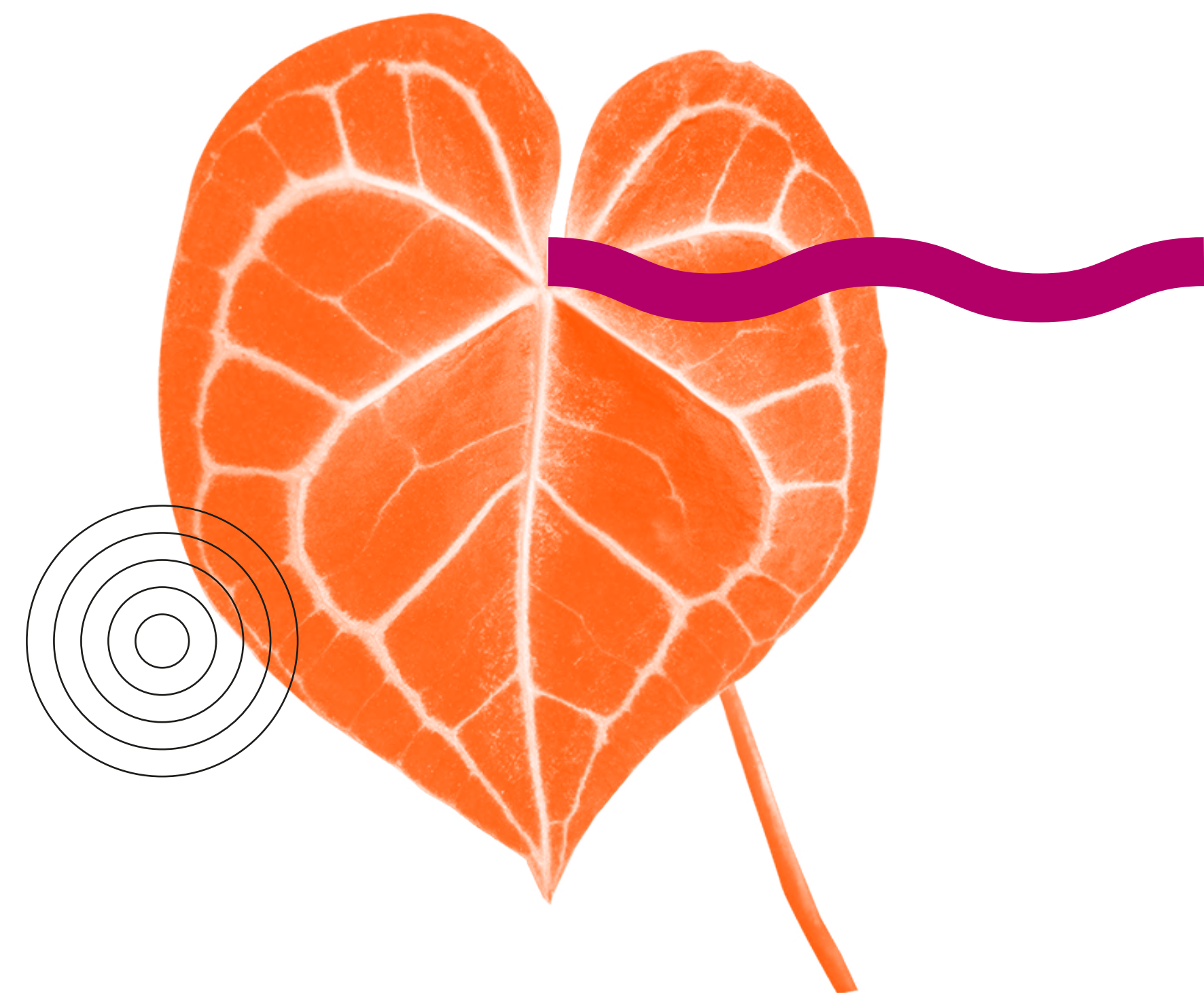
having material impact on the risk profile of ("Identified Staff") at ING Bank Śląski S.A.,

- approval of the update of the Audit Strategy Memorandum (ASM) including long-term planning for the years 2023-2025 and the 2023 Audit Plan,
- noting the reports on the status of the 2023 audit plan delivery and the status and changes in due dates of audit issue closure,
- approval of the Report on the review of the headcount level and structure, job description and remuneration for the Internal Audit Department,
- approval of the update of the Audit Strategy Memorandum (ASM) including long-term planning for the years 2024-2028 and the 2024 Audit Plan.

## 3. Compliance at the Bank, including:

- approval of the Annual Plan of Tasks of the Centre of Expertise – Compliance for 2023,
- assessment of the adequacy and effectiveness of the system for anonymous reporting of violations of law, internal regulations and ethical standards in ING Bank Śląski S.A. in 2023,
- assessment of adequacy and effectiveness of corporate governance at ING Bank Śląski S.A. for 2022,

- approval of updated internal compliance regulations,
- approval of the Report on the review of the headcount level and structure, job description and remuneration for the Centre of Expertise – Compliance,
- update on the implementation of the Annual Compliance Plan,
- update on observance of ethical standards.





#### 4. Monitoring the efficiency of the risk management system at the Bank, including non-financial risk and compliance risk, including:

- approval of the high-level RAS parameters for 2023,
- approval of the *Non-financial Risk Appetite Statement of the Bank for 2023*, and oversight of its implementation,
- approval of the ING Bank Śląski S.A. ILAAP Review Report for 2022,
- approval of amendments to the *Policy – Internal Control System at ING Bank Śląski S.A.*,
- approval of Report on the operation of the risk management system in 2022 as well as final assessment of the risk management system adequacy and effectiveness in 2022,
- approval of amendments to the *General Principles of Credit, Market, Liquidity and Funding and Operational Risk Management and Mitigation in ING Bank Śląski S.A.*,
- consent to conclusion of significant agreements by the Bank,
- approval of amendments to the *ING Bank Śląski S.A. Operational Risk Management Policy*,
- periodic report on credit, market and non-financial risk management at the Bank,
- regular updates from the compliance risk area at the Bank, including from the personal management, anti-money laundering and terrorism financing and sanction violation areas,
- periodic update on Bank's activities for FX-indexed mortgage loans.
- FX-indexed lending portfolio,
- periodic update on the status of open recommendations at the Bank,





## 5. Monitoring and supervising the HR and payroll area at the Bank, including:

- periodic suitability assessment for the ING Bank Śląski S.A. Management Board,
- approval of amendments to the *Policy of Disclosing Qualitative and Quantitative Information on Capital Adequacy and Variable Components of Remuneration of ING Bank Śląski S.A.*,
- assessment of the 2022 performance of the Members of the Bank Management Board, as well as determining and updating KPIs for 2023,
- approval of amendments to the *ING Bank Śląski S.A. Group Remuneration Policy*,
- approval of amendments to the *Variable Remuneration Policy of Identified Staff of ING Bank Śląski S.A.*,
- approval of amendments to the *Executive Remuneration Bylaw for Members of the Management Board of ING Bank Śląski S.A.*,
- update of the *List of qualitative and quantitative criteria and the additional criteria for qualifying Staff Members to be included in the ING Bank Śląski S.A. List of Identified Staff for 2023*,

- approval of the Internal Audit Department's Report on the audit of the process of remunerating the persons holding managerial positions having material impact on the risk profile of ("Identified Staff") at the Bank,
- approval of the Report regarding the implementation of the pay policy in relation to the internal audit employees and the Chief Audit Executive,
- approval of the Report regarding the implementation of the pay policy in relation to the employees and Lead III of the Centre of Expertise – Compliance,
- approval of the remuneration packages of people holding control functions at the Bank,
- update regarding pay policy at the Bank,
- approval of Succession plans for the Management Board and key function holders at ING Bank Śląski S.A.

## 6. Implementation of the recommendations issued by the regulators.

### 7. Bank governance area:

- approval of amendments to the Bylaws of the Supervisory Board and Board Committees,

- approval of amendments to the *ING Bank Śląski S.A. Management Board Bylaw*,
- approval of the amendments to the ING Bank Śląski S.A. Organisational Bylaw and periodic amendments to Enclosure No. 2 therewith – *Segregation of responsibilities of ING Bank Śląski S.A. Management Board Members*,
- approval of the 2024 Outline Work Plan of the Supervisory Board,
- annual Management Board's update on the main changes within the Bank's organisational framework,
- periodic update – list of Bank Management Board Resolutions.





# Assessment of performance of disclosure duties by the Management Board towards the Supervisory Board

The Supervisory Board regularly received from the Bank Management Board the items of information as referred to in Article 380<sup>1</sup> of the CCPC, including extensive reports regarding the current standing of the Bank, its functioning, action plans and progress in the delivery of preset business goals as well as any material developments and circumstances that may have an impact on its functioning and material situation. The reporting packs also covered the Bank Management Board's updates on subsidiaries and related companies.

Taking into account the foregoing, the Supervisory Board assess that the Bank Management Board was discharging properly the duties under Article 380<sup>1</sup> of the CCPC.

Thanks to the elaborate updates and reports relayed by the Bank Management Board, the Supervisory Board did not have to exercise the right to request additional information, documents, reports or clarifications under Article 382 §4 of the CCPC.





# Total fee due from the company

for all the examinations commissioned by the Supervisory Board in the course of the accounting year under Article 382<sup>1</sup> of the CCPC

In 2023, the Supervisory Board did not exercise the right to have a certain case connected with company business or property examined or to have certain analyses or opinions developed by a selected advisor (advisor to the supervisory board) at the cost of the company, under Article 382<sup>1</sup> of the CCPC.





# Self-Assessment of Adequacy of Internal Regulations concerning Operations of the Supervisory Board

The ING Bank Śląski S.A. Supervisory Board operates on the basis of the following internal regulations in particular:

- *Charter of ING Bank Śląski S.A.,*
- *ING Bank Śląski S.A. Supervisory Board Bylaw,*
- *ING Bank Śląski S.A. Supervisory Board Audit Committee Bylaw,*
- *ING Bank Śląski S.A. Supervisory Board Remuneration and Nomination Committee Bylaw,*
- *ING Bank Śląski S.A. Supervisory Board Risk Committee Bylaw.*

The regulations are available on the ING Bank Śląski S.A.'s website: [Legal documents | ING Bank Śląski](#).

The above-referred regulations are regularly reviewed, at least once a year. During the reviews, they are analysed for the need to make amendments thereto, notably in order to adapt their provisions to the changes in the regulatory landscape of the Bank or facilitate the operations of the Supervisory Board.

Draft amendments to the Bank Charter are submitted by the Management Board to the General Meeting, upon earlier opinion of the Supervisory Board. In 2023, the Charter was amended in that the tasks of the Supervisory Board Chair and Deputy Chairs were clarified, following the amendments to the Commercial Companies and Partnerships Code. The amendment reflected the already existing provisions of the Supervisory Board Bylaw.

The Supervisory Board Bylaw and the bylaws of its committees were also reviewed and updated in 2023. Separate update on amendments to the Supervisory Board Bylaw is presented to the General Meeting in line with recommendation 9 of Polish Financial Supervision Authority Recommendation Z on the internal governance principles at banks.

Having regard to the above, based on the reviews of regulations and considering the amendments made thereto, the Supervisory Board assess that the internal regulations concerning the operation of the Board are adequate and enable proper, efficient and effective operations of the Board.







# Self-assessment of the Supervisory Board's Work in 2023

In 2023, the Supervisory Board assisted and advised the Bank Management Board on all the matters pertaining to the Bank and its business. The Supervisory Board monitored the implementation of the Bank's strategy on an ongoing basis.

The Supervisory Board confirm that they exercised regular and ongoing supervision over the Bank's business throughout 2023 in accordance with their powers and the legal requirements concerning joint-stock companies. The Supervisory Board are well prepared to exercise all the statutory and Charter-defined rights and duties and perform their tasks properly, ensuring adequate supervision over the Bank in all material aspects of its operations. All Members of the Supervisory Board exercised their duties with due care, while leveraging on their knowledge and experience in terms of supervising a joint-stock company. Considering the array of areas covered by the Supervisory Board and all the activities performed, the Supervisory Board are convinced that their operations in 2023 can be deemed efficient, effective and in keeping with the best market standards.

Members of the Supervisory Board performed their responsibilities with integrity and in a reliable manner. All meetings were held with a high attendance rate. Supervisory Board Members were able to devote sufficient time to performing their duties. Acting in the company's interest, Supervisory Board Members applied their independent opinions and judgements in their actions. In that manner, the Supervisory Board were able to assess and verify the way of taking and implementing decisions connected with day-to-day management of the Bank in an effective manner.

The cooperation with the Bank Management Board was very good. The Bank Management Board provided the required information in a clear, reliable and exhaustive manner. The Supervisory Board would like to thank the Bank Management Board for developing and delivering thereto the information, documents and reports in the manner ensuring efficient performance of tasks by the Supervisory Board and Board committees. In particular, the Supervisory Board wish

to thank the Bank Management Board for the successful implementation of the Strategy in 2023.

Bearing in mind the foregoing, the Supervisory Board would like to express deep appreciation for the actions taken by the Bank Management Board not only to ensure further development of the Bank, but also for the society and local communities. In particular, the Supervisory Board wish to thank the Bank Management Board and all Bank employees. The Supervisory Board also recognise the engagement of the employees of the two corporate Foundations.

**Keeping in mind the Bank's results and overall performance, the Supervisory Board request that the General Meeting acknowledge the fulfilment of duties by the Members of the Bank's bodies in 2023.**






# Report of the Supervisory Board Committees on Their Operations in 2023

In order to ensure support for the Supervisory Board in exercising their powers, the Supervisory Board established from among their Members three committees: the Audit Committee, the Remuneration and Nomination Committee and the Risk Committee.

The Committees perform consulting and advisory functions by preparing recommendations for the Supervisory Board; the Committee Chairs give reports from the Committee work during the Supervisory Board meetings.

**The composition of individual Committees as at 2023 yearend has been given below.**

## Audit Committee

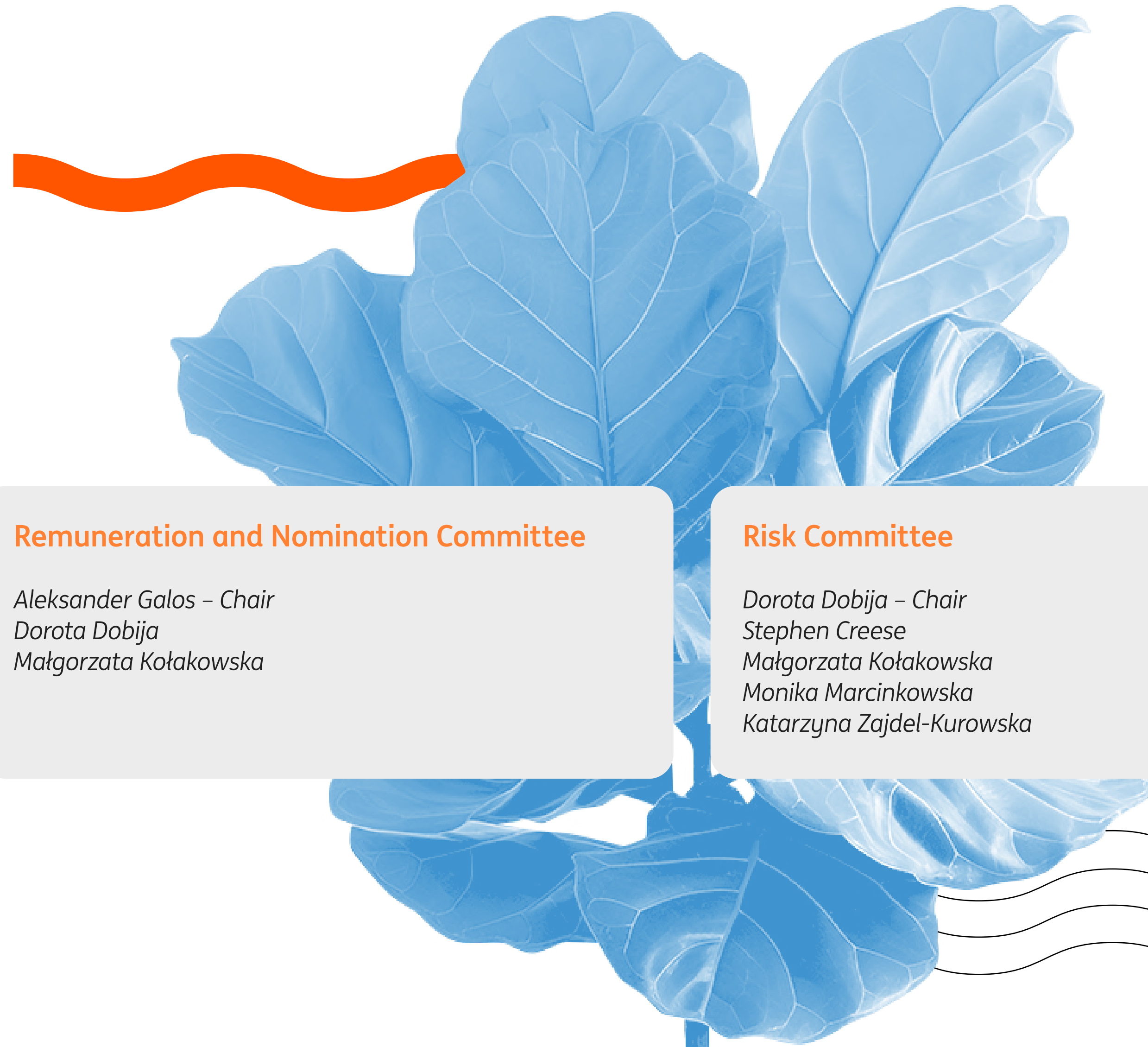
*Monika Marcinkowska – Chair  
Dorota Dobija  
Hans De Munck  
Michał Szczurek  
Katarzyna Zajdel-Kurowska*

## Remuneration and Nomination Committee

*Aleksander Galos – Chair  
Dorota Dobija  
Małgorzata Kołakowska*

## Risk Committee

*Dorota Dobija – Chair  
Stephen Creese  
Małgorzata Kołakowska  
Monika Marcinkowska  
Katarzyna Zajdel-Kurowska*





# Audit Committee

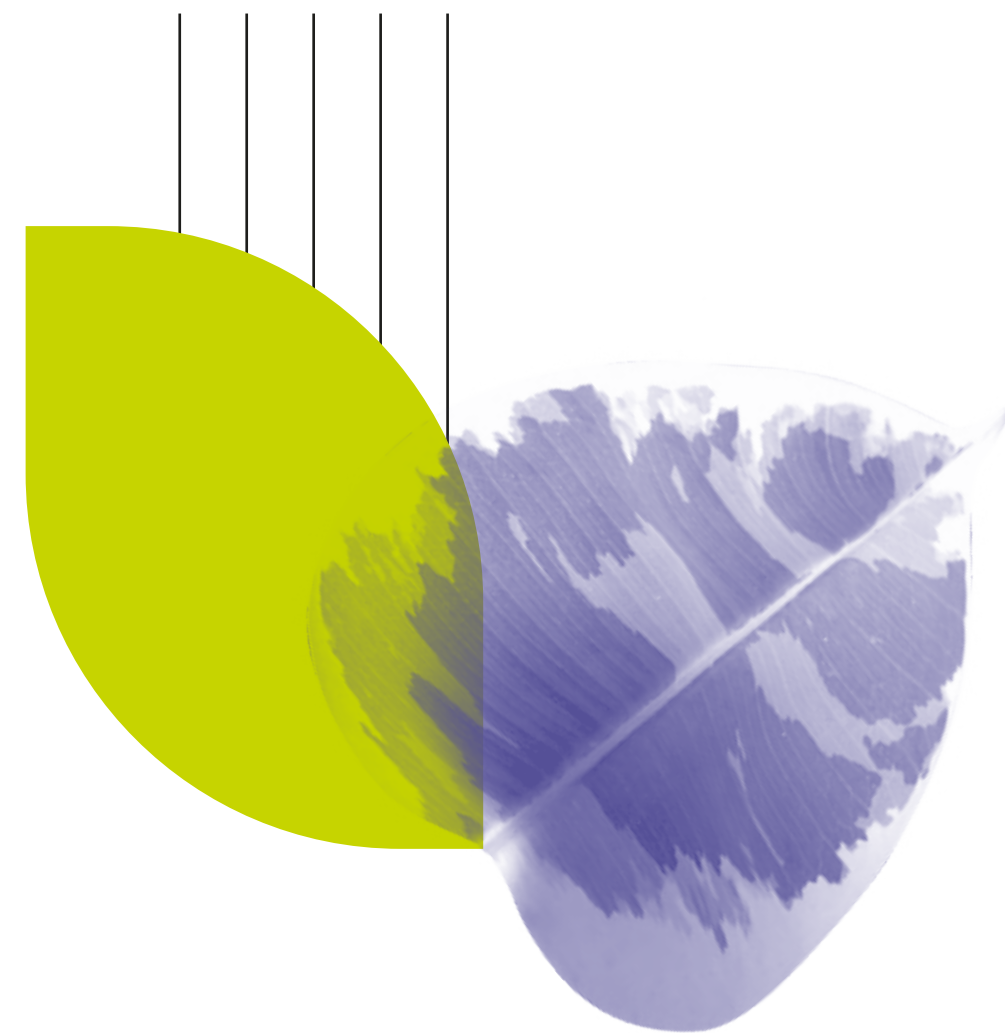
The Audit Committee of the Supervisory Board perform consultation and advisory functions for the Supervisory Board, and also deliver on other tasks under the law, instructions and recommendations of the regulator. The Audit Committee support the Supervisory Board with regard to monitoring the financial reporting, monitoring and supervising the internal- and external audit and the management system at the Bank and its subsidiaries.

## Composition of the Audit Committee and changes on the Committee during the financial year

### 2023 saw the following changes on the Audit Committee:

As stated above, having received the recommendation of the Remuneration and Nomination Committee concerning assessment of candidates for the Members of the Audit Committee, issued under the process discussed hereinabove, on 2 June 2023 the Supervisory Board appointed Ms Katarzyna Zajdel-Kurowska and Mr Hans de Munck as Committee Members. At the same time, Messrs Aleksander Galos and Stephen Creese resigned from their membership of the Committee.

The Remuneration and Nomination Committee attested that the Audit Committee satisfy the criterion of collective suitability covering the sufficient number of members having knowledge of and skills in accounting, financial review and banking, and the criterion of independence of sufficient number of members, including independence of the Chair of the Audit Committee.





Therefore, as at 31 December 2023, the Audit Committee worked in the following composition:

**Ms Monika Marcinkowska**

Chair (independent member)

**Ms Dorota Dobija**

Member (independent member)

**Mr Hans De Munck**

Member

**Mr Michał Szczurek**

Member

**Ms Katarzyna Zajdel-Kurowska**

Member (independent member)

As required under the *Statutory Auditors Act* of 11 May 2017, the majority of the Committee members, the Committee Chair included, satisfy the independence criteria. Ms Monika Marcinkowska and Ms Dorota Dobija demonstrate know-how and expertise in accounting or financial auditing, as further substantiated with the professor title. Other Committee members, i.e.: Mr Hans De Munck, Mr Michał Szczurek, and Ms Katarzyna Zajdel-Kurowska acquired the competence through professional career.

**Number and frequency of the Audit Committee meetings. Number of recommendations passed and attendance rate at meetings**

The Audit Committee supported the Supervisory Board in their tasks primarily during meetings by passing the relevant recommendations and issuing relevant opinions. During the meetings, the Audit Committee members are joined by members of the Bank Management Board, the Heads of the Internal Audit Department and Centre of Expertise – Compliance, the Centre of Expertise Accounting Policy and Financial Reporting – Chief Accountant, the Operational Risk Management Department Director, and also representatives of the auditing firm.

Between 1 January and 31 December 2023, the Audit Committee met seven times. The Committee also issued recommendations by way of circulation (two cases). The meetings were held at the following dates: 9 March, 16 March, 2 June, 22 June, 21 September, 23 October and 30 November, and by way of circulation on: 13 February and 14 December.

In line with the requirements of the *Good practices for public interest entities concerning the rules of establishment, composition and functioning of the Audit Committee* issued by the Polish Financial Supervision Authority Office dated 24 December 2019 and the *Audit Committee Bylaw*, on 9 and 16 March and on 30 November 2023 the Audit Committee also held separate closed meetings with: the CFO and the representatives of the internal auditor and external auditor.

The Audit Committee issued 20 recommendations for the Supervisory Board in total (including 2 by way of circulation) as well as 2 opinions.

All the meetings were quorate and held in line with the procedures so that binding recommendations could be issued; the attendance rate during the meetings was high.

Attendance of the Audit Committee Members in 2023 has been shown in the table below.

**Attendance in 2023**

(Meeting attendance / Number of meetings during the term of office)

Monika Marcinkowska	9/9
Dorota Dobija	9/9
Hans De Munck (Committee Member since 5 June 2023)	5/5
Michał Szczurek	8/9
Katarzyna Zajdel-Kurowska (Committee Member since 5 June 2023)	5/5
<b>Committee Members holding functions in the reporting period</b>	
Aleksander Galos (Committee Member until 5 June 2023)	4/4
Stephen Creese (Committee Member until 5 June 2023)	4/4



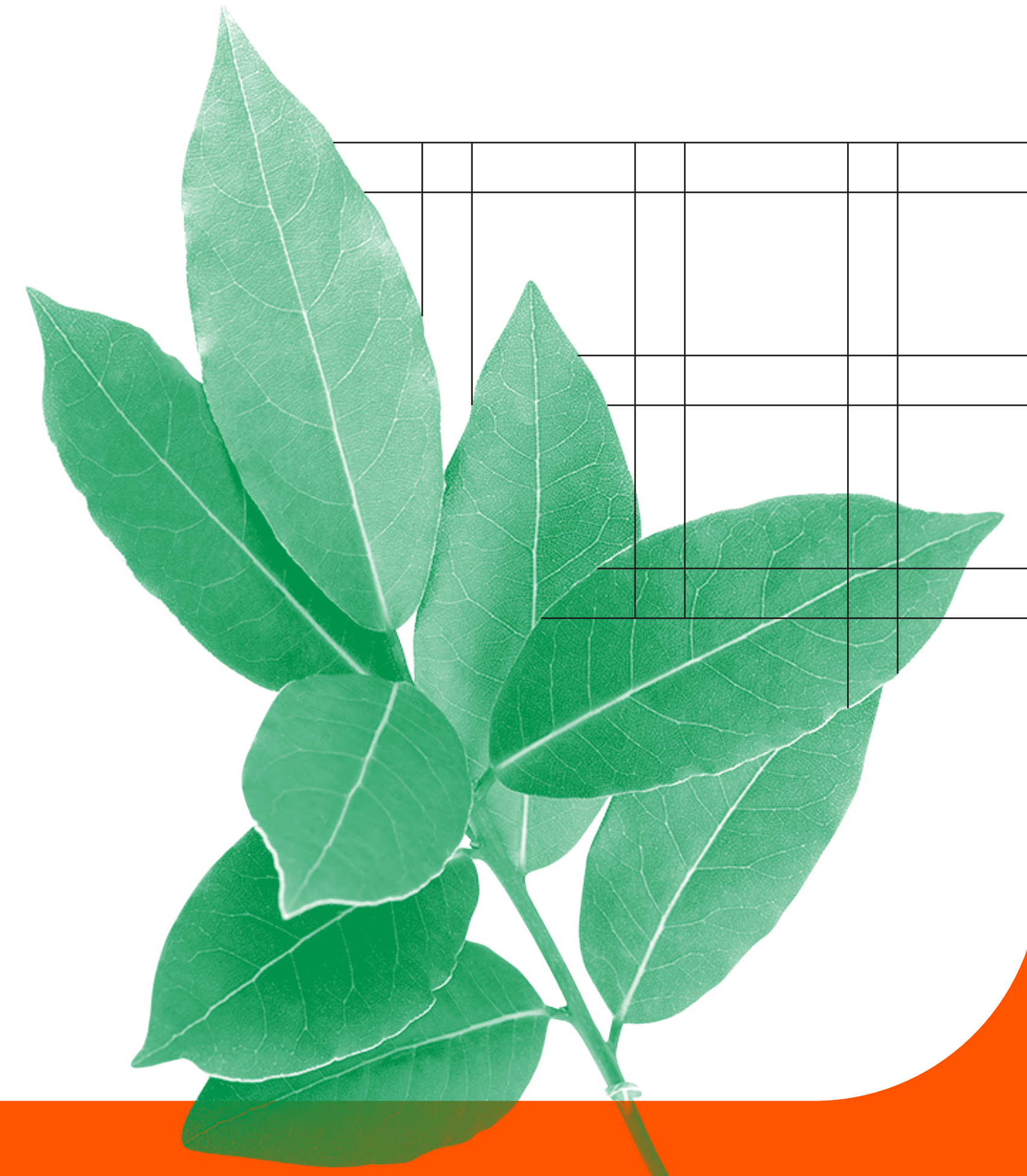
### Agenda of the Audit Committee Meetings

In 2023, the Audit Committee focused on the following areas in particular:

- monitoring of the adequacy and effectiveness of the internal control system and risk management system, including compliance risk,
- supervision of the Bank's relationship with the entity auditing the financial statements of the Bank, including analysis of the work performed by the entity authorised to audit the financial statements and audit results as well as Management Letter assumptions,
- assessment of the annual financial statements of ING Bank Śląski S.A. and the ING Bank Śląski S.A. Group,
- analysis of the information and materials provided from time to time by the external auditor and presentations of the external auditor delivered for the Audit Committee Members directly at Committee meetings,
- regular analysis of periodical reports from the Chief Audit Executive on the status of the annual audit plan 2023 delivery and the status and changes in due dates of audit issue closure, and
- monitoring compliance area works.

Other areas of the Audit Committee works in 2023 included but were not limited to:

- monitoring of the Bank's relationship with related entities, including analysis of a periodic update on agreements with related entities,
- supervision of compliance area at the Bank, including development and submission to the Supervisory Board of recommendations on approval of amendments to the Policy – *Principles of Corporate Governance at ING Bank Śląski S.A. Group*,
- regular analysis of periodic quarterly compliance risk reports,
- analysis of a list of critical- and high-risk recommendations, and
- analysis of information on financial and regulatory reporting and control environment for reporting.





Furthermore, throughout 2023, the Audit Committee regularly focused on the topics enlisted in the *Good practices for public interest entities concerning the rules of establishment, composition and functioning of the audit committee*, published on 24 December 2019 by the Polish Financial Supervision Authority Office, while taking into account their provisions concerning:

- monitoring of the financial reporting process,
- monitoring of effectiveness of internal control systems, internal audit as well as risk management,
- monitoring of financial revision,
- as well as control and monitoring of independence of the statutory auditor and the auditing firm, notably, when the auditing firm provides the public interest entity with non-audit services.

In addition, following the organisational changes at the Bank in 2023, the Audit Committee recommended that the Supervisory Board make a change in the position of the Internal Audit Department Director. The change took place on 1 July 2023.

The Committee Members regularly received reports from audits carried out by the Internal Audit Department. The Audit Committee Members also received status reports from the external auditor. As part of their work, the Audit Committee concluded that both the Internal Audit Department and the external auditor were able to perform their tasks in an independent and impartial manner. Therefore, the Audit Committee confirm that they do not have any reservations about the independent audit process at the Bank.

The Audit Committee – based on the information and documents provided by the Bank Management Board as well as analyses during the sessions – made assessment of risk of the processes and areas under monitoring. The Audit Committee's assessment did not differ from that of the Bank Management Board. No areas were identified for which the activities taken by the Bank Management Board would be inadequate to the situation of the Bank, market requirements or regulatory recommendations. The banking areas of particular focus of the Committee comprised: compliance, anti-fraud, Know Your Customer, model risk, IT and outsourcing.





# Remuneration and Nomination Committee

The Remuneration and Nomination Committee support the Supervisory Board with regard to the monitoring and supervision of the HR and payroll area, including, in particular, succession plans, employee-turnover processes, employee satisfaction surveys as well as the remunerating and rewarding policy.

*In line with EBA Guidelines on sound remuneration policies under Directive 2013/36/EU, the majority of the Remuneration and Nomination Committee Members, including the Committee Chair, are independent members.*



## Composition of the Remuneration and Nomination Committee and changes on the Committee during the financial year

The composition of the Remuneration and Nomination Committee did not change between 1 January and 31 December 2023. The Committee composition is the following:

**Mr Aleksander Galos**  
Chair (independent member)

**Ms Dorota Dobija**  
Member (independent member)

**Ms Małgorzata Kołakowska**  
Member

## Number and frequency of the Remuneration and Nomination Committee meetings. Number of recommendations passed and attendance rate at meetings

The Remuneration and Nomination Committee supported the Supervisory Board in their tasks primarily during meetings by passing the relevant recommendations and issuing relevant opinions. In keeping with the authorisation, the Remuneration

and Nomination Committee also made decisions in the course of their work. The CEO, the Centre of Expertise Lead III – Bank Executive Director for HR and the Area Lead II – Performance & Reward attend the Remuneration and Nomination Committee meetings on a regular basis.

Between 1 January to 31 December 2023, the Remuneration and Nomination Committee held nine meetings. The Remuneration and Nomination Committee also issued recommendations by way of circulation (two cases). The meetings of the Remuneration and Nomination Committee were held at the following dates: 10 March, 17 March, 12 April, 26 April, 2 June, 23 June, 21 September as well as 30 November and 1 December, and meetings by way of circulation were held on: 21 March and 23 May.

The Committee issued 52 recommendations in total (including 2 by way of circulation), 6 opinions and 3 decisions.

**Attendance of the Remuneration and Nomination Committee Members in 2023 has been shown in the table below.**

### Attendance in 2023 (Meeting attendance / Number of meetings)

Aleksander Galos	11/11
Dorota Dobija	11/11
Małgorzata Kołakowska	10/11



## Agenda of the Remuneration and Nomination Committee Meetings

In 2023, the Committee focused on the following areas in particular:

- active supervision of the process of suitability assessment for the Members of the Supervisory Board, Bank Management Board and key function holders at the Bank,
  - » periodic annual suitability assessment of the Bank Supervisory Board and Management Board,
  - » suitability assessment of candidates for Members of the Supervisory Board,
  - » suitability assessment of candidates for members of the Audit Committee,
  - » suitability assessment of the Audit Committee,
  - » suitability assessment of a Supervisory Board Member following a change in engagement,
- monitoring of adequacy and effectiveness of the Bank's policy in the HR area, including development and submission to the Supervisory Board of recommendations on changes to the *List of qualitative and quantitative criteria and the additional criteria for qualifying Staff Members to be included in the ING Bank Śląski S.A. List of Identified Staff for 2023*,
- succession review for the positions of the Management Board Members,
- monitoring of adequacy and effectiveness of the Bank's policy in the payroll area, including development and submission to the Supervisory Board of recommendations on the following documents:
  - » *Variable Remuneration Policy of Identified Staff of ING Bank Śląski S.A.*,
  - » *ING Bank Śląski S.A. Group Remuneration Policy*, and
  - » *Executive Remuneration Bylaw for Members of the Management Board of ING Bank Śląski S.A.*,
- analysis of the pay policy/practice assumptions in 2023 and 2024, including determination of the level of the adjusting multiplier applicable to the 2022 and 2023 annual bonus for Bank employees,
- assessment of the 2022 performance of the Members of the Bank Management Board, as well as determining and updating KPIs for 2023,
- development and submission to the Supervisory Board of recommendations on the Report regarding the implementation of the pay policy in relation to the internal audit employees and the Chief Audit Executive,
- development and submission to the Supervisory Board of recommendations on the Report regarding the implementation of the pay policy in relation to the employees and Lead III of the Centre of Expertise – Compliance,
- analysis of proposals of remuneration packages of people holding control functions at the Bank, submitted by the Management Board.

