

Legal Opinion

CONFIDENTIAL

PKO Bank Polski S.A.
ul. Puławska 15
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12 April 2024

Legal opinion on the adequacy of internal regulations concerning the functioning of the Supervisory Board of PKO BP S.A. with its registered office in Warsaw

I. SCOPE OF THE OPINION

1. In accordance with recommendation 8.9 *regarding internal governance in banks* (“**Recommendation Z**”), issued by the Polish Financial Supervision Authority (“**PFSA**”) in October 2020: *“the adequacy of internal regulations concerning the functioning of the supervisory board and the management board and the effectiveness of the functioning of these bodies should be subject to regular self-assessment, as well as assessment: by the supervisory board – as regards the management board, and by the general meeting (meeting of representatives) – as regards the supervisory board. The assessment may be carried out with the support of external advisors.”*
2. The subject matter of this legal opinion (“**Opinion**”) is the assessment, by the Rymarz, Zdort, Maruta, Wachta, Gasiński, Her i Wspólnicy sp.k. law firm (“**Law Firm**”), whether internal regulations concerning the functioning of the Supervisory Board of Powszechna Kasa Oszczędności Bank Polski S.A. (“**Bank**,” “**PKO BP**”) are adequate within the meaning of the aforementioned recommendation 8.9 of Recommendation Z.

II. SUMMARY

1. Having examined Internal Regulations (as defined in section IV of this opinion) concerning the activities of the Bank’s Supervisory Board, we consider them adequate within the meaning of recommendation 8.9 of Recommendation Z. Internal regulations are transparent and well-structured, and they ensure clear division of competences, thus enabling the effective and efficient functioning of the Bank’s Supervisory Board.
2. In particular, Internal Regulations enable members of the Supervisory Board to perform their

duties actively, exercising due diligence and commitment, as well as do not prejudice the independent judgement, and support decision-making based on objective and substantive arguments.

3. Moreover, they ensure that members of the Bank's Supervisory Board concentrate on the tasks entrusted to them, thus meeting the requirement of proper management of conflicts of interest. At this point, it should be clarified that the concept of "conflict of interest," in the context of recommendation 8.9 of Recommendation Z, should be interpreted in accordance with recommendations 8.7 and 8.8 of Recommendation Z (see: VI.5 of this Opinion). In accordance with the aforementioned recommendations, inter alia, members of the supervisory board should concentrate on the bank's core business, and the performance of functions in other entities should not interfere with their professional activities at the bank. Consequently, adequate internal regulations should ensure that members of the bank's supervisory board focus on the tasks entrusted to them.
4. When analyzing Internal Regulations, we have also identified no non-compliance thereof with the generally applicable legal regulations governing banking activities, as well as guidelines or recommendations of supervisory authorities.

III. FACTUAL BASIS OF THE OPINION

1. Pursuant to Article 137 section 1 point 5 of the Act of 29 August 1997 – Banking Law ("**Banking Law**"), the PFSA may issue recommendations on good practices of prudent and stable management of banks.
2. In October 2020, the PFSA issued Recommendation Z. Recommendation Z regards internal governance in banks. Internal governance comprises, in particular: the bank's management system, the bank's organization, operating principles, powers, duties and responsibilities as well as mutual relations of the supervisory board, the management board and persons in key functions in the bank.
3. The Polish Financial Supervision Authority expects Recommendation Z to be implemented at banks no later than by 1 January 2022.
4. In accordance with recommendation 8.9 of Recommendation Z: "*the adequacy of internal regulations concerning the functioning of the supervisory board and the management board and the effectiveness of the functioning of these bodies should be subject to regular self-assessment, as well as assessment: by the supervisory board – as regards the management board, and by the general meeting (meeting of representatives) – as regards the supervisory board. The assessment may be carried out with the support of external advisors.*"
5. PKO BP is a bank operating on the basis of generally applicable laws, the Articles of Association and in accordance with the market standards adopted by the Bank for use, while maintaining the national character of the Bank.
6. On 31 March 2023, the PFSA Office issued to banks operating in the form of a joint-stock company its position ("**Position of the PFSA Office**") regarding compliance with the requirements for assessing the adequacy of internal regulations concerning the functioning and effectiveness of operations of the supervisory board arising from Recommendation Z.
7. In accordance with the Position of the PFSA Office and Recommendation Z, as a first step, the bank's supervisory board should conduct a self-assessment of the adequacy of internal regulations for its functioning and effectiveness of its operations. Then the bank's general meeting should conduct an assessment of the adequacy of internal regulations for the

functioning of the supervisory board and effectiveness of its operations. The supervisory board's self-assessment does not replace the assessment carried out by the general meeting, and the assessment carried out by the general meeting does not exempt the supervisory board from carrying out the self-assessment.

