

Assessment of PKO Bank Polski S.A.'s compliance with corporate governance principles and the manner of fulfilling disclosure requirements regarding their application, as specified in the Stock Exchange Regulations and the regulations on current and periodic information provided by securities issuers

In accordance with the principle contained in point 2.11.4 of the Best Practices of the Companies Listed on the Warsaw Stock Exchange 2021 adopted by the Supervisory Board of the Warsaw Stock Exchange by Resolution No 13/1834/2021 of 29 March 2021 (Best Practices 2021), the supervisory board prepares and submits to the annual general meeting for approval an annual report.

The report referred to above includes, among others:

- assessment of the company's compliance with corporate governance principles
- an assessment of the manner of fulfilling disclosure requirements regarding their application, as specified in the Stock Exchange Regulations and the regulations on current and periodic information provided by issuers of securities,
- information on the actions taken by the supervisory board to make this assessment.

The Supervisory Board of the Bank, in order to make the assessment, reviewed the manner of applying individual corporate governance principles, and also took into account the Bank's actions aimed at implementing corporate governance principles.

In view of the above, the Supervisory Board, making the assessment for 2024, positively assesses:

- the scope of compliance with corporate governance principles by the Bank, subject to the need to pay special attention to compliance with Principle 2.2. of Best Practices 2021 in the aspect concerning gender diversity in the Bank's bodies and Principle 4.9.1. concerning the deadline for shareholders to submit candidacies for members of the Supervisory Board of the Bank (detailed information below);
- the manner of fulfilling disclosure requirements regarding the compliance with corporate governance principles, including information on incidental violations of Best Practices 2021; these obligations have been fulfilled in accordance with the GPW Regulations and the requirements of the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information provided by issuers of securities and conditions for recognising as equivalent information required by the laws of a non-member state ("Regulation").

In the opinion of the Supervisory Board, the Bank attaches great importance to proper compliance with corporate governance principles, conducts its activities in a transparent manner, following the principles of corporate governance, including those concerning the protection of shareholders' rights and ensuring access to reliable information for shareholders, investors and the media.

I. Disclosure requirements regarding corporate governance principles specified in the GPW Regulations

As a consequence of the adoption by the Supervisory Board of the Warsaw Stock Exchange of Best Practices 2021, which came into force on 1 July 2021, the Management Board of the Bank, the Supervisory Board of the Bank and the Bank's General Meeting in 2021 adopted all Best Practices 2021 for application, thus indicating their willingness to be guided by the adopted principles within the scope of their competences.

By the end of 2024, none of the Bank's bodies declared a departure from the willingness to apply any of the principles contained in Best Practices 2021.

Disclosure containing:

- the declared scope of application by the above-mentioned Bank's bodies of all Best Practices 2021 (in the format provided for in the Stock Exchange Regulations),
- reports on possible, incidental non-application of a principle contained in Best Practices 2021,
- the annual assessment of the Supervisory Board of the Bank regarding the compliance with Best Practices 2021, starting from the assessment for 2024¹

are available on the Bank's website: [Best Practice for GPW Listed Companies 2021 – PKO Bank Polski](#).

Assessing the compliance with Best Practices 2021 in 2024, it is noted that there were five incidental violations of the principles contained in Best Practices 2021, including:

- Principle 4.9.1 of Best Practices 2021 was violated twice, according to which:

“candidacies for members of the board should be submitted within a timeframe enabling shareholders present at the general meeting to make decisions with due discernment, but not later than 3 days before the general meeting”,

Comment:

Shareholders submitted candidacies for members of the supervisory board of the Bank within a period shorter than 3 days before the general meeting.

- Principle 2.2 of Best Practices 2021 was violated three times, according to which:

“persons making decisions on the selection of members of the management board or the supervisory board of the company should ensure the comprehensiveness of these bodies by selecting persons who ensure diversity, enabling, among others, the achievement of the target minimum participation rate of the minority of not less than 30%, in accordance with the goals specified in the adopted diversity policy referred to in principle 2.1.”

Comment:

Principle 2.2. in conjunction with Principle 2.1. contains a commitment to shape the composition of the Management Board of the Bank and the Supervisory Board of the Bank ensuring the comprehensiveness of these bodies in various fields of diversity, including gender diversity at a level of at least 30%. The Bank places particular importance to the issue of gender diversity, which is confirmed, among others, in:

- suitability policies for the Management Board and the Supervisory Board of the Bank adopted by the Bank (hereinafter referred to as suitability policies for the Bank's bodies), an integral part of which is the diversity policy of these bodies specifying:
 - the goal of gender diversity of the Bank's bodies at a level of at least 30%,
 - principles of taking into account the aspect of gender diversity when selecting members of the bodies,
- the Bank's Strategy for 2025-2027 adopted in 2024, in which one of the strategic goals is to achieve gender diversity in the Bank's bodies at a level of at least 33%.

Bearing in mind the need to implement the principles of Best Practices 2021, the suitability policies for the Bank's bodies adopted by the Bank define the principles for selecting members of the Management Board and the Supervisory Board of the Bank, indicating that the selection of

members of the Bank's bodies is made with regard to the principle of suitability and diversity of the composition of the bodies.

¹ Annual assessments of the Bank's bodies' compliance with Best Practices 2021 for the years 2021, 2022, 2023 are included in the reports of the Supervisory Board of the Bank for individual years.