### Other areas of the Remuneration and Nomination Committee works in 2023 included but were not limited to:

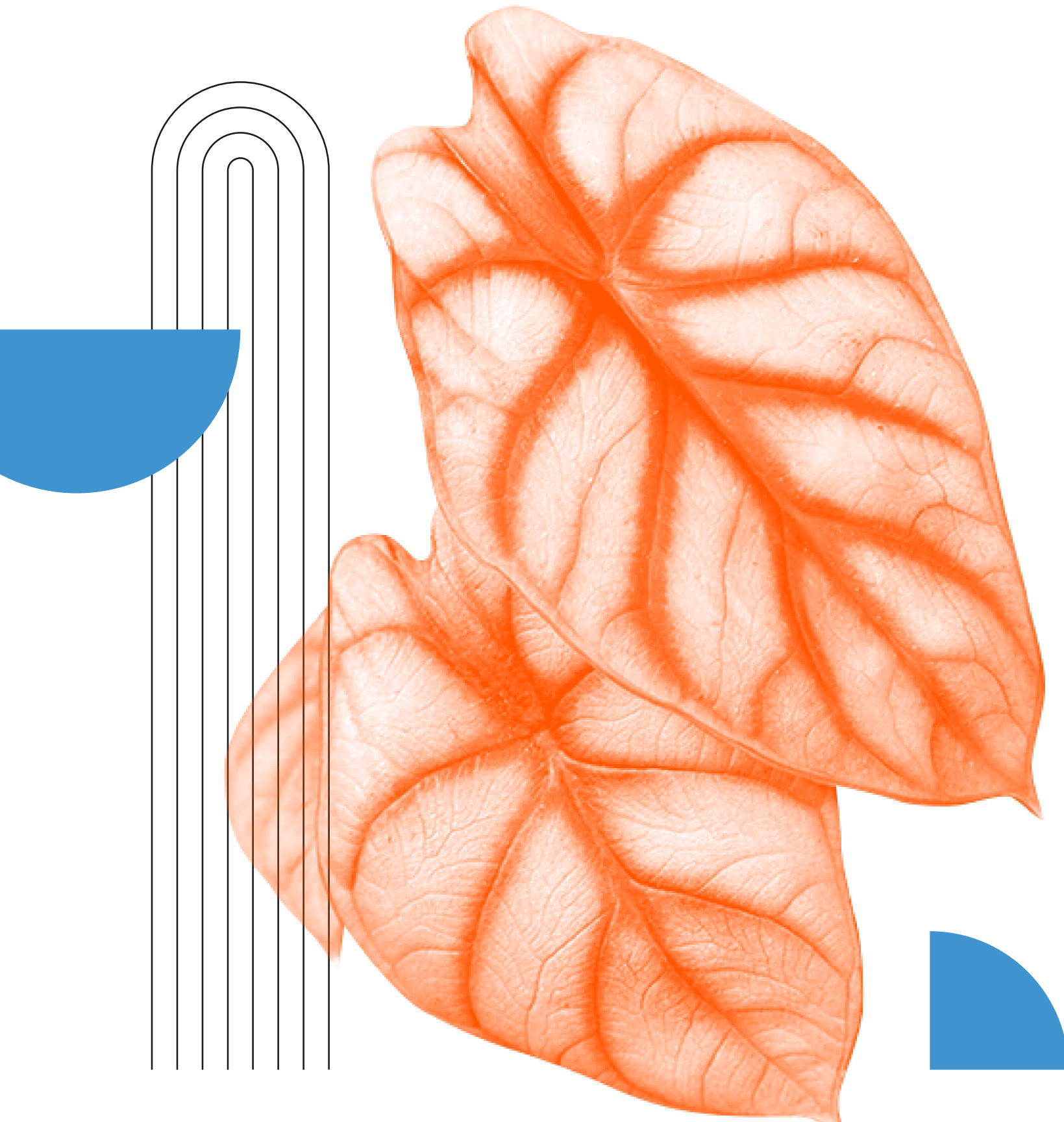
- analysis of the implementation of the diversity policy for the Management Board and Supervisory Board by the Bank in 2022,
- submission to the Supervisory Board of a recommendation on amendments to the *Diversity Policy for ING Bank Śląski S.A. Management Board and Supervisory Board Members*,
- Remuneration report for the ING Bank Śląski S.A. Supervisory Board and Management Board Members for 2022,
- analysis of the results of the organisation health survey (OHI Pulse survey), made among the ING Bank Śląski S.A. staff as well as post-OHI survey priorities and measures,
- report from the audit of the remuneration process for Identified Staff in ING Bank Śląski S.A., and
- update on the incentive programme for Identified Staff of ING Bank Śląski S.A.





# Risk Committee

The Risk Committee is tasked with supporting the Supervisory Board in the oversight of the risk management strategy implementation across the Bank.



## Composition of the Risk Committee and changes on the Committee during the financial year

2023 saw the following changes on the Risk Committee:

As stated above, on 2 June 2023, the Supervisory Board appointed Ms Katarzyna Zajdel-Kurowska as the Risk Committee Member, effective as of 5 June. At the same time, Mr Aleksander Galos resigned from his membership in the Risk Committee. Therefore, as at 31 December 2023, the Risk Committee worked in the following composition:

**Ms Dorota Dobija**  
*Chair (independent member)*

**Mr Stephen Creese**  
*Member*

**Ms Małgorzata Kołakowska**  
*Member*

**Ms Monika Marcinkowska**  
*Member (independent member)*

**Ms Katarzyna Zajdel-Kurowska**  
*Member (independent member)*

## Number and frequency of the Risk Committee meetings. Number of recommendations passed and attendance rate at meetings

The Risk Committee supported the Supervisory Board in their tasks primarily during meetings by passing the relevant recommendations. During the meetings, the Members of the Risk Committee are joined by Members of the Bank Management Board, and also the Market Risk Management Department Director, Operational Risk Management Department Director, Model Validation Department Director, as well as the Heads of the Internal Audit Department and the Centre of Expertise – Compliance, and also representatives of the auditing firm.

Between 1 January and 31 December 2023, the Risk Committee held five meetings. The Risk Committee also issued recommendations by way of circulation (twelve cases). The meetings of the Risk Committee were held at the following dates: 9 January, 2 June, 22 June, 22 September and 30 November, by way of circulation on: 16 February, 17 March, 21 March, 19 April, 10 May, 17 May, 2 August, 18 October, 30 October, 2 November, 15 November and 19 December.

The Risk Committee issued 32 recommendations in total (including 10 by way of circulation) as well as 3 decisions (all by way of circulation). All the meetings were quorate and held in line with the procedures so that binding recommendations could be issued; the attendance rate during the meetings was high.



Attendance of the Risk Committee Members in 2023 has been shown in the table below.

### Attendance in 2023

(Meeting attendance / Number of meetings during the term of office)

Dorota Dobija	17/17
Stephen Creese	17/17
Małgorzata Kołakowska	17/17
Monika Marcinkowska	17/17
Katarzyna Zajdel-Kurowska (Committee Member since 5 June 2023)	9/9
<b>Committee Members holding functions in the reporting period</b>	
Aleksander Galos (Committee Member until 5 June 2023)	8/8

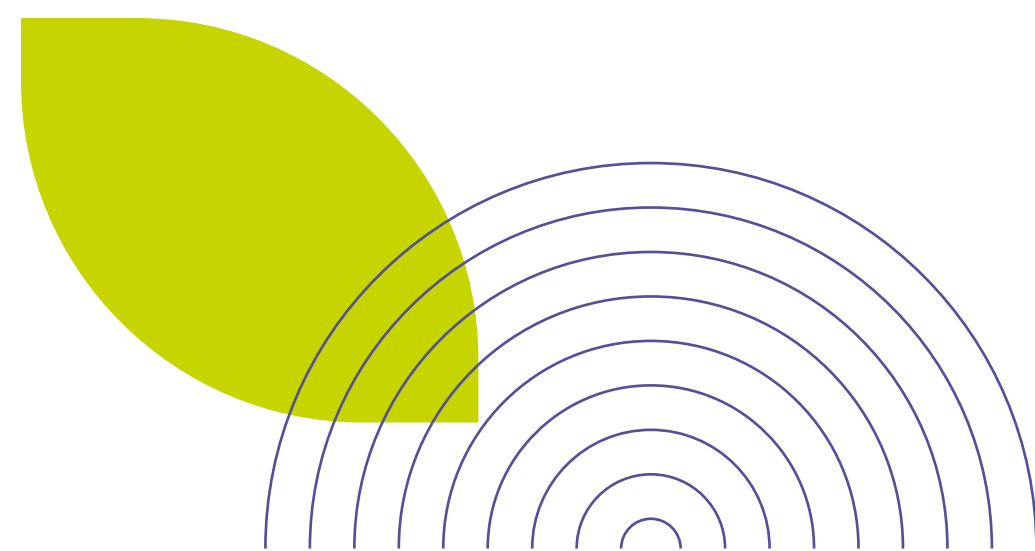
### Agenda of the Risk Committee Meetings

As part of the risk monitoring process at the Bank, the Risk Report was a regular item on the Risk Committee agenda in 2023. The Report is structured into the reports from the credit risk, market risk, operational (non-financial) risk and model risk areas. The update on the risk implications connected with the war in Ukraine as well as from the area of credit holiday instruments and CHF-mortgage loans formed a material element of the discussed report.

In 2023, the Risk Committee also focused inter alia on the following areas:

- development and submission to the Supervisory Board of recommendations on the following documents:
  - » Risk Management Strategy for the years 2023–2025,
  - » Capital Management Policy at ING Bank Śląski S.A.,
  - » Policy of Disclosing Qualitative and Quantitative Information on Capital Adequacy and Variable Components of Remuneration of ING Bank Śląski S.A.,
  - » ING Bank Śląski S.A. Operational Risk Management Policy,
- development and submission to the Supervisory Board of recommendations on High Level Risk Appetite Statement Limits for the retail and corporate credit risk areas and the Non-Financial Risk Appetite Statement,

- development and submission to the Supervisory Board of recommendations regarding the types of agreements made by the Bank that, in the Committee's view, should be classified as having a material impact on the financial and legal standing of the Bank,
- analysis of the 2022 ING Bank Śląski S.A. ICAAP Report, and
- analysis of the ING Bank Śląski S.A. ILAAP Review Report for 2022.





To fulfil the requirement arising from *Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms amending Regulation (EU) No. 648/2012 as amended* as well as from *Recommendation M concerning operational risk management at banks and Recommendation Z concerning internal governance principles at banks*, in 2023 the Risk Committee also focused on the process of development and quarterly disclosure by the Bank of interim qualitative and quantitative information on capital adequacy which is disclosed on a quarterly basis for the Bank Group.

**The Supervisory Board highly assess the performance of the Committees: the Audit Committee, the Remuneration and Nomination Committee and the Risk Committee. The activities pursued by individual Committees over the year (regular and ad-hoc works), including in-depth analyses made by the Committees for the matters discussed as well as the recommendations and opinions submitted to the Supervisory Board are of added value. They certainly enabled the Supervisory Board to perform their statutory tasks competently and efficiently.**

**The Chair of the Supervisory Board would specially like to thank the Supervisory Board Members for their engagement and availability during the year, and also for their unwavering readiness to review urgent matters by way of circulation between regular sessions. Given the volatile market- and economic conditions, the Chair of the Board wishes in particular to thank the Bank Management Board for positive cooperation, flexible approach and for their engagement in the performance of their tasks and delivery of the adopted Strategy of the Bank.**





Operations of the Supervisory Board and its Committees

Evaluation of Bank's financial statements and motion on profit distribution

Evaluation of the Bank's standing

Assessment of application of Principles of Corporate Governance

Assessment of expenditure on charitable and sponsorship initiatives

Implementation of the diversity policy



# Results

of the evaluation of the financial statements and the Management Board's reports on the operations of the Bank and its Group in 2023, as well as the Management Board's motion regarding profit distribution



# Assessment of the annual financial statements of ING Bank Śląski S.A. for 2023

Pursuant to Article 382 §3.1) and §31.1) of the Commercial Companies and Partnerships Code of 15 September 2000 and having reviewed the annual 2023 financial statements of ING Bank Śląski S.A. and also the report of the independent statutory auditor from the audit of the separate financial statements for the financial year ended 31 December 2023, drawn up by Mazars Audyt Spółka z ograniczoną odpowiedzialnością, the ING Bank Śląski S.A. Supervisory Board:

1. state that the 2023 financial statements of ING Bank Śląski SA. as presented by the Bank Management Board were developed correctly in all material aspects and present fairly and clearly the property and financial standing of the Company as at 31 December 2023 as well as the financial result and cash flows for the accounting period from 1 January to 31 December 2023, in line with relevant and applicable regulations on financial statements, and comply with the ledgers, documents and the state of affairs, and

2. having regard to the above, resolve to recommend that the General Meeting approve the 2023 annual financial statements of ING Bank Śląski S.A.





# Assessment of:

- **the Annual Consolidated Financial Statements of the ING Bank Śląski S.A. Group for 2023,**
- **the Management Board Report on Operations of ING Bank Śląski S.A. Group in 2023 covering the Report on Operations of ING Bank Śląski S.A., including the Management Board statement on the application of corporate governance rules,**
- **the Report on non-financial information of ING Bank Śląski S.A. Group for 2023, including non-financial information of ING Bank Śląski S.A.**

Pursuant to Article 382 §3.1) and §31.1) of the Commercial Companies and Partnerships Code of 15 September 2000 and in conjunction with Article 63c. of the Accounting Act of 29 September 1994, and having reviewed the 2023 annual consolidated financial statements of ING Bank Śląski S.A. Group and the Management Board Report on Operations of ING Bank Śląski S.A. Group in 2023 covering the Report on Operations of ING Bank Śląski S.A. including the Management Board statement on the application of corporate governance rules, as well as the Report on non-financial information of ING Bank Śląski S.A. Group for 2023, including non-financial information of ING Bank Śląski S.A., and also the report

of the independent statutory auditor from the audit of the consolidated financial statements for the financial year ended 31 December 2023, drawn up by Mazars Audyt Spółka z ograniczoną odpowiedzialnością, the ING Bank Śląski S.A. Supervisory Board:

1. state that the 2023 consolidated financial statements of ING Bank Śląski SA. Group were developed correctly in all material aspects and present fairly and clearly the property and financial standing of the Group as at 31 December 2023 as well as the financial result and cash flows for the accounting period from 1 January to 31 December 2023, in line with relevant and applicable regulations on financial statements and comply with the ledgers, documents and the state of affairs,
2. state that the Management Board Report on Operations of ING Bank Śląski S.A. Group in 2023 covering the Report on Operations of ING Bank Śląski S.A., including the Management Board statement on the application of corporate governance rules, provides for significant information about the property and financial standing of ING Bank Śląski S.A. and its Group as at 31 December 2023,

including the assessment of performance, indication of risk factors and description of threats, and that it was developed in line with effective regulations on reports on operations and that it complies with the ledgers, documents and the state of affairs,

3. state that the Report on non-financial information of ING Bank Śląski S.A. Group for 2023, including non-financial information of ING Bank Śląski S.A., satisfies the disclosure requirements for non-financial information as per the applicable law, and
4. having regard to the above, resolve to recommend that the General Meeting approve the annual consolidated financial statements of ING Bank Śląski S.A. Group and the Management Board Report on Operations of ING Bank Śląski S.A. Group in 2023, covering the Report on Operations of ING Bank Śląski S.A., including the Management Board statement on the application of corporate governance rules, as well as the Report on non-financial information of ING Bank Śląski S.A. Group for 2023, including non-financial information of ING Bank Śląski S.A.





# Assessment of the Management Board motion regarding distribution of profit earned by the Bank in 2023 and undivided profit from previous years

Pursuant to Article 382 §3.2) and §31.1) of the Commercial Companies and Partnerships Code of 15 September 2000, having reviewed the Management Board motion regarding distribution of profit earned by the Bank in 2023 and undivided profit from previous years, the ING Bank Śląski S.A. Supervisory Board do not raise any objections thereto and resolve to recommend that the General Meeting pass a resolution as per the Management Board motion.





# Evaluation

of the Bank's standing on a consolidated basis, including the assessment of adequacy and effectiveness of the internal control system, risk management system, compliance and the internal audit function





The economic growth in Poland in 2023 decelerated to approximately 0.2%, mainly as a consequence of high inflation which translated into a decline of the real purchasing power of households and shrunk households' consumption by around 0.1%. We saw falling consumption mainly in the first half of the year. In view of the double-digit pay growth, disinflation translated into a reconstruction of real wages and a slight consumption rebound in the second half of the year. Investments accelerated to around 8%, chiefly due to outlays in large companies. The falling domestic demand was accompanied by a strong decline in imports. As a result, despite the poor situation in the exports markets and falling exports, the trade balance improved and brought a positive contribution of around 4pp to the GDP growth. By contrast, reduced inventory weighed heavily on the GDP growth (negative contribution of approx. 5pp).

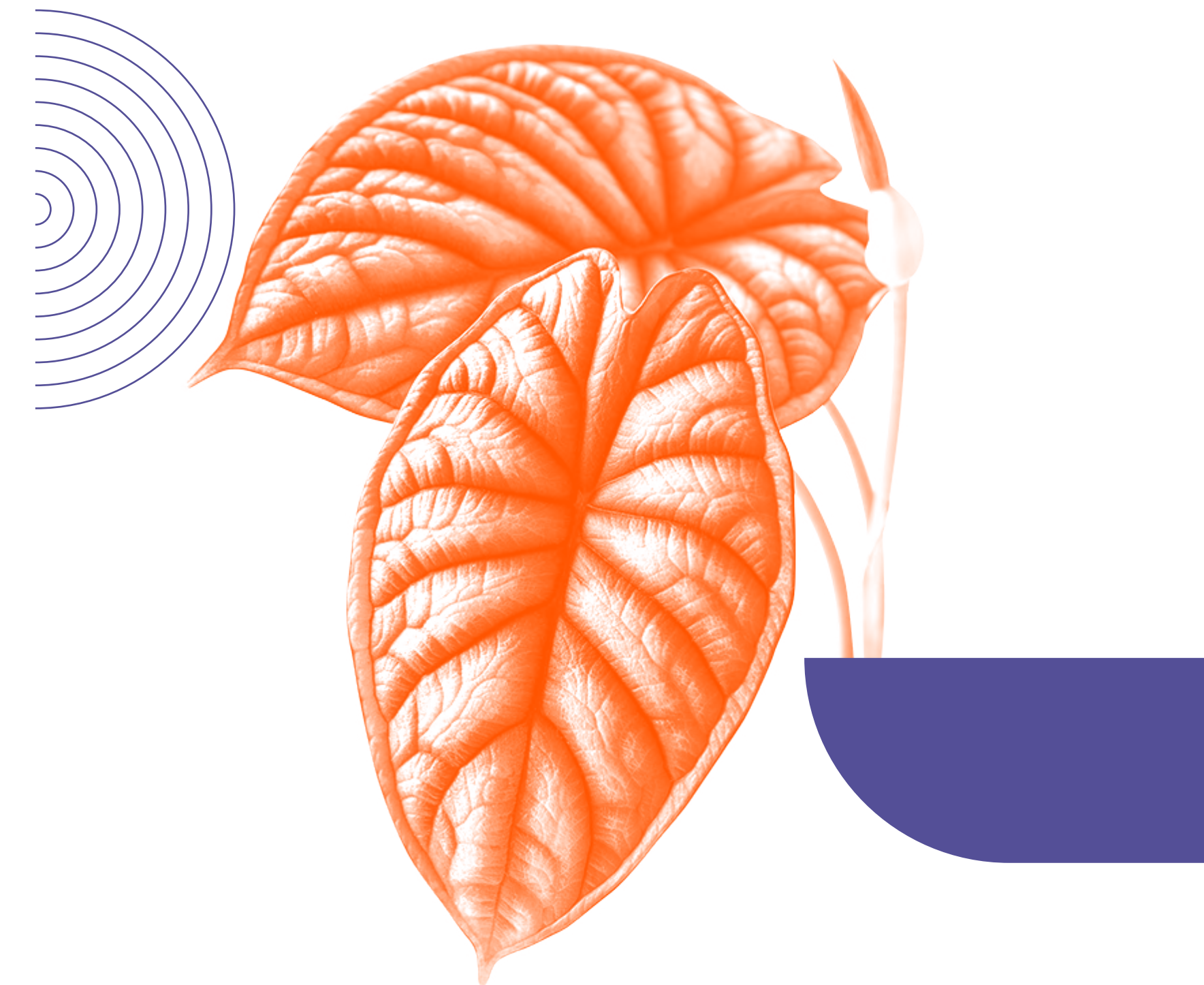
Previous year saw the fade of the earlier energy shock which translated into fast disinflation. In February 2023, consumer prices grew by 18.4% y/y, only to slow down to 6.2% y/y in December. The average annual CPI growth was 11.4%. With weaker internal demand, companies had less room for raising their prices. Labour costs also became a challenge, and the pressure in terms of raw materials and stock was visibly lower than a year earlier.

The fast inflation decrease prompted the National Bank of Poland to ease its monetary policy. In September 2023, the reference rate was cut by 75bp; in October, it was cut by another 25bp only to finish off the year at 5.75bp. In view of the uncertain

inflation outlook, the central bank has now gone into the wait-and-see mode. On a short-term basis, that is as at the end of Q1 2024, inflation may be hovering around the inflation target (2.5%, +/- 1pp). However, with the abolishment of the zero VAT rate on food as of end of March 2024, and of the Anti-Inflation Energy Shield mid year (the energy and gas prices were frozen at the 2022 levels), we are likely to see inflation spike visibly in the second year-half. The expansive fiscal policy which caused the central- and local government agencies' sector's deficit exceed 5% of the GDP last year is another factor driving inflation.

In 2023, the banking sector was a very strong performer – the sector's net profit grew approximately 160% y/y reaching nearly PLN 28 billion; ROE nearly doubled and totalled 12%. All that was mainly courtesy of high interest rates – higher net interest income of banks mitigated the high risk costs of the FX mortgage portfolio, and courtesy of lower regulatory burden – no credit holiday (its estimated negative impact on revenue is PLN 12.8 billion in Q3 2022 alone), the payments to System Ochrony Banków Komercyjnych S.A. (PLN 3.5 billion) or the Borrower Financial Assistance Fund (PLN 1.4 billion). Under the prevailing market conditions, banks took efforts to make their deposit offer more attractive, which induced clients to invest their funds into term deposits. On the other hand, the higher interest rates added to a lower demand for lending, particularly for corporate loans – their sale was down by 3% y/y. Sale of mortgages saw a 21% increase y/y, largely thanks to the government programmes – Bezpieczny kredyt 2% [Safe Loan at 2%]. Consumer activity in terms of consumer loans was also invigorated – consumer loan sales went up by 22% y/y.

In 2023, banks intensified efforts to enable their clients who hold FX mortgages to reach a bank settlement agreement, whether in line with the proposal of the PFSA Chairman or based on their own mediation models. Even so, 2023 was yet another year with a record balance of credit provisions for related legal risk.





Despite the ramifications of the factors affecting the Polish economy and the banking sector in 2023, the ING Bank Śląski S.A. Group **generated net profit of PLN 4,440.9 million, up by 159% from 2022. The higher net profit of the ING Bank Śląski Group resulted primarily from:**

- the high net interest income – no additional regulatory levies which were the case in 2022 in relation to the credit holidays (-PLN 1,644.9 million), and
- the payment to System Ochrony Banków Komercyjnych S.A. (-PLN 470.7 million).

Total income of the Bank grew PLN 2,955 million y/y (+38%), whereas the bank's total costs (including the banking tax) rose by PLN 55 million (+1%) and the balance sheet total went up by 13% y/y. As a consequence, the Bank's costs (including banking tax) to income ratio went down by 14.9p.p. and stood at 40.7%. The Bank's risk costs, including the legal costs of the FX mortgages declined by PLN 417 million (-40%) y/y, which was largely related to the changes in macroeconomic assumptions in the bank's risk calculation models. The costs of legal risk alone went down by PLN 228 million y/y. The decline of the risk costs was followed by a change in the accumulated margin of risk costs which finished off at 0.39% at the end of 2023 vis-à-vis 0.68% as at the end of 2022. The coverage ratio of Stage 3 loans and other receivables and POCI improved by 2.3pp y/y and stood at 60.9%.

The Supervisory Board exercise oversight over the Bank's operations, keep watch over the bank's adherence to the relevant regulations in the area of accounting, finance and reporting of public companies. The powers of the Supervisory Board also include supervision of the individual risk management processes at ING Bank Śląski S.A. with the support of the Risk Committee and Audit Committee. Based on the recommendations of the aforesaid Committees, the Supervisory Board accept and approve the business risk management strategy of the Bank, the key principles of the risk management policy and the related risk appetite level, among other things. Further, the Supervisory Board monitor the utilisation of internal limits vis-à-vis the current strategy of the Bank.

The Risk Committee support the Supervisory Board in monitoring the risk management process, including the management of operational (non-financial) risk, liquidity risk, credit risk and market risk. Further, the Risk Committee supervise the risk management process as well as the assessment of internal capital, capital adequacy, and of the risk of capital-related models and other models. The Committee voice opinions about the end-to-end readiness of the Bank to assume risk on ongoing- and long-term bases. Furthermore, the Committee approve, on a periodic basis, the interim quantitative- and qualitative information on the capital adequacy of the Bank Group which the Bank discloses on a quarterly basis. The Risk Committee Chair who is also an independent member of the Supervisory Board holds regular meetings with individuals in charge of the individual risk areas, including the Chief Audit Executive and Centre of Expertise Lead III – Compliance. During the meetings, they discuss major aspects of ongoing operations of the Bank.



Monitoring of the financial reporting process is among the tasks of the Audit Committee. In that context, the Audit Committee periodically analyse the Bank financial statements and the results of their audit. Further, the Chair of the Audit Committee – who is also an independent member of the Board – holds periodic meetings with the Chief Financial Officer supervising the CFO Division in which the Chair is updated on the interim financial results of the Bank prior to their publication. The Chair of the Audit Committee also meets regularly with the Chief Audit Executive and Centre of Expertise Lead III – Compliance, to discuss the aspects typical for the internal audit and compliance risk management functions. The Audit Committee are also actively involved in the process of selecting the entity authorised to audit financial statements of the company, and analyse the performance of works by that entity, safeguarding its independence and effectiveness. Furthermore, the Audit Committee monitor the adequacy and effectiveness of internal control and internal audit systems, and also assess the effectiveness of measures used to mitigate risks, including compliance risk, and the said risk management quality. Following the organisational changes at the Bank in 2023, the Audit Committee recommended that the Supervisory Board make a change in the position of the Internal Audit Department Director. The change took place as of 1 July 2023.

There was also established the Remuneration and Nomination Committee within the Supervisory Board, which monitor inter alia the situation of the labour market in the context of salaries, the employee turnover process, the Management Board succession plans and also staff satisfaction survey results. The Committee regularly monitor the remuneration system of the Bank, the payroll and bonus policy included. The Remuneration and Nomination Committee Chair who is also an independent member of the Supervisory Board holds regular meetings with key function holders in the HR area. In 2023, following the resignation of Mr Aris Bogdaneris from his function as a Supervisory Board Member and in view of the agenda of the General Meeting on 26 April 2023 which provided for the change in the number of Supervisory Board members from seven to eight, the Committee completed an individual assessment of two candidates to hold the office of the Supervisory Board Members, that is Mr Hans De Munck and Ms Katarzyna Zajdel-Kurowska, and a collective assessment of the Supervisory Board. Furthermore, the Committee, together with a third party, conducted a collective suitability assessment of the Audit Committee, including the process of the individual assessment of candidates for the Audit Committee, and gave the relevant recommendations to the Supervisory Board. The Committee also made a periodic suitability assessment of the individual Management Board Members, along with a periodic collective suitability assessment of that body.



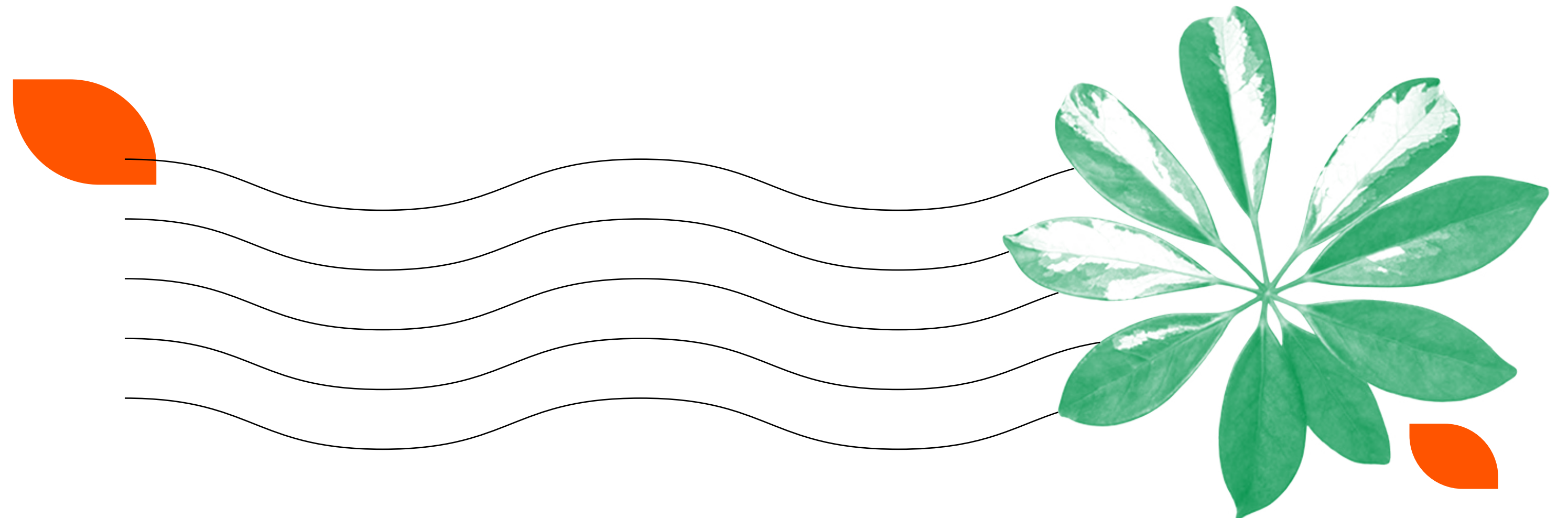
The Supervisory Board assess the risk management system at ING Bank Śląski S.A. Group to be adequate and efficient. It covers all material risks. The Bank applies instruments and techniques adequate for specific risks to identify, measure, manage and report the same. The Bank reached the main goals of the risk management system in 2023 and ensured the independence of risk management organisational units and the adequate human resources necessary for the effective performance of their tasks. **In 2023, ING Bank Śląski S.A. satisfied all the requirements of sound business operations and capital adequacy, and in particular:**

- it pursued prudent lending policy. The lending processes and procedures applied by the Bank were compliant with the regulatory requirements and best practices on the market. In 2023, the Bank took account of the economic situation in its credit policy and applied more restrictive procedures towards sectors generating higher risk. The Bank's credit portfolio was diversified with a significant share of high-quality loans extended to business entities. Within the Bank Group, Stage 3-credit receivables represented 2.7% of the total gross exposure (measured at amortised cost), which is significantly less than the average for the entire banking sector (5.0% as at the end of 2023);
- it had systems and procedures in place in the area of market risk management (i.a. relating to interest rate or currency) that meet the highest market standards.

Throughout 2023, individual market risk categories were managed actively so that their levels were within the limits effective at the Bank. The Bank's balance sheet structure was balanced from the currency perspective; its distinctive feature is the low share of FX receivables in the total mortgage receivables, among other things;

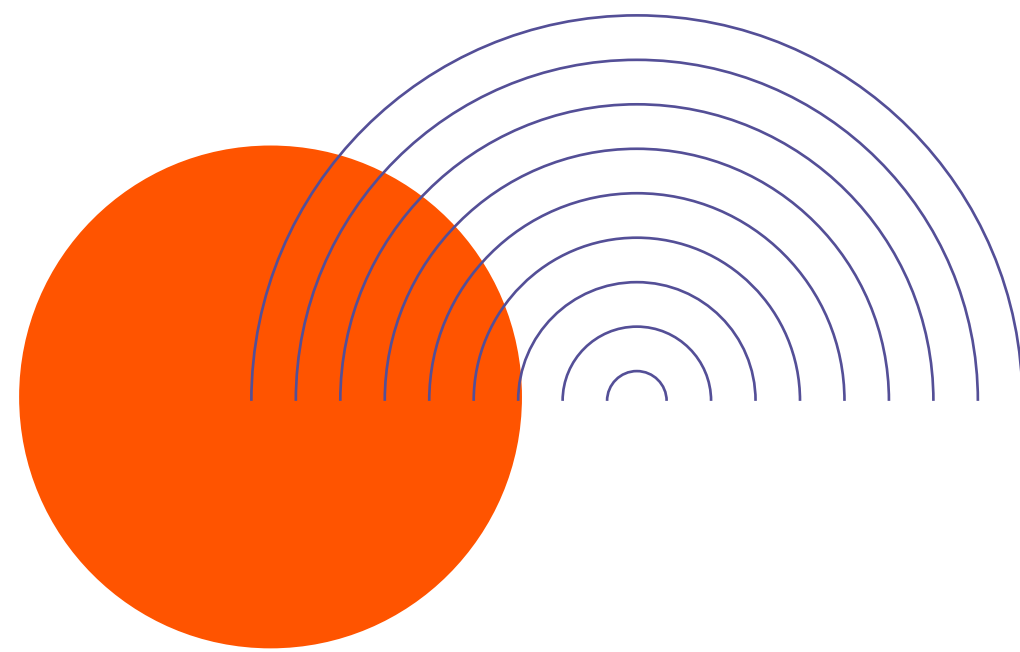
- it maintained an adequate liquidity level. In 2023, neither the regulatory limits nor the internal liquidity limits were exceeded, and the sound liquidity position of the Bank is attributable to the stable household deposits base which is one of the largest among Polish banks;
- it effectively managed the operational risk, including model risk, while fulfilling market standards in that regard;
- it had an adequate level of own funds which allowed it to fulfil the regulatory requirements. In December 2023, the total capital ratio of the ING Bank Śląski S.A. Group was 16.73%, while the Tier 1 ratio stood at 15.32%;

- within its organisational structure, the Bank had clearly defined responsibilities and accountability for the development and implementation of ESG risk management mechanisms; it also developed and implemented new methods and tools in that regard. The Bank had in place mechanisms to mitigate the ESG risk as part of the KYC process and developed the approach to the RAS limits that account therefor. The Bank also has in place mechanisms that allow it to manage the ESG risk as part of the standard lending processes for retail- and corporate clients, and also as part of the operational risk management process, including reputational risk management. The Bank developed an approach to the collation of data needed to manage ESG risk, and has gradually implemented it.





The internal control system of the Bank is sufficiently adequate and effective to secure the Bank from unexpected developments in terms of funding granted, non-financial risk, market risk, liquidity risk or capital adequacy. The system covers all organisational units of the Bank and all three lines of defence. To ensure compliance with the law, supervisory requirements, internal regulations and market standards, firm corrective measures were planned and taken for weaknesses identified. The Bank has an official reporting path for the scale and nature of the identified irregularities as well as the status of corrective and disciplinary measures taken. Corrective and disciplinary measures are performed in a timely and efficient manner. The independence of the Internal Audit Department and the Centre of Expertise – Compliance has been ensured as well as sufficient human resources needed to carry out the tasks of those units.



Given the moderate economic growth as well as geopolitical- and regulatory uncertainty, the Supervisory Board is of the opinion that the Bank should continue to focus on the actions to maintain an adequate capital level as well as to ensure the availability and competitiveness of products and customer experience, such as:

- adequate capital management in order to ensure safe lending growth as well as fulfilment of all present and future regulatory requirements,
- further development of the product offer, including the offer of sustainable products, and electronic distribution channels,
- increasing lending capabilities, while being prudent when assessing clients' risk which will foster keeping high quality of the portfolio and boost net interest income;
- maintenance of adequate stable deposits to ensure the liquidity needed to expand lending;
- an improvement of cost effectiveness while maintaining high-quality of processes by optimum use of resources and taking advantage of benefits from the increased scale of operations.

