



Supervisory Board Resolution 42/24 dated 12 December 2024

Policy

for the Assessment of Qualifications (Suitability), Appointment and Dismissal of Members of the Bank's Bodies at mBank S.A.

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History of changes to the document

Version	Effective as of	Changes
3.1	14.12.2023	<p>The amendments align the Policy with the updated Methodology for Assessing the Suitability of Members of the Bodies of Banks, Insurance Companies, Reinsurance Companies and Pension Funds and the KNF's expectations (CEDUR training), as well as taking into account the dynamics of the external environment:</p> <ul style="list-style-type: none"> • addition of an assessment of the suitability of the remuneration and nomination committee and the risk committee • addressing additional requirements for the member of the management board supervising management of material risk in the bank's activity • more detail specification of the requirements for the fulfilment of duties • revision and modification of time commitment requirements • addressing the participation of the bank's units responsible for areas that are subject to suitability assessments • adjustment of the technical aspects of the assessment process to current requirements.
3.2	12.12.2024	<p>Clarification of paragraphs related to:</p> <ul style="list-style-type: none"> • the training policy for members of the bank's bodies • the target date for achieving a gender balance in the composition of the bank's bodies

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Appendices:

Appendix No. 1: Process and Detailed Criteria of Performing the Suitability Assessment of Members of the Bank’s Bodies

1. Why we implement the Policy

1.1. Legal basis

The Policy was developed based on:

- 1) the Banking Law Act of 29 August 1997,
- 2) the Act of 11 May 2017 on statutory auditors, audit firms and public supervision,
- 3) joint ESMA and EBA Guidelines of 2 July 2021 on the assessment of the suitability of members of the management body and key function holders,
- 4) EBA Guidelines of 14 June 2022 on policies and procedures in relation to compliance management and the role and responsibilities of the AML/CFT Compliance,
- 5) Regulation (EU) of the European Parliament and of the Council of 14 December 2022 on the operational digital resilience of the financial sector,
- 6) Recommendation Z of the Polish Financial Supervision Authority on the Principles of Internal Governance at Banks,
- 7) Methodology for Assessing the Suitability of Members of Bodies of Banks, Insurance Companies, Reinsurance Companies and Pension Funds

1.2. Principles for updating and reviewing the Policy

The Policy and its application are subject to a periodical review carried out by the Corporate Governance Department and approved by the Committee of the Supervisory Board which exercises responsibilities of the nomination committee as defined in the Banking Law and other regulations. The document is also subject to a periodical review carried out by the Internal Audit Department in line with the plan of scheduled audits.

2. Definitions and abbreviations

The following definitions and abbreviations have the following meaning:

- 1) **Bank** – mBank S.A. with its seat in Warsaw,
- 2) **Member of the Bank's Body** – Member of the Supervisory Board, Member of the Management Board of the Bank, Member of the Audit Committee,
- 3) **Member of the Supervisory Board** – Member of the Supervisory Board of mBank S.A.,
- 4) **Member of the Management Board** – Member of the Management Board of mBank S.A.,
- 5) **DHR** – Employee Relations and Organisation Culture Department,
- 6) **DLK** – Corporate Governance Department,
- 7) **Assessment form** - a form for the assessment of members and candidates for members of Bank Bodies developed by the Polish Financial Supervision Authority, which is an appendix to the Methodology for Assessing the Suitability of Members of the Bodies of Banks, Insurance Companies, Reinsurance Companies and Pension Funds
- 8) **Group** – mBank S.A. Group,
- 9) **Candidate** – a person appointed for the first time,
- 10) **KNF** – Polish Financial Supervision Authority,
- 11) **Committee** – a committee of the Supervisory Board which exercises responsibilities of the nomination committee as defined in the Banking Law and other regulations,
- 12) **KRK** – the National Criminal Register,

- 13) **Methodology** – the Methodology for Assessing the Suitability of Members of Bodies, Insurance Companies, Reinsurance Companies and Pension Funds,
- 14) **Bank's Body** – the Supervisory Board, the Management Board of the Bank, the Audit Committee,
- 15) **Appointing Body** – a body competent for assessing, appointing and dismissing Candidates for Members of the Bank's Body and Members of the Bank's Body. In the case of Members of the Management Board of the Bank, it is the Supervisory Board, in the case of Members of the Supervisory Board, it is the Annual General Meeting, in the case of Members of the Audit Committee, it is the Supervisory Board,
- 16) **Policy** – this Policy for the Assessment of Qualifications (Suitability), Appointment and Dismissal of Members of the Bank's Body at mBank S.A.,
- 17) **UKNF** – the Office of the Polish Financial Supervision Authority,
- 18) **AGM** – the Annual General Meeting of mBank S.A.,
- 19) **Management Board, Management Board of the Bank** – the Management Board of mBank S.A.

3. Objectives and scope of the Policy

1. The objective of the Policy is to ensure that the composition of the Bank's Bodies is appropriate to the scale, complexity and risk profile of the bank and contributes to its proper and safe functioning. The Policy also seeks to ensure that the Members of the Bodies are suitable persons and that the Body as a whole consistently has the appropriate combined level of knowledge, skills and experience and collectively meets the other criteria set out in the Policy, taking into account the rules on diversity.
2. The Policy specifies in particular:
 - 1) rules for the appointment and dismissal of Members of the Supervisory Board and the Management Board, including succession rules,
 - 2) individual and collective suitability assessment criteria,
 - 3) process and rules for conducting the initial, secondary and collective suitability assessment,
 - 4) rules for induction, training and development activities, and continuous learning of Members of the Bank's Body,
 - 5) rules concerning diversity,
 - 6) units responsible for the relevant tasks.
3. Suitability is understood to mean that the qualifications held by Members of the Bank's Body are in line with the requirements described in the Policy.
4. It is the responsibility of the Appointing Body to ensure the proper selection, suitability assessment, appointment and dismissal of Members of the Bank's Bodies.
5. As a dominant entity in the Group, acting with a view to ensuring adequate governance in the entire Group and to exercise ownership supervision over subsidiaries, the Bank recommends that its supervised subsidiaries to implement the Policy taking into account the principle of proportionality (i.e., adequately to the profile and scale of the operations, the structure, size and profile of risk).

4. General principles for the selection of Members of the Bank's Body

1. The process of completing the composition of the Bank's Bodies is carried out in such a way that allows the Bank's Bodies to perform its functions in a professional and correct manner.
2. Members of the Supervisory Board and Management Board should have the knowledge, skills and professional experience essential for adequate performance of the tasks of the Bank's Body.
3. Members of the Supervisory Board and Management Board should guarantee correct performance of their tasks and duties owing, in particular, to their reputation, integrity, reliability and independence of judgment ensuring effective assessment and verification of the decisions taken and implemented with regard to the management of the Bank and ability to perform their tasks and duties in a prudent and stable manner.
4. When nominating Candidates, one should be guided by the criterion of versatility and diversity, including diversity of gender, age or professional experience, taking into account the diversity policy, with respect for the principle of equal opportunities.
5. At least 50% of Members of the Bank's Body, including the Chairperson of the Supervisory Board and the President of the Management Board, must have Polish citizenship, reside permanently in Poland, speak Polish and have experience from the Polish market which could be used in exercising supervision over the activity of the Bank or managing the Bank.
6. The suitability assessment is performed based on all available information pertaining to the change of forename, surname or citizenship and regarding financial situation and assets held by a Candidate and a Member of the Bank's Body.
7. The Candidates nominated to participate in the recruitment for the Bank's Body should, owing to their integrity, ethics, willingness to work, independence and character, be able to duly perform the duties of Members of the Body of a commercial bank operating domestically and abroad and safeguard the Bank's public image.
8. Prior to nominating a Candidate for a position in the Bank's Body, it is necessary to assess his or her business and personal links to the Bank and its competitors.
9. As part of the suitability assessment process, the Bank identifies and takes into account potential conflicts of interest and takes measures to avoid or mitigate them.
10. In the case of reappointment of a Member to another term of office in the Bank's Body, a nomination is only possible upon consideration of the results of the assessment of that Member's activity.
11. The process of appointing and dismissing Members of the Bodies is operationally supported by DLK.

5. Appointment and dismissal of Members of the Supervisory Board, rules for succession

1. The procedure for the appointment and dismissal of Members of the

Supervisory Board, the length and the rules for calculating the term of office are laid down in the By-Laws of the Bank. Members of the Supervisory Board are selected taking into account the requirements set out in the Policy and regulations.

