



Bank Polski

Report

**Evaluation of the implementation of
"Principles of Corporate Governance for
Supervised Institutions" by**

**PKO Bank Polski S.A., submitted to the
Annual General Meeting of PKO Bank
Polski S.A. in 2016**

Under the Resolution of 22 July 2014, the Financial Supervision Authority adopted the "Principles of Corporate Governance for Supervised Institutions" (the "Principles"). The Authority also pointed out that they should be adopted by the supervised institutions and that they would take effect from 1 January 2015.

According to § 27 of the Principles, the supervisory authority shall evaluate their implementation on an ongoing basis. The results of this evaluation are available on a supervised institution's website and communicated to the other bodies of supervised institutions. This document fulfils this obligation as at 31 December 2015.

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

The following are the foundation for the implementation of the Principles at PKO Bank Polski S.A:

- Management Board Resolution No. 780/C/2014 of 9 December 2014 on the adoption of the "Principles of Corporate Governance for Supervised Institutions" (...), whereby the Management Board adopted the principles with reference to Management Board powers and responsibilities and decided that:
 - 8 (4) of the Principles will not be implemented, unless the General Meeting makes relevant amendments to the Bank Statute,
 - Chapter 9 of the Principles will not be implemented since the Bank is not engaged in business in this field;
 - Supervisory Board Resolution No. 57/2014 of 17 December 2014 on the adoption of the "Principles of Corporate Governance for Supervised Institutions" (...) whereby the Supervisory Board adopted the principles with reference to Supervisory Board powers and responsibilities
 - Resolution No. 50/2015 of the Powszechna Kasa Oszczędności Bank Polski S.A.'s Ordinary General Meeting of 25 June 2015 on the "Principles of Corporate Governance for Supervised Institutions" whereby the General Meeting declared that they would be guided by the Principles in the exercise of their powers, with the exception of:
 - 8 (4) of the Principles with reference to offering the option of electronic participation of shareholders in 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 the liability of shareholders for prompt recapitalisation of a supervised institution,
 - § 28 (4) of the Principles with reference to assessment by the decision-making body whether the implemented remuneration policy promotes the development and security of a supervised institution,
- Resolution No. 53/2015 of the PKO Bank Polski S.A.'s Ordinary General Meeting of 25 June 2015 on the amendments to the PKO Bank Polski S.A.'s Statute which adapted the Bank Statute to the provisions laid down in the Principles.

Not only were the Principles implemented by amending the existing internal regulations, but also by the practical operation of both the Bank and its bodies.

On considering the above, the Supervisory Board welcomes the implementation of the "Principles of Corporate Governance for Supervised Institutions" by PKO Bank Polski S.A. in 2015.