According to the Supervisory Board, the strategy pursued by the Bank over the recent years to increase the scale of its



operations proved to be successful, which is reflected in the achieved financial and commercial results. Consequently, the Bank intends to uphold its strategy in 2024 while maintaining an adequate level of capital.

In view of the ongoing conflict between Russia and Ukraine, 2024 will certainly be marked by further uncertainty. On the other hand, it should also be a year of economic revival during which ING Bank Śląski and the entire banking sector will have a very important role to play, notably as an economic stabiliser in Poland.



# Assessment

of the Bank's application of the principles of corporate governance and of the Bank's compliance with disclosure duties as to their application, as laid down in the WSE Rules and regulations on current and interim information provided by securities issuers



# Assessment of Bank's compliance

with disclosure duties as to application of principles of corporate governance, as laid down in the Exchange Rules and regulations on current and interim information made by securities issuers

*The assessment of the Bank's application of the principles of corporate governance and of the Bank's compliance with disclosure duties as to their application is performed pursuant to Principle 2.11.4. of the Best Practice for GPW Listed Companies 2021 (hereinafter the "Best Practice 2021") that was introduced by way of GPW Supervisory Board Resolution No. 13/1834/2021 of 29 March 2021 and came into force as of 1 July 2021.*

The Best Practice 2021 was adopted by the ING Bank Śląski S.A. Management Board on 20 July 2021 and by the Supervisory Board on 22 July 2021 in the scope as defined in current report no. 1/2021 (EBI) published by the Bank on 30 July 2021, and also by the Extraordinary General Meeting of the Bank on 29 November 2021 insofar as it refers to the General Meeting and the shareholders. Since 29 November 2021, following the change in the composition of the Supervisory Board and its Committees, the Bank has been also fully applying Principle 2.9; with the development of the rules for reporting on the gender pay gap ratio, the Bank has been applying Principle 1.4.2 since 11 March 2022. The Bank published the updates on the status of Best Practice 2021 application as part of the relevant EBI reports.

In January 2024, the Bank reviewed how the corporate governance principles arising from Best Practice 2021 were applied in 2023; it was concluded that they had been applied within the above scope.

As far as the principles of corporate governance arising from the Best Practice 2021 are concerned, and in addition to the current report of 30 July 2021 filed in accordance with the *comply or explain* principle, the Bank also makes representations, in the form and within the timeframes required by law, on the application of the principles adopted and on the scope of their applicability and relevant procedure. By analogy to previous years, a corresponding representation is an element of the Report on the Bank operations in 2023.

Irrespective of the principles arising from the Best Practice 2021, the Bank has applied the *Principles of Corporate Governance for Supervised Institutions* published by the Polish Financial Supervision Authority. On 30 December 2014, the Bank Management Board presented a *Report on Observance of "Principles of Corporate Governance for Supervised Institutions" at ING Bank Śląski S.A.* The report is published on the Bank's website, along with an update on the scope of the *Principles* application. The information on the application of the *Principles of Corporate Governance for Supervised Institutions* is also

an element of the Report on the Bank Operations in 2023, and is subject to an assessment by the Supervisory Board which is presented to the General Meeting hereinafter in this annual report of the Supervisory Board.





At the same time, it should be stressed that the Bank abides by the principles of corporate governance in its operations, in particular by ensuring proper access to the Bank's information to shareholders, investors, the media and all stakeholders.

**The Bank uses the General Meetings to keep an open line of communication with shareholders by:**

1. responding and providing explanations to shareholders' inquiries during the General Meeting by the members of the Bank's governing bodies,
2. broadcasting the General Meeting session via the Internet, and
3. enabling the media representatives to attend the General Meeting's sessions.

Since 2020, the Bank has held the General Meetings by means of electronic communication, i.e. through transmission of the General Meeting debates in real time, two-way real time communication enabling the shareholders to make statements during the debates of the General Meeting as well as to exercise their voting right in person or by a proxy.

Furthermore, the Bank publishes the information required by the principles of corporate governance adopted by it on the website: <https://en.ing.pl>.

**The Bank also uses the following channels to communicate with the stakeholders:**

- face-to-face, individual or group meetings with investors and analysts,
- investor conferences,
- press releases,
- press conferences,
- information on the media,
- thematic conferences and seminars, and
- webinars.

Thanks to being digitally advanced, the Bank could communicate with stakeholders in a smooth and safe manner. In 2023, ING Bank Śląski S.A. communicated with stakeholders via remote tools, enabling them to participate in all major events and undertakings.

As part of the assessment, the Supervisory Board have concluded that the documents and information regarding the application of the corporate governance principles which are published by the Bank and posted, among other things, on a separate section of the website, are true, correct and

consistent. Furthermore, the Supervisory Board have evaluated the explanations published by the company in regard to the application of the corporate governance principles, and confirmed that the comments regarding the scope of the principles application are exhaustive, and that they contain sufficient subject-related information concerning the application of the corporate governance principles.

Consequently, the Supervisory Board have assessed that the Bank has applied the corporate governance principles, and has properly fulfilled its disclosure duties as to their application, as laid down in the Exchange Rules and the regulations on current and interim disclosures made by securities issuers.







# Assessment of application by ING Bank Śląski S.A. of Principles of Corporate Governance for Supervised Institutions in 2023

By Resolution No. 218/2014 of 22 July 2014 (PFSA Official Journal No. 17), the Polish Financial Supervision Authority adopted the Principles of Corporate Governance for Supervised Institutions (hereinafter referred to as: the "CG Principles").

The CG Principles were adopted by ING Bank Śląski S.A. (the "Bank") in the scope as laid down in the Management Board Report of 30 December 2014, published on the Bank's website at: <https://en.ing.pl/company-profile/corporate-governance>.

Beforehand, on 28 November 2014, the draft Management Board Report received positive advice of the Supervisory Board who also on the same day accepted the CG Principles applicable to the Supervisory Board operation and its Members.

Following the amendments to the Bank Charter made by way of Resolution No. 26 of the Ordinary General Meeting of the Bank of 31 March 2015, the Bank has applied all the rules set out in the CG Principles. Since 2020, the Bank has held the General Meetings by means of electronic communication, i.e. through transmission of the General Meeting debates in real time, two-way real time communication enabling the shareholders

to make statements during the debates of the General Meeting as well as to exercise their voting right in person or by a proxy. Therefore, since that time the Bank has also fully applied the principle arising from § 8.4 of the CG Principles.

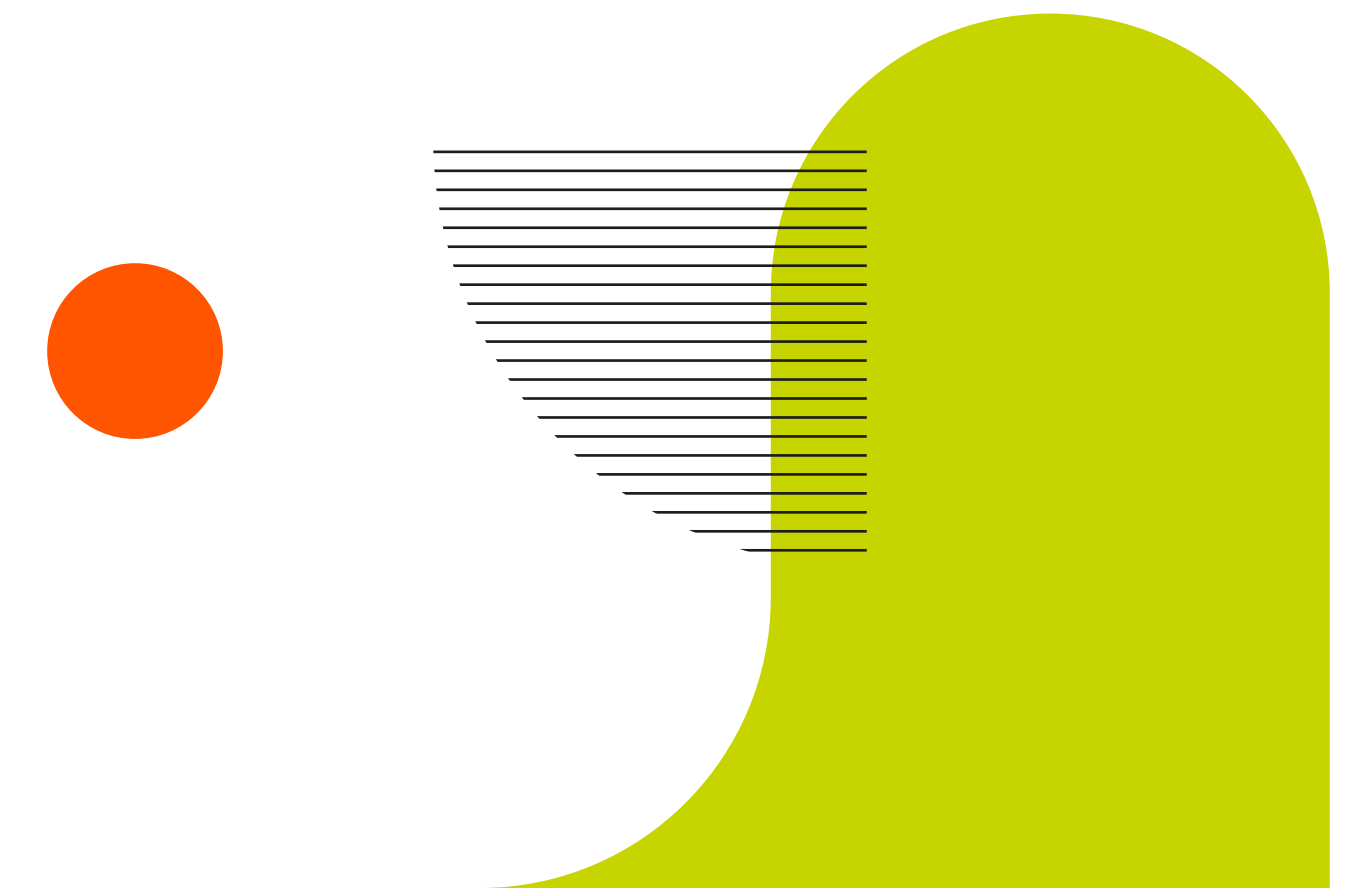
Concurrently, with its Resolution No. 25 of 31 March 2015, the Ordinary General Meeting accepted the Bank Management Board Report of 30 December 2014 and declared readiness to apply the CG Principles in the part regarding shareholders and relations of the Bank as a supervised institution with its shareholders, on the terms and conditions set out in that Resolution. The Resolution is available on the Bank's website at: <https://en.ing.pl>.

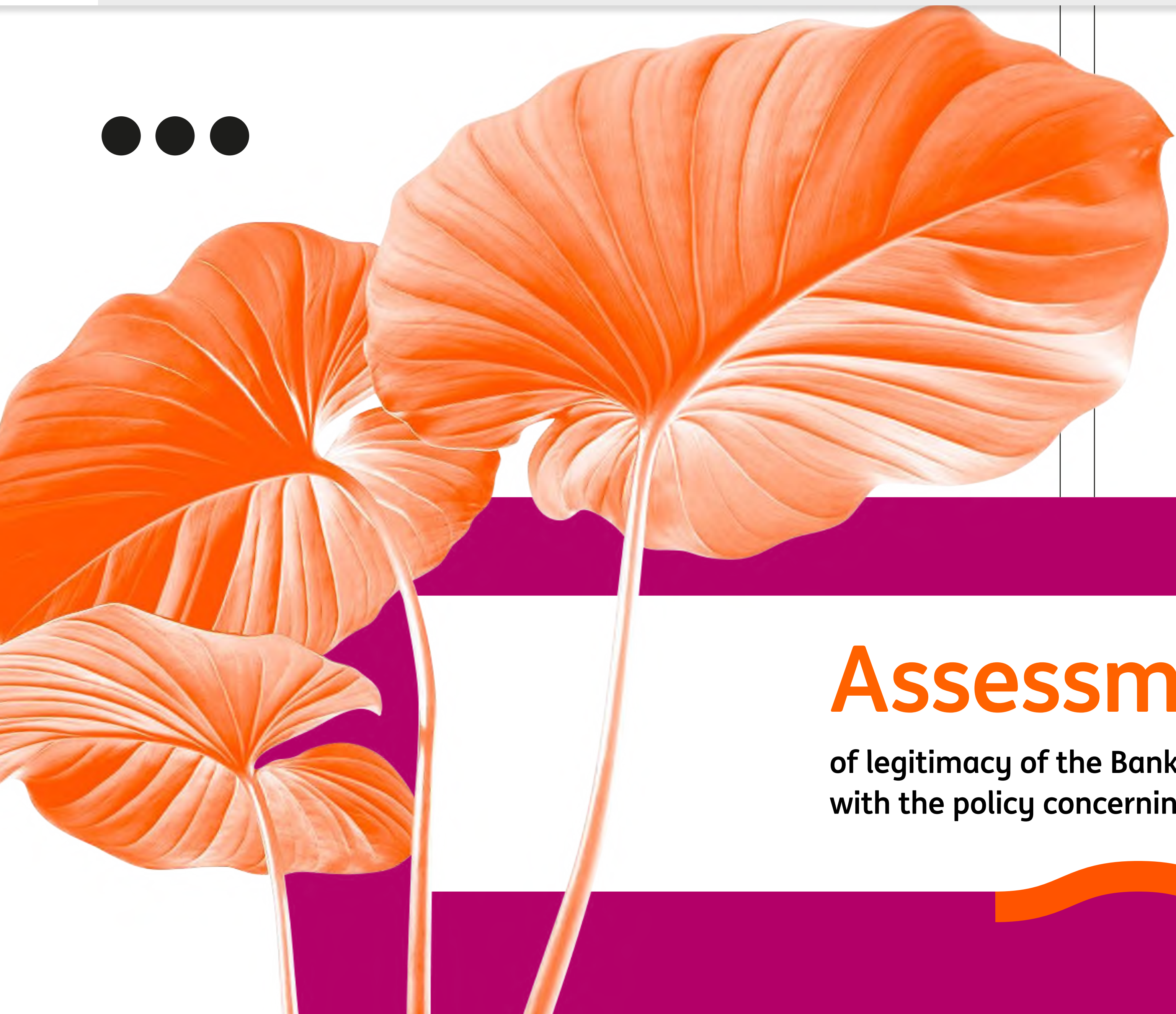
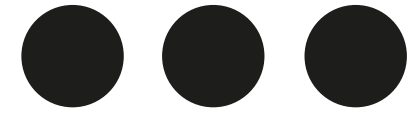
The Supervisory Board have assessed that the actions taken resulted in adherence to the CG Principles being assured both in terms of compliance of in-house regulations therewith and their application by the Bank in the daily routine. Further, at the beginning of 2024, the Bank verified compliance with the CG Principles. During the verification exercise, validity of application of CG Principles as far as adopted by the Bank was confirmed with no instances of breach thereof in 2023 found.

The Bank governing bodies apply the CG Principles, particularly those referring to their affairs and mutual relations.

The CG Principles are also followed by Bank employees and are mirrored in the day-to-day business of the Bank. The foregoing applies to the CG Principles concerning internal relations, the Bank's organisation and key systems and functions, and also the CG Principles relating to external relations with shareholders, Bank clients and other entities concerned.

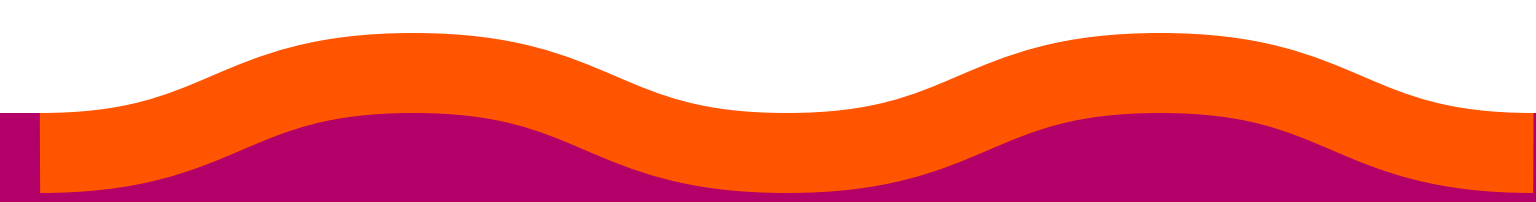
Hence, the Supervisory Board have assessed that in 2023 the Bank was applying the Principles of Corporate Governance for Supervised Institutions in a proper manner.





# Assessment

of legitimacy of the Bank's expenditure borne in connection with the policy concerning charitable and sponsorship initiatives



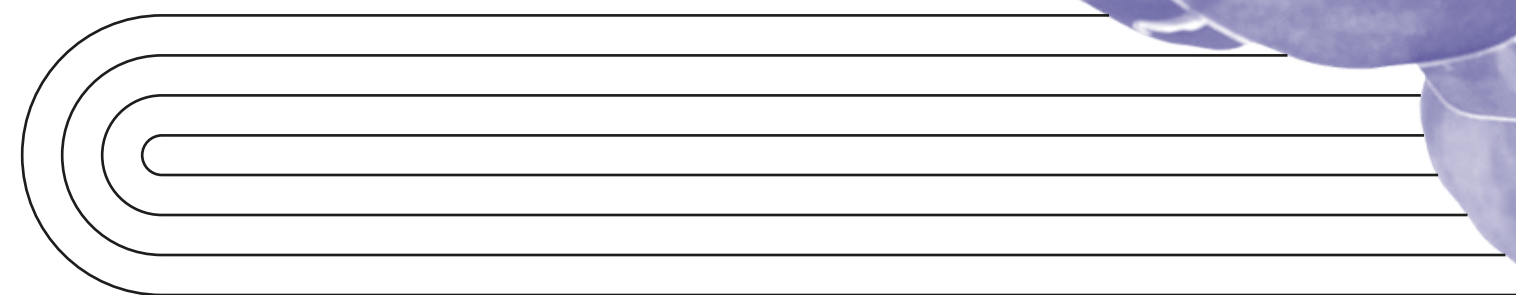
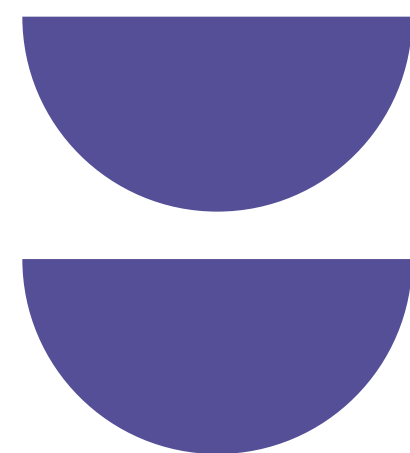
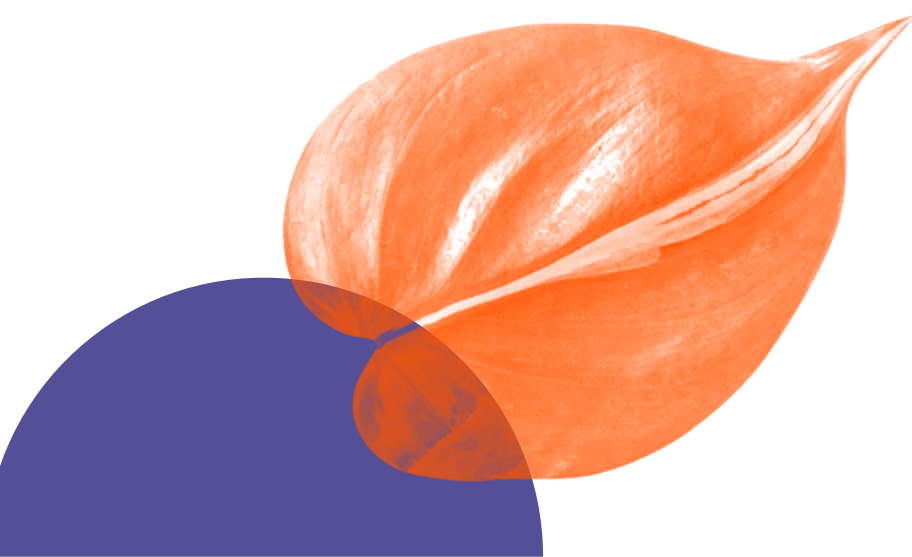


# Charity and community activities

On the basis of information received from the Bank's Management Board, the Supervisory Board conclude that ING Bank Śląski S.A.'s charitable- and social activities in 2023 focused on:

1. continuing assistance to Ukraine,
2. humanitarian aid – earthquake in Turkey and Syria,
3. climate education, financial education, entrepreneurship development, modern technology, and sustainable development,
4. support and education of children and young people, and
5. promotion of and education in Polish modern art.

The Bank carried out those activities on its own, in cooperation with community partners and with the support of two corporate foundations – the ING for Children Foundation and the ING Polish Arts Foundation. The activities were implemented as part of ING Bank Śląski S.A.'s ESG Strategy for 2022-2024. In 2023, due to the earthquake and the need for immediate assistance to those affected, ING Bank Śląski S.A. took immediate relief measures and continued to help Ukraine.





# Continued assistance to Ukraine

Since the first days of the war, ING Bank Śląski and the ING for Children Foundation have been involved in various activities for Ukraine. The Bank and the Foundation supported charities and provided support to refugees in Poland.

## SPLIT UA Residency

ING Bank Śląski supported the SPLIT UA Residency programme addressed to young people from Ukraine (18- to 30-year-olds) who are currently residing in Poland and are interested in creating social innovation prototypes related to the reconstruction of their homeland.

Participants – with the support of mentors – worked on topics based on the Ukraine Reconstruction Plans. The programme was delivered both online and at weekend meetings in the form of workshops, lectures and meetings with experts from various fields including: science, culture, art, engineering, design, economics and law. On the ING Bank Śląski side, 11 experts from ING Bank Śląski were involved in the programme, including Brunon Bartkiewicz, President of the Management Board and Maja Chabińska-Rossakowska, HR Director of the Bank.

## ING staff engagement

ING Bank Śląski employees continued their commitment to helping their colleagues in Ukraine. A fundraiser among staff, at the end of April 2023, raised PLN 40,000. ING Bank Śląski subsidised the purchase of 80 packages with solar power banks, mats, electric pots and sweets, which were sent to ING Ukraine employees.

As part of Action-Auction, a charitable initiative by employees, auctions of donated items were held for six weeks. The event attracted 1,000 visitors and more than PLN 7,000 was collected from 60 auctions, which went to the GAJUSZ Foundation from Łódź to support the treatment and rehabilitation of children from Ukraine.

ING Bank Śląski continued its support for employees of Ukrainian origin in terms of medical care and housing rental, and for employees supporting people from Ukraine – occasional benefits for Easter and Christmas, Santa Claus for children and holidays for Ukrainian families.

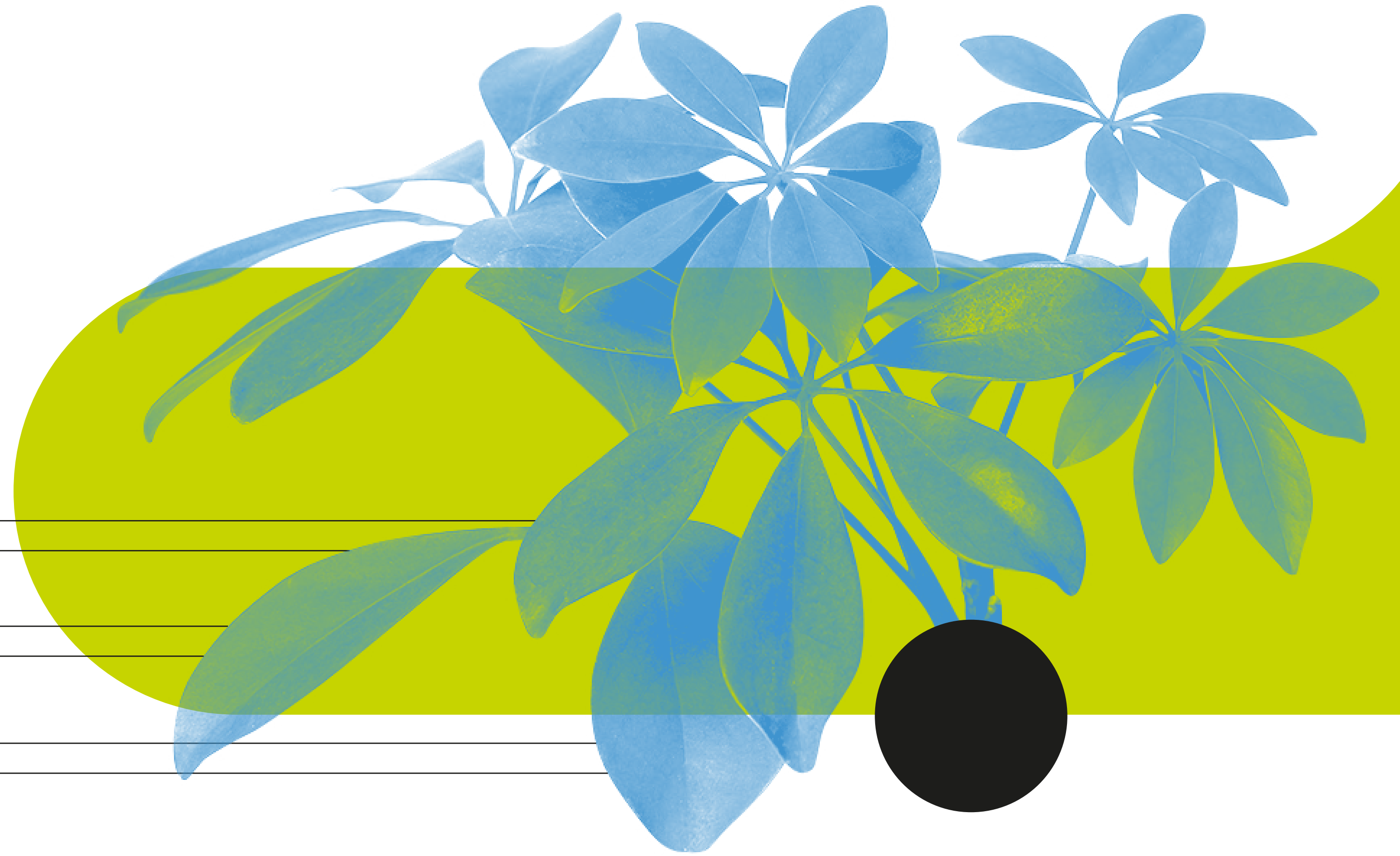




# Humanitarian aid

## Earthquake in Turkey and Syria

ING Bank Śląski, together with the ING for Children Foundation and ING Hubs Poland, organised a fundraiser to help those affected by the earthquake on the Turkish-Syrian border. In addition, the bank launched a temporary offer of free transfers to Turkey. PLN 667,300 was collected. The money went to UNICEF Poland, an organisation that helped provide safe shelter, food and medical care to families with children in devastated areas. ING Bank Śląski and ING Hubs Poland decided to donate an additional PLN 250,000 each to UNICEF Poland. The bank also purchased 14 large-scale specialised tents at a cost of PLN 1 million, which went to Hatay province which was one of the most affected provinces by the earthquake.





# Working with partners

for climate education, financial education, entrepreneurial development, modern technology, and sustainable development

## Ocalimy Świat, or We Save the World – an eco-programme for primary school pupils

We Save the World is an educational programme aimed at primary school pupils at all levels, which combines the expansion of children's and young people's environmental knowledge with the shaping of their character and pro-social attitudes and the enhancement of their digital competences. The programme is part of ING Bank Śląski's work on climate education for children in schools. The We Save the World Programme is organised by the "ABCXXI – Cała Polska Czyta Dzieciom" Foundation, with the WWF Polska Foundation as the content partner. ING Bank Śląski is a Strategic Partner. The Ministry of Climate and Environment and the National Library of Poland assumed Honorary Patronage of the Programme. The first edition of the programme, which ended in June 2023, involved more than 34,000 students from 416 schools in 307 locations across the country. The finale of the programme was for the students to carry out their own environmental projects for the benefit of the local community and to submit presentations of their implementation to the organiser for a competition.

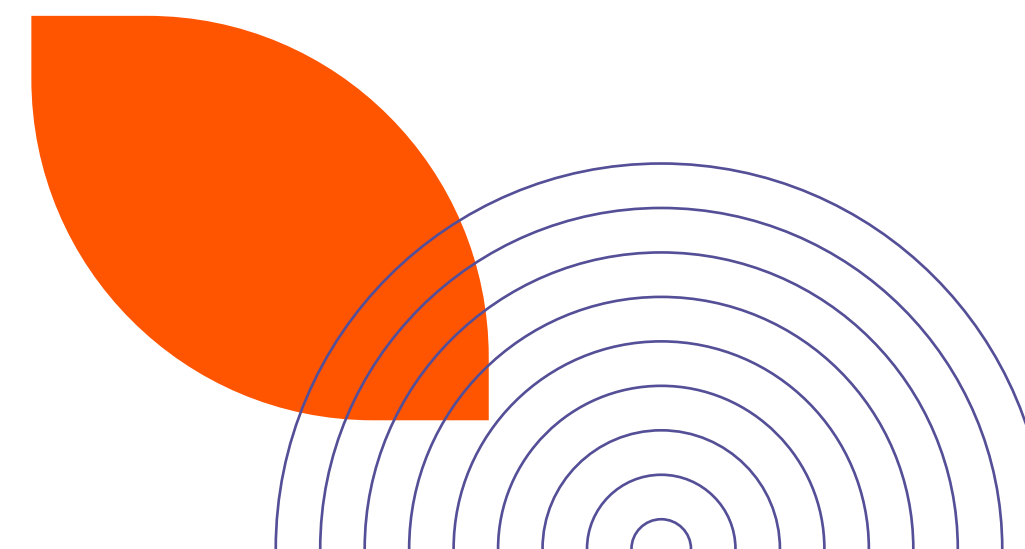
In a follow-up on the first edition, up to 70% of participants confirmed that they had become more interested in the topic of ecology and had become more attentive to environmental problems in their surroundings. Meanwhile, almost 50% of participants learned new digital tools.

The inauguration of the second edition of the We Save the World Programme took place in October 2023.

Twenty-eight short stories, written by Polish authors for children and young people, were created for the We Save the World Programme. The stories have been published in three age-appropriate volumes for young audiences: "Oddech smoka" (for ages 7 and up), "Latający talerz" (for ages 10 and up) and "Sieci widmo" (for ages 13 and up). The package of project materials for participating establishments also included the book *Ty też możesz uratować świat. Ekoopowieści z Pietruszkowej Woli* ["You too can save the world. Eco-tales from Pietruszkowa Wola"] by Justyna Bednarek, published by ING Bank Śląski and the ING for Children Foundation.

## Warsaw Institute of Banking – Banking and Security in Cyberspace (BwC)

As part of the industry's financial education programme Bakcyl and the Cybersecurity programme for primary and secondary school students, lessons on finance and cyber-security were taught by volunteers – employees of participating banks. Through its participation in the programme, ING Bank Śląski contributes to increasing financial literacy among young people and awareness of cyber threats. As part of the Cybersecurity project, lessons were held in secondary schools. 12,600 students took part. Around 2,500 students attended the lectures. In addition, around 2,900 students took part in the Cyber Genius competition, where questions were set by, among others, cyber security experts from ING Bank Śląski. In H1 2023, more than 218,500 people (including seniors, participants in the Financial Education and Entrepreneurship Congress and academics) were directly reached by the BwC Project. In addition, as part of the collaboration, a banking expert conducted a nationwide online cyber-security lesson with ING Bank Śląski for 1,400 students and teachers from nearly 70 schools across Poland.





### Bankers for Education (BdE) Programme and Analytical and Research Programme with the Warsaw Institute of Banking

The Bankers for Education programme is a joint educational initiative of banks and banking infrastructure companies in cooperation with public institutions, local governments, NGOs and the media, which has been ongoing since 2016. It is a response to long-standing societal- and development challenges on issues of economic education, cyber security and entrepreneurship. It is carried out on the initiative of the Polish Bank Association by the Warsaw Banking Institute – one of the leading NGOs in Poland in the field of broadly understood financial and cyber security education. The BdE programme comprises more than a dozen projects, varying in terms of audience groups, forms and frequency of implementation. In total, more than 800 actors participate – from public institutions, JST, banks and other financial sector institutions, to universities and schools, to NGOs and the media.

### ING Bank Śląski supported the Analytical and Research Programme, which carries out research to create, develop and organise knowledge in the areas of:

- cyber security, e-banking and e-payments, and new technologies in a broad sense of the term,
- opportunities for the development of the banking sector and financial markets, the stability of banks and new business models related to electronic services.

The Analytical and Research Programme of the Warsaw Institute of Banking places great emphasis on developing collaborations with academia and experts, seeking synergies in the authors' research interests and the needs of the banking sector.

### ING Group's global grant fund – ING Community Investment Global Fund (CI Fund)

The ING Group's grant fund is dedicated to projects and programmes in individual countries for Community Investments – in the areas of financial health, supporting labour market resilient professional skills and supporting

entrepreneurship. The projects, prepared by local NGOs in each country, are evaluated by a grant fund jury of international CSR experts. Grants for projects are provided through ING Bank Śląski on the basis of the ING Bank Śląski's Donations Policy. In 2023, ING Bank Śląski provided community partners with funds for the implementation of five projects totalling PLN 2,372,369 from the Community Investment Fund.

### ABC of Economics – CI Fund

ING Bank Śląski, together with the Czepczyński Family Foundation and the ING for Children Foundation, implemented a financial- and economic education project for the youngest – ABC Economics. The project's purpose is to introduce children to the world of finance and develop sound financial habits. The programme uses educational kits for participants. The programme involves ING Volunteers who delivered a minimum of one financial education lesson at a location of their choice. Thanks to the commitment of the volunteers, the facility received a package of educational materials that will also be used by teachers and taught to other student groups. As a result, 80 ING volunteers went to 90 schools with the ABC Economy project, carrying out meetings for 2,300 children.





## Zwolnieni z Teorii [Exempt from Theory] – Already Job Ready – CI Fund

In H1 2023, the Exempt from Theory Foundation implemented the Already Job Ready project with a Community Investment grant from ING Group. Its aim was to support young people (15-24) to acquire competences to facilitate their entry into the labour market, through a community project.

In addition, participants who carry out the project develop the competences of the future, i.e. the ability to cooperate, creativity, critical thinking- and communication skills.

An important part of the programme is learning how to write a CV and include soft competences, describe experiences from the community project, as well as acquiring self-presentation skills through an e-learning course on the Exempt From Theory project platform.

The programme, which ran for eight months, involved 740 secondary schools and 884 teachers, with 6,200 young people completing their own community projects. As part of the programme, 3,300 students met potential employers, including ING, and 5,500 students and teachers confirmed that they felt better prepared for their job search.

In the follow-up survey, 89% of participants confirmed that they had improved at least one of the four competences of the future and 51% confirmed that running the social project had better prepared them for the labour market.

## Fundacja Rozwoju Społeczeństwa Wiedzy Think! [Think!Foundation] – Financial Health Programme – Get Ready for Future – CI Fund

ING Bank Śląski continued the Financial Health project, implemented from March to August 2023 by the Think!Foundation. This was the culmination of a project initiated in February 2021. The aim of the Financial Health project is to build knowledge and good habits related to taking care of personal finances and to discover one's potential related to personal development. The project is addressed to adults (18+), working or at risk of losing their jobs, declining income, not working, who have found themselves in a vulnerable situation as a result of the pandemic crisis. As part of the project, the educational portal [ZdrowieFinansowe.pl](https://zdrowiefinansowe.pl), which is a repository of materials on finance.