8. In the Position of the PFSA Office, the PFSA Office noted that the supervisory authority is aware that bank shareholders may not have access to all internal regulations and documents relating to the functioning of the supervisory board and its effectiveness, for example, due to restrictions on access to these documents related to corporate secrecy under Article 428 § 2 of the Act of 15 September 2000 – Commercial Companies Code ("**Commercial Companies Code**"). However, this does not justify waiving the general meeting's assessment of the adequacy of internal regulations for the functioning of the supervisory board and effectiveness of its operations. This assessment should be carried out on the basis and within the scope of all information and documents that can be made available to the general meeting, in particular: expert reports, audit reports or opinions relating to the bank's internal regulations on the functioning of the supervisory board and effectiveness of its operations, prepared by external advisors based on the order of the bank, in compliance with the necessary principles of confidentiality and for the purposes of the assessment by the general meeting.
9. Additionally, in the Position of the PFSA Office, the PFSA Office notes that the use of the aforementioned expert opinions, audit reports or opinions should be a standard good practice, applicable in cases where the bank does not make available to the general meeting all internal regulations or other documents relating to the functioning of the supervisory board.

IV. **INTERNAL REGULATIONS CONCERNING THE FUNCTIONING OF THE BANK'S SUPERVISORY BOARD SUBJECT TO THE ASSESSMENT**

As regards the functioning of the Bank's Supervisory Board, our assessment covered the following internal regulations ("**Internal Regulations**"):

- a) Articles of Association of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna ("**Articles of Association of the Bank**");
- b) Rules of the Supervisory Board of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna ("**Rules of the Supervisory Board**");
- c) Organizational Rules of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna ("**Organizational Rules**");
- d) Rules of participation in a meeting of the Supervisory Board of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna by means of direct remote communication ("**Rules of e-meetings**");
- e) Rules of the Audit Committee of the Supervisory Board ("**Rules of the Audit Committee**");
- f) Rules of the Nominations and Remuneration Committee of the Supervisory Board ("**Rules of the Remuneration Committee**");
- g) Rules of the Risk Committee of the Supervisory Board ("**Rules of the Risk Committee**");
- h) Rules of the Strategy Committee of the Supervisory Board ("**Rules of the Strategy Committee**"); and
- i) Policy concerning the assessment of the suitability of candidates for members and members of the Supervisory Board of Powszechna Kasa Oszczędności Bank Polski S.A. ("**Supervisory Board suitability Policy**").

V. LEGAL BASIS FOR THE OPINION

This Opinion has been prepared on the basis of the following legal acts, positions and recommendations of the PFSA and Internal Regulations:

- a) Banking Law;
- b) Code of Commercial Companies;
- c) Recommendation Z;
- d) Position of the PFSA Office;
- e) Internal Regulations.

VI. ADEQUACY CRITERIA

1. Recommendation Z does not contain a definition of the notion of the “*adequacy of internal regulations*.” Therefore, the interpretation of this notion should be conducted taking into account other provisions of Recommendation Z, in particular with the consideration of: (1) wording of recommendation 8 of Recommendation Z – analyzed recommendation 8.9 constitutes a clarification of this recommendation; and (2) the position of the analyzed recommendation 8.9 in Recommendation Z.
2. In accordance with recommendation 8 of Recommendation Z, “*each member of the bank’s supervisory board and management board should perform his/her duties actively, exercising due diligence and commitment. He/she should make evaluations on the basis of his/her own independent judgement, as well as objective and substantive arguments, and take decisions in accordance with those evaluations. Members of the supervisory board and the management board and persons holding key functions in the bank should have a thorough understanding of the bank’s governance arrangements and of their role.*”
3. Point 8.9 of Recommendation Z is included in Part B, item 6 of Recommendation Z: “*Commitment, independence and management of conflicts of interest in the supervisory board and the management board.*”
4. Taking into account the aforementioned text of recommendation 8 of Recommendation Z and Part B item 6 of Recommendation Z, we believe that the “*adequacy of internal regulations*” should be assessed in the context of ensuring that members of the supervisory board are able to perform their duties actively, exercising due diligence and commitment. Adequate internal regulations should also not restrict independent judgement and should support making decisions on the basis of objective and substantive arguments.
5. Additionally, adequate internal regulations should ensure that conflicts of interest are properly managed. The notion of the conflict of interest should be interpreted in accordance with recommendations 8.7 and 8.8 of Recommendation Z. In accordance with the aforementioned recommendations, inter alia, members of the supervisory board should concentrate on the bank’s core business, and the performance of functions in other entities should not interfere with their professional activities at the bank. Consequently, adequate internal regulations should ensure that members of the bank’s supervisory board focus on the tasks entrusted to them.
6. As a side note, we would like to point out that a conflict of interest in a broader sense, i.e. at the level of the bank and individual authorities, is referred to in recommendation 13 of Recommendation Z, to which the requirement of recommendation 8.9 does not refer.