2. The appointment of a Member of the Supervisory Board takes place in the following situations:
 - 1) expiry of the mandate of an existing Member of the Supervisory Board,
 - 2) increase in the number of Members of the Supervisory Board within the limits set out in the By-Laws of the Bank, in particular in case where the collective suitability assessment of the Supervisory Board shows that its composition should be expanded.
3. The number of Members of the Supervisory Board is determined by the AGM and cannot be smaller than five.
4. Candidates for Members of the Supervisory Board may be nominated by the shareholders, existing Members of the Supervisory Board, and the Committee. Candidates for Members of the Supervisory Board of a new term of office may also be nominated by shareholders at the AGM held to appoint the Supervisory Board of a new term of office.
5. The Supervisory Board should be composed of at least two Members who do not have any links to the Bank, its shareholders or employees, understood as links which could significantly impact on such a Member's ability to take impartial decisions (Independent Members).
6. The criteria of independence of Members of the Supervisory Board arise from legal and regulatory requirements and the Best Practice for GPW Listed Companies adopted by the Bank.
7. The term of office of a Member of the Supervisory Board should in principle end at the end of the AGM held after such Member of the Supervisory Board has reached 72 years of age.
8. In order to mitigate the risk of several vacancies occurring in the Supervisory Board within a short timespan, without prejudice to the rights of shareholders to nominate and replace Members of the Supervisory Board, the Committee checks whether a given Member can be reappointed not later than six months before the term of office of Members of the Supervisory Board expires.
9. When Members of the Supervisory Board resign, it is considered good practice to file a letter of resignation with a future execution date, sufficiently in advance for the Committee and the Appointing Body to perform its obligations. A letter of resignation of a Member of the Supervisory Board must be delivered in writing and addressed to the President of the Management Board and the Chairperson of the Supervisory Board.
10. If a Member of the Supervisory Board vacates their position, in particular under sudden and unexpected circumstances, the Supervisory Board conducts a self assessment of its collective suitability as soon as possible, including an assessment of the vacancy's impact on further operation of the Supervisory Board and its committees, and, if necessary, takes actions to complete the composition of the Supervisory Board.

6. Appointment and dismissal of Members of the Management Board, rules for succession

1. The Management Board is composed of at least three Members. The length and the rules for calculating the term of office of the Management Board are laid down in the By-Laws of the Bank.
2. The President of the Management Board, the Vice-Presidents of the Management Board and other Members of the Management Board are appointed and dismissed by the Supervisory Board pursuant to the provisions of the law and taking into account the requirements set out in the Policy. The appointment of the President of the Management Board and the Member of the Management Board responsible for managing material risk requires the approval of KNF.
3. In accordance with the Code of Commercial Partnerships and Companies, a Member of the Management Board may also be dismissed or suspended by the AGM.
4. Candidates for Members of the Management Board are recommended by the Committee.
5. Committee carries out a succession process for Members of the Management Board, i.e. determines the process for dealing with a vacancy on the Management Board.
6. The Committee, as part of the succession process, identify and contribute to the selection of Candidates for vacant management body positions, in cooperation with DHR takes the following actions:
 - 1) it defines the terms of reference for a Candidate to the Management Board of the Bank, as well as the requirements of knowledge and competence and the expected commitment in terms of time, required to perform the function on the Management Board,
 - 2) it checks the appropriate balance of knowledge, skills, personal competencies and experience within the Management Board, and guarantee of due performance of duties, having regard to the principles of diversity in the composition of the Management Board.
7. The succession process is supported operationally by DHR.
8. The succession process favours people who respect the culture and values of the Bank and implement them.
9. In order to mitigate the risk of several vacancies occurring in the Bank's Management Board within a short timespan, the Committee checks whether a given Member can be reappointed not later than six months before the term of office of Members of the Management Board expires.
10. When Members of the Management Board resign, it is considered good practice to file a letter of resignation with a future execution date, sufficiently in advance for the Committee and the Appointing Body to perform its obligations. A letter of resignation of a Member of the Management Board must be delivered in writing and addressed to the President of the Management Board and the Chairperson of the Supervisory Board.
11. If a Member of the Management Board vacates their position, in particular under sudden and unexpected circumstances, the Supervisory Board conducts an assessment of the Management Board's collective suitability as soon as possible, including an assessment of the vacancy's impact on further operation of the Management Board, and if necessary,

takes appropriate actions in order to complete the composition of the Management Board.

7. Rules and procedure for the suitability assessment

7.1. Rules for conducting the initial, secondary and collective suitability assessment

1. The **initial individual suitability assessment** of a Candidate for a Member of the Bank's Body is conducted each time:
 - 1) before appointing a person to a new position in the Bank's Body,
 - 2) before submitting a notification on the intent to acquire a qualified stake in an entity supervised by KNF or to become its parent entity (in case of planned changes in the composition of the Body),
 - 3) before temporarily delegating a Member of the Supervisory Board to the Management Board,
 - 4) before appointing a Member of the Supervisory Board as a member of the Audit Committee (in the scope of fulfilling the criteria specific to the Audit Committee).
2. The **secondary individual suitability assessment** of a Member of the Bank's Body is conducted each time:
 - 1) periodically, at least once a year (periodical assessment should cover also the fulfilment of the criteria specific to the Audit Committee by a sufficient number of its members),
 - 2) as part of an inspection/review of the corporate governance rules,
 - 3) before appointing a given person for another term of office,
 - 4) in the case of changes to the scope of duties or job requirements,
 - 5) if the Bank receives information about charges brought against a Member of the Bank's Body in criminal proceedings or proceedings relating to a fiscal offence or causing significant financial losses,
 - 6) if new circumstances which may affect the assessment emerge, in particular with regard to identified cases of a potential conflict of interest,
 - 7) if a given person is assigned additional duties/assumes additional positions (assessment of time consumption and conflicts of interest),
 - 8) in the case of regular or flagrant cases of negative secondary individual or collective assessment of Members of the Management Board – assessment of the guarantee given by Members of the Supervisory Board if such persons are appointed to/remain in the Management Board,
 - 9) if a significant breach of duty on the part of Members of the Management Board or the Supervisory Board is identified,
 - 10) before planned dismissal of a Member of the Bank's Body,
 - 11) where there are reasonable grounds to suspect that money laundering or terrorist financing has been committed or attempted or there is an increased risk thereof in connection with the Bank. In particular, this pertains to situations where information available suggests that the Bank:
 - i. has not implemented appropriate control mechanisms to monitor and mitigate money laundering or terrorist financing risks or risk of non-compliance with international sanctions (e.g., identified by supervisory findings),

- ii. has breached its obligations to prevent money laundering and terrorism financing and to comply with international sanctions in jurisdictions in which it conducts operations, which resulted in supervisory sanctions,
 - iii. has changed its business activity or business model thereby significantly increasing its exposure to money laundering or terrorist financing risk or to risk of non-compliance with international sanctions.
3. The **collective suitability assessment** of the Bank's Body is conducted each time:
- 1) before making any changes to the composition of the Bank's Body, in particular resulting from appointment, dismissal, resignation or suspension of Members of the Body (or directly after making such changes if, for reasons beyond the Bank's control, it was not possible to conduct the suitability assessment earlier),
 - 2) before appointing members of the Bank's Body for a new term of office (regardless of whether its composition has changed or not),
 - 3) before submitting a notification on the intent to acquire a qualified stake in a supervised entity or to become its parent entity (in case of planned changes in the composition of the Body),
 - 4) in the case of changes in the division of duties within the Bank's Body (including the participation in committees),
 - 5) in the case of a significant change in the Bank's business model, readiness to take risk, risk strategy or structure at Bank or Group level, including situations where additional activities are authorised,
 - 6) as part of an inspection/review of the corporate governance rules,
 - 7) if new circumstances which may affect the collective suitability assessment of the Bank's Body emerge,
 - 8) in the case of a significant change in the suitability assessment of individual Members of the Bank's Body,
 - 9) in the case of appointment and each change in the composition of the Audit Committee (in terms of whether a sufficient number of members meet the assessment criteria of the Audit Committee),
 - 10) when abstaining from appointing a Candidate as a Member of the Bank's Body (taking into account inability to appoint a Candidate as a Member of the Bank's Body immediately),
 - 11) where there are reasonable grounds to suspect that money laundering or terrorist financing has been committed or attempted or there is an increased risk thereof in connection with the Bank. In particular, this pertains to situations where information available suggests that the Bank:
 - i. has not implemented appropriate control mechanisms to monitor and mitigate money laundering or terrorist financing risks or risk of non-compliance with international sanctions (e.g., identified by supervisory findings),
 - ii. has breached its obligations to prevent money laundering and terrorism financing and to comply with international sanctions in jurisdictions in which it conducts operations, which resulted in supervisory sanctions,
 - iii. has changed its business activity or business model thereby significantly increasing its exposure to money laundering or terrorist financing risk or to risk of non-compliance with international sanctions.
4. Where there is a matter which causes concern about the suitability of a member of the Bank's Body, the Bank undertakes an assessment of how this concern affects that

person's suitability, taking into account also the existence of reasonable grounds to suspect that money laundering or terrorist financing has been committed or attempted or that the risk thereof could be increased.