As part of the project, quantitative surveys were prepared on the basis of which educational materials and guides were produced in the project (including the series "Zadbaj o siebie i bliskich" [Take care of yourself and your loved ones]).

## Exempt from Theory – Social Projects Olympics

In 2023, ING Bank Śląski continued, together with the ING for Children Foundation, to implement the ING Challenge – A Step Ahead, in partnership with the Exempt From Theory Foundation. Once again, as part of the largest Social ProjectsOlympics in Poland, secondary school students organised their own social projects, responding to community-, cultural-, technological- or environmental needs.

ING Bank Śląski provided expert material in the form of videos on topics such as teamwork, communication, as well as support from mentors. The 57 youth teams benefited from the support of 50 expert mentors from the bank and foundation in the implementation of their projects. The mentors, employees from different areas of the bank, shared their knowledge and experience with the young people and supported the participants in their community projects throughout the programme.

A total of 495 people took part in the A Step Ahead challenge, reaching almost 4 million beneficiaries.

The final gala, in April 2023, was attended by 3,500 students and teachers, including representatives from both the bank and the foundation. Among the completed projects in the A Step Ahead challenge, there were as many as 10 finalists – the Silver Wolf awards went to nine projects and the Golden Wolf to one project.

## ING CoderDojo

ING CoderDojo continued to offer online classes for children and young people in 2023. ING mentors led meetings in advanced groups that focused on programming puzzle games on a cloud platform using a database, as well as programming in Python in the Kivy framework using the KivyMD extension.





### Lesław Paga Foundation

In 2023, ING Bank Śląski was a partner of the 18th edition of the Capital Market Leaders Academy. It is an intensive development- and education programme dedicated to talented university students and graduates up to the age of 27. The programme covers issues related to the financial market. During the programme, participants analysed the largest transactions, solved current problems of companies and practised problem solving using case studies. During meetings and workshops, experts from ING shared their knowledge of the importance of the banking sector for the economy as a whole and its impact on the capital market with programme participants.

The bank is also a strategic partner of the ESG Women Leaders Academy programme, which follows on from five editions of the Women Leaders Academy. The aim of the programme is to support women responsible for implementing, promoting and reporting ESG solutions in their organisations. ESG experts led a workshop on the synergies between innovative product and service design and ESG and AI. Another element of the programme was a mentoring leadership workshop with Joanna Erdman, the Bank's Executive Vice President responsible for sustainability and ESG. The workshop was attended by 18 female participants.

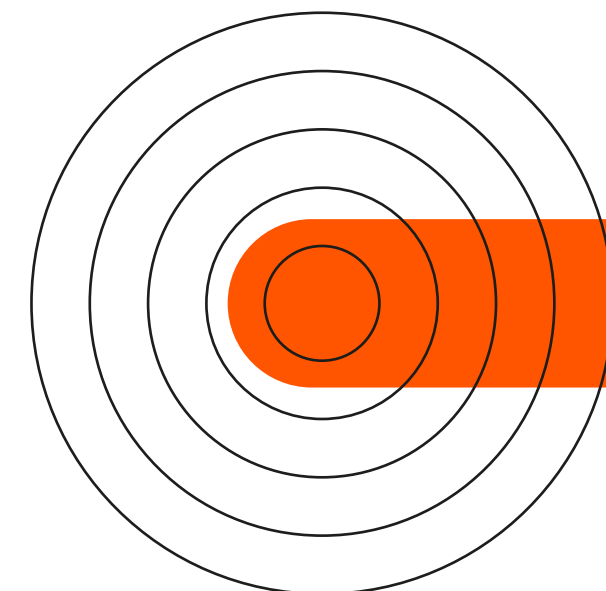
### Responsible Business Forum

ING Bank Śląski continued its partnership in the Responsible Business Forum as an institution that is committed to social responsibility and sustainability as well as diversity and inclusion initiatives as a signatory of the Diversity Charter. In the Responsible Business Forum's annual report "Responsible Business in Poland. Good practices" featured 10 good practices in the area of sustainable development from ING Bank Śląski. The practices highlighted in the report are: Organisational Governance – managing the ESG area of the organisation; Human Rights – #Help Ukraine; Labour Practices – My Environment – a joint programme with the ING for Children Foundation; Mocodajnia; Mental Health Programme for Bank Employees; Environment – Save the World; OFF Culture; Consumer Issues – Online Safety; Social Involvement and Community Development A Step Ahead – a joint project with the ING for Children Foundation and the Exempt from Theory Foundation; and the Grant Programme for Start-ups and Young Scientists.

### United Nations Global Compact Network Poland (UNGCC)

As part of its continued cooperation with the UN Global Compact Network Poland in 2023, ING Bank Śląski was a partner to the Business & Human Rights programme, which aims at implementing the UN Guiding Principles on Business and Human Rights and their practical application in ethical programmes and corporate strategies. The bank was also a partner in the Climate Positive programme, which included initiatives related to the European Green Deal, green finance, promotion of clean energy technologies (e.g. hydrogen), energy efficiency, electrification of transport, among others. Representatives of ING Bank Śląski regularly and actively participated in the Steering Committee of this programme and spoke within the reports published by the UNGC.

In 2023, ING Bank Śląski joined the UN Global Compact as a direct member at country level (ING Group N.V. is a long-standing member of the UN Global Compact at global level).





# Other initiatives

## ING Charity Football Tournament

On 17 June 2023, the ING Charity Football Tournament took place at the MORIS pitches in Chorzów. Twenty-nine teams from ING and 249 male and female players took part. Teams made up of employees of the bank and our group companies from all over the country competed. There were 228 goals scored in the sporting competition. The aim of the tournament, in addition to supporting a healthy lifestyle, was to support charities that are involved in the sporting activation of people with disabilities.

In 2023, donations of support (PLN 10,000 each) for activation activities for children and adults with disabilities were made to: Zero Załamki Foundation to support sports for people with disabilities, the Nadzieja Foundation to organise an international football tournament for wards of children's homes (Mundial) and the Amp Futbol Poland Association to support a women's football team.

## Charitable donations

In 2023, ING Bank Śląski made charitable donations of a financial and in-kind nature. The bank made 22 financial charitable donations. Donations were made on the basis of the ING Bank Śląski's Donations Policy. The policy sets out, among other things, the areas of the bank's involvement in charitable activities.

### The bank's chosen areas for social investment are:

1. activities for children and young people, including leisure activities for children and young people, as well as support for social and subsistence needs,
2. science, education and upbringing – especially in the area of financial and climate education,
3. health protection and prevention,
4. environmental protection, combating climate change, and
5. financial support in special circumstances, where an employee and/or his family members suffered damage.

The Donations Policy sets out the roles of the Donations Committee, the Bank's Management Board Bureau and the Management Board in the process, the due diligence requirements and the decision-making process. Each time a charitable donation is made, the Centre of Expertise – Compliance and the Donations Committee (made up of 5 representatives of the bank) are involved, as well as, depending on the amount, two members of the bank's management board or the bank management board.

In 2023, ING Bank Śląski made charitable donations from its own funds totalling PLN 851,458.

### The bank also made donations to the activities of the two corporate foundations:

1. for the ING for Children Foundation in the amount of PLN 4.08 million,
2. for the ING Polish Arts Foundation in the amount of PLN 1.44 million.

### Objectives that the bank supported through donations, in selected areas of community investment in 2023:

1. assistance to children and their families affected by the earthquake in Turkey and Syria – PLN 250,000,
2. support and assistance to Ukraine – PLN 50,000,
3. activities for children and young people, including holidays for children and young people – PLN 50,000,
4. science, education and upbringing – especially in the area of financial- and climate education – the bank made 4 donations totalling PLN 235,458,
5. health protection and prevention – the bank made 10 donations totalling PLN 266,000,

In total, ING Bank Śląski donated PLN 6.37 million to social- and charitable activities (the amount of charitable donations and donations to corporate foundations).



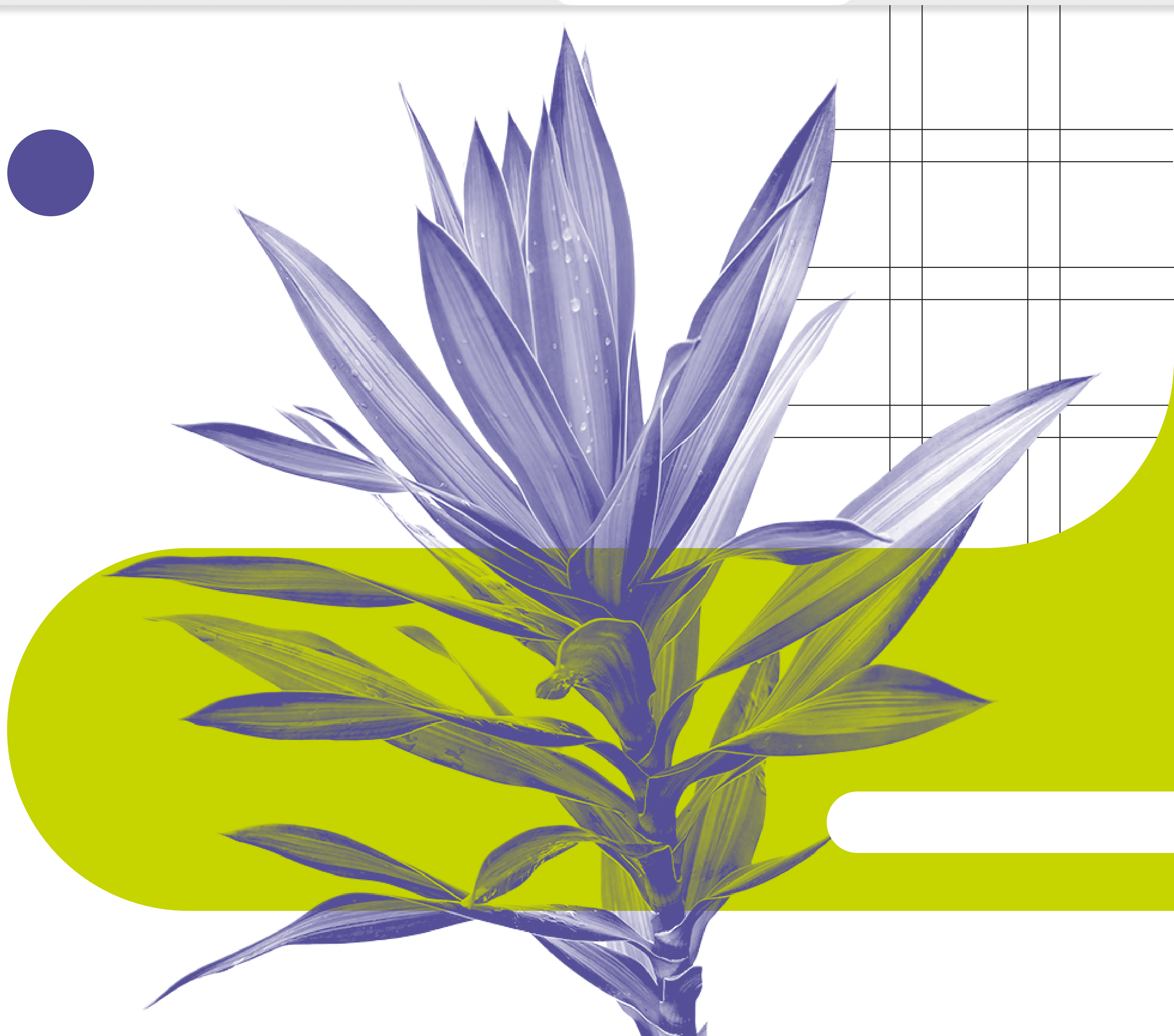
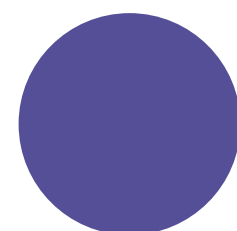
Among the activities supporting science, schooling, education and upbringing – particularly in the area of financial- and climate education – were donations to: The Exempt from Theory Foundation, the Warsaw Institute of Banking for the Bakcyl and Cybersecurity Programme, the Analytical and Research Programme and the Bankers for Education Programme.

In the area of healthcare, donations were received by foundations that have carried out socially valuable activities for the improvement of health for many years, such as the Professor Zbigniew Religa Foundation of Cardiac Surgery Development in Zabrze and the Polish Foundation of Gastroenterology and the National Institute of Oncology.

ING Bank Śląski continued to support regional- and local charities, including the Home Hospice for Children Foundation in Opole and the Wrocław Hospice for Children Foundation.

In 2023, the Bank also made in-kind donations in the form of decommissioned IT equipment (in good working order) and office furniture (around 400 pieces), mostly to schools, kindergartens, care facilities and charitable organisations. The value of IT equipment donated to foundations, associations and care facilities amounted to PLN 184,000.

The bank donated 35 desktop computers, 319 monitors, 248 laptops and 12 printers. Donations in kind were made on the basis of the Procedure for the Resale / Donation / Deprocessing of Fixed Assets at ING Bank Śląski S.A.





## Fundacja ING Dzieciom

The ING for Children Foundation is one of the oldest corporate foundations in Poland. It pursues its mission – Helping children to be one step ahead – in three areas: supporting development, nurturing health and levelling the playing field. Each of these includes a number of original programmes (e.g. Bibliotherapy, Orange Power, Good Idea or My Environment) and those implemented in partnership with local- and national organisations (e.g. Exempt from Theory Olympics, ABC of Economics). The Foundation develops the ING Volunteer Programme, involving ING employees in various environmental- and educational projects for the benefit of local communities. It helps socially- and economically disadvantaged children, supports physical activity for children with disabilities, or helps children affected by the war in Ukraine.

In 2023, the Foundation carried out its activities in accordance with the ING for Children Foundation Strategy for 2023-2025, adopted and approved by the Management Board and the Council of the ING for Children Foundation. The Foundation, as a public benefit organisation, carries out its tasks in accordance with the Act on Public Benefit Activity and Volunteerism and within the scope set out in the Charter of the ING for Children Foundation.

### In 2023, funding for the Foundation's activities came from:

- donation from the founder (ING Bank Śląski) in the amount of PLN 4.08 million (the funds were allocated to the Foundation's current activities, including the implementation of programmes for children and young people),
- donations from subsidiaries (ING Lease Polska and ING Commercial Finance) totalling PLN 86 thousand (the funds were used to implement programmes for children and young people),
- donations from ING employees and customers and contributions to a charity fundraiser for earthquake victims in Turkey and Syria amounting to PLN 667.3 thousand (funds were donated to UNICEF Poland),
- from donations by ING employees and customers towards aid activities for Polish children in the amount of PLN 213.4 thousand (the funds were used to implement programmes for children and young people),

- proceeds from funds obtained from 1.5% of tax for public benefit organisations in the amount of PLN 93.6 thousand (funds to be transferred in 2024),
- payroll programme (monthly donation from ING employees deducted from wages) of PLN 10.3 thousand (the funds were used for implementing programmes for children and young people),
- from the support of the local government authorities in Cieszyn – remuneration for the stay of children from Ukraine in the centre in the amount of PLN 544,000 (the funds were allocated to help and care for children from Zaporizhia, wards of the Foundation in the centre in Wisła).

The ING for Children Foundation's total cash income for 2023 was PLN 5.8 million.





## Aid to children from Ukraine

The ING for Children Foundation continued its aid activities for refugee children from Ukraine. All the time, a group of children from the orphanage in Zaporizhia remains under the care of the Foundation and the staff of the centre in Wisła.

In 2023, the children continued their education in educational establishments in Wisła. They had the support of a psychologist, legal assistance, medical assistance and the support of ING volunteers. Children celebrate holidays, birthdays and enjoyed summer holiday activities. In May, they took part in an art workshop with the ING Polish Arts Foundation. In December, they were invited to music classes at the National Polish Radio Symphony Orchestra in Katowice (NOSPR), which resulted in a joint concert with musicians from the NOSPR and the Royal Stockholm Philharmonic Orchestra Academy at the Wisła Municipal Public Library. The children are visited by ING volunteers who provide them with sports activities, excursions and other outdoor activities.

The Foundation also continued to donate the Ukrainian edition of the book "Lucjan the Lion One of Its Kind". In 2023, the book was given, among others, to children participating in a workshop at the ING Bank Śląski head office in Katowice.

## The book "Lucjan the Lion One of Its Kind"

In 2023, the ING for Children Foundation was a partner of the Intergenerational Children's Literature Festival Fathers and Children [Międzypokoleniowy Festiwal Literatury Dziecięcej Ojce i Dziaatki] in Katowice. For three days, children and their carers participated in numerous activities, workshops and meetings with authors. There was a fairy-tale therapy workshop based on the book and a meeting with the author Roksana Jędrzejewska-Wróbel. The culmination of the festival was a musical performance of "Przyjaciel, którego nie było" [The Friend Who Wasn't There] staged at the headquarters of the National Polish Radio Symphony Orchestra in Katowice.

## The book "Ty też możesz uratować świat. Ekoopowieści z Pietruszkowej Woli" [You too can save the world. Eco-tales from Pietruszkowa Wola]

In 2023, the ING for Children Foundation donated more than 3,500 hard copies of the book to public libraries and primary schools. In addition, through a competition for kindergartens in the Silesia Province and a nationwide competition for primary schools, it reached around 16,000 of those establishments with the book in the electronic form. Based on the book, the Foundation prepared a free multimedia scenario pack for teachers to conduct climate education for primary school grades 1-3.





## Employee volunteering

ING Bank Śląski and the other ING Bank Śląski Group companies provide all employees with the opportunity to use 8 hours per year for volunteering, in accordance with the ING Bank Śląski Work Regulations and the work regulations of the other Group companies. Every employee who takes advantage of that opportunity records their volunteering time in an internal system. Employees who volunteer for the ING for Children Foundation are covered by insurance.

Since 2006, the ING Group employees have participated in the Good Idea voluntary competition. In the first half of the year, projects were implemented as part of the 17th edition of the Good Idea competition, the results of which were decided in autumn 2022. As part of that edition, ING volunteers completed 40 projects, totalling PLN 192,759. The projects, which benefited local communities, schools and NGOs, involved 2.4 thousand children. Projects included sports, art, renovation and construction or educational projects. Half of these included elements of financial education. A total of 305 ING volunteers were involved in the implementation of the activities.

In June 2023, the "Good Idea" fund was announced for the first time. That change allowed ING volunteers to obtain financial- and content support more quickly and implement a community project with a beneficiary of their choice. The Foundation awarded funding to 57 ideas totalling PLN 295,215. A total of 3,657 children took part in the completed projects. 305 ING volunteers were involved.

In spring 2023, the grants as part of the second edition of the "My Environment" programme were awarded, where ING volunteers could win a grant for environmental activities with a community partner of their choice. Funding and content-related support was awarded to 48 projects, which were implemented across the country. Together with their beneficiaries, ING volunteers engaged the youngest children in landscaping or conducted environmental education activities. Projects totalling PLN 385,819 involved 452 volunteers who reached more than 3,000 children with their activities. The call for applications for the third edition of the My Environment programme was announced in November 2023. The competition will be resolved in Q1 2024.

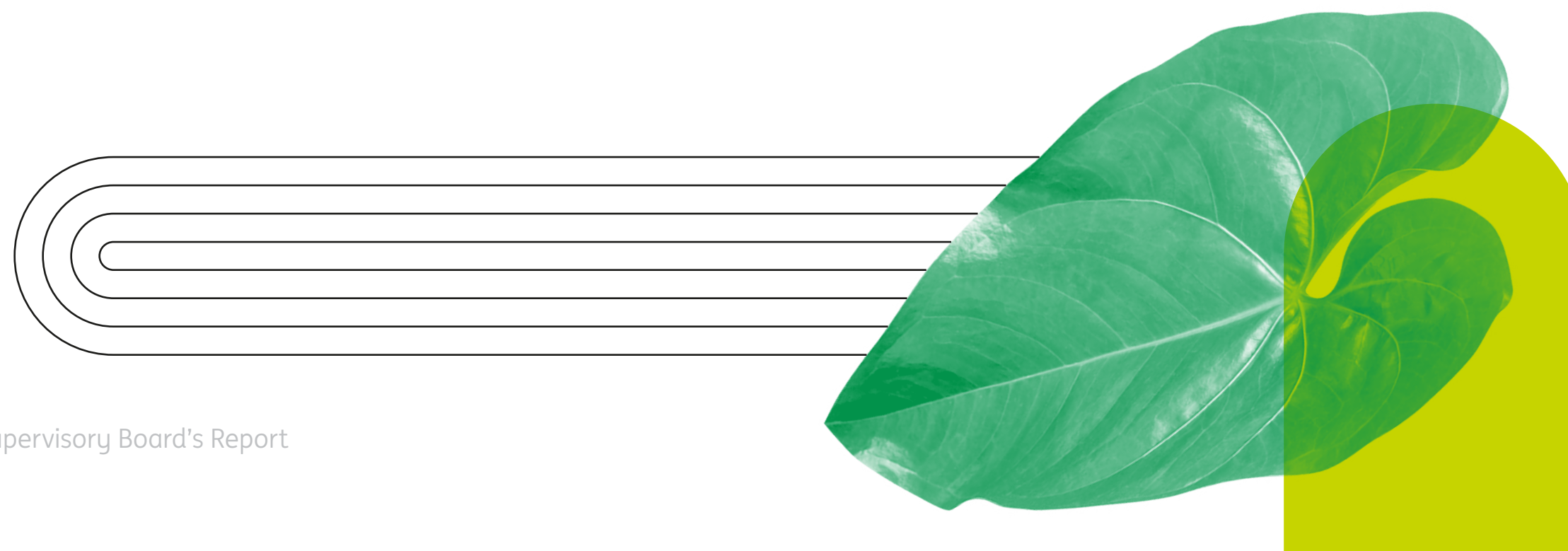
ING volunteers were also present at Orange Power events (sports events for children with disabilities), which were implemented in 10 locations in Poland. 54 ING volunteers helped organise sporting events, but above all accompanied children and young people in their sporting endeavours.

ING volunteers were again involved in the "Pianissimo" concert series organised by the National Polish Radio Symphony Orchestra in Katowice. Those were sensory concerts with a unique idea – to enable people with high sensory sensitivity to participate in musical events. The "Pianissimo" concerts were supported by 18 ING volunteers.

A total of 77 volunteers were involved in delivering events such as: Children's Day at the head offices in Katowice and Warsaw, the Ojce i Dziaatki Festival in Katowice, the ING Table Tennis Tournament and the ING Football Tournament.

In total, ING Bank Śląski employees devoted 7,805 hours in working time to volunteering within the statutory 8 hours to which each employee is entitled.

In 2023, the ING for Children Foundation organised 9 volunteer trainings attended by 344 ING employees. Training courses covered financial education, environmental education and effective community project writing.





## Orange Power

Orange Power is a programme that the Foundation implements thanks to the funds “run and marched” by ING employees in the Run Warsaw mass run and the accompanying event I March – I Support. ING employees “ran” for PLN 104,600 in 2022, which in 2023 went towards sports activities for children with disabilities. This year’s edition brought together more than 1,000 children from 10 establishments in Poland around sporting events. They were: Tośka i Przyjaciele Foundation – Gliwice, Sprawne Wspinanie Foundation - Kraków, Słoneczni Association - Płock, Association for the Integration of Handicapped Children and Youth “Wszyscy Razem” [Stowarzyszenie na Rzecz Integracji z Dziećmi i Młodzieżą Niepełnosprawną „Wszyscy Razem”] - Zamość, Bieszczady Association for Disabled Children and Youth “Promyk Nadziei” [Bieszczadzkie Stowarzyszenie na Rzecz Dzieci i Młodzieży Niepełnosprawnej “Promyk Nadziei”] - Ustrzyki Dolne, RONIN Sports Club - Tychy, Special Schools Complex No. 14 - Gorzów Wielkopolski, General Education Complex No. 5 with Integration and Special Classes - Sosnowiec, FAR Śląsk - Bieruń and Special School and Educational Centre - Dąbrowa Górnicza.

## Oncology fundraisers for children

The Foundation continued its children’s oncology fundraising programme among ING employees. Twenty-four fundraisers were published, raising PLN 46,166 among ING employees. The Foundation contributed PLN 10,000 to each fundraiser, bringing the grand total to PLN 286,163.61 in 2023.

## The Children Rights’ Charter in Business

In September 2023, the ING for Children Foundation with ING Bank Śląski signed the Children Rights’ Charter in Business. It was an initiative of the Responsible Business Forum in cooperation with companies and social organisations.

## Declaration of social organisations for the climate

ING for Children Foundation, as a member of the Polish Donors Forum, participated in the work on the Declaration of Social Organisations for Climate, which it signed together with other Forum members in December 2023. The full declaration can be found at: <https://klimat.forumdarzczyncow.pl/deklaracja/>.



## Other internal initiatives involving ING employees

This is the third time that ING employees have taken part in a memorial in honour of a deceased colleague. The funds from the campaign, amounting to PLN 10,000, were donated to the GAJUSZ Foundation in Łódź for a programme that supports therapy for children following oncological treatment.

As part of the Orange Backpack campaign, ING employees helped to complete 232 school starter kits for children in eight locations in Poland. A fundraiser was also launched to purchase additional school supplies.

In September and October 2023, another ING internal Action-Auction for Ukrainian children took place. Of the 60 auctions, PLN 7,300 was raised. The funds went to the GAJUSZ Foundation from Łódź, to support the treatment and rehabilitation of children from Ukraine.

At the end of November 2023, the Foundation, together with the bank, organised an internal Christmas campaign among ING employees – Letter to Santa Claus. The dreams of 294 children from 12 institutions and homes in Poland and 2 families from Ukraine came true. In addition, employees were able to donate money to the Foundation’s account for the purchase of additional Christmas gifts – the fundraiser amounted to PLN 3,700. The funds were used to purchase missing gifts for the children.



The ING Polish Arts Foundation was established to support Polish male and female artists and to present the most current phenomena in art. The foundation builds a collection of contemporary art and carries out artistic and educational projects. At the same time, it carries out statutory activities related to the work of developing the collection and promoting the artists associated with it. 23 objects by three female and three male artists were added to the collection in the past year. The Foundation in 2023 implemented its projects in accordance with the action plan adopted and approved by the Management Board and the Foundation Council. The Foundation's 2023 activities were funded by ING Bank Śląski and ING Hubs, in line with ING Group's global arts patronage programme, which plays an important role in creating the organisation's culture.

## Collection

The collection of the Foundation includes works created after 1990 by living Polish artists. The collection currently comprises almost 290 works – 90 paintings, 74 photographs, 42 works on paper, 51 objects (sculptures, ceramics, textiles, etc.), 13 videos and 16 installations. The collection includes works by 46 female- and 76 male artists. The collection of the Foundation remains one of the few corporate collections in Poland. In 2023, the collection included photographs by Anna Orłowska, a painting by Veronika Hapchenko, sculptures by Daniel Rycharski, an object (fabric) created as a result of a collaboration between Marta Niedbal and Paweł Olszczyński, and a video by Cezary Bodzianowski.

## Galeria 1 Piętro [Gallery on the 1st Floor]

From May 2023, 120 works from the Foundation's collection are presented permanently in the newly opened space of Galeria 1 Piętro in the Plac Unii building at 2 Puławska Street in Warsaw. The exhibition was located on the first floor of the shopping centre and became the first permanent presentation in the capital city of the most interesting phenomena in Polish art after the 1990s, with public access. It is also the only office and conference space of its kind for bank employees, with a permanent exhibition of contemporary art, meeting rooms and a café open to guests. The space features works by classics such as Jarosław Modzelewski and Zbigniew Libera, as well as those by artists of the young and the youngest generations – Karolina Jabłońska, Cezary Poniowski and Agata Ingarden – while video works from the

collection are presented at the entrance on a several-metre-high screen, accessible to all visitors to the building.

The new space, designed by the MIXD studio and based on works from the Foundation's collection, has already won accolades and awards, including the first place in the Office category at the Art in Architecture Festival, as well as numerous press articles ("AD Architectural Digest", "Vogue" and others).

Other works from the collection are located in the founders' office spaces, in Warsaw and Katowice, as well as the offices of ING Lease, ING Commercial Finance and the ING Hubs.

The Foundation also shows its collection online. Images of works from the collection are made available on the Foundation's website under a Creative Commons 3.0 (Attribution, Non-commercial Use, No Derivative Works) licence, allowing them to be downloaded in high resolution.

## Exhibitions and events

In 2023, the Foundation continued its activities in the one-work gallery Podgląd [Preview], launched last year and located in the shop window of the bank's headquarters at Puławska 2 in Warsaw. Thanks to its location, access to the work presented is available to all passers-by, 24 hours a day. In 2023, the gallery had 5 editions, during which works from the Foundation's collection were presented, as well as the "Jabłko, gruszka, kolumna i klepsydra" [Apple, pear, column and hourglass] project specially realised for the Podgląd space by Martyna Kielesińska and curator Maja Demska.





To coincide with the opening of Galeria 1 Piętro, the Foundation also initiated a series of meetings open to the public around the Foundation's activities, including those in support of artists.

As part of the programme of sharing and loaning works from the Foundation's collection, works have been exhibited at the following exhibitions and events: Göteborgs Konsthall, Suno Menge Dzas/I have a Dream; PGS Sopot, Granice sztuki. 30 Years of the POLITYKA Passports; Museum of Literature, Żelazny kapitał ducha; Nowy złoty, Ceremoniał; Forum för levande historia Stockholm, Małgorzata Mirga-Tas; Brücke-Museum, Małgorzata Mirga-Tas; Częstochowa City Art Gallery, Sacrum Art Triennale Ja-Ty/Ja-Ono; Künstlerhaus Wien, SYSTEMRELEVANT; Galeria -1, Mamy prawo!

### Publications

In 2023, the Foundation released the publication "Zbieram nową sztukę" ["I collect new art"]. Based on interviews with 10 Polish collectors, that lavishly illustrated publication introduces that little-known community, along with its motivations and collecting strategies, from philanthropy to investment. The key of the selection of interviewees and interviewees and the almost 100 reproductions of works in their collections makes it possible to reconstruct the art history of the last 20 years. The book is aimed at people who would like to find out what and how others collect, learn about their stories and collections. It also aims to show that collecting does not have to be exclusive and that interacting with artists and artists is a privilege and a pleasure, and to encourage people to get involved in shaping the art scene.

### Artysta-Zawodowiec [Artist – Professional]

The Artist-Professional project, aimed at students and budding artists, was held for the seventh time in 2023. The aim of the project is to prepare for the difficult moment of graduation and the professionalisation of artistic activity, to level the playing field and support in professional development. During the classes, you can learn about tools and practices helpful in functioning in the artist's profession. Lectures, workshops and portfolio consultations are given by curators, artists and activists, exhibition producers and art market specialists, among others. They tell, among other things, how to properly present yourself to curators and gallery owners, how and where to organize the first exhibitions, where to insure and how to take care of your rights. The 2023 edition included 8 lectures in Polish and 250 portfolio consultations. All lectures were interpreted into Polish Sign Language (PJM) and were recorded with translation. The recordings from that edition, as from previous editions, along with additional supplementary material, go into the Knowledge Base on the Foundation's [website](#).

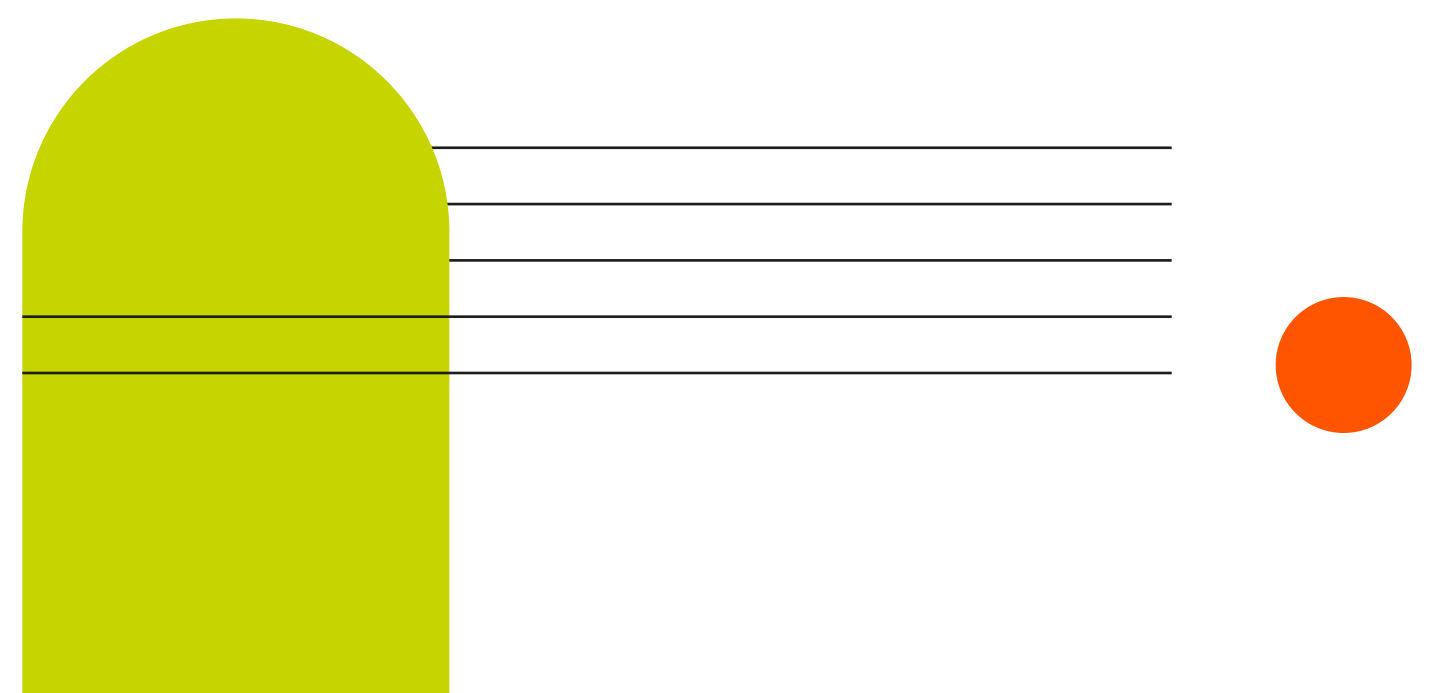
In 2020, the Artist-Professional project, due to constraints caused by the pandemic, moved online and continued in that form in 2022 and 2023.

### Educational offer for bank employees

Traditionally, the Foundation started the year with a series of online meetings with ING employees. The third edition of the "Lunch Course on Art" looked at the value of ESG. During eight meetings, Foundation staff and invited lecturers presented how artists and the art world respond to issues that engage public attention. Works from the Foundation's collection were used as a pretext for a broader discussion on the significant challenges of the contemporary world.

To coincide with the opening of Galeria 1 Piętro, the Foundation prepared special guided tours and meetings around works from the collection presented in the new spaces. As every year, there were also joint walks and exhibition visits as part of Warsaw Gallery Weekend 2023. In addition, the Foundation communicates its activities to the bank's employees via a newsletter and the "Lew salonowy" channel on the intranet.

Information on the activities of the ING for Children Foundation and the ING Polish Arts Foundation is available in the *Management Board Report on the Operations of ING Bank Śląski S.A. Group 2023*, which includes the *Report on the Operations of ING Bank Śląski S.A.* In addition, the ING for Children Foundation and the ING Polish Arts Foundation publish all information on their websites. Information on current events is posted on the two Foundations' open Facebook profiles, the bank's intranet and Baśka magazine. They are also published in the form of press releases.