7. In addition, we would like to point out that the Law Firm believes that adequate internal regulations should comply with the generally applicable legal regulations, as well as with the recommendations and guidelines of the supervisory authorities.
8. To sum up, in the opinion of the Law Firm, internal regulations are adequate within the meaning of recommendation 8.9 of Recommendation Z when they: (1) enable members of the supervisory board to perform their duties actively, exercising due diligence and commitment ("**criteria of commitment**"); (2) do not prejudice the independent judgement, and support decision-making based on objective and substantive arguments ("**criteria of independent judgement**"); (3) ensure that members of the banks supervisory board concentrate on the tasks entrusted to them ("**criteria of the conflict of interest management**"); and (4) comply with legal regulations, guidelines and recommendations of supervisory authorities ("**criteria of compliance with legal regulations**").

VII. RESULTS OF ASSESSMENT OF THE ADEQUACY BY THE LAW FIRM

Organization and composition of the Supervisory Board

1. The Supervisory Board exercises continuous supervision over the Bank's activities in all areas of its operations.
2. The Supervisory Board of the Bank operates on the basis of generally applicable laws, the Bank's Articles of Association and the Rules of the Supervisory Board passed by the Supervisory Board and approved by the General Meeting of the Bank.
3. The Supervisory Board consists of five to thirteen members appointed for a three-year joint term of office. The number of members of the Supervisory Board is determined by a shareholder having the right to exercise, independently and on its own behalf, the biggest number of votes arising from the shares in the Bank's share capital at the General Meeting electing the Supervisory Board members ("**Eligible Shareholder**"); at present, it is the State Treasury. This authorization also applies in the case of putting forward a motion for electing the Supervisory Board by voting in separate groups.

Members of the Supervisory Board

4. Members of the Supervisory Board shall be appointed and dismissed by the General Meeting, taking into account the assessment of the candidates' compliance with Article 22aa of the Banking Law. Consequently, when electing members of the Supervisory Board, their knowledge, skills and experience shall be taken into account, appropriate for their functions and the duties entrusted, as well as guaranteeing proper performance of their duties.
5. Candidates for members of the Supervisory Board, in the number specified in accordance with the formula referred to in § 11 section 3 of the Bank's Articles of Association, can only be presented by an Eligible Shareholder. The candidates for the other seats on the Supervisory Board may be presented by all shareholders, including the Eligible Shareholder.
6. In accordance with the Policy, the suitability of a candidate for a member and a member of the Supervisory Board means that the person has good reputation, as well as, individually or together with others, has an adequate level of knowledge of the Bank's activities and the risks involved, as well as the skills and experience to perform the duties entrusted to them. The suitability shall also include integrity, ethics and independence of judgement and the ability to devote sufficient time to the performance of their duties.