5. Where events which require a suitability assessment are identified, the Bank assesses the credibility and reliability of any facts and information (e.g., the source, the plausibility, any conflicts of interest of the source giving the information) that triggered the assessment and the seriousness of any allegations of or actual wrongdoing of one or more Members of the Bank's Body.
6. If more than one of the criteria triggering the suitability assessment process occur simultaneously, i.e., the time lag between such criteria does not exceed three months, the Bank may carry out the assessment once.
7. Subject to the provisions on the appointment or assignment of a Member of the Management Board with the approval of KNF, the Appointing Body carries out a suitability assessment before the position is filled. Where a complete suitability assessment carried out prior to the appointment of a Member of the Body would interfere with the proper functioning of the Body, the (individual and collective) assessment may be carried out after the appointment to the Body but no later than four weeks after entering the office as a Member of the Body of the Bank.

7.2. Individual and collective suitability assessment criteria

1. **Individual suitability assessment criteria** include:
 - 1) knowledge, professional experience, skills and competences,
 - 2) guarantee of proper performance of entrusted duties, i.e., clear criminal record, reputation, integrity, reliability, financial standing, and independence of judgement, including conflicts of interest,
 - 3) time spent on performing duties connected with the position,
 - 4) holding several positions and functions.
2. **Collective suitability assessment** checks if the Bank's Body, as a whole, has sufficient knowledge in the fields for which its Members are collectively responsible, a broad range of knowledge, skills and experience to understand the Bank's activities and main risks, as well as competences allowing efficient management and control of the Bank, including in the following scope:
 - 1) the Bank's activity and main risks arising from it,
 - 2) each material activity of the Bank,
 - 3) relevant areas of the banking sector, financial and capital markets, solvency and models, risks including risk factors related to environmental, social and related to corporate governance risk,
 - 4) financial accounting and reporting,
 - 5) risk management, compliance with the law, and internal audit,
 - 6) IT and security,
 - 7) local, regional and global markets,
 - 8) legal and regulatory environment,
 - 9) organisation and HR management,
 - 10) strategic planning,
 - 11) management of domestic (international) groups, and the risks connected with the structure of the Group,

- 12) money laundering or terrorist financing risks associated with the Bank's activities and business model, including knowledge of the national legal and regulatory framework against money laundering and terrorist financing.
3. When assessing the **collective suitability**, it is considered whether the Bank's Body through its decisions has demonstrated a sufficient understanding of money laundering or terrorist financing risks and how these affect the Bank's activities, and has appropriately managed these risks, including corrective measures where necessary.
4. In the case of the Bank's Management Board it is considered whether or not the Management Board acted in the best interest of the Bank including in relation to the fight against money laundering and terrorist financing.
5. When assessing the collective suitability of the Management Board Members, it is considered whether there are reasonable grounds to suspect that money laundering, terrorist financing or other financial crimes have been committed or attempted, or whether there is an increased risk thereof. In particular, this pertains to situations where the internal or external audit findings or supervisory findings suggest that the internal control system is inadequate in preventing money laundering and terrorism financing.

7.3. Process and tools used to assess suitability

1. The Supervisory Board approves the minimum requirements for the Members of the Supervisory Board performing specific functions on the Supervisory Board and its committees, and for the Members of the Management Board and the Management Board as a whole, taking into account the legal and regulatory requirements and the provisions of the Policy.
2. The Committee periodically reviews the minimum requirements for the Members of the Bodies and for the Bodies as a whole at least once a year and makes recommendations to the Supervisory Board in this respect.
3. The assessment is carried out using the assessment form,
4. The process involves participation of the bank's units responsible for areas that are subject to suitability assessments. DLK is responsible for the organisation of the assessment process.
5. The detailed criteria for assessing the suitability of Members of the Bank's Body and the suitability assessment process are set out in Appendix No. 1 to the Policy.

7.4. Documentation and information obligations

1. After each initial assessment and appointment of a Candidate as a Member of the Bank's Body, secondary assessment of a Member of the Bank's Body and collective suitability assessment of the Bank's Body, DLK documents the suitability assessment.
2. Suitability assessment documentation includes:
 - 1) filled in assessment forms together with documents supporting the information contained in the forms,
 - 2) decision of the Committee which includes a recommendation on the suitability assessment of a Candidate, a Member of the Bank's Body, or the Bank's Body, and actions to be taken in connection with the assessment,

- 3) resolution of the Appointing Body which includes the suitability assessment of a Candidate, a Member of the Bank's Body, or the Bank's Body, and actions taken in connection with the assessment,
 - 4) written justification or an annotation to the voting protocol concerning a vote cast by a Member of the Appointing Body against the Committee's recommendation, unless the voting takes place in secret ballot, 5) documentation of remedial measures if any such measures are taken.
3. DLK ensures access to the suitability assessment documentation at any time.
 4. Following the suitability assessment process, the Bank provides KNF with information on the outcome of the assessment, in accordance with the procedure described in Appendix No. 1 to the Policy.
 5. The Bank grants shareholders access to information on the fulfilment of the suitability criteria by Members of the Supervisory Board and by the Supervisory Board as a whole before they are appointed as Members of the Supervisory Board.
 6. DLK keeps the record of all professional and political functions fulfilled by Members of the Bank's Bodies outside the Bank. Such records are updated on the basis of:
 - 1) each initial or secondary individual assessment,
 - 2) prompt notification by a Member of the Bank's Body of the intention to take up a new function.
 - 3) receipt by the DLK otherwise of information about such changes.
 7. Should a change take place with respect to a position which may impair the ability of the Member of the Bank's Body to invest sufficient time to fulfil their function, the suitability assessment is performed with respect to meeting the time investment criterion.

8. Induction, training and development activities

1. Induction of Members of the Bank's Bodies aims at guaranteeing the suitability of Members of the Bank's Body and helping them understand the Bank's governance, including its organisation and organisational structure, relevant laws, regulations and administrative provisions binding on the Bank, business model, risk profile and the rules of supervision over the Bank's operations, as well as their roles in the organisation to enable them to effectively discharge duties entrusted to them.
2. All newly appointed Members of the Bank's Bodies receive key information concerning the position held, including, among others, the information on the Bank's organisation and structure, the Supervisory Board and Supervisory Board's committees, and the Management Board of the Bank, not later than within one month from the date of appointment, and their induction takes place no later than within six months from the date on which they took office.
3. The induction materials include the following documents in their current wording:
 - 1) By-Laws of the Bank,
 - 2) Rules of the Management Board;
 - 3) Rules of the Supervisory Board;
 - 4) Rules of all committees of the Supervisory Board; 5) the Policy with Appendices.
4. The Compliance Department informs every new Member of the Body of the compliance requirements immediately after taking office.

9. Training and development activities (continuous learning)

9.1. Training policy

1. The bank ensures that the members of the bank's supervisory board and management board have the opportunity to update and enhance the knowledge and skills necessary for the effective performance of their duties.
2. The training policy takes into account in particular the need to understand the impact of environmental, social and corporate governance risk factors, as well as risks arising from the use of information and communication technology (ICT).

9.2. Actions addressed to Members of the Supervisory Board

1. To ensure continuous development of knowledge, skills and competences of Members of the Supervisory Board, the Members of the Supervisory Board are introduced, at meetings of the Supervisory Board, to information on issues that are important to the Supervisory Board, among others, information on amendments to regulatory requirements, areas of operations that are new to the Bank and their impact on the Bank's activity, strategic objectives and the risks inherent in the Bank's activities.
2. Where it is necessary to ensure correct discharge of entrusted tasks or where competence gaps with respect to individual or collective suitability have been identified, decisions about training and development activities are taken so as to enable Members of the Supervisory Board to acquire expected competences. Any Member of the Supervisory Board may also report individual training needs to the Chairperson of the Supervisory Board.
3. The organisation of development activities of Members of the Supervisory Board is a responsibility of DHR in consultation with the Chairperson of the Supervisory Board.

9.3. Actions addressed to Members of the Management Board

1. The Bank carries out specialist development activities for Members of the Management Board of the Bank, which include the following, among others:
 - 1) the quarterly macroeconomic briefing provided by the Chief Economist;
 - 2) joint learning as a part of regular meetings of the Management Board and committee meetings attended by Members of the Management Board;
 - 3) mandatory ~~online~~ compliance training covering in particular personal data protection, anti-fraud and corruption, prevention and management of conflicts of interest, prohibition of market manipulation (MAR Regulation), prevention of tax offences and prevention of money laundering and terrorist financing;
 - 4) briefings held at least on an annual basis by the Legal Department with a focus on pending litigations.
2. Members of the Management Board may also participate in development activities according to surveys of needs and an individual manager diagnosis.
3. Every Member of the Management Board may also report individual training needs.

4. Where it is necessary to ensure correct discharge of entrusted tasks or where competence gaps with respect to individual or collective suitability have been identified, decisions about training and development activities are taken so as to enable Members of the Management Board to acquire expected competences.
5. Needs surveys and the organisation of development activities of Members of the Supervisory Board are a responsibility of DHR.