# Sponsorship activities

In 2023, ING Bank Śląski S.A., continuing its strategy, engaged in activities targeting young people, in ESG-related activities (including social responsibility and cyber security), as well as in activities targeting entrepreneurs, owners and executives of medium- and large-sized companies. The area of sponsorship is governed by the *ING Bank Śląski Sponsorship Policy*, while the area of partnerships is governed by the *Policy for entering into partnership agreements with social organisations in ING Bank Śląski S.A.*

## Highlights of 2023 in which the Bank was involved:

### European Economic Congress and EEC Trends

ING Bank Śląski S.A., as the Bank for Entrepreneurs, has been supporting the European Economic Congress in Katowice and EEC Trends, the conference that constitutes the programme prologue of the European Economic Congress, for many years. This time in the role of EEC Trends Partner and Main Sponsor and the ECG Online Broadcast Main Sponsor.

The EEC Trends conference took place on 20 January 2023 in Warsaw. The agenda of the event included key issues for the Polish economy concerning phenomena that will shape the economic and socio-economic reality in the near future.

The 15th edition of the congress took place on 24-26 April 2023 at the International Congress Centre in Katowice. Experts from ING participated in discussions about trends and challenges in the global economy. Topics included the environmental- and climate impact of the economy, the green transformation of energy and industry, war in Europe, as well as the impact of pandemics and the raw materials crisis.

### European Financial Congress

ING Bank Śląski S.A. was one of the sponsors of the European Financial Congress (EFC). Discussions among representatives from the financial sector and market regulators covered the topics of war, geopolitical crisis, technological advances, opportunities and challenges of artificial intelligence, inflation uncertainty and regulations. The Congress provides a platform for the exchange of views on issues relevant to the banking sector. The outcome of the EFC is recommendations on Poland's financial stability and economic development. Representatives of the Management Board and experts from ING Bank Śląski S.A. participated in panels during the Congress.

### Open Eyes Economy Summit

ING Bank Śląski S.A. has supported the Open Eyes Economy Summit since its inception. The summit took place on 21 and 22 November 2023, at the ICE Congress Centre in Krakow and on a special streaming platform [live.oees.pl](https://live.oees.pl). The hybrid form of that congress has become a permanent fixture among participants. During the eighth edition of the international congress on the economics of value, experts from different backgrounds, industries and companies, including ING, shared their knowledge and experience.

“Social energy” was the lead theme of the event in 2023. Participants also discussed the economics of values and business, with values underpinning business actions and consumer choices, and social energy generators in business. During the event in its zone, ING generated social energy in the form of a painting with Jan Kowal, an artist and graduate of the Professional Artist programme.



## Forbes Diamonds

In 2023, ING Bank Śląski S.A. became a Strategic Partner of the “Forbes Diamonds” ranking for the second time. Forbes Monthly Diamonds 2023 is an annual ranking in which the editors of Forbes Poland award the most dynamically developing Polish companies in the respective regions that have achieved the highest average annual growth in value. As many as 11,819 companies with a positive credit rating, high current liquidity and no overdue payments to their counterparties qualified for the 2023 anniversary edition of the ranking. Award-winning companies were divided into three categories according to sales revenue: small companies with revenue between PLN 5 and 50 million, medium-sized companies with revenue between PLN 50 and 250 million and large companies with sales revenue above PLN 250 million.

The ranking provides a starting point for a substantive discussion about the condition of Polish companies, the conditions in which they operate and the sources of their success. It also lays the perfect groundwork for meetings with local business leaders, which are organised every year as an aftermath of the publication of the ranking. Since March 2023, 12 regional galas have been held for the winners of the Forbes Monthly Diamonds 2023 ranking. The scenario of the events each time included both a valuable content part combined with the awarding of diplomas and statuettes, and a networking part.

## Silesian Science Festival

Once again, ING Bank Śląski S.A. became a Partner of the 7th edition of the Silesian Science Festival, organised by Silesian universities. The 2023 edition of the festival, under the motto “Science will give us the future”, took place from 9-11 December 2023 at the International Congress Centre and Spodek in Katowice. The 7. edition of the festival was as many as three days of inspiring meetings, during which, among other things, ING experts gave lectures and popular science workshops.

The main theme of the event was linked to the seventeen UN Sustainable Development Goals. Participants were able to see scientific demonstrations at more than 200 stands, as well as take part in a variety of events, workshops and lectures in Polish and English.

Through its sponsorship activities, the Bank has built an image of a bank that addresses challenging, uncomfortable ESG topics. It created and maintained good relationships with business clients, thus meeting the strategic objectives of sponsorship. All sponsorship activities were communicated to the media in a clear and transparent manner.

In 2023, ING Bank Śląski S.A. spent almost PLN 4 million gross on all sponsorship and partnership activities in the social area. ING Bank Śląski S.A.'s sponsorship activities in 2023 were conducted in a planned and well-thought-out manner, and the expenditure incurred by the Bank for that purpose is fully justified.

ING Bank Śląski S.A. conducted social-, charitable- and sponsorship activities in priority areas, in line with ING Bank Śląski S.A.'s ESG Strategy for 2022-2024.

The Bank also pursued a transparent communication policy for its charitable activities, with information on current activities and annual summaries published in the Annual Report and the ING Bank Śląski S.A. Integrated Report. The various tools used in communication served to convey information in an accessible form to both internal- and external stakeholders.

The Bank has in place the ING Bank Śląski S.A.'s Donations Policy applicable to all charitable financial donations. The Expert Centre – Compliance and the Donations Committee are involved in the donation process. In contrast, the *Procedure for the Resale/Donation/Deprocessing of Assets of ING Bank Śląski S.A.* regulates the area of donations in kind. Those regulations ensure a process-oriented approach to donations and the effective use of donations in charitable and social activities.

In 2023, ING Bank Śląski S.A. was once again awarded the Golden Leaf for its sustainable development activities. Ten good practices from the Bank's responsible business areas were included in the Responsible Business Forum's report. The “Responsible Business in Poland 2022. Good practices” report is the largest CSR review in Poland.



# Summary of the assessment

The above information makes it possible to conclude that ING Bank Śląski S.A.'s policy on charitable- and social activities was conducted in a rational manner, taking into account social needs and humanitarian aid resulting from unforeseen situations, and the expenditure incurred by the Bank for that purpose is assessed by the Board as reasonable and rational.

**The Company has a transparent and effective information policy, publishing information on social-, charitable- and sponsorship activities in the annual report of the Management Board. Thus, the company has fulfilled the recommendation 1.5. of the Best Practice for GPW Listed Companies.**





# Update

on the implementation status of the diversity policy for the Bank Management Board and Supervisory Board



Guideline 2.11.6 of the 2021 Best Practice for GPW Listed Companies is the basis for presenting information on the implementation of the diversity policy with regard to the Management Board and Supervisory Board of ING Bank Śląski S.A. in 2023.

The Diversity Policy for ING Bank Śląski S.A. Management Board and Supervisory Board Members has been in place at ING Bank Śląski S.A. since September 2018. Following the positive recommendation of the Remuneration and Nomination Committee of the Supervisory Board of ING Bank Śląski S.A., the Policy was implemented by the Bank Supervisory Board Resolution No. 60/X/2018 of 20 September 2018. The Policy was updated twice, by way of:

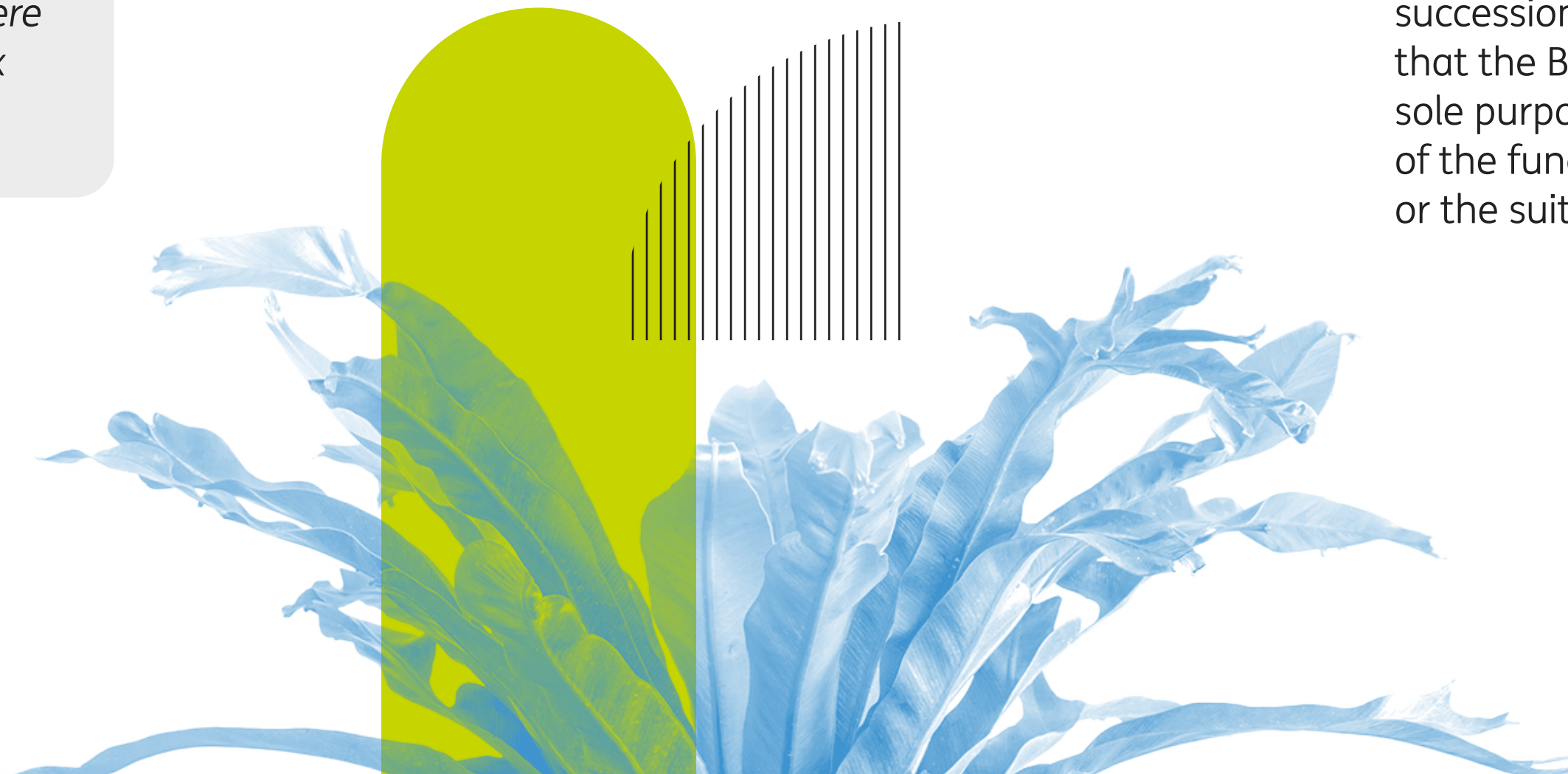
- Resolution of the ING Bank Śląski S.A. Supervisory Board No. 57/VIII/2019 of 6 June 2019, and
- Resolution of the ING Bank Śląski S.A. Supervisory Board No. 24/V/2022 of 11 March 2022. The amendments were accepted by way of Resolution No. 34 of the ING Bank Śląski S.A. General Meeting of 7 April 2022.

## Objective of the Diversity Policy

### 1. The Policy seeks to:

- reach a wide scope of powers when appointing Supervisory Board and Management Board Members to have diverse points of view and experience and to enable issue of independent opinions and reasonable decisions within a given body,
- ensure high quality of tasks performed by the managing bodies by way of selecting competent persons to hold the positions at the Supervisory Board and Management Board, first of all applying therefor objective business-related criteria and taking into account benefits stemming from diversity.

2. As regards business-related criteria, the strategy of diversity ensures selection of persons with diverse knowledge, skills and experience, suitable for positions held by them and duties entrusted to them, who complement each other at the level of all the Management Board and Supervisory Board Members. The criteria are verified in the suitability assessment process described in the *Policy for the assessment of the suitability of the members of the Supervisory Board, Management Board and key function holders at ING Bank Śląski S.A.* Moreover, apart from knowledge, competences and professional experience, the Policy covers gender- and age-related differences, and applies them to arrive at the best outcome.
3. When taking a decision to appoint members of the managing bodies, the Bank takes into consideration the fact that more diverse management body fosters constructive challenge and discussion based on different points of view. The Policy seeks to ensure representation of both genders in the processes of selection and succession plans. At the same time, the Policy stipulates that the Bank will not appoint members to bodies for the sole purpose of increasing the diversity to the detriment of the functioning and suitability of the body as a whole or the suitability of individual members.





### How to achieve the Diversity Policy objective

1. In order to implement the Policy, the Remuneration and Nomination Committee of the Supervisory Board sets a target value for the representation of the underrepresented gender in the Bank Management Board and Supervisory Board and adopts a plan to achieve the target value.

The value is determined in accordance with the duration of the term of office of the Bank Supervisory Board and the Management Board, i.e. once every four consecutive full financial years counted from the beginning of the term of office of a given body. It is verified annually on the basis of reports developed by the HR units and presented to the Committee no later than by 30 June of each calendar year. Should the target value not be reached, the Bank will document the reasons for this, the measures to be taken and the timing of such measures to ensure that the target value is reached.

2. In 2020, the target value for the diversity ratio in the Bank's governing bodies was set at 30% of women to 70% of men (+/- 2%). The value is tested separately for the Bank Management Board and Supervisory Board. Verification of talent and updating of the successor base, while keeping in mind the objectives of the Policy, were the measures identified by the Committee in order to achieve the target.

### Information on the implementation of the Diversity Policy in 2023

1. In accordance with the provisions of the Policy, the HR units presented information to the Remuneration and Nomination Committee at their meeting on 22 June 2023 on the determination of the status of gender representation in the Management Board and Supervisory Board of ING Bank Śląski S.A. According to the data presented, the diversity indicator understood as the number and percentage of women on the body was as follows:

Management Board composition		
Number of members	Number of women	% share of women
8	4	50%

Supervisory Board composition		
Number of members	Number of women	% share of women
8	4	50%

In addition, as part of the information provided, the Remuneration and Nomination Committee reviewed benchmarking studies on diversity indicators for ING Bank N.V. and the largest banks in Poland. Furthermore, the Committee was provided with EBA report on the benchmarking of diversity practices no. EBA/REP/2020/05.





2. Policy implementation on the Bank Management Board:

- There were no changes in the composition of the Bank Management Board during 2023 that would affect the diversity indicator.

Matrix by gender as at 31 December 2023

Number of members	Number of women	% share of women
8	4	50%

Matrix by age as at 31 December 2023

Number of members	Age		
	below 30	from 30 to 50	over 50
8	0 (0%)	2 (25%)	6 (75%)

- Bank Management Board Members are appointed and recalled, considering the requirements of the Banking Law Act. The President of the Management Board and the Vice-President supervising the management of the risk material to the Bank's business are appointed upon the approval of the Polish Financial Supervision Authority.

The Supervisory Board appoints the members of the Bank Management Board from among candidates selected on the basis of succession plans and, if necessary, from among external candidates who have passed the suitability assessment procedure and received a positive recommendation of the Remuneration and Nomination Committee. The process related to succession planning and the selection of suitable candidates is described in detail in the *ING Bank Śląski S.A. Management Board Members Appointing, Onboarding and Recalling Policy*.

- The Bank put in place processes to ensure a composition of the Bank Management Board that allows it to get access to a broad scope of competences when appointing its members in order to acquire various perspectives and experience and to enable issuing independent opinions and reasonable decisions within the authority. In order to ensure high quality of task performance by the Bank Management Board by selecting competent people, one shall apply, first and foremost, objective fact-based criteria and account for benefits deriving from diversity.
- Job profiles have been developed for the positions in the Bank Management Board, specifying the responsibilities as well as the requirements in terms of knowledge and competence and the expected involvement in terms of time commitment required to perform the function. The current composition of the Bank Management Board represents a wide range of knowledge, competencies and experience verified in accordance with the *Policy for the assessment*

*of the suitability of the members of the Supervisory Board, Management Board and key function holders at ING Bank Śląski S.A.* The adequacy of persons occupying positions in the Bank Management Board is reviewed periodically as part of the assessment of the primary- and secondary individual adequacy and the collective adequacy of the Bank Management Board as a body.

Individuals appointed to the Bank Management Board have high qualifications. All members demonstrate adequate experience and knowledge to manage the bank in the areas reporting to them.

Matrix by education as at 31 December 2023

Education	Education				
	economics	finance and statistics	banking and finance	foreign trade	engineering
	3	1	1	2	1

The education of the Bank Management Board Members is supplemented by additional qualifications and certificates obtained through additional courses of study, post-graduate studies and specialised training, mainly in business management, but also qualifications such as the licence of a statutory auditor. Each Member of the Bank Management Board has extensive professional experience.





### 3. Implementation of the Policy on the Supervisory Board:

- In 2023, there were changes in the composition of the Bank Supervisory Board that affected the diversity indicator as compared to 2022.

#### Matrix by gender as at 31 December 2023

Number of members	Number of women	% share of women
8	4	50%

#### Matrix by age as at 31 December 2023

Number of members	Age		
	below 30	from 30 to 50	over 50
8	0 (0%)	4 (50%)	4 (50%)

- Members of the Supervisory Board are appointed by the General Meeting during a secret voting, upon considering the requirements set out in the Banking Law Act and in the Policy of appointing and recalling Members of the Supervisory Board of ING Bank Śląski S.A., including the scope of the fulfilment of requirements in accordance with the description of responsibilities and skills related to the function of a Supervisory Board Member.

- Job profiles have been developed for the functions in the Bank Supervisory Board, specifying the responsibilities as well as the requirements in terms of knowledge and competence and the expected involvement in terms of time commitment required to perform the function. The current composition of the Supervisory Board represents a wide range of knowledge, competencies and experience verified in accordance with the *Policy for the assessment of the suitability of the members of the Supervisory Board, Management Board and key function holders at ING Bank Śląski S.A.* The adequacy of persons occupying positions in the Supervisory Board is reviewed periodically as part of the assessment of the primary- and secondary individual adequacy and the collective adequacy of the Supervisory Board as a body.

Individuals appointed to the Bank Supervisory Board have high qualifications. All members have appropriate experience and knowledge to properly supervise the bank.

#### Matrix by education as at 31 December 2023

Education	
economics	legal
7	1

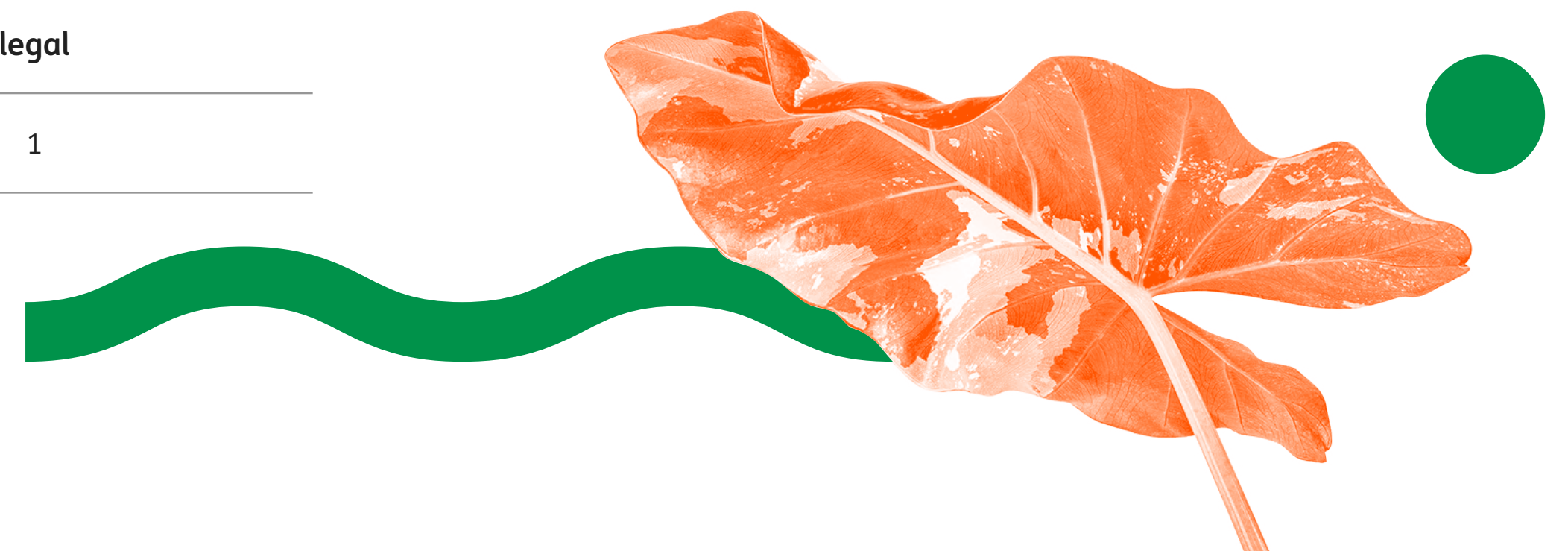
The education of the Supervisory Board Members is supplemented by additional qualifications and certificates obtained through additional courses of study, post-graduate studies and specialised training, mainly in management, accounting, law, information technology, but also qualifications and licences of, for instance, an attorney-at-law, certified accountant or certified controller. Each Member of the Supervisory Board has extensive professional experience.

- Nationality of the Board members is an additional criteria differentiating the Supervisory Board Members. There are two Members on the Supervisory Board whose nationality is other than Polish.

#### Matrix by nationality as at 31 December 2023

Polish	other
6	2

The Supervisory Board assess that in 2023 the Bank properly implemented the assumptions of its diversity policy.



## **Report on the ING Bank Śląski S.A. Supervisory Board and Management Board Members remuneration in 2023**

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This report was drafted pursuant to the Act of 29 July 2005 on Public Offering and on the Terms of Introducing Financial Instruments into Organized Trading and on Public Companies (Journal of Laws of 2005, item 184 item 1539 as amended) which introduced the duty to prepare annual reports on the remuneration of the Management Board and of the Supervisory Board, and to have that report assessed by the statutory auditor. The structure and the scope of the report derive explicitly from Article 90g(2) of the said Act.

The report on the remuneration of the members of the bodies of ING Bank Śląski S.A. ("Bank") is prepared annually starting from 2021 and presented by the Supervisory Board to the General Meeting. The General Meeting has already given a positive opinion on the content of the report on three occasions, namely:

- 1) By Resolution No. 6 of 15 April 2021 for the years 2019 and 2020
- 2) By Resolution No. 6 of 7 April 2022 for the year 2021
- 3) By Resolution No. 6 of 26 April 2023 for the year 2022.

### **I. INTRODUCTION**

As required under the Act of 16 October 2019 Amending the Act on Public Offering and on the Terms of Introducing Financial Instruments into Organized Trading and on Public Companies and Certain Other Acts, the Bank introduced the ING Bank Śląski S.A. Supervisory Board and Management Board Members Remuneration Policy. The Policy was adopted by Resolution No 29 of the Ordinary General Meeting of ING Bank Śląski S.A. of 2 April 2020.

As a result of the annual review of the internal regulations, the Supervisory Board of ING Bank Śląski S.A. approved, pursuant to Resolution no. 106/XIV/2022 of 18 November 2022, changes to the Executive Remuneration Bylaw for Members of the Management Board of ING Bank Śląski S.A., effective as of 1 January 2023. The main modifications to the provisions of the regulations concerned a change in the principle of deferral of variable remuneration and an increase in the proportion of the deferred portion of the annual bonus to 60% regardless of its amount in the case of the President of the Management Board. These changes were not reflected in the need to update the Policy.

As regards the remuneration of other employees, the ING Bank Śląski S.A. Group Employees Remuneration Policy has been in effect since 1 January 2017. The document sets out the key assumptions of the remuneration policy applied in order to attract and retain employees by ensuring a salaries level that is competitive on the market, and it defines the remuneration components. Detailed principles arising from the Policy are specified in greater detail by:

- 1) *Variable Remuneration Policy for Identified Staff<sup>1</sup> of ING Bank Śląski S.A.*
- 2) *General Conditions of Remunerating the Employees of ING Bank Śląski S.A. with enclosures:*
  - a) *General Conditions of ING Bank Śląski S.A. Employee Evaluation (Step Up),*
  - b) *General Conditions of ING Bank Śląski S.A. Identified Staff Evaluation.*

## II. TOTAL REMUNERATION OF THE BANK GOVERNING BODIES' MEMBERS

*Pursuant to Article 90g Section 2 Item 1 of the Act, we disclose the amount of the total remuneration sub-divided into components referred to in Article 90d Section 3 Item 1, and the proportions of those remuneration components. At the same time, we account for the provisions of Section 5, whereby where the remuneration of the management board and of the supervisory board members includes cash payments or non-monetary benefits awarded to close ones of those persons, the report on remuneration should include information on the value of those benefits.*

### 1. Structure of the Supervisory Board Members' remuneration

Due to the supervisory function of the Supervisory Board, the independent Supervisory Board members are only awarded **fixed remuneration** that is not conditional on the Bank's performance. The fixed remuneration of the Supervisory Board Members consists of:

- a) base remuneration which amounts to PLN 13,300 (in words: thirteen thousand three hundred PLN 00/100) gross a month, and
- b) a monthly allowance for each additional function held by the Supervisory Board Members on the Supervisory Board or its committees, which is set as a percentage of the base salary and which is as follows:
  - Chairperson of the Supervisory Board – 100%,
  - Deputy Chairperson of the Supervisory Board and Members who are Chairpersons of the Supervisory Board Committees – 25%,
  - Members other than Chairpersons of the Supervisory Board Committees – 15%.

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<sup>1</sup> Identified Staff – persons employed at the Bank, identified as having material impact on the risk profile of ING Bank Śląski S.A. on the basis of the criteria indicated in the Enclosure 1 to the Variable Remuneration Policy for Identified Staff of ING Bank Śląski S.A. according to the provisions of the Regulation of the Minister for the Development and Finance and the RTS Regulation.

The remuneration of a Supervisory Board Member is paid regardless of the frequency of the Supervisory Board meetings and it is paid on the last business day of any given month.

Members of the Supervisory Board who also hold other functions in ING Bank N.V. shall perform their tasks on the Supervisory Board without payment.

## 2. Structure of the Management Board Members' remuneration

The total remuneration is set out in the Executive Remuneration Bylaw for Members of the Management Board of ING Bank Śląski S.A. It consists of fixed remuneration and variable remuneration, or the annual bonus. Fixed remuneration is composed of:

- a) the **base remuneration** which is determined in conjunction with a benchmark according to a selected job valuation methodology, based on a role description in reference to the knowledge, challenges, issues and responsibilities in a given position, as well as the professional experience.

The terms of remuneration of the Management Board Members are determined upon taking into account the market data, including the median for comparable positions at comparable organisations, and upon accounting for the Bank's operations and its financial situation.

The base salary of the Members of the Management Board for a given month is paid in arrears on the last business day of the month.

The base salary paid to Management Board Members in 2023 is included in column 3 of the statement in Appendix 1.

- b) **fringe benefits**, which comprise:

- life insurance,
- contributions to the investment fund,
- medical care,
- a company car,
- benefits related to termination of the employment contract,
- in justified cases the Supervisory Board may, upon the Committee's recommendation, decide to cover, temporarily, additional costs related to a long-term foreign contract of a Management Board Member, such as the costs of accommodation or education of the Management Board Member's children.

The fringe benefits paid to Management Board Members in 2023 are included in columns 4-5 of the table in Enclosure 1.

- c) **variable remuneration**, or the annual bonus. The criteria for the award of variable remuneration are in line with the long-term business strategy, the values and risk appetite of the Bank; they promote and support the effective risk management board process, and support long-term interests of the Bank and its clients. The bonus shall be deferred for five years from the date on which the Supervisory Board determined the variable remuneration (in case of the President of the Management Board, the deferral period is six years). Where a Management Board Member is awarded variable remuneration below the amounts defined in the Executive Remuneration Bylaw for Members of the Management Board, the deferral is not applied. Where a Management Board Member is awarded a particularly high variable remuneration defined in the said Bylaw, no more than 60% of the awarded variable remuneration is deferred. In the case of the President of the Management Board, 60% of the variable remuneration is deferred irrespective of its value. The annual bonus awarded to the Management Board Members for 2023 is shown in Enclosure 1.

The non-deferred and deferred annual bonus is divided into two parts (rounded up to the integral number of the financial instrument):

- at least 50% in the shares of ING Bank Śląski S.A. or other financial instruments which entitle the holder to receive funds in an amount conditional on the value of the ING Bank Śląski S.A. shares (columns 9-10 and 12-13 of the table in Enclosure 1),
- the remaining portion shall be paid out in cash (columns 8 and 11 of the table in Enclosure 1).

The settlement of the financial instruments granted or offered is attached as Enclosure 2.

With Resolution No. 29 of 7 April 2022, the Ordinary General Meeting of the Bank decided to establish an incentive programme at the Bank addressed at people having material impact on the risk profile of the Bank. Under the Programme, own shares are awarded free of charge as a component of the variable remuneration<sup>2</sup> for Identified Staff. The new programme replaced the existing solution, under which a portion of variable remuneration was paid out in the financial instrument, that constituted phantom share. In order for the Programme to work, it is necessary to obtain an adequate number of own shares from the market. According to the Programme assumptions, the Ordinary General Meeting of the Bank authorised the Bank Management Board to acquire own shares.

The Polish Financial Supervision Authority issued a permit on 13 March 2023 for ING Bank Śląski S.A. to buy back up to 800,000 (in words: eight hundred thousand) of the Bank's own shares (i.e. instruments in the Bank's Tier 1 capital), representing in total no more than 0.6% of the Bank's share capital, for a total amount not exceeding PLN 200,000,000 (in words: two hundred million zlotys) between 2023 and 2027 in order to offer them to selected employees of the Bank and employees of the Bank's Group companies as part of an incentive programme.

In 2023, own shares were granted for the first time in settlement of the non-deferred portion due in financial instruments accrued for the period from 1 July 2022 (date of implementation of the programme at the Bank) to 31 December 2022.

As a result of the acquisition of own shares on the regulated market, 7,772 own shares were transferred to the individual brokerage accounts of the members of the Bank Management Board (column 4 of the table in Enclosure 2).

The period from 1 January 2023 and 31 December 2023 is the first full assessment period for which the variable portion of remuneration will be paid out on own shares.

Where it is actually impracticable to purchase the shares on the market or where it is impossible without excessive difficulties or within the assumed time sheet, in order to continue to effect the Bank's obligations under the Programme, the Bank Management Board may decide, upon consent of the Supervisory Board, to replace the own shares with any other financial instruments whose value is conditional on the value of the Bank shares, or the Bank Management Board may decide to effect the Bank's obligations under the Programme in any other way to achieve its objectives.

The rights to phantom share granted prior to the start date of the new programme will be exercised under the existing rules. In particular, the deferred parts of the remuneration granted in phantom stock will not be convertible into own shares. Details of the number of phantom shares vested in 2023 are shown in column 3 of the table in Enclosure 2.

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<sup>2</sup> within the meaning of the Regulation of the Minister for Finance, Funds and Regional Policy of 8 June 2021 on risk management system and internal control system, and remuneration policy at banks (Journal of Laws of 2021, item 1045)

Variable remuneration for a given year is determined by the Supervisory Board in the year following the year subject to assessment. Only the non-deferred portion in the form of cash is paid out, not later than within seven business days following the approval of the annual financial statements of the Bank by the General Meeting of ING Bank Śląski S.A.

A retention period applies to a bonus awarded in financial instruments, during which a Management Board member may not exercise the rights relating to the awarded instruments. The period is one year from the financial instruments' award date.

The Bank Management Board Members receive information on the number of financial instruments awarded as part of their deferred and non-deferred bonus not later than by 30 April of the following year. The own shares awarded to the Bank Management Board Members are recorded in their securities accounts not later than on the last day of the retention period. If the conclusion of the agreement on the acquisition of own shares falls during the closed period, the agreement will be concluded after the end of that period.

A Management Board Member who does not have the right to acquire the deferred Annual Bonus will not acquire the right to that part of the bonus until the end of a given deferral period.

3. A breakdown of total remuneration for the year 2023 by components is presented in Enclosure 1 herewith. The base salary and other benefits constituting the components of the fixed remuneration were paid in 2023. Variable remuneration determined for 2023, however, will be paid in the following years:
  - the non-deferred portion in cash - in 2024,
  - the non-deferred portion in the form of financial instruments - in 2025,
  - deferred parts in cash - in the years 2025-2029 (2030 - in the case of the President of the Management Board),
  - deferred parts in the form of financial instruments - in the years 2026-2030 (2031 - in the case of the President of the Management Board).

### III. COMPLIANCE WITH THE REMUNERATION POLICY

*Pursuant to Article 90g Section 2 Item 2 of the Act, we explain how the total remuneration complies with the adopted remuneration policy and how it helps achieve the long-term performance of the company.*

1. Compliance with the *ING Bank Śląski S.A. Group Remuneration Policy*
  - 1) *The ING Bank Śląski S.A. Group Remuneration Policy* relies on performance management. It supports the process of attracting, motivating and retaining talented employees, and is conducive to their development, while treating all employees in a fair manner. The remuneration policy:
    - a) supports the implementation of the business strategy, as well as the long-term interests of the Bank and its clients,
    - b) supports the correct and effective risk management in order to maintain and protect a safe capital base of the Bank and it does not encourage taking excessive risks beyond the risk appetite approved by the Supervisory Board of ING Bank Śląski S.A.,
    - c) is gender-neutral, which means that it does not create conditions that unjustifiably favour either gender in terms of remuneration.

- 2) The Bank identifies social and environmental risks diagnosed as part of its sustainability strategy. The remuneration policy is aligned with the strategy adopted at the Bank for a given period and it supports corporate social responsibility which is reflected by the goals set for the employees for a given year. At the same time, the Policy does not promote actions that are against sustainable growth.
- 3) The purpose of this Remuneration Policy is to ensure that the conflicts of interest relating to remuneration are identified and mitigated properly. Adequate risk mitigation measures, that is, a layered approval process, clear and transparent performance appraisal principles which are communicated to all employees, are part of the variable remuneration process.
- 4) ING Bank Śląski S.A. does not provide for any form of remuneration that could be an incentive for employees to favour their own interests or interests of the Bank, while at the same time acting to the detriment of clients. The principles of remunerating persons who act on the Bank's behalf do not encourage people to take excessive risks of improper product sale.
- 5) The variable remuneration is in proper relation to fixed remuneration. Its level vis-à-vis fixed remuneration should be high enough to encourage people to care about the long-term and stable development of the Bank. It is agreed that the fixed remuneration to variable remuneration ratio shall be 1 to no more than 1, which means that variable remuneration may not be greater than the fixed remuneration.
- 6) As regards the fixed remuneration of the Bank Supervisory Board and Management Board Members, a rule was adopted to tie those salaries to the average remuneration of other Bank employees. The monthly fixed remuneration for:
  - a) Supervisory Board Members represents no more than 10-fold average base remuneration of an employee of ING Bank Śląski S.A.
  - b) Management Board Members represents no more than 40-fold average base remuneration of an employee of ING Bank Śląski S.A.
- 7) The remuneration system is open and transparent, and its rules are communicated to all employees of the Bank.
- 8) In an effort to ensure a competitive level of remuneration, it follows the market median. The Bank reviews the level of remuneration every year. The analysis focuses on market data – pay reports as well as economic information.
- 9) The Supervisory Board of ING Bank Śląski S.A. approves the Remuneration Policy and oversees compliance therewith, based on the recommendations of the Remuneration and Nomination Committee of the ING Bank Śląski S.A. The review results, along with the recommendation of adequate measures in the remuneration area, are presented to the Management Board by the HR units. Based on the review results, Management Board accept the directions and changes, if any, to the remuneration policy for a given calendar year, and presents the Policy to the Remuneration and Nomination Committee for recommendation and to the Supervisory Board for approval.
- 10) Each year, the Supervisory Board draw up a report on the implementation of the remuneration policy. The General Meeting assess, based on the report, whether or not the Policy is conducive to the development and safety of the Bank's operations.
- 11) The Risk Committee verify whether or not the elements of the remuneration system account for the risk, capital and liquidity. A representative of the Risk Committee takes part in the meetings of the Remuneration and Nomination Committee and vice versa.
- 12) The General Meeting assess each year whether or not the Remuneration Policy is conducive to the development and safety of ING Bank Śląski S.A. operations.