7. The process of selection of members of the Supervisory Board must ensure the appointment of competent persons and guarantee their suitability and proper performance of their duties. In the selection process, the obligation of the Bank to have a sufficient number of independent Supervisory Board members, who satisfy the independence criteria applicable to audit committee members set in the Act of 11 May 2017 on statutory auditors, audit firms and public oversight, as well as independence criteria indicated the Best Practices of the Companies Listed on the Warsaw Stock Exchange are taken into account.
8. Assessment of suitability of candidates for members and members of the Supervisory Board takes the form of an individual and collective suitability assessment. In the process of individual assessment, the following is taken into account: qualifications, understood as knowledge, experience and skills in terms of their suitability for their functions and duties entrusted, as well as in terms of the principles for supervising the Bank's activities, and potential conflicts of interest that may be related thereto, and reputation understood as sufficiently good reputation. Additionally, the assessment involves the evaluation of integrity and adherence to ethical rules, the ability to formulate independent judgements, compliance with independence criteria and the possibility to dedicate a sufficient amount of time to performing the relevant duties, while taking into account the limitations on undertaking other activities and the ability to discharge duties in periods requiring particularly increased activity, including, but not limited to, those arising from restructuring, transfer of institutions, acquisitions, mergers, acquisitions or crisis situations.
9. The assessment of collective suitability takes into account the criteria arising from related guidelines issued by the national or European supervisory authorities, requirements set out in the generally applicable laws, focusing primarily on ensuring an appropriate level of knowledge, skills and experience in the context of the nature and scope of the Bank's operations and the material risks of such operations and in terms of the ability of the Supervisory Board, as an authority, to perform supervisory functions in the Bank.
10. All newly appointed members of the Supervisory Board are provided with key information related to their position including, inter alia, related to organization of the Bank, Supervisory Board and committees of the Supervisory Board, Management Board of the Bank, no later than within 1 month of the date of their appointment, and they are introduced to their duties within 6 months of the date on which they take up their functions.
11. When it is necessary to ensure proper performance of the tasks entrusted or in case of identified competency gaps in terms of individual or collective suitability, as well as in the case of reporting individual and collective development needs, actions shall be taken to enable the members of the Bank's Supervisory Board to acquire the expected competencies.
12. At meetings of this body, members of the Supervisory Board are provided with information on issues relevant to the Supervisory Board including, inter alia, those related to changing regulatory requirements, new areas of activity, strategic objectives and risks specific to the Bank's business, thus ensuring the continuous development of the knowledge, skills and competencies of the Supervisory Board members.

Meetings of the Supervisory Board
13. The Supervisory Board of the Bank operates on the basis of the Commercial Companies Code, other applicable legal regulations, the Bank's Articles of Association and the Rules of the Supervisory Board. The Rules of the Supervisory Board are passed by the Supervisory Board and approved by the General Meeting of the Bank.
14. Members of the Supervisory Board are obliged, inter alia, to attend meetings of the Supervisory

Board and to perform the activities for which they have been delegated by the Supervisory Board.

15. Meetings of the Supervisory Board are held at least once a quarter.
16. The Supervisory Board passes resolutions by an absolute majority of votes, in the presence of at least half of the members of the Supervisory Board, including the Chair or Deputy Chair of the Supervisory Board, except for resolutions specified in the Bank's Articles of Association, which require (apart from the quorum indicated) a qualified majority of 2/3 of the votes.
17. The Supervisory Board shall adopt resolutions in open voting. Secret voting is ordered with respect to personal issues or at the request of at least one Supervisory Board member.
18. With the exception of resolutions on matters specified in the Bank's Articles of Association, the Supervisory Board may pass resolutions in writing (by circulation) or using means of direct remote communication.
19. The notice convening a meeting of the Supervisory Board together with the agenda and information materials concerning matters included in the agenda and draft resolutions shall be made available – at least 7 (seven) days before the date of the meeting – in electronic versions using secure electronic communication channels used at the Bank, or delivered in paper versions to correspondence addresses indicated by the Members of the Supervisory Board. In justified cases, the Chair of the Supervisory Board may shorten the time limit and the documents may be sent successively.
20. For the purposes of the performance of its functions, the Supervisory Board may use the services of external advisors, experts or consultants.

Vacancy in the Supervisory Board

21. A member of the Supervisory Board should not resign from the function during his/her term of office if this could render the functioning of the Supervisory Board impossible and, in particular, if this could prevent the timely passing of an important resolution.
22. As long as the Supervisory Board is composed of at least 5 (five) members, the Supervisory Board is capable of taking all actions provided for by law and the Bank's Articles of Association. If the number of Supervisory Board members falls below 5 (five), the Management Board shall immediately convene a General Meeting in order to complete the composition of the Supervisory Board.
23. If the office of a Supervisory Board member falls vacant otherwise than a result of a decision of the General Meeting, in particular due to a sudden and unexpected event, the Supervisory Board immediately carries out a self-assessment of its collective suitability, including an assessment of the impact of the vacancy on the continued functioning of the Supervisory Board and its committees and, if necessary, initiates an additional suitability assessment with a view to the General Meeting taking steps to ensure the collective suitability of the Supervisory Board.

Committees of the Supervisory Board

24. The Supervisory Board appoints, from among its members, committees which it is required to appoint under the binding legislation. The Supervisory Board may also appoint other committees from among its members.
25. The committees of the Supervisory Board act on the basis of Rules adopted by the Supervisory Board.

26. At present, there are four committees of the Supervisory Board functioning in the Bank: (1) Audit Committee of the Supervisory Board; (2) Risk Committee of the Supervisory Board; (3) Nominations and Remuneration Committee of the Supervisory Board; and (4) Strategy Committee of the Supervisory Board.