10. Diversity policy

1. This Policy is implemented at the Bank taking into account the principle of diversity of the composition of the Bank's Body.
2. The principle of diversity is applied to guarantee an adequate selection of Members of the Bank's Body in the manner engaging a broad set of qualities and competences to achieve a variety of views and experiences, knowledge and skills which are adequate to the position held and which guarantee that Members of the Bank's Body will individually and collectively issue independent opinions and sound decisions concerning the entire scope of the Bank's operations.
3. The principle of diversity applied when selecting Members of the Bank's Body is based on objective merit-based criteria concerning education, skills and professional experience. Additional criteria supporting diversity of the composition of the Bank's Body are gender and age.
4. The objectives concerning the diversification of the Bank's Body are taken into account during selection only to the extent to which doing so does not impair the operations and suitability of the Bank's Body.
5. Taking into account the result of the suitability assessment when selecting the composition of the Supervisory Board and the Management Board, the AGM and the Supervisory Board strive to reach gender balance in the composition of the Supervisory Board and the Management Board of at least a minimum 33 percent share of gender minority in both the Management Board and the Supervisory Board or at the level required by law till 30 June 2026 at the latest.
6. The Bank documents also, as part of the annual suitability assessment of the Bank's Body, its compliance with the objectives and targets set. In the event that any diversity objectives or targets have not been met, the Bank documents the reasons why, the measures to be taken and the timeframe for measures to be taken, in order to ensure that the diversity objectives and targets will be met.

11. Final provisions

1. The Policy is adopted by the Supervisory Board on the basis of a recommendation of the Committee. The Policy is approved by way of a resolution of the AGM.
2. Amendments to the Policy must be introduced under the same procedure as the procedure for its implementation, with the proviso that the AGM may authorise the Supervisory Board to introduce amendments to the Policy in the time period following an AGM and before the date of a subsequent AGM.

3. The generally applicable laws and the Bank's internal regulations, in particular, the By-Laws of the Bank, the Rules of the AGM, the Rules of the Supervisory Board and the Rules of the Management Board apply to matters not governed by this Policy.

Appendix No. 1 to the Policy for the Assessment of Qualifications (Suitability), Appointment and Dismissal of Members of the Bank's Bodies at mBank S.A.

Detailed criteria for assessing suitability of Members of the Bank's Bodies and the suitability assessment process

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1. Specific criteria for assessing suitability

1.1. Individual suitability assessment criteria

1. Individual suitability assessment criteria include:
 - 1) knowledge, professional experience, skills and competences,
 - 2) guarantee of proper performance of entrusted duties, i.e., clear criminal record, reputation, integrity, reliability, financial standing, and independence of judgement, including conflicts of interest,
 - 3) time spent on performing duties connected with the position,
 - 4) holding several positions and functions.
2. For each assessment criterion, the Bank has identified a catalogue of possible methods for assessing suitability. The criteria are assessed on the basis of an analysis using selected methods, including among others the following:
 - 1) analysis of CV data,
 - 2) verification of the information contained in the assessment forms,
 - 3) verification of documents made available by the (Candidate for) Member of the Bank's Body, including among others the following: university diplomas, third degree diplomas, postgraduate diplomas, and clear criminal record certificates,
 - 4) analysis of the documentation available at the Bank, including among others the minutes of the Bank's Body meetings,

- 5) professional and behavioural interview.

11.2.

11.3. 1.2. Knowledge, professional experience, skills and competences

1. The assessment of knowledge, skills and professional experience includes the following:
 - 1) background in banking and finance, economics, law, accounting, auditing, administration, financial regulation, information technology and quantitative methods, which can be generally considered to be related to banking and financial services, appropriate to the Bank's business profile and the responsibilities of the position (relevant to the functions entrusted and the tasks performed within these functions),
 - 2) training, professional titles and qualifications or professional degrees,
 - 3) knowledge and skills acquired over the course of the professional career,
 - 4) professional experience appropriate to the entrusted functions and responsibilities, acquired in the exercise of specific functions or positions, including:
 - a) theoretical and practical experience:
 - i. in positions related to the financial sector (banking and financial markets) in areas such as: market knowledge, legal requirements and regulatory framework, strategic planning and understanding of the institution's business strategy and business plan and their implementation, risk management (including identifying, assessing, monitoring, controlling and mitigating the institution's main risks) taking into account risk factors related to environmental, social and corporate governance risks, the risk of using information and communication technologies (ICT), accounting and auditing, assessing the effectiveness of the institution's arrangements and policies to ensure effective management, supervision and controls, interpreting the credit institution's financial information, identifying key issues based on such information and relevant controls and measures,
 - ii. in national and international non-commercial infrastructure financial institutions and financial safety net institutions.
 - b) practical and professional dimension of the experience gained in previous positions, taking account of the nature of the position, the length and duration of service, the responsibilities actually carried out and the size and characteristics of the institution, in particular the length of service in a management position, including an assessment of the nature of the managerial position held and its level in the hierarchy, the nature and complexity of the institution in which the managerial position was held, including its organisational structure, the scope of decision-making powers and responsibilities deriving from the position held, and the duties carried out, the technical knowledge acquired in the position and the number of directly and indirectly reporting staff,
 - c) received awards, prizes, commendations (including those attesting to the professional conduct of the Candidate or Member of the Bank's Body), as well as reprimands, admonishments related to the activities performed,
 - d) in relation to the Supervisory Board, experience gained in relevant academic or administrative positions or through the management, supervision or control of financial institutions or other entities,

- 5) skills necessary to perform the entrusted function as adapted to the scope of the duties resulting from education and experience (hard skills) and behavioural (soft) skills necessary to manage the Bank, such as authenticity, language, decisiveness, communication, judgement, attention to customer and quality, leadership skills, loyalty, external awareness, negotiation, persuasion, teamwork, strategic skills, resistance to stress, sense of responsibility, chairing meetings/leading a team,
 - 6) continuous pursuit of professional development and raising of qualifications, improving and deepening knowledge and skills necessary for the performance of duties,
 - 7) an understanding of the governance of the Bank, an understanding of the role and responsibilities of a Member of the Bank's Body and of the Group structure,
 - 8) impact of the competences of a Candidate or Member of the Bank's Body on the collective suitability of the Bank's Body,
 - 9) knowledge of the Polish language to ensure adequate participation of persons who can speak Polish
 - 10) in case of a member of the Management Board supervising the management of material risk in the bank's activity - having an experience in managerial positions at the second or third level of the risk management system; as a rule, it should be related to functions directly included in the relevant level of the risk management system,
 - 11) in relation to the Member of the Bank's Management Board responsible for AML/CFT:
 - a) knowledge, skills and relevant experience necessary to identify, assess and manage the money laundering and terrorist financing risks faced by the Bank and to implement anti-money laundering and counter-terrorist financing strategies, controls and procedures,
 - b) a good understanding of the Bank's business model and the banking sector, and an understanding of the extent to which the business model exposes the Bank to money laundering and terrorist financing risks.
2. Knowledge, skills and professional experience are assessed collectively in terms of suitability for the entrusted functions and duties.
 3. The Bank has implemented organisational solutions to ensure that Members of the Bank's Body are able to familiarise themselves with key information that may have a significant impact on the prudent and stable management of the Bank, despite their lack of knowledge of the Polish language, including among others: ensuring the availability of materials for the Bank's Body meetings in two language versions (Polish and English), ensuring the availability of a simultaneous interpreter when required.
 4. The President of the Management Board of the Bank and the Member of the Management Board overseeing the management of risks material to the Bank's operations should have knowledge of the Polish language necessary to perform their duties effectively and independently. If the Bank intends to appoint a Candidate to these positions without knowledge of the Polish language, the Bank applies to KNF for a waiver of the Polish language requirement.

11.4. 1.3. Guarantee of proper performance of entrusted duties

1. The assessment of the guarantee of proper performance of entrusted duties, which includes the ability to conduct the Bank's affairs in a prudent and stable manner (including to ensure that the Bank's Body has acted in the best interests of the Bank, including with regard to combating money laundering and terrorist financing), includes:
 - 1) criminal record,
 - 2) reputation understood as good repute, personal qualities, ethical standards, including past conduct, other sanctions and measures,
 - 3) financial standing affecting susceptibility to possible pressure or increasing willingness to accept excessive risk,
 - 4) independence of judgement, including behavioural traits and conflict of interest.