The above aims to appoint the composition of the Bank's bodies in a way that enables the selection of persons:

- representing high competences, skills and experience adequate to the entrusted position,
- guaranteeing the issuance by members of the Management Board or Supervisory Board – individually and as a body – of independent opinions and decisions in the entire scope of the Bank's activity,
- providing assurance of proper performance of duties by demonstrating honesty, ethics and independence of judgement as well as the ability to devote sufficient time to perform their duties,

thus ensuring prudent and stable management of the Bank's affairs.

In addition to the above, the suitability policies for members of the Bank's bodies further stipulate that when selecting members of the bodies:

- additional criteria supporting the diversity of the body's composition are also taken into account, namely gender and age,
- efforts are made to achieve gender balance in the composition of the Bank's bodies, and at least to achieve a minimum gender minority share at the level of 30%,
- there is a primacy of the suitability requirement for members of the bodies, which means that objectives concerning the diversity of the composition of bodies in terms of gender are taken into account in selection only to the extent that it will not negatively affect the functioning and suitability of the body.

The criterion of gender diversity of the body's composition was a factor taken into account when taking measures to select new members of the Bank's Management Board, appointed for a new term in 2024, while taking into account the principle of overriding the requirement of suitability of body members, described above.

Analysing the composition of the Management Board and the Supervisory Board of the Bank (appointed for new terms in 2024) in the context of diversity requirements specified in Principle 2.2, it should be stated that:

- they are diverse in terms of basic diversity criteria, i.e. in terms of objective merit-based criteria concerning education, skills, specialist knowledge and professional experience,
- they ensure access to a wide range of competences, knowledge and skills appropriate to the positions held, guaranteeing the issuance by members of the Management Board and the Supervisory Board of the Bank – individually and as a body – of independent opinions and decisions in the entire scope of the Bank's activity,
- they are diverse in terms of additional diversity criteria, i.e. in terms of age and gender, however, they do not ensure the implementation of diversity objectives specified in the aforementioned policies in terms of gender, i.e. the share of gender minority at the level of at least 30%, as of 31 December 2024, they are at the level of:
 - 25%² in the Supervisory Board,
 - 14% in the Management Board of the Bank.

Taking into account the above, it should be assessed that the violation of principle 2.2 reported in 2024 was related only to one aspect of diversity, i.e. failure to ensure gender diversity in the composition of the Management Board and the Supervisory Board of the Bank at the level of at least 30%.

² Due to changes in the composition of the Supervisory Board of the Bank during 2024 (including in connection with delegating members of the Supervisory Board to perform the duties of a member of the Management Board of the Bank), the average annual level of gender minority participation in the composition of the Supervisory Board was at the level of 31%.

Taking into account:

- the guidelines of the Corporate Governance Committee regarding the compliance with Principle 2.1. and Principle 2.2. of Best Practices 2021, according to which:
 - *“The time horizon for achieving a 30% share of the underrepresented gender in a given body should be correlated with the period of completion of the term of the current management board or supervisory board.” and “(...) achieving the minimum share should take place at the earliest possible date, i.e. after the end of the term of the current bodies.”,*
- incidental violations of principle 2.2 reported in 2024 in connection with the appointment of members of the Bank’s bodies for a new term in 2024,
- failure to achieve gender diversity at the level of at least 30% in the composition of each of the above-mentioned Bank’s bodies appointed in 2024 for a new term,
it should be considered that in 2024 this principle was not applied in the Bank.

In order to continuously monitor compliance with Best Practices 2021 within the Bank, mechanisms have been established to enable monitoring of compliance with these principles and, in the event of non-compliance with a principle resulting from Best Practices 2021, to publish an appropriate report, in accordance with the GPW Regulations.

II. Disclosure requirements regarding corporate governance principles specified in regulations on current and periodic disclosures provided by issuers of securities

In accordance with the Regulation, the Bank is required to include in the annual periodic report, as a separate part of this report, a declaration of compliance with corporate governance, which contains the elements indicated in § 70(6)(5) of the Regulation.

In the PKO Bank Polski S.A. Group Directors’ Report for 2024, this declaration is included in Chapter 11.

According to the content of the Regulation, the declaration should indicate:

- 1) sets of corporate governance principles to which the issuer is subject and places where the text of the set of principles is publicly available, or
- 2) sets of corporate governance principles which the issuer could decide to apply voluntarily and the place where the text of the set is publicly available, or
- 3) any disclosures on the corporate governance practices applied by the issuer, going beyond the requirements provided for by national law, together with the presentation of information on the corporate governance practices applied by it.

The Regulation stipulates that to the extent that the issuer has departed from the provisions of the corporate governance principles set referred to in points 1 and 2, it should indicate these provisions and explain the reasons for this departure.

In terms of the requirements regarding the obligations arising from the Regulation, concerning the indication of sets of corporate governance principles in force in the Bank and the manner of their observance, the PKO Bank Polski S.A. Group Directors’ Report for 2024 describes the state of compliance with:

- 1) Best Practices 2021,
- 2) Corporate Governance Principles for Supervised Institutions issued by the PFSA, together with an indication of unapplied principles and an explanation.

The implementation of the remaining requirements as to the content of the declaration of compliance with corporate governance, referred to in the Regulation, has been included in subsections of Chapter 11 of the PKO Bank Polski S.A. Group Directors' Report for 2024.