- 13) The remuneration policy is subject to an annual independent internal audit.
- 14) The control functions and the CFO Division units take an active part and cooperate during the review of the Bank's remuneration policy with a view to ensuring its alignment with the strategy and the risk management framework; they also assess the correctness of the capital base and the fulfilment of conditions necessary to activate the bonus pool.

## 2. Supporting the implementation of the strategy

- 1) The Supervisory Board and Management Board Members Remuneration Policy is aligned with the values and long-term interests of ING Bank Śląski S.A., and – as such – it is conducive to the effective management of the Bank's risks and to the company's stability. Furthermore, the Policy supports sustainable growth of the bank, which is understood as actions taken in areas that are meaningful for the society and for the economy, as well as responsibility for and care of the results of those actions, and which is part and parcel of the business strategy. The means to achieve those goals include the following in particular:
  - a) introducing variable remuneration components for the Management Board members the final amount of which is conditional on the Bank's performance,
  - b) making the payment of the variable remuneration components to the Management Board Members dependent on the Bank's fulfilment of certain capital requirements, and
  - c) inclusion of criteria arising from the adopted Sustainable Growth Strategy in the non-financial targets which are set by the Supervisory Board for the Management Board members each year.
- 2) The *Procedure regarding risk requirements for members of the Management Board, in the Risk Taker role* has been in effect since 2019 to ensure the long-term stability of ING Bank Śląski S.A. and further reinforcement of relations between minimum standards in the risk management area and individual remuneration.

The risk requirements apply to Management Board Members who are Risk Takers, notably:

- a) President of the Management Board - CEO Division,
- b) Vice-President of the Bank Management Board - Retail Clients Division,
- c) Vice-President of the Bank Management Board - Business Clients Division,
- d) Vice-President of the Bank Management Board - Wholesale Banking Division,
- e) Vice-President of the Management Board - CIO Division,
- f) Vice-President of the Management Board - COO Division

and other Members of the Management Board specified by the Member of the Management Board responsible for the risk area.

The procedure allows the Management Board Member in charge of the risk area to make a decision to apply the variable remuneration adjustment ratio. As required, each Management Board Member who is a Risk Taker receives a written notice specifying the risk requirements for a given calendar year. After the end of the year, satisfaction of risk requirements is assessed and the assessment result may reduce the variable remuneration of the employee, should the risk requirements not be satisfied.

- 3) Furthermore, the Management Board Members are required not to apply their own hedging strategies or insurance concerning remuneration and liability that would neutralise the measures taken by the Bank as part of implementing the policy of variable remuneration components, save for mandatory insurance arising from special provisions.



#### IV. PERFORMANCE CRITERIA

Pursuant to Article 90g Section 2 Item 3 of the Act, we provide information on the manner of applying performance criteria

Performance criteria are applied at several levels at ING Bank Śląski S.A.:

##### 1. Bank's results that are the basis for the decision to disburse the annual bonus

The annual bonus disbursement is conditional on the Bank's achieving at least 80% of the profit before tax in a given financial year subject to the assessment, as assumed in the plan for that year. The Bank's result taken into consideration accounts for the Bank's risk costs and the costs of liquidity risk in a long-term perspective, adjusted for the costs of free capital.

In addition, pursuant to the Capital Management Policy at ING Bank Śląski S.A., ING Bank Śląski S.A. tests capital to ensure that the entire bonus pool for all employees does not restrain the Bank's ability to maintain an adequate capital base. Should it be the case, a decision may be taken not to disburse the bonus pool.

##### 2. Performance included in the targets agreed with the Management Board Member for a given year

The targets of the Management Board Members may be non-financial or financial. They are determined in three categories of equal weight, which relate both to the business priorities of their roles and how they are to be achieved. Non-financial criteria account for at least 50% of all goals, except for the Management Board Member in charge of control functions, whose set of tasks includes only non-financial objectives that are not linked to the results achieved in the controlled areas.

The following table provides a description of the categories and groups of targets determined by the Supervisory Board for the Management Board Members for 2023:

<p><b>Job</b></p> <p>weight: 1/3</p>	<p><b>Financial performance of the Bank and individual business lines:</b> profit before tax, ROE, operating expenses</p> <p><b>Customers:</b> continued growth in the number of 'primary' customers, maintaining high levels of customer satisfaction, strengthening remote channels</p> <p><b>Risk:</b> keeping financial, non-financial and KYC processes risks within agreed risk appetite</p> <p><b>Strategy:</b> implementation of digitisation strategy, continued increase in STP (straight-through-processing) levels in all relevant areas, increase in efficiency of risk and financial processes while maintaining control effectiveness</p> <p><b>ESG/environmental dimension:</b> development of green products offer, including credit, efforts to achieve net zero carbon, further strengthening of climate and environmental risk framework; strengthening of ESG culture by increasing awareness, knowledge and employee engagement in the sustainability area</p> <p><b>ESG/social dimension:</b> strengthening the health of the organisation by focusing on four priority areas: strategic clarity, role clarity, customer focus, operational discipline; increasing gender balance within the management team</p>
<p><b>Orange Code</b></p> <p>weight: 1/3</p>	<p><b>Individually defined objectives</b></p> <p>The Orange Code determines the way in which objectives are pursued - it defines ING Bank Śląski's identity and defines what they can expect from each other in their daily work. It represents a set of valued norms that employees strive to live up to and by which they can be judged by others</p>

<p style="text-align: center;"><b>Stretch Ambitions</b> weight: 1/3</p>	<p>In 2023, this group of objectives comprised key priorities in ESG and KYC area</p>
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Performance measures have been determined for each annual objective, with the target levels of the financial criteria being consistent with the Strategy and Financial Plan of ING Bank Śląski S.A. adopted by the Supervisory Board for the respective assessment period.

At the end of the assessment period, the Supervisory Board makes an assessment which forms the basis for determining the individual level of variable remuneration. The Supervisory Board assigns individual score to each Management Board Member in each dimension of the objectives according to a three-stage score range, which is reflected in bonus score. The accrual of score is shown in the table below:

Assessment	Accrual of score
Excellent	120%* assigned weight = score
Well done	100%* assigned weight = score
Improvement required	0% or 80%* assigned weight = score (as assessed by the Supervisory Board)

A minimum score of 80 is required to qualify for the bonus, provided that the conditions for triggering the bonus as described in section 1 (Bank's results that are the basis for the decision to disburse the annual bonus) have been met.

Bonus percentage is calculated on a straight line basis in score ranges linked to the bonus potential:

Bonus score		
minimum	target	maximum
the score of 80	the score of 100	the score of 120

Bonus percentage		
25%	80%	100%

The annual bonus base value is the product of the set percentage of the annual bonus and the base salary during the assessment period, taking into account the risk factor corresponding to the level of variable remuneration adjustment resulting from the fulfilment of the risk requirements - see section 3 below (Risk requirements set in regard to Management Board Members other than Members holding control functions) for details. The base value of the bonus is subject to review during the deferral period. The level of target achievement by Management Board Members in 2023 as well as information on the calculated bonus score and bonus percentage is shown in Enclosure 3.

**3. Risk requirements set in regard to Management Board Members other than Members holding control functions**

The Management Board Member in charge of the risk area sets individual Risk Requirements for Management Board Members other than those holding control functions. They ensure focusing on the long-term stability of ING Bank Śląski S.A. and further reinforcement of relations between minimum standards in the risk management area and individual remuneration of the Management Board Members whose activities have a material impact on the Bank's risk profile. On the basis of the assessment of risk requirements fulfilment, the Management Board Member in charge of the risk area makes a decision on the risk modifier corresponding to the level of adjustment of variable remuneration for a given Management Board Member.

**4. Performance subject to assessment in the long-term perspective**

In order to adjust the variable remuneration to the additional risks that were identified or that materialised after the remuneration was awarded, the Bank will defer the variable remuneration of the Management Board Members in accordance with the table below.

VARIABLE REMUNERATION AMOUNT		President of the Management Board	Vice Presidents of the Management Board
(1)	it exceeds neither PLN 40,000 nor 10% of the total annual remuneration of a Management Board Member	no deferral	
(2)	above the threshold set out in item (1) up to PLN 1,200,000	60% subject to deferral	40% subject to deferral
(3)	in excess of PLN 1,200,000		60% subject to deferral

The deferral period is five years from the moment the variable remuneration was determined by the Management Board of ING Bank Śląski S.A. or by the Supervisory Board. The vesting of the deferred variable remuneration takes place annually over a period of five years, in five equal parts, unless there are grounds for reduction or non-payment. The deferral period for the President of the Management Board is six years, and the deferred variable remuneration is divided into six equal parts.

**5. Ex-post performance verification**

The Supervisory Board may decide to reduce, or not to pay, variable remuneration subject to deferral on the basis of:

- a) verification of performance assessment or
- b) ex post risk adjustment and capital test.

Verification of performance assessment helps determine whether or not there were any reasons to change the results for the assessment period, given the effects of the work of a given Management Board Member.

Based on the ex-post risk adjustment, the Bank has the right to either reduce or not to pay variable remuneration under the following circumstances:

- a) the occurrence of events that result in the Bank's breach, or threaten the Bank's breach, of the standards set out in Article 142 Section 1 of the Banking Law so that it is necessary to implement the Recovery Plan,
- b) the disbursement of variable remuneration on the basis of data that proved to be false,
- c) if the Management Board Member in question fails to fulfil the relevant standards concerning competence and reputation,
- d) if there is a conflict of interest in relation to the disbursement of a part of variable remuneration in financial instruments of ING Bank Śląski S.A. due to failure to comply with rules concerning the use of inside information and other actions that may influence the price of the ING Bank Śląski S.A. shares in a short-term perspective.

#### V. CHANGES TO EMPLOYEES' REMUNERATION OVER A COURSE OF 5 YEARS

*Pursuant to Article 90g Section 2 Item 4 of the Act, we provide information on the change, on an annual basis, of remuneration, company's results and average remuneration of employees of that company other than Members of the management board or of the supervisory board, over at least five most recent financial years, as a total, in a manner that allows comparisons*

A breakdown concerning the change of remuneration, the company's results and average remuneration of employees other than Members of the management board or of the supervisory board is presented in Enclosure 4 herewith.

#### VI. REMUNERATION FROM GROUP MEMBERS

*Pursuant to Article 90g Section 2 Item 5 of the Act, we present the level of remuneration from Members of the same group of companies within the meaning of the Accounting Act of 29 December 1994 (Journal of Laws of 2019, Items 351, 1495, 1571, 1655, 1680 and of 2020 Item 568)*

As a rule, the Management Board Members who also hold other functions in the subsidiaries of the ING Bank Śląski S.A. Group perform their tasks in those companies without remuneration. The following subsidiaries are Members of the ING Bank Śląski S.A. Group:

- ING Investment Holding (Polska) S.A.,
- ING Commercial Finance Polska S.A.,
- ING Lease (Polska) Sp. z o.o.,
- ING Usługi dla Biznesu S.A.,
- Nowe Usługi S.A.,
- ING Bank Hipoteczny S.A.,
- SAIO S.A.
- Paymento Financial S.A.

and corporate foundations:

- ING for Children Foundation,
- ING Polish Art Foundation.

Likewise, Members of the Supervisory Board who also hold other functions in ING Bank N.V. perform their tasks on the Supervisory Board without payment. Members of the Supervisory Board shall waive their right to remuneration in writing.

## VII. AWARD OF REMUNERATION IN FINANCIAL INSTRUMENTS

*Pursuant to Article 90g Section 2 Item 6 of the Act, we present the number of financial instruments awarded or offered, as well as the main terms and conditions of exercising the rights to those instruments, including the exercise price and date, and changes thereto*

Enclosure 2 herewith presents the number of awarded or offered financial instruments.

### 1. Terms and conditions of awarding a part of variable remuneration in financial instruments

The non-deferred and deferred variable remuneration is sub-divided into two parts (rounded up to the integer number of financial instruments):

- a) at least 50% is awarded in financial instruments on the terms and conditions set out in the Variable Remuneration Policy of Identified Staff of ING Bank Śląski S.A., with the proviso that own shares are the basic financial instruments,
- b) the remaining portion is paid out in cash to a Management Board Member's bank account designated for the purpose of remuneration payment, not later than within seven business days following the approval of the annual financial statements of the Bank by the General Meetings of ING Bank Śląski S.A.

The Bank applies the rules of variable remuneration deferral. Where the base value of the annual bonus is lower than, or equal to, PLN 40,000 in gross terms and 10% of the total annual remuneration of a Management Board Member, Management Board Members will acquire the right to the bonus in the amount equal to the base value.

The variable remuneration awarded in financial instruments is subject to a retention period. The period is one year from the financial instruments' award date.

### 2. Terms and conditions of payment of variable remuneration in financial instruments

Upon the end of the assessment period, the number of financial instruments to be awarded for a given period is determined according to the following formula:

$$n = z/c$$

where:

**n** – means the number of the financial instruments; if the number of financial instruments so determined is not an integer number, it is rounded up to the nearest integer number

**z** – means the base value of a Participant's annual bonus (deferred and/or non-deferred) to be disbursed in financial instruments

**c** – means the median price of the Bank's shares using the closing rate at Giełda Papierów Wartościowych w Warszawie S.A. (the Warsaw Stock Exchange) from the period started on 10 January and ended on 20 February in the year following the assessment period

however, in the case of:

- 1) the non-deferred part - the calculation is unconditional,
- 2) the deferred part – the calculation is preliminary and it represents the maximum number of financial instruments to which a Participant might be entitled. The number of financial instruments awarded may be reduced if the annual bonus base value is lowered.

As for variable remuneration for 2022, participants were awarded phantom equity for the period from 1 January until 30 June 2022 and, ordinary shares for the period from 1 July until 31 December 2022. In Enclosure 2, the number of financial instruments is shown separately for phantom shares (column 3) and own shares (column 4).

Should there materialise legal events that would result in permanent inability to pay out the annual bonus in financial instruments, including the exclusion of the Bank shares from the stock exchange trade, or consolidation of ING Bank Śląski S.A. with another entity, the Supervisory Board will determine new rules of the annual bonus award and payment so as to achieve an economic and incentive goal that is as close as possible to the goal that would have been achieved had such legal events not materialised.

In such a case, participants will be awarded phantom equity instead of own shares, at a 1:1 ratio. Where own shares are replaced with phantom equity, the own shares will be awarded to the eligible persons at a number proportional to the number of own shares to which they are entitled. Such a number of own shares to which a programme participant is entitled under a given tranche will be rounded down to the nearest integer number.

Phantom equity entitles the holder to receive monies the amount of which results from multiplying the number of phantom equity and the price of own shares. The following formula is applied to that effect:

$$w = l * c$$

where:

**w** means the monies due to a Management Board Member

**l** means the number of phantom equity for which the retention period expired

**c** means the median price of the Bank's shares using the closing rate at the Giełda Papierów Wartościowych S.A. (Warsaw Stock Exchange) from the period started on 10 January and ended on 20 February in the disbursement year

## VIII. RETURN OF VARIABLE REMUNERATION COMPONENTS

*Pursuant to Article 90g Section 2 Item 7 of the Act, we provide information on the use of the possibility to demand the return of the variable remuneration components*

1. The remuneration policy does not envisage a mechanism for the return of the variable remuneration components. In accordance with the effective regulations, there is a mechanism in place so that the deferred bonus is not paid out at all or it is paid out at a lower amount.
2. The Bank uses to that effect advanced measurement methods to estimate the capital base. It also applies the stress-testing policy which ensures an adequate risk management and a proper assessment of current and future capital requirements. The information on that measurement is communicated to the Committee and to the Supervisory Board by the Finance Division of ING Bank Śląski S.A.
3. Upon the end of each calendar year during the deferral period, the Supervisory Board verifies, based on the Committee's recommendation, the assessment of target completion during the assessment period. The Supervisory Board may decide to reduce, or not to pay, the annual bonus during a given bonus award period if:
  - 1) there are circumstances justifying an adjustment (as described in Section IV item 5 hereof)
  - 2) the Management Board Member fails to submit a written statement to confirm that s/he does not apply hedging strategies or insurance
  - 3) there are other material circumstances that would make the annual bonus payment unacceptable under the principles of common sense and fairness.

The aforementioned circumstances did not arise and therefore no adjustments were made to the variable remuneration of the Management Board Members.

#### IX. EXCEPTIONS

*Pursuant to Article 90g Section 2 Item 8 of the Act, we provide information concerning exceptions to the procedure for implementing the remuneration policy and exceptions applied in accordance with Article 90f, including an explanation of the premises and the mode, and indication of elements to which exceptions were applied.*

During the period covered by this report, there were no deviations from the remuneration policy or implementation procedure.

## Enclosure 1

## Management Board

## Remuneration due and awarded to the members of the Management Board of ING Bank Śląski S.A. for 2023

Name and last name	Period from – to	Base salary	Cash benefits <sup>1</sup>	In kind benefits <sup>2</sup>	Fixed Remuneration	Calculated % of variable remuneration	Upfront variable remuneration - cash	Upfront variable remuneration - financial instrument <sup>3</sup>		Deferred variable remuneration - cash	Deferred variable remuneration - financial instrument <sup>3</sup>		Variable remuneration granted for the year 2023 <sup>4</sup>	Variable to fixed remuneration ratio	Total variable remuneration - deferred cash as at 31.12.2023 <sup>5</sup>
								value	number		value	number			
								9	10		11	12			
<b>Brunon Bartkiewicz</b> <i>Member of the Supervisory Board of ING Bank Hipoteczny S.A.</i>	01.01.2023 - 31.12.2023	2 845 500	499 160	15 164	3 359 823	80,0	455 227	455 438	1 750	682 840	682 896	2 624	2 276 400	68%	2 523 890
<b>Joanna Erdman</b> <i>Member of the Supervisory Board of ING Bank Hipoteczny S.A., ING Commercial Finance S.A. and ING Lease (Polska) Sp. z o.o.</i>	01.01.2023 - 31.12.2023	1 548 600	232 290	54 339	1 835 229	80,0	247 690	248 018	953	371 535	371 637	1 428	1 238 880	68%	955 747
<b>Marcin Giżycki</b> <i>Chair of the Supervisory Board of Nowe Usługi S.A., Deputy Chair of the Supervisory Board of ING Bank Hipoteczny S.A.</i>	01.01.2023 - 31.12.2023	1 523 700	228 555	76 027	1 828 282	86,7	264 109	264 414	1 016	396 164	396 361	1 523	1 321 048	72%	1 027 424
<b>Bożena Graczyk</b> <i>Chair of the Supervisory Board of ING Bank Hipoteczny S.A., Member of the Supervisory Board of ING Commercial Finance S.A., ING Lease (Polska) Sp. z o.o., SAIO S.A. and ING Usługi dla Biznesu S.A.</i>	01.01.2023 - 31.12.2023	1 515 600	227 340	24 765	1 767 705	93,3	282 782	282 892	1 087	424 173	424 208	1 630	1 414 055	80%	1 066 280
<b>Ewa Łuniewska</b> <i>Chair of the Supervisory Board of ING Commercial Finance S.A. and ING Lease (Polska) Sp. z o.o., Member of the Supervisory Board of SAIO S.A.</i>	01.01.2023 - 31.12.2023	1 347 840	202 176	65 051	1 615 067	86,7	350 433	350 817	1 348	233 622	233 705	898	1 168 577	72%	554 519
<b>Michał Mrozek</b> <i>Member of the Supervisory Board of SAIO S.A.</i>	01.01.2023 - 31.12.2023	1 446 900	217 035	48 276	1 712 211	93,3	269 948	270 140	1 038	404 922	404 949	1 556	1 349 958	79%	841 205
<b>Sławomir Soszyński</b>	01.01.2023 - 31.12.2023	1 315 800	216 532	24 696	1 557 028	80,0	315 693	315 944	1 214	210 462	210 542	809	1 052 640	68%	644 614
<b>Alicja Żyła</b> <i>Chair of the Supervisory Board of SAIO S.A.</i>	01.01.2023 - 31.12.2023	1 276 800	191 520	41 361	1 509 681	80,0	306 342	306 575	1 178	204 228	204 296	785	1 021 440	68%	415 890
<b>Total</b>		12 820 740	2 014 608	349 678	15 185 026		2 492 223	2 494 236	9 584	2 927 945	2 928 593	11 253	10 842 998		8 029 569

<sup>1</sup>Cash benefits include contributions to the investment fund (15% of the monthly base salary net of the Management Member and equivalent of the life insurance premium in case resignation from the life insurance in-kind benefit)

<sup>2</sup>In-kind benefits include medical care (incl. family members), life insurance, usage of the company car for private purposes and other benefits granted by the Supervisory Board

<sup>3</sup>The basic financial instrument in which the variable remuneration is awarded in the own share of ING Bank Śląski S.A. Details on the change in the financial instrument awarded as variable compensation are included in the Report.

<sup>4</sup>Variable remuneration for the year 2023, determined by the Supervisory Board on the basis of the assessment of individual targets accomplishment is subject to payment as from the year 2024 according to the deferral scheme described in the Report.

Variable remuneration paid in 2023 for previous years (cash and cash value of phantom shares) amounted to: Brunon Bartkiewicz - PLN 1,4 million, Joanna Erdman - PLN 0,9 million, Marcin Giżycki - PLN 1,0 million, Bożena Graczyk - PLN 1,0 million, Ewa Łuniewska - PLN 0,5 million, Michał Mrozek - PLN 0,6 million, Sławomir Soszyński - PLN 0,6 million, Alicja Żyła - PLN 0,3 million.

<sup>5</sup>The amount of deferred remuneration includes the deferred parts of the remuneration from 2017-2023, which are subject to payment after 31 December 2023



**Supervisory Board**

Remuneration due and awarded to members of the Supervisory Board of ING Bank Śląski S.A. for 2023			
Name and last name	Period from - to	Fixed remuneration	Other benefits <sup>6</sup>
Aleksander Galos <i>Independent member</i>	01.01.2023 - 31.12.2023	379 430,00	256,78
Darota Dobija <i>Independent member</i>	01.01.2023 - 31.12.2023	247 380,00	3 467,35
Monika Marcinkowska <i>Independent member</i>	01.01.2023 - 31.12.2023	223 440,00	5 976,78
Katarzyna Zajdel-Kurowska <i>Independent member</i>	26.04.2023 - 31.12.2023	136 050,00	-
Małgorzata Kolałowska <i>Member having ties with ING Group</i>	01.01.2023 - 31.12.2023	-	-
Michał Szczurek <i>Member having ties with ING Group</i>	01.01.2023 - 31.12.2023	-	-
Stephen Creese <i>Member having ties with ING Group</i>	01.01.2023 - 31.12.2023	-	-
Aris Bogdanerlis <i> Członek niezależny</i>	01.01.2023 - 26.04.2023	-	-
Hans De Munck <i>Member having ties with ING Group</i>	26.04.2023 - 31.12.2023	-	-
<b>Total</b>		986 300	9 700,91

<sup>6</sup>Reimbursement of ZUS contributions due to exceeding the annual basis for retirement and disability contributions based on the decision of the Social Insurance Institution

## Enclosure 2

Number of granted or determined financial instruments						
Name and last name	Number of financial instruments - 01.01.2023 (deferred rights) <sup>1</sup>	Number of phantom shares based on the assessment verification and ex post risk adjustment for previous years, i.e. 2017-2021 and 2022 (upfront part)	Number of own shares for 2022 (upfront part) that were transferred to the brokerage accounts of the Management Board Members in 2023 (retention period ending in 2024)	Number of financial instruments <sup>2</sup> granted for the year 2023		Number of financial instruments subject to vesting after 31 December 2023 r. <sup>3</sup>
				Number of upfront financial instruments	Number of deferred financial instruments	
1	2	3	4	5	6	7
<b>Brunon Bartkiewicz</b> <i>Member of the Supervisory Board of ING Bank Hipoteczny S.A.</i>	13 850	3 362	1 438	1 750	2 624	13 424
<b>Joanna Erdman</b> <i>Member of the Supervisory Board of ING Bank Hipoteczny S.A., ING Commercial Finance S.A. and ING Lease (Polska) Sp. z o.o.</i>	5 885	2 040	926	953	1 428	5 300
<b>Marcin Giżycki</b> <i>Chair of the Supervisory Board of Nowe Usługi S.A., Deputy Chair of the Supervisory Board of ING Bank Hipoteczny S.A.</i>	6 249	2 109	987	1 016	1 523	5 692
<b>Bożena Graczyk</b> <i>Chair of the Supervisory Board of ING Bank Hipoteczny S.A., Member of the Supervisory Board of ING Commercial Finance S.A., ING Lease (Polska) Sp. z o.o., SAIO S.A. and ING Usługi dla Biznesu S.A.</i>	6 513	2 240	1 058	1 087	1 630	5 932
<b>Ewa Łuniewska</b> <i>Chair of the Supervisory Board of ING Commercial Finance S.A. and ING Lease (Polska) Sp. z o.o., Member of the Supervisory Board of SAIO S.A.</i>	3 330	882	873	1 348	898	3 821
<b>Michał Mrozek</b> <i>Member of the Supervisory Board of SAIO S.A.</i>	4 297	1 204	937	1 038	1 556	4 750
<b>Sławomir Soszyński</b>	4 163	1 217	771	1 214	809	4 198
<b>Alicja Żyła</b> <i>Chair of the Supervisory Board of SAIO S.A.</i>	2 679	752	782	1 178	785	3 108
<b>Total</b>	<b>46 966</b>	<b>13 806</b>	<b>7 772</b>	<b>9 584</b>	<b>11 253</b>	<b>46 225</b>

<sup>1</sup>Number of financial instruments include phantom shares (for the period 01/01/2022 - 30/06/2022) and own shares of ING Bank Śląski S.A. (for the period 01/07.2022-31/12/2022) - upfront and deferred - determined as part of variable remuneration for 2022. Details on the change in the financial instrument awarded as variable compensation are included in the Report.

<sup>2</sup>The basic financial instrument in which the variable remuneration is awarded in the own share of ING Bank Śląski S.A. Details on the change in the financial instrument awarded as variable compensation are included in the Report.

<sup>3</sup>Number of upfront and deferred financial instruments determined as part of variable remuneration for 2023.

Enclosure 3

Quantitative and qualitative criteria for awarding the variable remuneration components to Members of the Bank's Management Board

Year - 2023		Brunon Bartkiewicz (CEO)							Bożena Graczyk (CFO)			Joanna Erdman (CRO)			Michał Mrożek (Wholesale Banking)					
		Minimum	Target	Maximum	Performance	Weight	Performance %	Assessment	Score points	Performance %	Assessment	Score points	Performance %	Assessment	Score points	Performance %	Assessment	Score points		
On Job	Financial	<b>TOTAL BANK</b>																		
		Profit before tax	2844,4	2932,3	3078,9	4310,3		147%			147%			not applicable			147%			
		Return on equity	15%	16%	16%	25%		159%			159%			not applicable			159%			
		Operational expenses	3186,6	3155,0	2997,3	3329,6		94%			94%			not applicable			94%			
			<b>Manage total FTE</b>																	
			<b>BUSINESS LINE</b>																	
		Non-Financial	Customers				33,3	111%	100	33,3	102%	120	40,0	not applicable	100	33,3	141%	120	40,0	
			Risk					93%			100%			not applicable			107%			
			Strategy Execution	Non-financial goals are set within the business units in accordance with ING's strategy for a given year					100%			100%			100%			100%		
			Environment						119%			112%			120%			100%		
			Social (People)						120%			107%			110%			110%		
			Quantitative Performance						110%			110%			105%			100%		
			<b>Orange Code</b>																	
		Individual goals, related to the way in which tasks are performed and supporting their realisation	Goals set as a part of the behavior: - You take it on and make it happen - You help others to be successful - You are always a step ahead				33,3	110%	100	33,3	100%	100	33,3	100%	100	33,3	100%	100	33,3	
		<b>Stretch Ambition</b>																		
		Goals that go beyond the requirements of the position, resulting in e.g. new quality for the customer	Key goals to highlight priorities for the year, in line with ING's strategy				33,3	110%	100	33,3	120%	120	40,0	110%	100	33,3	120%	120	40,0	
		Total						100,0			100,0			113,3			100,0			113,3
		Final performance of the 2023 goals						100,0			100,0			113,3			100,0			113,3
		% of variable remuneration (80% target, 100% max)						80%			80%			93,3%			80%			93,3%

Enclosure 3

Quantitative and qualitative criteria for awarding the variable remuneration components to Members of the Bank's Management

Year - 2023		Marcin Giżycki (Retail Banking)							Ewa Luniewska (Business Banking)			Alicja Żyła (COO)			Stawomir Soszyński (CIO)				
		Minimum	Target	Maximum	Performance	Weight	Performance %	Assessment	Score points	Performance %	Assessment	Score points	Performance %	Assessment	Score points	Performance %	Assessment	Score points	
On Job	Financial	<b>TOTAL BANK</b>																	
		Profit before tax	2844,4	2932,3	3078,9	4310,3		147%			147%			147%			147%		
		Return on equity	15%	16%	16%	25%		159%			159%			159%			159%		
		Operational expenses	3186,6	3155,0	2997,3	3329,6		94%			94%			94%			94%		
													101%			101%			
													100%			100%			
													100%			100%			
													100%			100%			
													100%			100%			
													100%			100%			
													100%			100%			
													100%			100%			
		Non-Financial	<b>BUSINESS LINE</b>																
	Customers					33,3	102%	100	33,3	127%	120	40,0	100%	100	33,3	106%	100	33,3	
	Risk						94%			110%			108%			100%			
	Strategy Execution	Non-financial goals are set within the business units in accordance with					100%			100%			107%			100%			
	Environment	ING's strategy for a given year					100%			119%			109%			104%			
	Social (People)						100%			100%			120%			100%			
	Quantitative Performance						100%			110%			100%			100%			
<b>Orange Code</b>	Individual goals, related to the way in which tasks are performed and supporting their realisation	Goals set as a part of the behavior: - You take it on and make it happen - You help others to be successful - You are always a step ahead				33,3	120%	120	40,0	110%	100	33,3	106%	100	33,3	100%	100	33,3	
<b>Stretch Ambition</b>	Goals that go beyond the requirements of the position, resulting in e.g. new quality for the customer	Key goals to highlight priorities for the year, in line with ING's strategy				33,3	100%	100	33,3	100%	100	33,3	110%	100	33,3	100%	100	33,3	
<b>Total</b>						100,0			106,7			106,7			100,0			100,0	
<b>Final performance of the 2023 goals</b>									106,7			106,7			100,0			100,0	
<b>% of variable remuneration (80% target, 100% max)</b>									86,7%			86,7%			80%			80%	

## Enclosure 4

Changes in the salaries of employees and Members of the Management Board and Supervisory Board over the period of 5 years											
Bank performance and remuneration data	2018	2019		2020		2021		2022		2023	
	amount	amount	change	amount	change	amount	change	amount	change	amount	change
Gross profit (in mln PLN) - solo ING Bank Śląski S.A.	2 010	2 217	10%	1 883	-15%	2 971	58%	2 375	-20%	5 659	138%
Gross profit (in mln PLN) - total Grupa kapitałowa ING Banku Śląskiego S.A.	2 031	2 258	11%	1 912	-15%	3 015	58%	2 403	-20%	5 720	138%
Gross profit (in mln PLN) - solo ING Bank Śląski S.A.	1 524	1 659	9%	1 338	-19%	2 308	73%	1 714	-26%	4 441	159%
Gross profit (in mln PLN) - total Grupa kapitałowa ING Banku Śląskiego S.A.	1 524	1 659	9%	1 338	-19%	2 308	73%	1 714	-26%	4 441	159%
C/I <sup>1</sup> - solo ING Bank Śląski S.A.	51,0%	50,2%	-2%	52,1%	4%	50,3%	-3%	55,3%	10%	40,0%	-28%
C/I <sup>1</sup> - total Capital Group of ING Bank Śląski S.A.	51,6%	50,6%	-2%	52,1%	3%	50,9%	-2%	55,5%	9%	40,7%	-27%
ROE <sup>2</sup> - solo ING Bank Śląski S.A.	12,5%	11,7%	-6%	7,7%	-34%	13,8%	79%	17,8%	29%	34,1%	92%
ROE <sup>2</sup> - total Capital Group of ING Bank Śląski S.A.	12,5%	11,6%	-7%	7,6%	-34%	13,6%	79%	17,4%	28%	33,9%	95%
Average annual monthly base salary of employees of ING Bank Śląski S.A. who are not members of the management board or the supervisory board	7 565	7 882	4%	8 409	7%	8 677	3%	10 018	15%	11 586	16%
Average monthly base and variable remuneration granted for a given year to the Management Board members of ING Bank Śląski S.A. for the period of performing the function / without additional benefits/											
Bartkiewicz Brunon (from 19.04.2016)	277 803	377 494	36%	343 580	-9%	398 050	16%	384 850	-3%	426 825	11%
Bolesławski Michał (until 31.12.2020)	187 135	212 026	13%	190 361	-10%	-	-	-	-	-	-
Kesler Justyna (until 31.12.2018)	159 708	-	-	-	-	-	-	-	-	-	-
Erdman Joanna (from 01.04.2013)	181 700	202 320	11%	184 336	-9%	211 312	15%	206 486	-2%	232 290	12%
Giżycki Marcin (from 01.08.2016)	149 372	191 568	28%	190 423	-1%	218 988	15%	210 218	-4%	237 062	13%
Roesink Patrick (from 01.07.2015 until 31.03.2020)	117 888	131 558	12%	127 838	-3%	-	-	-	-	-	-
Graczyk Bożena (from 01.06.2017)	184 498	205 370	11%	186 296	-9%	217 800	17%	216 200	-1%	244 138	13%
Tassan-Bassut Lorenzo (from 01.01.2019 until 31.01.2021)	-	130 159	-	127 964	-2%	152 703	19%	-	-	-	-
Soszyński Sławomir (from 01.09.2019)	-	162 000	-	147 600	-9%	173 371	17%	171 785	-1%	197 370	15%
Mrożek Michał (from 01.07.2020)	-	-	-	164 000	0%	195 050	19%	199 583	2%	233 071	17%
Łuniewska Ewa (from 01.01.2021)	-	-	-	-	-	149 178	-	177 729	19%	209 701	18%
Zyja Alicja (from 01.09.2021)	-	-	-	-	-	140 913	-	162 870	16%	191 520	18%
Average monthly remuneration of Supervisory Board members ING Bank Śląski S.A. for the period of performing the function											
Antoni Reczek (from 10.04.2014 until 29.11.2021) <i>Independent member</i>	27 120	28 560	5%	29 040	2%	28 908	0%	-	-	-	-
Aleksander Galos (from 10.04.2014) <sup>3</sup> <i>Independent member</i>	19 610	21 420	9%	21 780	2%	22 612	4%	33 099	46%	31 619	-4%
Aleksander Kutela (from 10.04.2014 to 29.11.2021) <i>Independent member</i>	17 077	18 445	8%	18 755	2%	18 670	0%	-	-	-	-
Dorota Dobija (from 29.11.2021) <i>Independent member</i>	-	-	-	-	-	18 755	-	20 119	7%	20 615	2%
Monika Marcinkowska (from 29.11.2021) <i>Independent member</i>	-	-	-	-	-	16 940	-	18 172	7%	18 620	2%
Katarzyna Zajdel-Kurowska (from 26.04.2023 to 29.02.2024) <i>Independent member</i>	-	-	-	-	-	-	-	-	-	16 744	-
Christopher Steane (from 31.03.2016 until 05.04.2018) <i>Member having ties with ING Group</i>	-	-	-	-	-	-	-	-	-	-	-
Małgorzata Kolakowska (from 01.04.2016) <i>Member having ties with ING Group</i>	-	-	-	-	-	-	-	-	-	-	-
Michał Szczurek (from 05.04.2018) <i>Member having ties with ING Group</i>	-	-	-	-	-	-	-	-	-	-	-
Ad Kas (until 02.04.2020) <i>Member having ties with ING Group</i>	-	-	-	-	-	-	-	-	-	-	-
Norman Tambach (until 02.04.2020) <i>Member having ties with ING Group</i>	-	-	-	-	-	-	-	-	-	-	-
Susan Poot (od 01.05.2020 do 30.09.2021) <i>Członkini zależna</i>	-	-	-	-	-	-	-	-	-	-	-
Susan Poot (from 01.05.2020 until 30.09.2021) <i>Member having ties with ING Group</i>	-	-	-	-	-	-	-	-	-	-	-
Remco Nieland (from 01.05.2020 until 07.04.2022) <i>Member having ties with ING Group</i>	-	-	-	-	-	-	-	-	-	-	-
Hans De Munck (from 26.04.2023) <i>Member having ties with ING Group</i>	-	-	-	-	-	-	-	-	-	-	-

<sup>1</sup> The Bank's results for 2022 were subject to correction after the publication of the Report for last year, and as a result, the data for 2022 were updated in this edition of the Report.