Criminal record

2. The assessment of the criminal record, without prejudice to the principle of presumption of innocence applied in criminal proceedings and other fundamental rights, includes:
 - 1) convictions and pending criminal and fiscal criminal proceedings, taking into account the legal classification of the crime, in particular concerning:
 - a) crimes as defined in the laws governing banking, finance, securities, insurance, securities markets or financial or payment instruments, including the laws on money laundering and terrorist financing and the laws on money laundering offences as defined in Directive (EU) 2015/849, corruption, market manipulation, insider dealing and usury,
 - b) crimes of dishonesty, fraud and financial crime,
 - c) tax crimes, whether committed directly or indirectly, including through unlawful or prohibited dividend arbitrage schemes,
 - d) any other type of crime as defined by law relating to companies, bankruptcy, insolvency and consumer protection,
 - 2) other pertinent observations and measures (and administrative sanctions and proceedings) taken now or in the past by a regulatory, administrative or professional body in relation to non-compliance with the regulations in question, in particular those governing banking, finance, financial activities including trading in financial instruments and securities, insurance and payment services,
 - 3) investigations carried out, if they result from judicial or administrative procedures or other similar investigations carried out under the law, without prejudice to the fundamental rights of the individual, and other adverse reports containing relevant, reliable and credible information (e.g., under the Bank's whistleblowing procedures).
 - 4) cases of a justified suspicion of a money laundering or terrorist financing offenses referred to in Article 165a or Article 299 of the Criminal Code Act of 6 June 1997, involving the activity of a bank, a justified suspicion of an attempt to commit the said criminal offence or the existence of increased risk of that criminal offence being committed.

Reputation

3. The assessment of the reputation, honesty, ethics, integrity and ability to conduct the affairs of the supervised institution in a prudent and stable manner includes the following:
- 1) entry in the available criminal and administrative records, without prejudice to the fundamental rights of the individual and taking into account any limitation periods applicable under national law, taking into account the nature of the conviction or charge, the role played by the Candidate for a Member of the Bank's Body or Member of the Bank's Body in the breach, the penalty imposed, the current stage of the judicial process and the corrective action taken, as well as the surrounding circumstances, including mitigating factors, the gravity of the crime in question, administrative or supervisory actions, the time that has elapsed since the crime was committed, the conduct of the Candidate for a Member of the Bank's Body or Member of the Bank's Body since the crime was committed or the action taken, and the relationship of the crime or action with the role played by that person,
 - 2) evidence that the person has not acted in a transparent and open manner or has failed to cooperate with the competent authorities, including the supervisory authorities,
 - 3) refusal to grant, revocation, withdrawal or cancellation of a registration, permit, membership or licence to carry on a trade, business or professional activity,
 - 4) reasons for termination of an employment, trust or fiduciary relationship or a similar event, and a request to resign from such a position, in particular disciplinary dismissals,
 - 5) removal or request for removal from a managerial function by a competent administrative authority. Other evidence or serious allegations based on relevant, credible and reliable information that the person is acting in a manner inconsistent with high standards of conduct (including, for example, a fine imposed on a Candidate or Member of the Bank's Body by a final decision of KNF, provided that the information is publicly available or provided by the Candidate or Member of the Bank's Body),
 - 6) instances of disqualification from holding corporate managerial functions, instances of lack of openness, transparency and willingness to cooperate with supervisory authorities, instances of bankruptcy, resolution and liquidation proceedings, discharge of duties granted or refused, supervisory measures or other administrative sanctions imposed (including the time elapsed since the imposition of the measures and the involvement of the Candidate or Member of the Bank's Body in the decision-making process resulting in the irregularity, failure to comply with obligations resulting in the imposition of such measures, and the actions of the Candidate or Member of the Bank's Body after the imposition of such measures, such as implementation of recommendations and performance of obligations after the event),
 - 7) performance of obligations assigned, including in particular:
 - a) for Members of the Management Board, the conduct of the Bank's affairs taking into account the division of competences within the Management Board and the internal regulations defining the responsibilities of the Members of the Management Board, including the rules of the Bank's Management Board, as well as available information on customer complaints about the bank's activities in the areas of responsibility of the person being evaluated, including the approach and timeliness of their resolution;

- b) the existence of reasonable grounds to suspect that, due to an act or omission on the part of members of the bank's bodies, there has been or may have been a violation of the requirements for the prevention of money laundering or terrorist financing;
 - c) for Members of the Supervisory Board, appointing and monitoring the composition of the Management Board in a way that takes into account the requirements of individual and collective suitability and ensures a smooth succession and continuity of the Management Board, as well as the obligations arising from the internal regulations setting out the responsibilities of the Members of the Supervisory Board, including the rules of the Bank's Supervisory Board,
 - d) in the case of the Audit Committee, the obligations arising from the rules of the Audit Committee,
- 8) the impact of the cumulative effects of minor incidents,
4. The assessment of the performance of assigned obligations takes into account the assigned obligations (based on the documentation available at the Bank in the form of the organisational structure, the organisational rules and relevant internal policies) and the reporting structure within the Bank and the Group to determine whether a material fact or finding should be attributed to one or more responsible Members of the Bank's Body.

Financial standing

5. The assessment of financial standing takes into account the current and past financial standing of the Candidate or Member of the Bank's Body, including:
- 1) whether the Candidate for Member of the Bank's Body or Member of the Bank's Body is a defaulting debtor (e.g., has a negative credit history, if available, in a reliable credit information agency),
 - 2) the financial results and performance of entities owned or managed by the Candidate for Member of the Bank's Body or Member of the Bank's Body, or in which he or she had or has an interest or influence, with particular reference to bankruptcy and liquidation proceedings and whether and how the person subject to the assessment contributed to the situation that led to the proceedings,
 - 3) whether the Candidate for Member of the Bank's Body or Member of the Bank's Body has declared consumer bankruptcy,
 - 4) information on civil, administrative and criminal proceedings,
 - 5) information on significant exposures, investments and borrowings, insofar as these circumstances could have a significant adverse effect on the financial standing of the person subject to the assessment.
6. The financial standing is assessed with regard to the occurrence of conflicts of interest and the impact on the independence of judgement, as well as the competences and reputation of the Candidate or Member of the Bank's Body.

Independence of judgement

7. The assessment of independence of judgement includes the qualities and behavioural skills manifested in the behaviour of the Candidate for Member of the Bank's Body or Member of the Bank's Body, as well as potential or existing conflicts of interest, as defined in the Bank's "Conflict of Interest Management Policy at mBank S.A." and their relevance, taking into account:
 - 1) courage, conviction, assertiveness and strength to effectively assess and challenge decisions proposed by other Members of the Bank's Body,
 - 2) the ability to ask the right questions of Members of the Bank's Body,
 - 3) the ability to resist "groupthink",
 - 4) situations that may lead to actual or potential conflicts of interest:
 - a) economic interest (e.g., shares, other ownership or membership rights, stake and other economic interest in commercial clients, intellectual property rights, loans extended by the Bank to entities in which Members of the Bank's Body own or otherwise control shares),
 - b) personal (e.g., close family ties), economic or professional ties with the owners of significant shareholdings in the Bank or its parent company, Commerzbank AG,
 - c) personal (e.g., close family ties), economic or professional ties with employees of the Bank, Members of the Bank's Body, Commerzbank AG or an entity included in the scope of prudential consolidation,
 - d) personal (e.g., close family ties), economic or professional ties with specific stakeholders (e.g., linked to important suppliers, consultancies or providers of other services to the Bank),
 - e) membership of a body, exercising control over a legal person or other entity with conflicting interests with the Bank,
 - f) political influence or political connections,
 - g) past and present positions held within the Bank or the Group.

11.5. 1.4. Devoting the time necessary to the tasks in the position

1. Performing the function of a member of the Management Board of a Bank should be the main area of professional activity.
2. A member of the Management Board should not be a member of a body of other entities, if the time spent performing functions in other entities prevents him from reliably performing his duties in the Bank.
3. A member of the Supervisory Board should perform his function by demonstrating the necessary level of commitment to the work of the Supervisory Board, i.e. devote time to the extent necessary to properly perform his task.
4. The assessment of suitability in terms of the ability of the members of the bodies to devote enough time takes into account in particular:
 - 1) the number and type of functions exercised in other entities, within the Group and outside the Group (taking into account possible synergies when several functions are exercised in the Group),

- 2) the geographical location of the entity in which the assessed person performs the functions (including the travel time required and the arrangements the entity has in place to enable part of the duties to be performed remotely),
 - 3) the number of planned meetings of the body concerned and an estimate of the number of any other necessary meetings,
 - 4) the nature of the functions held in other entities, including the extent of the tasks performed,
 - 5) number of functions in organisations whose main purpose is not commercial, and other professional, social and political activities,
 - 6) the time needed for induction and training necessary for the function to be carried out properly,
 - 7) other relevant professional responsibilities of the assessed person,
 - 8) available and meaningful information on time commitment,
 - 9) functional and purposeful considerations for combining functions in several entities (e.g., to ensure a certain standard of management or supervision of entities within the same group),
5. The specific requirements and criteria for time commitment are set forth in the minimum requirements for Management and Supervisory Board Members.

11.6. 1.5. Holding several positions and functions

1. With regard to the combination of positions and functions (number of positions held concurrently), a limit on the number of Management Board Member and Supervisory Board Member functions is taken into account in the assessment.
 2. The combining of positions is assessed for any conflicts of interest, including internal conflicts of interest, and the fulfilment of the time commitment criterion.
1. The Bank ensures that the internal allocation of responsibility for the various business areas among Members of the Management Board is transparent and unambiguous and does not lead to overlapping duties among Members of the Management Board or to internal conflicts of interest.