Conclusions

27. **Having examined Internal Regulations, we have come to the conclusion that they are adequate within the meaning of recommendation 8.9 of Recommendation Z.** Internal Regulations are transparent and well-structured, and they ensure clear division of competences, thus enabling the proper functioning of the Bank's Supervisory Board.
28. Firstly, Internal Regulations enable members of the Supervisory Board to perform their duties actively, exercising due diligence and commitment. Particular attention should be paid to the fact that the Supervisory Board is able to pass resolutions in writing (by circulation) or using means of direct remote communication. There are also four specialized committees of the Supervisory Board in the Bank, which focus their attention on selected areas of the Bank's activity. The Bank also adopted appropriate solutions for filling vacancies in the Bank's Supervisory Board.
29. Secondly, Internal Regulations do not prejudice the independent judgement, and support decision-making based on objective and substantive arguments. When electing members of the Supervisory Board, Internal Regulations ensure that the obligation to have an adequate number of independent members is fulfilled. Members of the Supervisory Board are provided with information on issues relevant to the Supervisory Board including, inter alia, those related to changing regulatory requirements, new areas of activity, strategic objectives and risks specific to the Bank's business, which has a positive impact on their independence and autonomous decision. For the purposes of the performance of its functions, the Supervisory Board may also use the services of external advisors, experts or consultants, which has a positive impact on making decisions based on objective and substantive arguments.
30. Moreover, commitment and independence of judgement of the members of the Bank's Supervisory Board are also ensured through proper selection of members of the Supervisory Board. The selection shall take into account the need for Members of the Supervisory Board to operate actively, with due diligence and involvement and on the basis of independent judgement. In particular, Internal Regulations ensure that persons with appropriate competencies, skills and experience are elected to the Supervisory Board.
31. Internal regulations therefore ensure compliance with the criterion of commitment and the criterion of independent judgement.
32. The procedure for selection of the members of the Bank's Supervisory Board described in Internal Regulations ensures verification that the members of the Supervisory Board will devote sufficient time to the performance of tasks and duties related to the function performed in the body. Internal Regulations also provide members of the Supervisory Board with sufficient time to prepare for particular meetings and familiarize themselves with issues discussed in the meeting. Consequently, the Law Firm considers that Internal Regulations properly ensure that members of the Bank's Supervisory Board concentrate on the tasks entrusted to them, thus meeting the criterion of proper management of conflicts of interest.
33. When analyzing Internal Regulations, we have also identified no non-compliance thereof with provisions of the Banking Law, Commercial Companies Code, other generally applicable legal

regulations governing banking activities, as well as guidelines or recommendations of supervisory authorities. We therefore believe that Internal Regulations comply with the fourth, last criterion of adequacy, i.e. the criterion of compliance with legal regulations.

34. To sum up, we are of the opinion that Internal Regulations are adequate within the meaning of recommendation 8.9 of Recommendation Z.

VIII. ASSUMPTIONS AND DISCLAIMERS

1. When preparing this Opinion, we assumed that the information and Internal Regulations provided to the Law Firm are accurate, up-to-date and complete, and in particular that there are not other internal regulations in the Bank concerning the issues analyzed by the Law Firm. We would also like to note that a change in any of Internal Regulations in the scope analyzed in this Opinion may lead to a change in the Opinion, in part and in whole, also in the area of the conclusions made.
2. The conclusions drawn in the opinion are based on and contain references to legal regulations, court rulings as well as practices and positions of the authorities in force at the date of signature of this Opinion, which may change at any time, including with regard to past events. New court rulings, changes in legislation, practice or facts on which this Opinion is based may affect the conclusions of this Opinion.
3. The Opinion contains our assessment of the legal issues raised therein and is not binding on any public administration authority or court. We cannot guarantee that public administration authorities or courts take a position identical to that expressed in this Opinion.
4. The conclusions drawn in the Opinion are strictly limited to the issues mentioned therein and cannot be interpreted as covering any issues which are not explicitly mentioned in the opinion.
5. The Opinion was prepared as at 12 April 2024. The Law Firm is under no obligation to update or supplement the Opinion in connection with changes in the factual or legal situation that took place after the aforementioned date.
6. The Law Firm has prepared this Opinion only upon order of the Bank. The Law Firm assumes no liability or obligations, and shall not be liable to third parties in connection with this Opinion. The Bank may make the Opinion available to third parties.

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Rymarz, Zdort, Maruta, Wachta, Gasiński, Her i Wspólnicy sp.k.

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