<sup>2</sup> C/I -(Eng. Cost to Income ratio) cost share ratio calculated as the relation of operating costs to the result on basic activity;

<sup>3</sup> ROE - (ang. Return On Equity) return on equity calculated as the ratio of net profit attributable to shareholders of ING Bank Śląski S.A. from 4 consecutive quarters to the average level of equity for 5 consecutive quarters

<sup>4</sup> Increase in remuneration due to a change in the Bank's Supervisory Board functions' combination held by independent members

**Note:** There is a presentation discrepancy in relation to the individualized data presented in the Annual Report, namely this statement takes into

account the variable remuneration awarded for a given financial year without any other benefits, while the Annual Report includes:

- in the part concerning remuneration due for a given year - the amount of a provision for variable remuneration for the Bank's Management Board for a given year,

- in the part concerning remuneration paid in a given year - variable remuneration paid in a given financial year for previous years.

The Annual Report also includes data on the value of other benefits.

## TRANSLATORS' EXPLANATORY NOTE

The English content of this report is a free translation of the registered auditor's report of the below-mentioned Polish Company.

In the event of any discrepancies in interpreting the terminology, the Polish language version is binding.

# Independent registered auditor's report on the assurance engagement in relation to the assessment of the Remuneration Report

To the General Shareholders' Meeting, the Supervisory Board and the Management Board of ING Bank Śląski S.A.

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## Introduction

Management Board of ING Bank Śląski S.A. (the "Bank") engaged us to conduct a reasonable assurance engagement for the verification of completeness and compliance with applicable requirements of the attached Remuneration Report for the year ended 31 December 2023 (the "Remuneration Report").

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## Description of the subject matter and applicable criteria

The Remuneration Report was prepared by the Supervisory Board to comply with the requirements in Art. 90g paragraph 1 of the Act of 29 July, 2005 on public offering, conditions for introducing financial instruments to an organized trading system and on public companies (Journal of Laws of 2022, item 2554, as amended - hereinafter the "Public Offering Act"). The applicable requirements regarding the Remuneration Report are contained in the Public Offering Act.

The requirements referred to in the preceding sentence determine the basis for preparation of the Remuneration Report (hereinafter the "Basis for Preparation") and, in our view, constitute appropriate criteria to form the reasonable assurance conclusion.

According to the requirements of Art. 90g paragraph 10 of the Public Offering Act, the Remuneration Report is subject to assessment by a registered auditor in terms of it including the information required under Art. 90g paragraph 1-5 and 8 of the Public Offering Act. This report fulfills this requirement.

By the registered auditor's assessment referred to in the preceding sentence and constituting the basis for our formulation of a conclusion providing reasonable assurance, we mean the assessment whether, in all material respects, the scope of information presented in the Remuneration Report is complete and has been disclosed with the level of detail required by the Public Offering Act. Additionally, our assessment includes verification that the information presented in the Remuneration Report is consistent, in all material respects, with the actual state of affairs, does not ignore significant facts and does not contain material distortions.

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## Responsibility of the Supervisory Board

The Supervisory Board is responsible for the preparation and completeness of the Remuneration Report. The Supervisory Board is responsible for the selection and application of the appropriate methods for preparation of financial data and non-financial information as well as for the design, implementation and maintenance of systems and processes of internal control and accounting records, that are necessary to enable preparation of a Remuneration Report that is free of material misstatements and complies with the applicable requirements.

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PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp. k. wpisana jest do Krajowego Rejestru Sądowego o prowadzonego przez Sąd Rejonowy dla m. st. Warszawy, pod numerem KRS 0000750050, NIP 526-021-02-28. Siedzibą Spółki jest Warszawa, ul. Polna 11.



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## Our responsibility

Our responsibility was to assess the completeness and compliance with the applicable requirements of the information contained in the attached Remuneration Report and to express, based on the evidence obtained, an independent conclusion from the assurance service performed, providing reasonable assurance.

We conducted our engagement in accordance with National Standard on Assurance Engagements 3000 (Revised), Assurance Engagements other than Audits and Reviews of Historical Financial Information, in the wording of the International Standard on Assurance Engagements 3000 (Revised) ("ISAE 3000 (R)"). This standard requires that we comply with ethical requirements, plan and perform procedures to obtain reasonable assurance whether the Remuneration Report is prepared, in all material aspects, in accordance with the applicable requirements.

Reasonable assurance is a high level of assurance, but it does not guarantee that the service performed in accordance with ISAE 3000 (R) will always detect the existing material misstatement.

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## Quality control requirements

We apply the provisions of the National Standard on Quality Control 1 in the wording of the International Standard on Quality Control (PL) 1 - "Quality management for companies performing audits or reviews of financial statements or commissioning other assurance or related services" developed by the International Standards Board on Auditing and Assurance Services and adopted by a resolution of the Council of the Polish Audit Oversight Agency. This standard requires us to design, implement and operate a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We comply with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

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## Summary of the work performed

Our planned and performed procedures were aimed at obtaining reasonable assurance whether the Remuneration Report was prepared, in all material aspects, in accordance with the applicable requirements, is complete and free from material misstatements and omissions. Our procedures included, in particular:

- analysis of the Remuneration Report and comparing the information contained therein with the applicable requirements;
- analysis of the resolutions of the General Shareholders' Meeting of the Bank regarding the remuneration policy for members of the Management Board and the Supervisory Board as well as any supplementary resolutions of the Supervisory Board and other documents regulating the remuneration policy subject to the disclosure requirement in the Remuneration Report;
- understanding the procedures adopted by the Supervisory Board to meet requirements of the preparation of the Remuneration Report, including understanding the relevant internal control procedures to the extent necessary to assess the risk of material misstatement or the omission of significant information;
- identifying, by comparing with corporate documents, a list of persons for whom there is a requirement to include information in the Remuneration Report and verifying, through inquiries of



persons responsible for preparing the report, and, where we consider it appropriate, also directly with persons subject to the requirement provide information on, whether all information covered by the criteria for the preparation of the Remuneration Report are disclosed in the Remuneration Report;

- where we consider it appropriate to assess the compliance of the Remuneration Report with applicable regulations, reconciliation of the financial data regarding remuneration presented in the Remuneration Report to the Bank accounting books and other relevant source documents;
- where we consider it appropriate to assess the completeness of the Remuneration Report with the applicable regulations, reconcile with the relevant source documents whether the non-financial information required for disclosure in the Remuneration is accurate and does not omit material facts.

The Remuneration Report was not subject to audit as defined in National Standards on Auditing. In the course of performing the assurance procedures, we have not conducted an audit or review of the historical financial information used in the process of preparation of the Remuneration Report and therefore we do not accept any responsibility for the issuance or update of any reports or opinions on historical financial information of the Bank.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion expressed below.

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### Conclusion (assessment)

In our opinion, the Remuneration Report is complete and complies, in all material aspects, with the applicable requirements contained in the Basis for Preparation.

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### Restrictions of use

This report has been prepared by PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp. k. for the General Shareholders' Meeting, the Supervisory Board and the Management Board of the Bank and is intended solely to fulfil the purpose described in the section "Description of the subject matter and applicable criteria". It should not be used for any other purpose.

In connection with this report, PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp. k. does not accept any liability resulting from contractual and non-contractual relationships (including for negligence) with entities other than the Bank. The above does not relieve us of liability where such release is excluded by law.

The Management Board of the Bank is responsible for publishing the Remuneration Report on the Bank website and for providing access to it free of charge for at least 10 years from the date of the general meeting at which the resolution evaluating the Remuneration Report was adopted, and for the reliability of information on the Bank website. The scope of our work does not include an assessment of these matters. Accordingly, we are not responsible for any changes that may have been made to the information which is the subject of our assessment or for differences, if any, between the information covered by our report and the information provided on the Bank website.





Acting on behalf of PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k., a company entered on the list of entities authorised to audit financial statements under number 144:

Konrad Hołyst

Statutory Auditor  
License no 13709

Warsaw, 11 March 2024

**The report on the evaluation of the payroll policy  
at ING Bank Śląski S.A. in 2023**

The remuneration policy at ING Bank Śląski S.A. is evaluated on the basis of §28.3 of the *Principles of Corporate Governance for Supervised Institutions*.

At ING Bank Śląski S.A., the core principles of the remuneration policy have been laid down in the *ING Bank Śląski S.A. Group Remuneration Policy* which was introduced in 2017. The document lays down the key assumptions for shaping the principles of remuneration so as to attract and retain employees, by ensuring the remuneration that is competitive versus the market. The Policy also defines remuneration components.

The principles of the Policy have been further detailed in the other regulations governing the remuneration policy at ING Bank Śląski S.A.:

- 1) Variable Remuneration Policy for Identified Staff of ING Bank Śląski S.A.,
- 2) ING Bank Śląski S.A. Supervisory Board and Management Board Members Remuneration Policy,
- 3) Executive Remuneration Bylaw for Members of the Management Board of ING Bank Śląski S.A.
- 4) General Conditions of Remunerating the Employees of ING Bank Śląski S.A. with enclosures:
  - a) General Conditions of ING Bank Śląski S.A. Employee Evaluation (Step Up),
  - b) General Conditions of ING Bank Śląski S.A. Identified Staff Evaluation.

I. RULES OF SHAPING THE REMUNERATION POLICY AT ING BANK ŚLĄSKI S.A.

1. In 2023, the Policy remained unchanged vis-à-vis the previous year. Invariably, the Policy furthered delivery of the business strategy and long-term interests of the Bank and its clients, including the sustainability strategy and corporate social responsibility. The said premise was mirrored in the targets set for employees for a given year.
2. As far as remuneration of members of the Bank governing bodies – that is members of the Supervisory Board and of the Management Board – is concerned, the Bank upheld the policy supporting sustainable growth of the bank, which is understood as actions taken in the areas that are meaningful for the society and for the economy, as well as responsibility for and care of the deliverables of those actions, which is part and parcel of the business strategy. Details of remuneration of ING Bank Śląski S.A. Supervisory Board and Management Board Members can be found in the Report compiled as per Article 90g of the Act on Public Offering and Terms and Conditions of Introduction of Financial Instruments into the Organised Trading and on Public Companies.

II. REMUNERATION COMPONENTS



1. The approach to remuneration components (divided into fixed and variable ones) did not change in 2023. Fixed remuneration is such a large part of the total remuneration that it allows one to pursue a fully flexible policy of variable remuneration components, including the option of reducing or not granting any variable remuneration at all.
2. Variable remuneration encompasses any and all forms of remuneration and other benefits provided in return for performance.

Variable remuneration encompasses the annual bonus which is set per employee, based on the evaluation of balanced and risk-based performance, considering the quantitative- and qualitative criteria. As part of the variable remuneration, high-performing employees may also be awarded an individual cash reward, the aim of which is to recognize and appreciate their extraordinary achievements at work and high potential.

3. Separate rules of variable remuneration, laid down in the *Variable Remuneration Policy for Identified Staff of ING Bank Śląski S.A.*, apply to the group of employees holding managerial positions that have material impact on the risk profile of the Bank (Identified Staff). The Policy defines the components of variable remuneration that may be awarded to Identified Staff and the principles of that remuneration payout.

The most important ones include:

- 1) financial and non-financial criteria as well as risk-adjusted criteria are used to assess individual performance; non-financial criteria should account for at least 50% of all goals, save for the persons responsible for control functions,
  - 2) financial criteria are not used for the persons responsible for control functions. The goals for those persons stem from the functions held by them and they are not tied to the performance of the areas controlled by them,
  - 3) a deferral of a part of variable remuneration, which is settled in five instalments during the period of work performance verification, to assess the impact of employee actions on the Bank's long-term results,
  - 4) (at least 50% of) variable remuneration is awarded in financial instruments, with own shares (previously phantom stock) being the primary instrument since 1 July 2022,
  - 5) with a view to ensuring long-term stability of ING Bank Śląski S.A. and tying further the risk management minimum standards to individual remuneration, since 2019 the Bank has had a *Procedure regarding risk requirements for Identified Staff being Risk Takers*. The Procedure enables the Management Board Member responsible for the risk area (the CRO) to take a decision to apply a risk modifier for variable remuneration. Following the requirements, all Identified Staff members being Risk Takers receive written information providing for the specific risk requirements for a given calendar year. After the end of the year, satisfaction of risk requirements is assessed and the assessment result may reduce the variable remuneration of the employee, should risk requirements not be satisfied.
4. Fringe benefits provided under the Bank's remuneration policy cover a package of benefits and wellbeing activities structured under four pillars: Health, Activity, Energy and Finance.

### III. SUPERVISION OVER REMUNERATION POLICY

1. Compliance with the remuneration policy at the Bank is supervised by the following bodies:
  - 1) General Meeting,
    - a) evaluate annually whether or not the remuneration policy established is conducive to the development and safety of the Bank's business,



- b) pass amendments to the ING Bank Śląski S.A. Supervisory Board and Management Board Members Remuneration Policy,
  - c) provide opinion on the remuneration of the Members of the Management Board and the Supervisory Board.
- 2) The ING Bank Śląski S.A. Supervisory Board:
- a) approve the ING Bank Śląski S.A. Group Remuneration Policy and the Variable Remuneration Policy for Identified Staff of ING Bank Śląski S.A.
  - b) supervise compliance with the aforesaid Policies,
  - c) develop and submit to the General Meeting the report on the evaluation of the remuneration policy at the Bank and the report on the remuneration of Supervisory Board and Management Board Members.
- 3) The ING Bank Śląski S.A. Supervisory Board Remuneration and Nomination Committee monitor the implementation of the Policy.
- 4) Control functions actively participate and cooperate in the review of the Bank's remuneration policy to ensure its coherence with the risk management strategy and framework. Control functions also assess correctness of the capital base and fulfilment of conditions necessary for the bonus pool disbursement.
2. The Polish Financial Supervision Authority supervise the compliance of the Bank's activity with the regulations concerning the variable remuneration components policy.

#### IV. REPORT ON THE EVALUATION OF THE REMUNERATION POLICY AT THE BANK IN 2023

1. The remuneration policy at the Bank complies with the Bank's strategy, values and risk appetite as well as it supports the long-term interests of the Bank and its clients. Furthermore, it promotes and supports the process of effective risk management in order to maintain and protect the sound capital base of the Bank. It does not promote excessive risk-taking behaviour that is beyond the risk propensity accepted by the Supervisory Board of the Bank and it is based on performance management combining individual goals with the long-term business strategy and ensuring sustainable growth.
2. Pay rises

In 2023, ING Bank Śląski S.A. kept its remuneration policy whose aim is to support the strategic goals and systematically mark the pays to the market, considering the economic challenges encountered on the market in the aftermath of the war in Ukraine, economic crisis and rising inflation.

The salaries of ING Bank Śląski S.A. staff were reviewed as part of a standard annual procedure. The Remuneration and Nomination Committee was updated on the level of market salaries vis-à-vis the salaries of the employees of ING Bank Śląski S.A. The update was prepared on the basis of the Hay Group reports. Bearing in mind the results of the payroll review, the Bank Management Board decided to implement a pay rise exercise, starting April 2023.

Pay rises were awarded both automatically and on a discretionary basis. The total pay rise budget stood at 10.2% of the base salary fund. Pay rises comprised an automatic part (for which 5.9% of the budget was allocated) and a discretionary part – decided upon by the manager (4.3% of the budget). The core assumptions behind the pay rise exercise were the following:

- 1) increasing the minimum wage up to PLN 5 000 gross (full-time FTEs),



2) introducing a new base salary table in which the amounts of minimum salaries were raised in 11 through 14 pay grades.

3. Annual performance bonus

2023 was another year of functioning of the annual Step Up goals settlement system, which combines job performance assessment, creation of a solid corporate culture and our ambitions. Performance evaluation directly translates into payout of bonuses to employees. In keeping with the General Terms and Conditions of ING Bank Śląski S.A. Employee Evaluation (Step Up), the Bank Management Board determined, in consultation with the Supervisory Board, the variable remuneration pool for employees. Based on the predefined amount, the Management Board in liaison with the Supervisory Board resolved to apply the adjustment multiplier of 0.95%, whereby bonus amount was reduced by 5%. In February 2023, the bonus was paid out to Bank employees from the specific provision.

4. Identified Staff annual bonus

In March 2023, the bonus for Identified Staff was settled in accordance with the *Variable Remuneration Policy for Identified Staff of ING Bank Śląski S.A.*:

- 1) variable remuneration for 2022 was set and the non-deferred portion of the bonus was awarded,
- 2) following positive verification of the assessment with consideration of *ex-post* risk and capital test, the Bank awarded the relevant portions of deferred variable remuneration for 2018, 2019 and 2020.

The base terms and conditions of variable remuneration disbursement were satisfied. The Remuneration and Nomination Committee gave positive advice and, in consequence, the non-deferred 2022 bonus portion and the deferred bonus portions for 2018, 2019 and 2020 were paid out to the Identified Staff. An analogical adjustment multiplier was applied to the variable remuneration of Identified Staff.

No bonus shall be due should the employment contract be terminated under Article 52 of the Polish Labour Code. The Supervisory Board may also decide to reduce the annual bonus or not to pay it out in a given bonus award period based on verification of assessment of bonus tasks execution, taking *ex post* risk into account.

5. Incentive Programme for Identified Staff

In line with Ordinary General Meeting Resolution No. 29 of 7 April 2022, the Bank set up an incentive programme for identified staff of the Bank and of the consolidated Bank Group companies, save for ING Bank Hipoteczny S.A.

The programme was launched on 1 July 2022 and it superseded the earlier solution, whereunder a portion of variable remuneration was paid out in the financial instrument; i.e. phantom stock; the new programme is based on own shares.

For the period from 1 January 2022 to 30 June 2022, the variable remuneration portion was paid out in phantom stock, on the terms laid down in the earlier programme, and in own shares. For the period from 1 July 2022 to 31 December 2022, it was paid on the terms laid down in the new programme, pro rata to the period of applicability of the earlier and new programmes. The period from 1 January 2023 to 31 December 2023 is the first full evaluation period for which a variable portion of remuneration will be paid based on own shares. Own shares are awarded free of charge as an element of variable remuneration for Identified Staff within the meaning of the *Regulation of the Minister of Finance, Funds and Regional Policy of 8 June 2021 on the risk management system and internal control system and remuneration policy in banks* (Journal of Laws 2021, item 1045). Programme functioning is preconditioned by acquisition of an adequate number of own shares



from the market. The Ordinary General Meeting of the Bank authorised the Bank Management Board to acquire own shares on the terms and conditions laid down in Resolution No. 29 of 7 April 2022. On 13 March 2023, the Polish Financial Supervision Authority gave permission for ING Bank Śląski S.A. to repurchase the own shares of the Bank (i.e. instruments of the Bank's Tier I capital) in the number of no more than 800,000 (in words: eight hundred thousand), representing in total no more than 0.6% of the Bank's share capital, for the total amount not exceeding PLN 200,000,000 (in words: two hundred million Polish zlotys) in the years 2023-2027, in order to offer the same to selected employees of the Bank and Bank Group under the incentive programme.

Should – for whatever reasons – the share acquisition process from the market prove unfeasible or impossible without taking excessive effort or within the predefined timelines, then for the needs of further performance of Bank's obligations under the Programme, the Bank Management Board – upon the consent of the Supervisory Board – can take a decision to replace own shares with another financial instrument whose value is shaped by the value of Bank shares or to otherwise perform Bank obligations under the Programme.

The rights to phantom stock allotted before the commencement date of the new programme will be exercised in the manner applicable to date. Notably, the deferred portions of remuneration awarded in phantom stock will not be converted into own shares.

Under the transactions made under the repurchase of the first tranche of own shares (from 12 May 2023 to 3 July 2023) and of the second tranche of own shares (from 5 December 2023 to 29 December 2023), the Bank acquired 47,731 own shares in total for the total amount of PLN 10,312,204.00 representing in total approximately 0.03669% of the share capital and approximately 0.03669% of the total number of votes at the Bank General Meeting. A portion of own shares being non-deferred shares allotted under the annual bonus set for 2022 was transferred to individual brokerage accounts of Management Board Members and Identified Staff in the following numbers:

<b>Bank Management Board</b>	<b>Identified Staff</b>
7 772 own shares	17 159 own shares

The rights to phantom stock allotted before the commencement date of the new programme will be exercised in the manner applicable to date. Notably, the deferred portions of remuneration awarded in phantom stock will not be converted into own shares.

## 6. Hybrid work model

In March 2022, the Bank launched a hybrid work model as a permanent work model. Under the model, company duties are performed in office and from home alternately. In 2023, we changed our approach to payment of the adaptation allowance; two types of allowance were introduced instead of one:

- 1) allowance for remote work – compensating for the costs of remote work, and
- 2) office allowance – supporting commuting employees.

In December 2023, by analogy to the previous year, we paid our employees higher allowances of PLN 1,500 gross. All eligible employees were paid the same allowance amount, regardless of their working time. All employees hired on the employment contract basis as at 31 December 2023 received the allowance. The following persons were not eligible for the payment: persons on maternity leaves, parental leaves, childcare leaves and unpaid leaves (including sabbaticals) as well as persons with whom we closed cooperation. Persons returning from long-term absence and employed in 2024 will receive the allowance on a pro rata basis, calculated from the month of their return to work or from the hiring month. Eligible persons will be verified and the allowance will be paid after the end of a given quarter.



## 7. Additional allowance / benefits

The offer of fringe benefits has been structured into four pillars (Health, Energy, Activity and Finance), which define the holistic approach to the benefit package supplementing fixed and variable remuneration which is offered to employees.

2023 was yet another year during which we focused on communication with and education of employees on the offer of benefits and the wellbeing offer. To that end, we continued periodical workshop meetings with employees during which we discussed our offer and received feedback as to the staff expectations. Approximately 1,100 employees from various bank areas took part in the 12 meetings in 2023. With a view to making the offer more transparent and improving the knowledge of its availability among the staff, we started a new initiative – we send employees a monthly Wellbeing Newsletter in which we communicate details of the offer, present events planned for the following month and inform employees of the sites where they can find information of use and interest from the benefits area. Information about benefits and planned events are grouped under defined pillars of our wellbeing strategy.

### 1) Health

Our goal under the Health pillar is:

- to ensure that every employee has access to top quality medical services (along with the package of dental services and refunding programme offer),
- to eliminate the increase in prices of services rendered by the medical services provider (since 2022 the prices have gone up by nearly 90% of the initial price) – price increase was covered by the employer, whereby employees were not encumbered with the extra cost,
- to provide employees with preventive care programmes, including the offer of a comprehensive health check-up, flu vaccinations and cancer prevention programme with a unique feature, whereby employees may take part in the Genetic Testing procedures.

Under the Health pillar, in 2023:

- we promoted the preventive health screening initiatives and we encouraged employees to do the check-ups. In total, more than 2,100 employees took advantage of the offer.
- we continued the programme of co-funding of the HPV vaccination procedures for children of 9-18 years of age. Additionally, we launched refunding of vaccinations against tick-borne encephalitis. 530 persons made use of the refunding programme.
- as part of the cancer prevention programme, the Bank cooperates with renowned diagnostics and care centres all over Poland. It was for the fourth time that year that we offered our employees co-funding of genetic testing during which the risk of cancer is estimated – the ING Genetic Testing programme. Furthermore, we propagate health education among employees. Under the Pink October campaign, a cancer prevention programme webinar concerning breast cancer prevention was organised for women.
- Employees could enrol for massage, consultations with a dietician or a personal trainer and physiotherapist. In October, we had an eye month during which employees could have consultations with an optometrist.

### 2) Energy

Our goal under the Energy pillar is to ensure psychological support for our employees. Our flagship products are extra days off (for special occasions, for holiday, voluntary activity or



to care for their next of kin), the offer for staff children, psychological care and support in difficult everyday situations.

The package of benefits provides for extra days off due to child birth or wedding and their number is higher than the statutory limits (higher than the number of days off provided under the applicable laws). A Day Off for Family is a unique product in the days off offer; employees can take advantage of that day off, and either take an entire day off or take an hour or more hours off, depending on their needs.

We also support parents in that we offer:

- an extra paid maternity leave of 10 days,
- an extra paid paternity leave of 5 days,
- the ability to take advantage of 2 days to care for a child up to 18 years of age.

We dedicate a separate package of extra days off to deal with life situations related to disability; those extra days off include:

- 5 extra vacation days for parents who have a child with a certificate of disability,
- 2 extra days off for employees who take care of family members with disability, and
- 3 extra days off for employees who have a certificate of mild disability.

The extra days off to which staff members are entitled include:

- as many as 5 days per calendar year as a reward,
- a day off for employees who work on a shift basis (that is at night time, on Sundays and statutory holidays),
- a sabbatical leave which is an extended period of time away from work to rest or study, and
- an extra day off to celebrate a jubilee.

In 2023, in view of the developments that we believed had determined the need for psychological support to employees (post-pandemic period and the war in Ukraine), we focused on mental health. As part of those actions, we undertook the following activities:

- Mental Health Platform – it provided the employees with the ability to talk to a therapist, a coach, as well as a financial advisor or a legal advisor. There is a total of approximately 3,000 participants of the Platform. In addition, employees can take part in thematic podcasts, webinars and recordings. Within the Platform, employees have unlimited access to workshops and development sessions. There are live meetings which are also accessible to individuals who were unable to take part in the live meetings. The workshop topics are selected as needed and they are changed on a regular basis. The employees can also invite their loved ones to take advantage of such a form of help. The World Mental Health Day which is celebrated in October is another occasion where we enable our employees to take advantage of 50 extra hours for psychotherapy within the Platform.
- we continued the operation of the Orange Help-Line – it is a dedicated anonymous help-line which is served by certified psychologists who offered the employees the ability to discuss their well-being, their fears or issues. All ING employees and their loved ones can take advantage of the support.

In 2023, we also organised special events dedicated to the children of our employees:

- Children's Day in our office buildings in Katowice and Warsaw – children of our employees from all across Poland were able to take part in multiple workshops, events and competitions. Each visitor also received a gift on the occasion.





- Santa Claus Day – in December, all parents received an extra PLN 50 per child in their Cafeteria account.

In addition, we organised the following events for employees:

- Wellbeing Day

On 8 September which is a World Wellbeing Day we reminded our employees that each and every day they can make small steps to boost their physical health, emotional harmony and good relations with others. On that occasion, the Bank credited Cafeteria accounts of employees with extra 50 points which teams could spend to arrange some special time, by ordering lunch together or going to cinema together for example.

- Energy Days

A week-long event called Energy Days was held in October. Employees took advantage of various relaxation forms, including mindfulness sessions and sound relaxation sessions. There was also an exhibition of illustrations under the theme “Sensitive As a Child” (*Wrażliwe jak dziecko*).

### 3) Activity

Our goal as part of the Activity Pillar is to encourage employees to take up physical activity. Our flagship products include:

- “Biegnij Warszawo” (“Run, Warsaw”) event for employees and their families which has been implemented since 2017 and which was attended by nearly 5,000 participants in 2023,
- the “Aktywni ING” platform which was implemented in 2021 and which allows employees to take part in sport challenges. Thanks to the active promotion of the platform and regular sport challenges, we closed off 2023 with 1,450 active users.
- *Mocodajnia* – a creative meeting room in our registered office in Katowice, where we organise classes based on the needs reported by our employees, for example: how to prevent back ailments, how to reduce stress and muscle tension. To encourage employees to take up physical activity, in September, we organised the Open Doors of *Mocodajnia* – during those several days, employees based in Katowice were able to take part in more than 20 different classes, such as morning start-up, stretching, Krav Maga, yoga and relaxation, as well as dance classes where they could learn how to dance rumba, cha-cha, etc. Employees also had the ability to take advantage of individual consultations with a personal trainer. Each person who took part in the event received a gift voucher which could be redeemed against healthy, freshly pressed juice.
- Sport budget to support the sport passion of our employees, promote healthy lifestyle and physical activity, as well as to promote and reinforce the image of ING as an employer that takes care of promoting sports among its staff. Employees may apply for reimbursement of competition fees or costs they had incurred to take part in sport leagues or to rent a sport facility for training purposes.
- Football Tournament – 249 players took part in the event; the event was a charity event. As part of promoting sports activity, the winning teams donated the cheques totalling PLN 10,000 to three charities.
- Table Tennis Tournament – the first edition of the Table Tennis Tournament was held in 2023. More than 100 employees took part. They played on 12 tables.



- Move June (*Porusz czerwiec*) – in 2023, we promoted active and healthy lifestyle among employees. We organised an engagement campaign under the theme “Move June” (*Porusz czerwiec*), in which more than 5,000 employees were involved.

#### 4) Finance

Financial security and financial education of our employees are the goals of our activities under the Finance Pillar. Our flagship products under that Pillar include:

- Employee Pension Programme – as part of the programme, the Bank enables employees to accumulate extra funds for their pension, and the Bank finances the basic contribution,
- Group life insurance policy with two insurance companies. The ability to use the employer-sponsored insurance plan is a real benefit for the employees,
- The Cafeteria plan which has operated at the Bank since 2017. Employees have access to sport cards and a flexible benefit offer. The Cafeteria is accessible to all employees, and the number of points depends on their salary level. The Cafeteria plan was subject to a thorough review in 2023 which allowed us to determine new rules of the plan functioning, effective as of 2024. The tool we have offered to the employees is more flexible, and gives them access to all benefits and services without any limits that had previously applied due to the fact that the benefit was tied with the in-house social benefits funds. At the same time, we implemented a rule, whereby the points were awarded based on the salary grade.

In 2023, we implemented a number of educational activities and offered employees support in the form of financial allowances. As part of those actions:

- we educated employees on financial matters and supported their financial well-being by providing them with useful knowledge. Before we launched those activities, we had held a poll among the employees which confirmed that they were interested in such activities. In response to their needs, we focus on the following areas:
  - promoting knowledge of pension schemes to save for their future pension,
  - providing assistance with personal taxes in the form of conferences, chats and brochures prepared by third-party experts,
  - providing them with knowledge and support in regard to the market situation in Poland, finance psychology or household budget.

#### 8. Gender pay equity

The Remuneration Policy of ING Bank Śląski S.A. Group is gender neutral, which means that it does not create conditions for any gender to be favoured in an unjustified manner with regard to terms and conditions of remuneration.

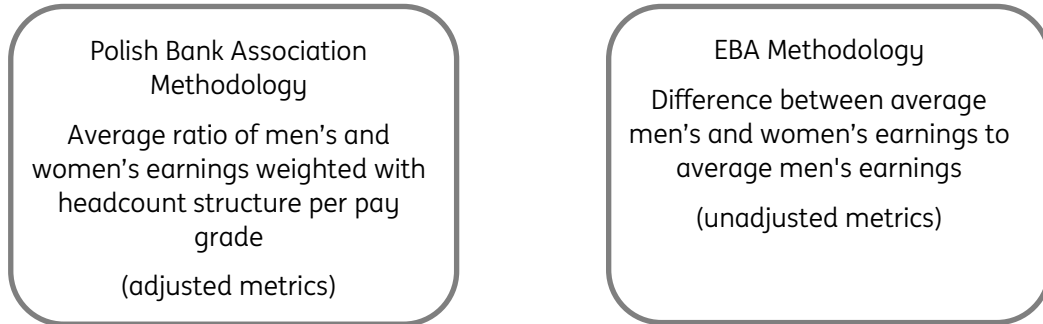
We have monitored the ratio of men's and women's earnings at ING Bank Śląski Capital Group on a regular basis. Starting 2024, the Bank has calculated the ratio of men's and women's earnings based on two methodologies – the existing approach developed jointly by the banking sector at the Polish Bank Association (PBA) and the methodology set out in the European Banking Authority Guidelines EBA/GL/2022/06 (EBA). In 2023, the ratio at the ING Bank Śląski S.A. Group stood at, respectively, 95% and 32%.

The new method for the index calculation derives from the entry into force of the EBA Guidelines and the ensuing duty to report on the pay gap to the Polish Financial Supervision Authority and the National Bank of Poland. At the same time, the Bank continues to calculate the ratio of men's



and women's earnings based on the previously developed approach so as to allow for their comparison over time, and also to account for the Bank's ambitions for the coming years as part of the key priorities of the Bank's business strategies for 2022-2024.

Ratio calculation methodology:



The change in the pay gap from 96% in 2022 to 95% in 2023 was mainly influenced by changes in the workforce structure, particularly transfers of employees between pay grades (promotions). The bonus paid to employees is a major element that affects that ratio as it is not accrued for newly hires and for women who are on long-term leaves of absence (as per the effective regulations).

From 2022 onwards, we started analysing the salaries of employees occupying positions with the same profiles, identifying those who earn statistically more or less for a given profile, also relative to the opposite sex. We use a statistical model developed by ING Group in collaboration with a third-party consultant (Deloitte). With a view to ensuring comparable analyses among individual countries, modelling is made centrally and its deliverables are distributed locally. Each employee whose remuneration is outside of the mid-salary brackets for a given job profile is analysed to see the root causes of the said state of affairs. This is because there are circumstances in which remuneration of employees doing similar job can be diversified; for example when their competence level or their performance are different. Analysis results are later relayed to managers and their are an element of building remuneration policy-related awareness.

9. Review and update of regulations

- 1) As part of the review of the remuneration-related regulations, amendments were proposed to: ING Bank Śląski S.A. Group Remuneration Policy, which stemmed from:
  - the need to account for the changes to the global Step Up Performance Management process,
  - clarification of the provisions regarding the remuneration policy as a fulfilment of the recommendations after the internal audit of the MIFID II implementation,
  - introduction of an allowance for remote work/office allowance in accordance with the General Terms and Conditions of Remunerating the Employees of ING Bank Śląski S.A. as part of an additional benefit constituting part of the Bank's general policy.
- 2) Variable Remuneration Policy for Identified Staff of ING Bank Śląski S.A., which stemmed from:
  - accounting for the changes to the global Step Up Performance Management process,
  - comments submitted by non-CoE HR units and the practice of applying regulations, especially regarding the template of the Agreement for Participation in the Incentive Program and the Agreement for the Acquisition of the Own Shares of ING Bank Śląski S.A.



(and Taking Up of the Phantom Shares) in connection with participation in the Incentive Program.

10. Meetings of the Remuneration and Nomination Committee

In 2023, the Remuneration and Nomination Committee of ING Bank Śląski S.A. held 9 regular meetings and 2 by way of circulation.

11. Inspections and controls

Between 14 August and 8 September 2023, the Internal Audit Department carried out an audit of the process of remunerating identified staff at ING Bank Śląski S.A. The purpose of the audit assignment was to evaluate the design and operating effectiveness of the key internal controls relating to the process of remunerating the identified staff at the Bank.