11.7. 1.6. Additional assessment criteria for Supervisory Board Members, including Members of the Supervisory Board committees

1. The selection of Candidates for Supervisory Board Members takes into account the need to appoint members of the committees of the Supervisory Board from among them. For this reason, the initial assessment of Candidates for Members, the secondary assessment of the Members of the Supervisory Board and the collective assessment of the Supervisory Board takes into account the competences required for the tasks of the committees of the Supervisory Board, in accordance with the minimum requirements set by the Supervisory Board.
2. The Supervisory Board should comprise a sufficient number of independent Members, i.e., a number consistent with applicable regulatory requirements and requirements under generally applicable laws, including in particular the Act on statutory auditors, audit firms and public supervision.
3. The assessment of Audit Committee Members takes into account:
 - 1) knowledge and skills in accounting and auditing,
 - 2) banking knowledge and skills,

- 3) the independence of the Members of the Audit Committee, in accordance with the independence criteria set out in the Act on statutory auditors, audit firms and public supervision.
4. The assessment of the Members of the Supervisory Board committees carrying out the regulatory tasks specific to the nomination committee, remuneration committee and risk committee shall be made by the Supervisory Board and shall take into account:
 - 1) the knowledge and skills of the tasks of a specific committee of the Supervisory Board,
 - 2) the independence of the Members of these committees of the Supervisory Board.
5. The chairman of a Supervisory Board committee carrying out the tasks of the risk committee should not serve as chairman of any other Supervisory Board committee.

2. Suitability assessment process

11.8. 2.1 Initial individual assessment of a Candidate and appointment as a Member of the Bank's Body

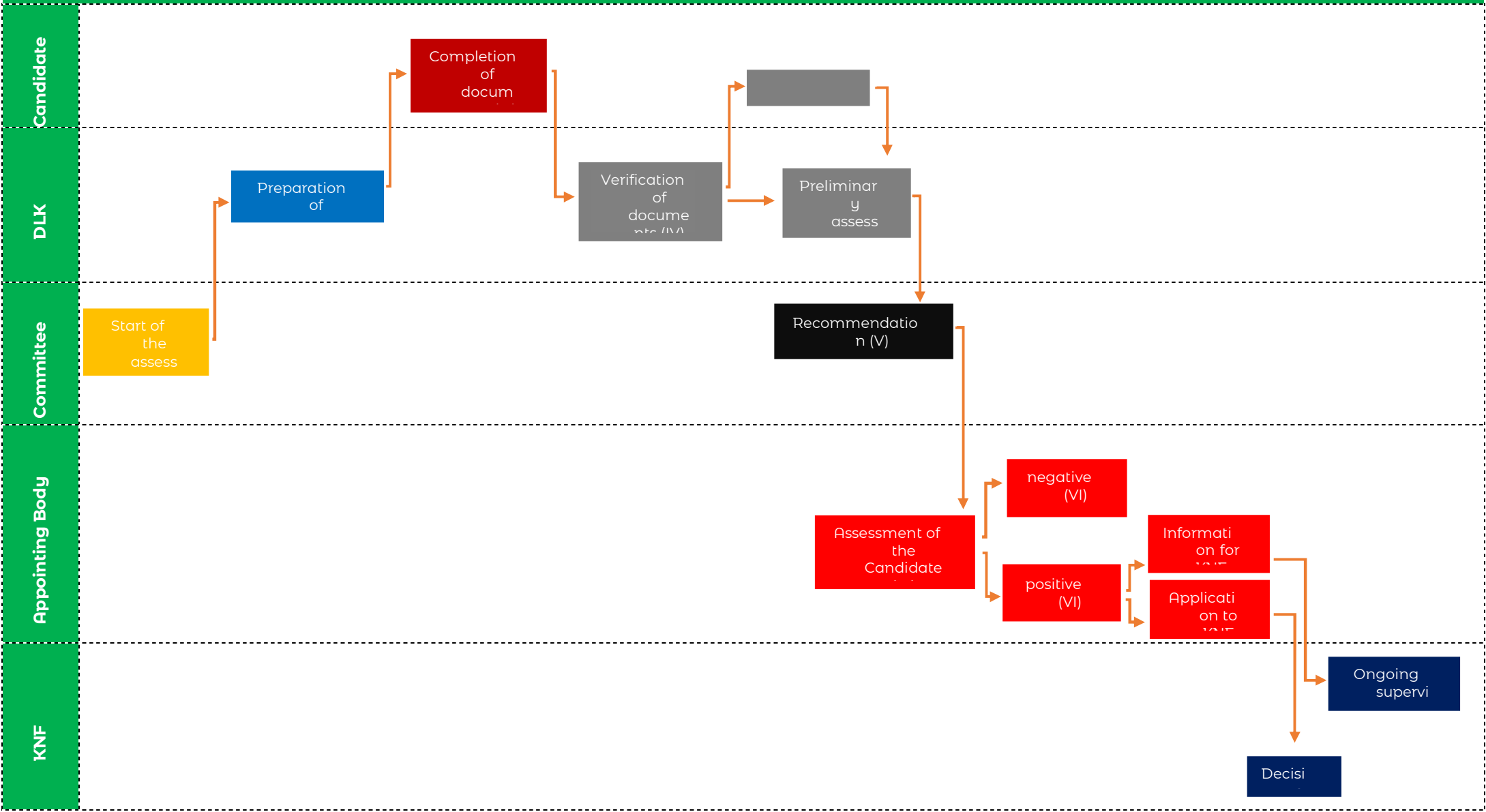
Phase	Description of activities	Responsible authorities and units
I. Start of the assessment	Once the recruitment procedure has been carried out, if necessary, the Committee starts the process of assessment of the Candidate and asks DLK to carry out the necessary steps in this regard, thus initiating the phase of preparation of the documents.	Committee
II. Preparation of documents	DLK provides the Candidate with a list of information and statements to be provided by the Candidate, using the assessment form.	DLK
III. Completion of documents	1. The Candidate prepares the information and statements by completing the assessment form and attaches the documents indicated therein to confirm the accuracy of the information contained in the form.	Candidate
	2. The Candidate submits the completed form to DLK.	Candidate
IV. Verification of documents and preliminary assessment	1. DLK verifies the completeness and correctness of the form and the completeness of the documents and their conformity with the form. If irregularities are identified, DLK forwards the documents to the Candidate to be corrected or supplemented (indicating to what extent the documents should be corrected or supplemented) within the time limit agreed with the Candidate.	DLK
	2. The Candidate forwards the corrected or supplemented documents to DLK.	Candidate
	3. DLK consults the initial assessment of the suitability of the members of the bodies with the functional units in the bank responsible for the areas to be assessed	DLK in cooperation with respective units
	4. DLK makes a preliminary assessment of the Candidate using the assessment form.	DLK
	In order to increase the objectivity of the suitability assessment, DLK may subcontract the work of document verification and preliminary assessment to an external body. The scope of the	

	verification is agreed in each case between DLK and the external body.			
	5. Following the preliminary assessment of the Candidate, DLK archives and forwards to the Committee the documentation.	DLK		
V.Recommendation	1. The Committee prepares a recommendation to the Appointing Body on the assessment and appointment or non-appointment of the Candidate to a position on the Bank's Body.	Committee		
	1) positive assessment	2) positive assessment with reservations , which objections can be removed as a result of supplementary action	3) negative assessment	
	The Committee recommends the appointment of the Candidate to a position on the Bank's Body or the appointment of the Candidate to a position subject to the required approval of KNF (in the case of the President of the Management Board or the Member of the Management Board overseeing the management of risks material to the Bank's activities).	The Committee may recommend that the appointment of the Candidate to the position be withheld until supplementary actions are has been identified or implemented. .	The Committee recommends not to appoint the Candidate to the Bank's Body.	
VI. Assessment of the Candidate and decision on	1. In the event of the appointment of a Candidate to the Management Board, at least two weeks before the Supervisory Board meeting, the Secretary to the Supervisory	Secretary to Supervisory Board		

his/her appointment	Board sends to the Members of the Supervisory Board a meeting agenda which includes an item on the appointment of a new Management Board Member, enclosing information material on the Candidate.			
	2. The Appointing Body makes an assessment of the Candidate:			Appointing Bod
	1) positive assessment	2) positive assessment with reservations , which objections can be removed as a result of supplementary action	3) negative assessment	
	The Appointing Body adopts a resolution on the appointment of the Candidate to the Bank's Body.	The Appointing Body indicates the type of supplementary action and their deadline depending on the assessment criterion and informs the Candidate and DLK. After the supplementary action have been completed, the Candidate's assessment is repeated.	a) the recruitment procedure of the Candidate is terminated without appointment, b) the Appointing Body reviews the measures necessary to ensure the continuity of the Bank's Body and takes appropriate steps towards their implementation, including initiating the recruitment of a new Candidate for the position.	Appointing Bod
	3. In the event of a vote contrary to the Committee's recommendation, the Member of the Appointing Body must state the reasons for such action, in writing or for the record, unless the vote is taken by secret ballot.			Member of Appointing Body
4. Upon completion of the assessment process, the Bank notifies KNF of the change in the composition of the Management Board of the Bank or the Supervisory Board of the Bank and the fulfilment by the Members of these Bodies of the requirements set out in Article 22 aa of the Banking Law.			1) in the case appointment a Member the Supervisory Board, the B	

