



Bank Polski

The assessment by the Supervisory Board
of the compliance of PKO Bank Polski S.A.
with the
“Principles of Corporate Governance for
Supervised Institutions” in 2016.

By the Resolution of 22 July 2014, the Polish Financial Supervision Authority adopted the “Principles of Corporate Governance for Supervised Institutions” (the “Principles”). The PFSA pointed out that the Principles should be adopted by the supervised institutions and indicated 1 January 2015 as their effective date.

According to § 27 of the Principles, the supervisory body shall assess, on a regular basis, compliance with the Principles. The outcomes of this assessment shall be made available on the supervised institution’s website and communicated to the other bodies of the supervised institution. This document constitutes the fulfilment of this requirement as at 31 December 2016.

The Principles apply to the whole supervised institution. Hence, each body of the supervised institution, as established under the Articles of Association, decides within its scope of competence on the implementation of the Principles. In order to adopt some of the principles, the relevant internal by-laws and regulations had to be amended and/or certain decisions had to be taken.

The following documents constitute the basis for the implementation of the Principles at PKO Bank Polski S.A.:

- Resolution No 780/C/2014 of the Management Board of 9 December 2014 on the adoption of the “Principles of Corporate Governance for Supervised Institutions” (...), by which the Management Board adopted the Principles for application with reference to the powers and responsibilities of the Management Board, and decided that:
 - § 8(4) of the Principles would not be applied, unless the General Meeting makes relevant amendments to the Bank’s Articles of Association,
 - Chapter 9 of the Principles would not be applied due to the fact that the Bank does not conduct such activities;
- Resolution No 57/2014 of the Supervisory Board of 17 December 2014 on the adoption of the “Principles of Corporate Governance for Supervised Institutions” (...) for application, by which the Supervisory Board adopted the Principles for application with reference to the powers and responsibilities of the Supervisory Board;
- Resolution No 50/2015 of the Annual General Meeting of Powszechna Kasa Oszczędności Bank Polski S.A. of 25 June 2015 on the “Principles of Corporate Governance for Supervised Institutions”, in which the Annual General Meeting declared that they would be guided by the Principles in exercising their powers, with the exception of:
 - § 8(4) of the Principles with reference to offering an option of electronic participation of shareholders in the meetings of the decision-making body,
 - § 10(2) of the Principles with reference to the introduction of personal rights or other special rights for shareholders,
 - § 12(1) of the Principles with reference to shareholders’ responsibility for prompt recapitalisation of the supervised institution,
 - § 28(4) of the Principles with reference to the assessment by the decision-making body of whether the adopted remuneration policy promotes the development and operational security of the supervised institution;
- Resolution No 53/2015 of the Annual General Meeting of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna of 25 June 2015 on amendments to the Articles of Association of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna, by which the Bank’s Articles of Association were adapted to the provisions laid down in the Principles.

The Principles were complied with through the actual activities of both the Bank and its bodies.

The foregoing results in the Supervisory Board’s positive assessment of compliance of PKO Bank Polski S.A. with the “Principles of Corporate Governance for Supervised Institutions” in 2016.