The audit findings confirmed that the process of determining and payment of the remuneration to Bank employees (including identified staff members at the Bank) had been regulated by internal remuneration policies which are updated, supervised and monitored on a regular basis by the Supervisory Board who are supported by the Remuneration Committee. The audit function did not identify any material risks in the areas being audited, and thus confirmed that the control mechanisms for the process of remunerating the Identified Staff was adequate and effective.

**The Supervisory Board are of the view that in 2023 the Bank respected the principles of its remuneration policy.**





ING Bank Śląski S.A.

### **Update on amendments to the ING Bank Śląski S.A. Supervisory Board Bylaw**

This update is presented to the General Meeting as part of agenda item 8 of the ING Bank Śląski S.A. General Meeting, convened to be held on 11 April 2024: *Presenting the update on amendments to the Supervisory Board Bylaw*.

The duty to update the General Meeting on amendments to the *Bank Supervisory Board Bylaw* derives from recommendation no. 9 set out in Recommendation Z of the Polish Financial Supervision Authority (hereinafter: the PFSA) on corporate governance principles at banks, which has been in effect since 1 January 2022.

Most significantly, pursuant to recommendation no. 9, where the *Supervisory Board Bylaw* is enacted by the Supervisory Board rather than by the General Meeting, the General Meeting shall be updated on the *Bylaw* enacted, or the General Meetings shall approve it, depending on the solution adopted at the bank.

ING Bank Śląski S.A. has adopted a solution, whereby the Supervisory Board enact their own *Bylaw* (§24.4 of the *ING Bank Śląski S.A. Charter*). Therefore, the relevant information on the applicable *Supervisory Board Bylaw* and amendments thereto will be presented to the General Meeting.

In 2023, the *Supervisory Board Bylaw* was updated only once. The amendments which were adopted with Supervisory Board Resolution No. 84/XX/2023 of 1 December 2023 specify that the Supervisory Board shall exercise its powers, upon accounting for the recommendations and guidelines of the regulators.

To fulfil the duty envisaged under Recommendation No. 9, the current version of the *ING Bank Śląski S.A. Supervisory Board Bylaw* has been enclosed herewith for the General Meeting. The current version of the *Bylaw* can be also found on the ING Bank Śląski S.A.'s website, tab: *Company profile/ Legal documents*.



## ING BANK ŚLĄSKI S.A. SUPERVISORY BOARD BYLAW

### I. General Provisions.

#### § 1

The Supervisory Board of ING Bank Śląski S.A. (hereinafter referred to as the “**Supervisory Board**”) acts pursuant to the Banking Law, Commercial Companies Code, Bank Charter and this Bylaw.

#### § 2

1. The Supervisory Board supervises all areas of the Bank operation on a continuous basis.
2. The authority of the Supervisory Board is provided for by the Banking Law, Commercial Companies Code as well as other legal regulations and provisions of Bank Charter, considering regulatory recommendations and guidelines.

### II. Supervisory Board Composition, Mandate and Term.

#### § 3

1. The Supervisory Board is composed of Members elected by the General Shareholders Meeting by secret ballot.
2. The number of the Supervisory Board Members is determined by the General Shareholders Meeting; however it should be at least five (5) and not more than eleven (11). At least half of the Supervisory Board Members, including the Supervisory Board Chair, should be the citizens of the Republic of Poland.
3. The Supervisory Board Members should have specialist knowledge of and experience in each material area of operations pursued by the Bank and understand the nature and risk of Bank's operations inside out.
4. At least two Members of the Supervisory Board should be free from any relations with the Bank, its shareholders or employees, if those relations could significantly affect the ability of the said Member to take impartial decisions (“**Independent Members**”).
5. The Independent Members should meet the following criteria in particular:
  - 1) they are not or have not been over last 5 years from the appointment date, Members of the senior management, and they are not or they have not been Members of the Bank Management Board or of the management board or other managing body of a related unit of the Bank,



- 2) they are not or have not been over last 3 years from the appointment date, employees or persons employed under a different agreement of a similar nature at the Bank or its related unit,
- 3) they do not exercise control as defined in the Accounting Act or do not represent persons or entities that exercise control over the Bank,
- 4) they do not receive or have not received any additional considerable remuneration from the Bank or its related unit, except for remuneration they received as Members of the Supervisory Board or other supervisory or control body, including the Audit Committee,
- 5) they do not maintain or did not maintain during last year from the appointment date any material business relations with the Bank or its related unit, directly or as an owner, partner, shareholder, Member of the supervisory board or other supervisory or control body, or a senior management Member such as a Member of the management board or other managing body of the entity that maintains such relations,
- 6) they are not or have not been over last 3 years from the appointment date:
  - a) owners, partners (including general partners) or shareholders of the existing or former auditing firm performing the audit of the Bank's financial statements or of its related unit, or
  - b) Members of the supervisory board or other supervisory or control body of the existing or former auditing firm performing the audit of the Bank's financial statements, or
  - c) employees or senior management, including members of the management board or other management body of the existing or former auditing firm performing the audit of the Bank's financial statements or of its related unit, or
  - d) other natural persons whose services were used or that were supervised by the existing, or former auditing firm or statutory auditor acting on its behalf,
- 7) they are not members of the management board or other managing body of the unit where the Management Board Member is a member of the supervisory board or other supervisory or control body,
- 8) they have not been Supervisory Board Members for more than 12 years,
- 9) they are not spouses, persons remaining in cohabitation, direct relatives or kinsmen and secondary relatives or kinsmen up to the fourth degree – of the Bank Management Board Member or persons referred to in items 1-8,
- 10) they are not persons related due to adoption, custody or guardianship with the Bank



Management Board Member or persons referred to in items 1-8,

11) they are not actually or materially connected with the shareholder having at least 5% of the total number of votes at the General Meeting of the Bank.

6. The persons being candidates for the Supervisory Board Member should submit a statement, determining whether the candidate meets the criteria for being the Independent Member as indicated in section 5, and also whether there exist the circumstances causing the candidate to be dependent.

7. The Supervisory Board Member is required to inform the Bank immediately, however not later than before the following meeting of the Supervisory Board, about each a change to the status laid down in section 5 as well as about any new circumstances possible to affect the independence assessment.

8. Each Supervisory Board Member is required to submit at least once a year the statement referred to in section 6. The statement is made at the beginning of the calendar year.

9. The statements referred to in sections 6 and 8 shall be verified by the Bank, in particular during the suitability assessment of the candidate or suitability re-assessment of the Supervisory Board Member.

10. The Supervisory Board appoint a Supervisory Board Chair and one or two Deputy Chairs from among Members.

11. The Supervisory Board Chair shall be selected in particular on the basis of experience and team management skills, upon accounting for the independence criterion.

12. Should two Deputy Chairs be selected, the Supervisory Board shall entrust the role of Deputy Chair I to one of them.

13. The Supervisory Board Chair should not combine this function with chairing the Audit Committee of the Supervisory Board.

14. In the absence of or if there is an impediment to performing the function of the Supervisory Board Chair, the Chair's rights and obligations are performed by the Deputy Chair. If two Deputy Chairs were elected, Deputy Chair I and in their absence the other Deputy Chair shall perform the rights and obligations of the Board Chair in the circumstances described in the foregoing sentence.

#### **§ 4**

1. Supervisory Board Members are appointed for a joint term of office which shall commence upon the appointment date and last for the four subsequent full accounting years.

2. Mandates of the Supervisory Board Members expire as of the day of the General Shareholders Meeting approving the financial statements for the last full year of their office.

3. The mandates of the Supervisory Board Members expire before the end of the term:

1) in case of resignation of the Supervisory Board Member from his/her office, as of the day of





notifying the Bank thereof or as of the day specified in the resignation letter, which shall however not be earlier than the notification day,

- 2) in case of recalling the Supervisory Board Member by the General Shareholders Meeting, as of the day of adopting an appropriate resolution,
- 3) in case of death of the Supervisory Board Member.
4. If, due to the expiry of a mandate, the number of the Supervisory Board Members decreases below 5 Members, the Supervisory Board Chair shall notify the Bank Management Board about the urgent need to convene the Extraordinary Shareholders Meeting in order to supplement the Supervisory Board composition to at least the statutory minimum.
5. The Supervisory Board Member should not resign from this function during the term of office, under the circumstances when the resignation could be to detriment of the Supervisory Board's functioning and, in particular, in the aspect of passing resolutions.

### III. Supervisory Board Members.

#### § 5

1. Subject to section 2 herein, the Supervisory Board Members may perform their duties exclusively in person.
2. The Supervisory Board Members may participate in adopting Supervisory Board resolutions by casting their votes in writing through the agency of another Supervisory Board Member. Casting the votes in writing cannot refer to the issues added to the agenda during the Supervisory Board meeting.
3. The Supervisory Board Member should perform his/her function in an active manner, showing the necessary level of commitment and devoting the time as required to perform the tasks properly, notably by active participation in meetings and other works of the Supervisory Board and its Committees. In his/her actions, each Supervisory Board Member shall consider interest of the Bank and the independence of opinions and judgements.
4. In case the Supervisory Board Member cannot attend the meeting, s/he is obliged to inform the Supervisory Board Chair thereof, stating reasons for his/her absence.
5. The Supervisory Board Member is obliged to inform the Supervisory Board Chair about any obstacles to execute his/her mandate that may last for more than 6 months. If the impediment referred to hereinabove relates to the Supervisory Board Chair, the Chair notifies the Deputy Chair accordingly. The notification should be made in writing or via means of electronic communication.
6. In the case of impediment referred to in section 5 , should a person concerned not submit his/her resignation, the Supervisory Board Chair may apply § 4 section 4 hereof. If the impediment to executing



the mandate relates to the Supervisory Board Chair, the Deputy Chair shall be vested with the said right.

7. In the event referred to in section 6, the Supervisory Board Chair or the Deputy Chair respectively notifies the Chair of the Remuneration and Nomination Committee about the ensuing situation in order to verify whether the suitability of the Supervisory Board needs to be assessed.

## § 6

1. The Supervisory Board performs their functions collectively. The Supervisory Board may delegate their Members to perform certain supervisory activities autonomously, however, it shall define the principles for such supervision.

2. Delegated Supervisory Board Members should advise the Supervisory Board of their supervisory activities and their outcome at least once a quarter in the financial year.

3. Under their supervisory functions, the Supervisory Board shall have the right to control the entire scope of the Bank activities, and in particular to:

- 1) check books, records and documentation,
- 2) audit the Bank assets and carry out financial control,
- 3) request that the Bank Management Board, holders of commercial powers of attorney and persons employed under a contract of employment or regularly performing for the Bank certain activities under a contract of mandate, a contract for specific work or other contract of similar nature develop or deliver thereto any information, documents, reports or clarifications concerning the Bank, and its operations or assets in particular; the request may also pertain to the information, report or clarification held by the body or obligated person for the subsidiaries or related companies,
- 4) participate in the meetings of the Bank Management Board.

4. The information, documents, reports or clarifications referred to under section 3.3) shall be delivered to the Supervisory Board immediately, but not later than within two weeks from the date of request notification to the body or the obligated person, unless otherwise stated in the request.

5. The scope and mode of control and supervisory activities performed personally by the Supervisory Board Member shall be determined every time by the Supervisory Board or by the Supervisory Board Chair authorised by the Supervisory Board.

6. The Member of the Supervisory Board may be delegated temporarily to perform the functions of a Bank Management Board Member who is unable to perform his/her duties.



**§ 7**

1. When performing their duties, a Member of the Supervisory Board should exercise due diligence connected with the professional nature of their business and should remain loyal towards the Bank. A Supervisory Board Member will not violate the duty of due diligence connected with the professional nature of their business when acting in a loyal manner towards the Bank and with justified business risk (the so-called business judgement rule), including based on the information, analyses and opinions which should be accounted for in given circumstances while performing due assessment.
2. The Member of the Supervisory Board is obliged to keep secret all information obtained while performing his/her supervisory duties, also after expiry of his/her mandate.
3. The obligation to keep the information secret refers especially - pursuant to relevant legal regulations - to the State-, banking- and trade secrets, as well as to reports and information that the Bank, as the issuer of publicly traded securities, is obliged to disclose to the Polish Financial Supervision Authority and Securities and Stock Exchange Commission, Stock Exchange and news agency before making them public.
4. The Supervisory Board Member is also obliged not to disclose the subject and course of the Supervisory Board meetings, as well as resolutions and results of voting of the Supervisory Board; moreover, s/he is obliged to protect documents given to him/ her and being the subject of the Supervisory Board's works from the access of unauthorised persons.

**§ 8**

1. When performing an activity not related to his/ her function on the Supervisory Board, the Supervisory Board Member should refrain from taking up professional activity or non-professional activity, including non-profit activities, that could lead to a conflict of interest, otherwise adversely impact his/her reputation of the Member of the Supervisory Body of the Bank or if the time devoted to such activity would prevent proper performance of duties at the Bank.
2. Immediately after taking up the mandate, each Supervisory Board Member is obliged to place a written declaration to the Supervisory Board on:
  - 1) business activity carried out by him/her in person outside the enterprise of the Bank with the indication whether the said activity is competitive for the Bank, i.e. is even partially convergent with the Bank's business,
  - 2) being involved in a competitive company as a partner to a civil partnership or partnership or to any company or a member of another competitive legal entity,
  - 3) performing a function of a management or supervisory board member, other than set forth in item 2, of any company or other entity carrying out business activity, and about holding



functions in other entities,

- 4) holding shares or stakes in any company, if the said shares or stakes authorise the Supervisory Board Member to execute at least 5% of votes at a general shareholders (partners) meeting,
- 5) volume of Bank's shares held or rights to those shares (options),
- 6) personal, business and organizational connections with the shareholder having at least 5% of the Bank's shares.

Personal connections are understood as of family character (1<sup>st</sup> degree next of kin relationship or family connection) with the shareholder or member of its bodies if the shareholder is a body corporate.

Business connections are understood as any business relations.

Organisational connections are understood as relations resulting from the employment contract or similar legal relation.

3. The declaration referred to in the foregoing section, made by the candidate for the Supervisory Board Member, shall be deemed as the declaration made by the Supervisory Board Member.
4. The Supervisory Board Member is obliged to communicate forthwith each change that took place during his/her term, in the scope set forth in section 2.
5. The Supervisory Board Member may be additionally obliged to submit other declarations, if the obligation of their submission results from the regulations in force or the Bank's internal regulations.

#### **§ 9**

1. Pursuant to § 7 hereof, subject to § 20 section 1 item 2 hereof, the Supervisory Board Members should be moderate in contacts with mass media and prudent in relation to any external entrepreneurs, body corporates, individuals and organisational units, including in particular the Bank customers.
2. At the nearest Supervisory Board meeting, the Supervisory Board Members should inform the Supervisory Board about any activities and events stipulated in the foregoing that have taken place between the Supervisory Board meetings, and at the Supervisory Board Chair's request, they should present a written report.

#### **§ 10**

The Supervisory Board Members shall be responsible for any damage to the Company resulting from the activities contrary to the law or provisions of the Charter.

### **IV. Committees of the Supervisory Board.**



## § 11

1. In order to support the Supervisory Board in performing its functions, the Supervisory Board shall appoint out of members the Audit Committee, the Remuneration and Nomination Committee and the Risk Committee. If necessary, the Supervisory Board may also establish other Committees. The Committees perform consulting and advisory functions for the Supervisory Board and also deliver on other tasks under the law, instructions and recommendations of the regulator. When establishing a Committee, the Supervisory Board determines the tasks and rules of operation thereof.
2. The Members of the Supervisory Board may be at the same time Members of more than one Committee, with the proviso that Committee compositions should not be identical.
3. The Supervisory Board shall select Committee Members, including the Chair, at their first meeting in the new term of office. When selecting Members, the Supervisory Board factors in that all the Committee Members may rotate vis-à-vis the previous term of office. The Supervisory Board may rotate Committee Members during the term of office as well. Committee Members should be so selected as to cater to the need of adequate combination of knowledge, competence and experience in the area of a given Committee in order to ensure the broadest possible understanding of analysed matters, their objective assessment and taking of adequate decisions.
4. The Committees should cooperate with one another, whenever required.
5. Chairs of the Committees organise the works of the Committees and manage them; they represent the Committees in relations with other Committees and corporate bodies of the Bank and exercise other activities as set out in Committees Bylaws.
6. The Committees advise the Supervisory Board of their supervisory activities and their outcome at least once a quarter in the financial year. The principles of information delivery to the Board have been defined in the Committee Bylaws.

## § 12

1. The mission of the Audit Committee is to support the Supervisory Board in monitoring and supervising financial reporting, the internal and external audit and management system in the Bank and its related companies, especially the adequacy and effectiveness of the internal control system and risk management system, and the relationships between the Bank and the entity auditing the Bank's financial reports.
2. The Audit Committee is composed of at least three Supervisory Board Members. The majority of the Audit Committee Members, including the Chair, should meet the independence criteria of the Independent Members of the Supervisory Board. The Committee may choose for assistance some



experts not being Members of the Supervisory Board.

3. The detailed scope of operation and functioning of the Audit Committee is determined by the Bylaw passed by the Supervisory Board.

### **§ 13**

1. The mission of the Remuneration and Nomination Committee is to support the Supervisory Board in monitoring and supervising the human resources and payroll area of the Bank, selection of Management Board Members, the diversity policy, the assessment of suitability of Management Board Members, the succession plans, employee rotation processes, Bank employees satisfaction survey and remuneration and bonus policy.

2. The Remuneration and Nomination Committee is composed of at least three Members of the Supervisory Board. The majority of the Remuneration and Nomination Committee Members, including the Chair, should meet the independence criteria of the Independent Members of the Supervisory Board. The Committee may choose for assistance some experts not being Members of the Supervisory Board.

3. The detailed scope of operation and functioning of the Remuneration and Nomination Committee is determined by the Bylaw passed by the Supervisory Board.

### **§ 14**

1. The mission of the Risk Committee is to support the Supervisory Board in monitoring and supervising the risk management process, including the management of the operational risk, credit risk and market risk, as well as the process of internal capital quantification and the review of strategy and procedures of internal capital quantification and ongoing internal capital maintenance, capital management and capital planning, as well as the model risk.

2. The Risk Committee is composed of at least three Members of the Supervisory Board. The majority of Committee Members, including the Chair, should meet the independence criteria for the Supervisory Board Members. The Committee may choose for assistance some experts not being Members of the Supervisory Board.

3. The detailed scope of operation and functioning of the Risk Committee is determined by the Bylaw passed by the Supervisory Board.

## **V. Organisation of the Supervisory Board Work.**

### **1. Preliminary Provisions.**



#### **§ 15**

1. Subject to the provisions §17, the Supervisory Board shall pass resolutions during meetings.
2. The Supervisory Board shall hold the meetings at least five times a year, and at least once a quarter.

#### **§ 16**

1. The Supervisory Board's decisions, excluding the matters of routine, shall be made in the form of resolutions.
2. The Supervisory Board resolutions may cover in particular:
  - 1) formulating conclusions and recommendations stemming from the performed supervisory and control activities,
  - 2) granting permits and approvals,
  - 3) approval of strategies, policies and other documents,
  - 4) providing opinions,
  - 5) reports, assessments and information submitted by the Supervisory Board to the General Meeting, including in particular:
    - a) the annual report of the Supervisory Board for the previous financial year, providing at least for the following:
      - the results of the evaluation of the financial statements and the Management Board's reports on the operations of the Bank and its Group in the financial year, as well as the Management Board's motion regarding the distribution of the Bank's profit or loss coverage,
      - the evaluation of the Bank's standing on a consolidated basis, including the assessment of adequacy and effectiveness of the internal control system, risk management system, compliance and the internal audit function,
      - the assessment of performance by the Management Board of disclosure duties towards the Supervisory Board,
      - the total remuneration due from the Bank for all the research and analyses commissioned by the Supervisory Board in the financial year, in the manner set out in § 39,
      - the summary of the operations of the Supervisory Board and its committees in the financial year along with information on the composition of the Board and its Committees,
      - the assessment of the Bank's application of the principles of corporate governance and of the Bank's compliance with disclosure duties as to their application, as laid down in the WSE Rules and regulations on current and interim information provided by securities issuers,
      - the assessment of legitimacy of the Bank's expenditure borne in connection with



the policy concerning charitable and sponsorship initiatives,

– the update on the implementation status of the diversity policy for the Bank Management Board and Supervisory Board,

b) remuneration report for the ING Bank Śląski S.A. Supervisory Board and Management Board Members,

c) the report on the evaluation of the payroll policy at the Bank,

6) other matters within the Supervisory Board authority.

3. The Supervisory Board resolutions are valid only if all the Members of the Supervisory Board have been invited to the meeting, and more than a half of them, including the Supervisory Board Chair or at least one Deputy Chair, are present at the meeting.

4. The Supervisory Board adopt resolutions by absolute majority of votes. The requirement of the absolute majority of votes is fulfilled when the number of votes in favour of a given resolution exceeds half of all the valid votes. When the number of votes in favour of a given resolution is equal to the sum of votes against and abstained votes - then, the vote of the Supervisory Board Chair is decisive.

5. In the case of conflict between the Bank's interests and the interests of a Supervisory Board Member, their spouse, relatives and in-laws up to the second degree and the persons to whom Board Members are personally related, and in particular in the situations referred to in §8 section 1, a Supervisory Board Member should disclose such a conflict to other Board Members and should refrain from participation in resolution of such cases. S/he may further request that the foregoing be recorded in the minutes.

## § 17

1. The resolutions of the Supervisory Board may be passed in writing, without summoning a meeting. A draft resolution should be submitted to all the Supervisory Board Members so that they could get acquainted with it and to declare in writing the acceptance or rejection thereof. The Supervisory Chair may set a deadline for submitting declarations on accepting or rejecting the draft resolution.

2. The resolutions may also be passed through means of distance communication, including but not limited to outside of the meeting. In that case, the provision of §29.4 shall apply accordingly. All the Supervisory Board Members should be notified about the contents of the draft resolution as well as about the date of passing the same.

3. The resolutions passed pursuant to sections 1 and 2 herein are signed by the Supervisory Board Members who were taking part in adopting the said resolutions.

4. Information on the resolutions passed outside the meeting as provided for in sections 1 and 2,





including their number, a voting list of the Supervisory Board Members and voting results, a resolution date, subject matter of individual resolutions and any dissenting opinions is recorded in the minutes of the subsequent Supervisory Board meeting.

#### **§ 18**

1. The resolutions of the Supervisory Board are adopted in an open voting. For the matters laid down in the law, the Supervisory Board Chair orders the secret ballot. Amendments to the draft resolutions may be made during the meeting. Have any amendments been proposed, there should be a double voting: the former refers to the said amendments, and the latter to the amended draft resolution. Results of the voting are announced by the Supervisory Board Chair. Each Member of the Supervisory Board present at the meeting is entitled to have his/her remarks or dissenting opinion included in the minutes prior to their validation, notably if s/he recognises that the decision of the Supervisory Board contradicts interest of the Bank. The remarks not included and dissenting opinions are minuted along with the reasons for their non-inclusion.
2. The resolutions of the Supervisory Board are signed by all Members of the Supervisory Board present at the meeting.
3. The resolutions of the Supervisory Board bear subsequent numbers, number of the minutes, and the date and procedure of their adoption.

#### **§ 19**

1. While performing their control and supervisory functions, the Supervisory Board may also issue recommendations.
2. The recommendations are made pursuant to the provisions hereof, stipulating the procedure of passing the Supervisory Board resolutions.

## **2. Duties of the Supervisory Board Chair.**

#### **§ 20**

1. The Supervisory Board Chair:
  - 1) manages the work of the Supervisory Board,
  - 2) represents the Supervisory Board outside the Bank and before other Bank bodies, including individual Members of the Bank Management Board,
  - 3) initiates the adoption of a resolution pursuant to § 17 hereof,
  - 4) sets in the motion initiatives, proposals and documents to be discussed by the Supervisory



Board,

- 5) interprets the provisions hereof,
  - 6) determines the organisation and principles of office support for the Supervisory Board and supervises, with the support of the Deputy Chairs, execution of the same,
  - 7) takes up other actions resulting hereof.
2. The Supervisory Board Chair is required to properly organise the works of the Board, and to summon the meetings of the Board in particular.

### 3. Preparation of Meetings.

#### § 21

Within their powers and duties, the Supervisory Board take up actions at their own initiative or at the initiative of individual Members of the Supervisory Board, or on the grounds of motions and proposals presented by the Bank Management Board or any other authorised persons or bodies.

#### § 22

An issue is submitted to the meeting upon being included in the agenda of the meeting.

#### § 23

1. Prior to including a given issue in the agenda, the Supervisory Board Chair examines whether it comes within the Supervisory Board's competencies and whether the mover is authorised to make such a motion, and whether the issue is duly prepared in the factual aspect.
2. The Supervisory Board Chair rejects or returns to the mover an issue that does not meet formal submission conditions or is unduly prepared in the factual aspect, indicating the way or scope of necessary supplements.
3. While including a given issue in the agenda of the meeting, the Supervisory Board Chair may designate its reporter out of the Supervisory Board Members.
4. If necessary, the Supervisory Board Chair may order the work, research, opinions or expertise so that the Supervisory Board could review and resolve an issue. The provisions of §39 shall apply to the situation where the Supervisory Board intend to commission third parties to perform such works.

#### § 24

1. The Supervisory Board Chair summons the meetings of the Board with the use of invitations in which s/he sets the date, hour and venue of the meeting as well as the proposed meeting agenda and the manner of use of means of distance communication during the meeting..



2. If necessary, the Supervisory Board Chair orders to provide the Supervisory Board Members with copies of materials submitted to the meeting as well as opinions and expertise, if any.
3. If necessary, the Supervisory Board Chair invites to the meeting the persons mentioned in § 28, as well as advisors and experts.
4. The Supervisory Board Chair informs the President of the Bank Management Board about the date and venue of the Supervisory Board meeting.

#### § 25

The invitation to the Supervisory Board meeting shall be sent to all Supervisory Board Members and other persons invited at least a week before the date of the meeting. The Chair may shorten this period in justified cases.

### 4. Supervisory Board Meetings.

#### § 26

The first meeting of a newly appointed Supervisory Board is summoned and opened by the President of the Management Board or the eldest newly elected Member of the Supervisory Board.

#### § 27

1. The meetings of the Supervisory Board are summoned by the Supervisory Board Chair or by the Deputy Chair in the absence of the former, in accordance with the accepted plan or depending on needs.
2. The Supervisory Board may hold meetings also when not formally summoned, provided all the Supervisory Board Members consent thereto or do not raise objection against inclusion of individual matters in the meeting agenda.
3. The Management Board or a Member of the Supervisory Board may request that a Supervisory Board be summoned and suggest the meeting agenda. The Supervisory Board Chair summons the meeting with the meeting agenda as requested; the meeting is to be held within two weeks from the receipt date of the request at the latest.
4. Should the Supervisory Board Chair not summon the meeting of the Supervisory Board pursuant to the provision of section 3 herein, the requesting party has the right to summon the said meeting on his/her own.
5. Where the number of the Management Board Members drops below the minimum statutory level as a result of the expiry of the mandate, the Supervisory Board meeting shall be summoned immediately.



**§ 28**

1. The Supervisory Board meetings may be attended, without the right to participate in voting, by Members of the Bank Management Board, and other Bank employees relevant for an issue discussed and invited by the Supervisory Board Chair, as well as other persons.
2. Irrespective of the right, as referred to in section 1, the persons managing the Internal Audit Department Director and the Centre of Expertise – Compliance or their deputies participate, without a voting right, at the Supervisory Board meetings.
3. The Supervisory Board notify the key statutory auditor who audited the financial statements of the Bank – against an at least one-week notice – of the date of the meeting during which the financial statements and the reports of the Management Board on Operations of the Bank and its Group in the financial year and the Management Board motion on Bank's profit distribution or loss coverage are to be discussed and the annual report of the Supervisory Board is to be developed. The Bank ensures participation of the key statutory auditor or another representatives of the audit firm at the Supervisory Board meeting to enable them to present the audit report to and respond to questions of the Supervisory Board.

**§ 29**

1. The meetings of the Supervisory Board are held in the seat of the Bank.
2. The meeting can be held at the place other than the one mentioned in section 1, if so stated in the meeting invitation.
3. Supervisory Board meetings can be attended also using means of distance communication.
4. The use of means of distance communication can take the form of use of means of telephone, audio-visual and electronic communication. The applied means should ensure identification of the person attending the meeting as well as ensure for that person to exercise his/her rights, and to speak and vote during the meeting in particular.

**§ 30**

1. The Supervisory Board meetings are chaired by the Supervisory Board Chair, and in case of his/her absence by the Deputy Chair.
2. The Supervisory Board Chair presents the suggested agenda and orders voting over the same agenda.
3. During the meeting, the Supervisory Board may also pass resolutions on the matters not covered by the meeting agenda, provided no attending Supervisory Board Member objects thereto.



4. The Supervisory Board inform the Polish Financial Supervision Authority of including in the Supervisory Board meeting agenda the items on recalling the President of the Management Board or on recalling the Management Board Member in charge of management of the risk material to Bank business or on entrusting their duties to other Management Board Member along with the rationale behind the proposed decision.
5. Upon the meeting agenda being accepted, the Supervisory Board Chair opens and chairs the discussion on individual items of the agenda.
6. Speakers take floor according to the sequence of their request.
7. The Supervisory Board Chair gives floor in formal issues off the sequence of the request.
8. Formal issues are motions referring to the way of chairing the meeting and voting, and especially to:
  - 1) changing the sequence of items in the agenda,
  - 2) deleting an item from the agenda,
  - 3) breaking off the discussion and closing the list of persons taking the floor,
  - 4) ordering a break that is not in the agenda,
  - 5) voting without a previous discussion,
  - 6) deferring or closing the meeting.
9. The Supervisory Board Chair orders an open voting on motions referring to formal issues. Such motions are accepted with the ordinary majority of votes.

#### **§ 31**

1. All the documents submitted to the Supervisory Board meeting should be prepared in Polish and translated into English.
2. The Supervisory Board meetings are held in Polish or in English, upon consent of all the Supervisory Board Members present at the meeting.
3. The Supervisory Board Member who does not speak the Polish language in which the meeting is held may use the assistance of a translator and if necessary - of a sworn translator. The Supervisory Board Member intending to make use of the above right should notify the Supervisory Board Chair about this fact immediately upon receiving an invitation to the meeting.

#### **§ 32**

1. The Supervisory Board Chair postpones the meeting of the Supervisory Board if s/he perceives any irregularities in summoning the meeting (save for §27 section 2), or if - despite the fact that the meeting was summoned properly - there are not enough Members of the Supervisory Board



present at the meeting to make the resolutions of the Supervisory Board valid.

2. The Supervisory Board Chair may postpone the meeting of the Supervisory Board or discussion on a given issue coming from the agenda if it is necessary to obtain additional information, explanations or expert's investigation, as well as when a given issue may be reviewed only in the presence of the Members or representatives of the Bank Management Board.

### **§ 33**

1. The meetings of the Supervisory Board are minuted. The minutes are prepared in Polish and English.
2. The minutes of the meeting should include a subsequent number of minutes, date and venue of the meeting, names and surnames of the Supervisory Board Members present and voting, agenda, course of the discussion, texts of resolutions or a list of noted updates and the results of voting over individual resolutions. The minutes should include dissenting opinions expressed in the course of the meeting along with the potential rationale and remarks not included along with the reasons for their non-inclusion.
3. In the course of the meeting the motions, declarations, amendments and corrections to the motions and declarations, as well as dissenting opinions expressed by the Supervisory Board Members may be included in a written enclosure to the minutes signed by the submitting person.
4. The texts of motions, documents submitted and reports, information, drafts, and other materials considered by the Supervisory Board shall be enclosed to the minutes.
5. The minutes are approved at the next Supervisory Board meeting and presented to be signed by all the Supervisory Board Members present at the meeting covered by the minutes.
6. The minutes signed with no reservations by all the Supervisory Board Members, mentioned in section 5 herein, are deemed approved.
7. The approved minutes from the Supervisory Board meetings are kept along with enclosures are stored in the Bank Management Board Bureau, hereinafter referred to as the "Bureau".

### **§ 34**

At the request or with the consent of at least half of the Supervisory Board Members present at the meeting, the Supervisory Board Chair may order recording the whole or a part of the Supervisory Board meeting with sound recording equipment. Relevant records shall be stored in the seat of the Bureau.

### **§ 35**

The Members of the Supervisory Board may review the minutes and request copies of the minutes



certified by the Chair or Deputy Chair of the Supervisory Board.

## 5. Implementation of Supervisory Board Resolutions and Recommendations.

### § 36

1. The Supervisory Board Chair requests the execution of resolutions and recommendations of the Supervisory Board, and - unless the resolution or recommendation provides for that - defines the way and term of such an execution.
2. The Chair supervises, with the assistance of the Bureau, the execution of resolutions and recommendations.

## 6. Submissions.

### § 37

1. Motions, documents and other materials addressed to the Supervisory Board by the Bank Management Board are to be delivered at least a week before the planned date of the Supervisory Board meeting. In justified cases, the Supervisory Board Chair may agree to shorten the deadline for delivering the materials.
2. Notifications are to be delivered by registered mail, or by courier to address indicated by a Member of the Supervisory Board or electronically to the address of electronic mail indicated therefor by the Supervisory Board Member.
3. Any communication from the Supervisory Board to the Bank Management Board, its individual Members and Bank employees is delivered in the way described in section 2 herein to the address of the Bank Management Board via the President of the Bank Management Board.
4. The Supervisory Board Chair, at the request of a Supervisory Board Member or the President of the Bank Management Board, may request the above documents to be delivered in another way.

## V. Office Support for the Supervisory Board.

### § 38

1. The Bureau performs technical and organisational tasks connected with the Supervisory Board's operation.
2. The Bureau prepares in particular the technical aspects of the Supervisory Board meetings by



delivering notifications, invitations, documents and other materials connected with the Supervisory Board works to the Members of the Supervisory Board and other persons invited.

3. A detailed range of activities of the Bureau, connected with the Supervisory Board service, is determined by the Supervisory Board Chair.

#### **§ 39**

1. Upon obtaining advice from the Risk Committee, the Supervisory Board may pass a resolution on examining – at the Bank’s expense – a certain matter concerning the operations or assets of the Bank by a selected advisor. The advisor to the Supervisory Board can be also selected in order to develop certain analyses or letters of advice.
2. The Supervisory Board is to represent the Bank in the agreement between the Bank and the Advisor to the Supervisory Board.
3. The Management Board ensures for the Advisor to the Supervisory Board access to documents and provides him/her with requested information.
4. The Supervisory Board may decide to provide the shareholders with results of works of the Advisor to the Supervisory Board, unless the foregoing could be detrimental to the Bank, a related company or a subsidiary, notably through disclosure of technical, trade or company organisation secrets.
5. Should a decision be taken to provide the shareholders with results of works of the Advisor to the Supervisory Board, the Management Board should provide the same in the manner used to announce the fact of convening the general meeting, within two weeks from adoption of the Supervisory Board resolution.

#### **§ 40**

1. The Bureau keeps and archives the documentation of the Supervisory Board works, observing the confidentiality clause hereof.
2. The way of keeping and archiving such documentation is determined by the relevant regulations in force at the Bank.

## **VI. Final Provisions.**

#### **§ 41**

1. Costs of the Supervisory Board operation are covered by the Bank in accordance with the budget defined in the Mid-term Plan (MTP).





2. The Bank Management Board ensures the administrative and technical support for the Supervisory Board by organising the Bureau and providing it with relevant work conditions.

**§ 42**

1. This Bylaw shall be approved by the Supervisory Board.
2. This Bylaw shall be subject to review and assessment by the Supervisory Board in terms of its adequacy at least once a year. Should the necessity to introduce amendments to the Bylaw arise, the Supervisory Board Chair shall submit a relevant motion to that effect.
3. The General Meeting is provided with updates on the passed Bylaw and amendments thereto.