	<p>5. Documents submitted to KNF include:</p> <ol style="list-style-type: none"> 1) information on the Member of the Bank's Body affected by the change (including the date of appointment to the Bank's Body and the length of the term of office), 2) information on the reasons for the change in the composition of the Bank's Body, 3) information on the outcome of the individual suitability assessment (including a statement on compliance with the requirements set out in Article 22aa of the Banking Law), 4) a resolution appointing a Member of the Management Board or a Member of the Supervisory Board. 5) Bank provides to the KNF the completed assessment form, together with any documents supporting the information contained therein. 		<p>(in accordance with the rules of representation)</p> <ol style="list-style-type: none"> 2) in the case of appointment of a Member of the Management Board, Supervisory Board
	<p>7. Appointment of the President of the Management Board or the Member of the Management Board responsible for managing the Bank's material risks:</p> <ol style="list-style-type: none"> 1) the Supervisory Board notifies KNF of the inclusion of an item on the agenda of the Supervisory Board meeting concerning <ol style="list-style-type: none"> a) the dismissal of the President of the Management Board, b) the dismissal of the Management Board Member overseeing the management of material risks or the delegation of those duties to another Management Board Member, together with the reasons for the proposed decision. 2) the Supervisory Board passes a resolution to appoint a Candidate to a position on the Management Board of the Bank (subject to the approval of KNF) 3) the Supervisory Board submits an application to KNF for approval of appointment of a Candidate to the Management Board of the Bank (attaching information and documentation of the suitability assessment to the application, together with a signed assessment form and documents confirming the information contained in that form). 		Supervisory Board
	KNF's positive decision: the process is closed.	KNF's negative decision: the Supervisory Board takes actions as defined in case the Supervisory Board decides not to appoint a Candidate to a position on the Bank's Body.	Supervisory Board
	<p>8. The Appointing Body informs the Candidate for a Member of the Bank's Body of its decision without delay.</p>		Appointing Body

Initial individual assessment of a Candidate for a Member of the Body



11.9. 2.2. Secondary assessment and, where appropriate, appointment for a new term of office or dismissal of a Member of the Bank's Body

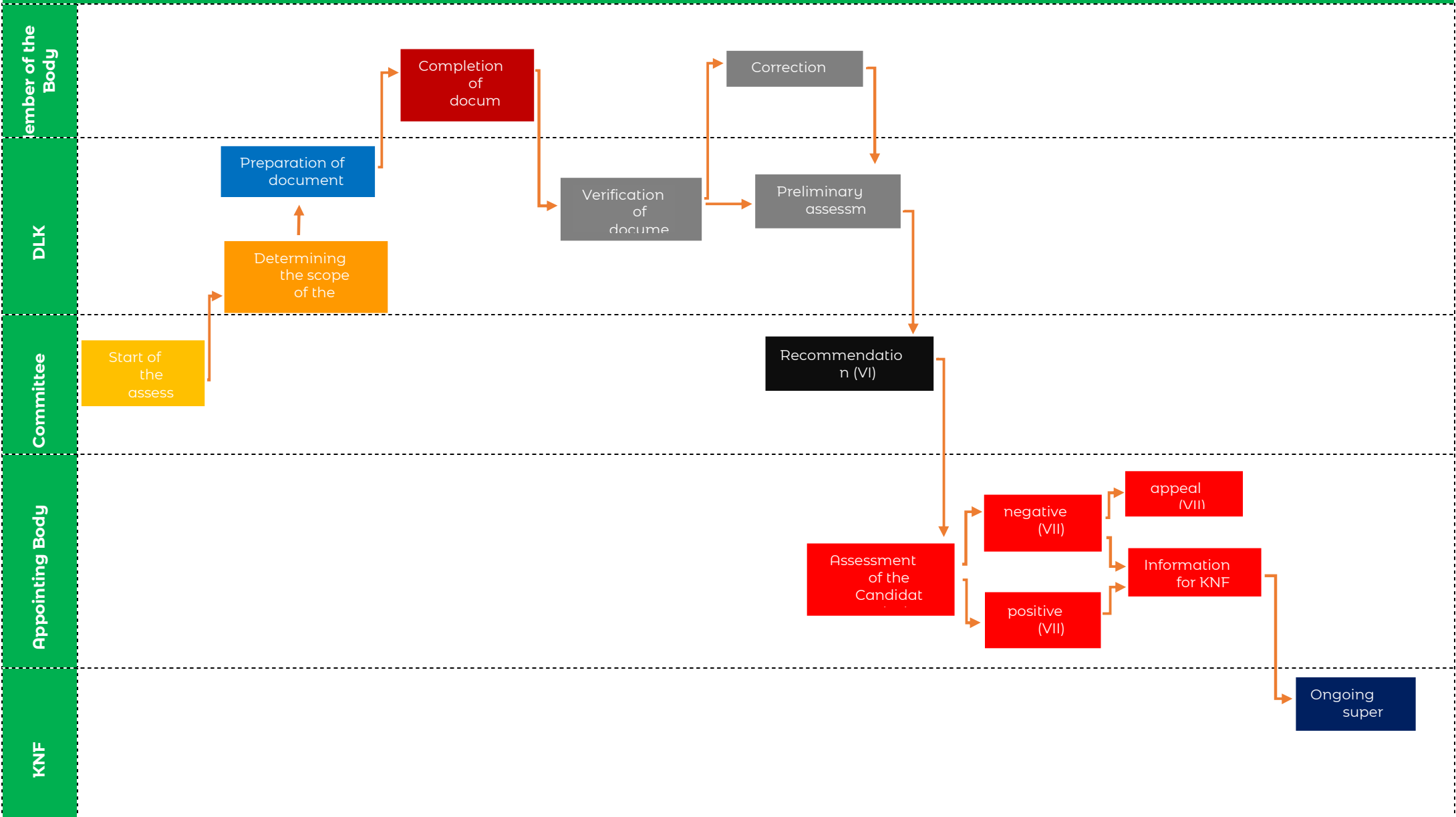
Phase	Description of activities	Responsible authorities and units		
I. Start of the assessment	In the event of the occurrence of events identified as criteria of a secondary assessment, the Committee initiates the secondary assessment process and requests DLK to carry out the necessary steps in this regard.	Committee		
II. Determining the scope of the assessment	<p>1. DLK determines to what extent a secondary assessment should be carried out, taking into account:</p> <p>1) the criterion of conducting a secondary assessment, 2) documentation of a previous suitability assessment of the Member of the Bank's Body.</p> <table border="1" data-bbox="403 813 1209 1798"> <tr> <td data-bbox="403 813 798 1798">The Bank has received information that a Member of the Bank's Body has been charged in criminal proceedings or in proceedings for a tax crime or for having caused substantial financial loss, or new circumstances have come to light which may affect the suitability assessment of a Member of the Bank's Body, in particular with regard to identified cases of potential conflict of interest, the assessment is limited to clarifying these circumstances and analysing whether the selected criteria for a suitability assessment are met.</td> <td data-bbox="798 813 1209 1798">Other events have occurred that initiate the assessment process - the secondary assessment is carried out in full.</td> </tr> </table>	The Bank has received information that a Member of the Bank's Body has been charged in criminal proceedings or in proceedings for a tax crime or for having caused substantial financial loss, or new circumstances have come to light which may affect the suitability assessment of a Member of the Bank's Body, in particular with regard to identified cases of potential conflict of interest, the assessment is limited to clarifying these circumstances and analysing whether the selected criteria for a suitability assessment are met.	Other events have occurred that initiate the assessment process - the secondary assessment is carried out in full.	DLK
The Bank has received information that a Member of the Bank's Body has been charged in criminal proceedings or in proceedings for a tax crime or for having caused substantial financial loss, or new circumstances have come to light which may affect the suitability assessment of a Member of the Bank's Body, in particular with regard to identified cases of potential conflict of interest, the assessment is limited to clarifying these circumstances and analysing whether the selected criteria for a suitability assessment are met.	Other events have occurred that initiate the assessment process - the secondary assessment is carried out in full.			
III. Preparation of documents	Taking into account the scope of the secondary assessment, DLK provides the Member of the Bank's Body with a list of information and statements to be provided by the Member of the Bank's Body, using the assessment form (if the secondary assessment is carried out in full).	DLK		

IV. Completion of documents	1. The Member of the Bank's Body prepares the information and statements by completing the assessment form and attaches the documents indicated therein to confirm the accuracy of the information contained in the form.			Member of the Bank's Body
	2. The Member of the Bank's Body submits the completed form to DLK.			
V. Verification of documents and preliminary assessment	1. DLK verifies the completeness and correctness of the form and the completeness of the documents and their conformity with the form. If irregularities are identified, DLK forwards the documents to the Member of the Bank's Body to be corrected or supplemented (indicating to what extent the documents should be corrected or supplemented) within the time limit agreed with the Member of the Bank's Body.			DLK
	2. The Member of the Bank's Body forwards the corrected or supplemented documents to DLK.			Member of the Bank's Body
	3. DLK consults on preliminary assessment of suitability of body members with the bank's units responsible for areas that are subject to suitability assessments.			DLK with in cooperation with relevant units.
	4. In order to increase the objectivity of the suitability assessment, DLK may subcontract the work of document verification and preliminary assessment to an external body. The scope of the verification is agreed in each case between DLK and the external body.			DLK
	5. Following the preliminary assessment of a Member of the Bank's Body, DLK archives and forwards to the Committee the documentation.			DLK
VI. Recommendation	1. The Committee prepares a recommendation to the Appointing Body on the assessment of the Member of the Bank's Body:			Committee
	1) positive assessment	2) positive assessment with reservations, which objections can be removed as a result of supplementary action	3) negative assessment	
	The Committee recommends, depending on the criterion	The Committee may recommend that the Member of a Bank's Body be retained on the	The Committee recommends that the Member of the Bank's Body be removed	

	<p>for the secondary assessment, a positive assessment of the Member of the Bank's Body and retaining the Member of the Bank's Body in office or appointing the Member of the Bank's Body for another term on the Bank's Body.</p>	<p>Bank's Body, provided that supplementary action is implemented within a prescribed period.</p>	<p>from office immediately.</p>	
<p>VII. Assessment of a Member of the Bank's Body and decision on his/her retention in office, appointment for a further term of office or dismissal</p>	<p>1. The Appointing Body makes an assessment of the Member of the Bank's Body:</p>			<p>Appointing Body</p>
	<p>1) positive assessment and decision to retain the Member on the Bank's Body or appoint the Member for another term on the Bank's Body.</p>	<p>2) positive assessment with reservations, which objections can be removed as a result of supplementary action.</p>	<p>3) negative assessment and dismissal from the Bank's Body.</p>	
	<p>Retention in office or appointment for another term.</p>	<p>The Appointing Body approves the method and timetable for the implementation of the supplementary action.</p>	<p>The Appointing Body analyses the measures necessary to ensure the continuity of the Bank's Body and takes</p>	

		After the implementation of the supplementary action, the secondary assessment of the Member of the Bank's Body is repeated.	appropriate steps towards their implementation, including initiating the recruitment of a new Candidate for the position.	
	2. In the event of a vote contrary to the Committee's recommendation, the Member of the Appointing Body must state the reasons for such action, in writing or for the record, unless the vote is taken by secret ballot.			Member of the Appointing Body
	3. The Bank provides KNF with information on the outcome of the secondary assessment of a Member of the Bank's Body.			1) in the case of assessment of a Member of the Supervisory Board, the Bank (in accordance with the rules of representation), 2) in the case of assessment of a Member of the Management Board, the Supervisory Board.
	4. At the request of KNF, the Bank provides the completed assessment form, together with any documents supporting the information contained therein.			
	5. The Appointing Body immediately informs the Member of the Bank Body of the decision.			Appointing authority

Secondary individual assessment of a Member



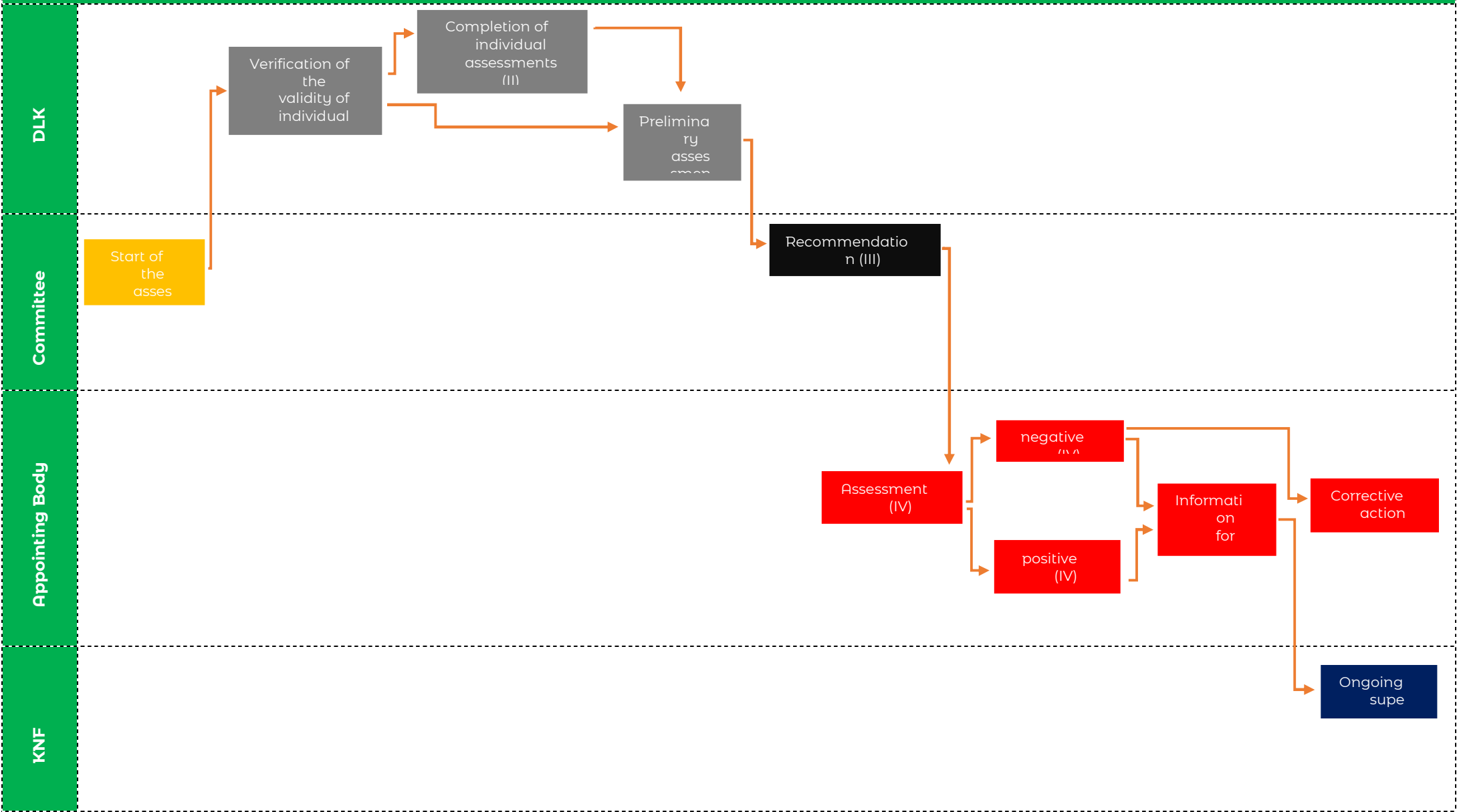
11.10. 2.3. Collective suitability assessment of the Bank's Body

Phase	Description of activities	Responsible authorities and units	
I. Start of the assessment	In the event of the occurrence of events identified as criteria of a collective assessment, the Committee initiates the assessment process and requests DLK to carry out the necessary steps in this regard.	Committee	
II. Verification of the validity of individual assessments and preliminary assessment	1. DLK verifies the validity of the individual assessments of Members of the Bank's Body and Candidates for Members of the Bank's Body to the extent necessary to carry out the collective suitability assessment:	DLK	
	1) individual assessments are out of date or incomplete.		2) individual assessments are up to date and complete or have been supplemented accordingly.
	DLK initiates an individual assessment of Members and Candidates for Members of the Bank's Body whose individual assessments are outdated or incomplete, and then makes a preliminary assessment of the collective suitability of the Bank's Body, using a collective assessment form.		DLK makes an initial assessment of the collective suitability of the Bank's Body, using a collective assessment form.
	2. In order to increase the objectivity of the suitability assessment, DLK may subcontract the work of document verification and preliminary assessment to an external body. The scope of the verification is agreed in each case between DLK and the external body.		
III. Recommendation	1. The Committee prepares a recommendation to the Appointing Body on the collective assessment of the Bank's Body:	Committee	

	1) positive assessment	2) negative assessment	
	The Committee recommends a positive assessment of the collective suitability of the Bank's Body and retention of the Bank's Body in its current composition. The Committee may also recommend corrective actions to be taken to address identified concerns or irregularities.	The Committee recommends corrective actions to be taken to address identified concerns or irregularities.	
IV. Assessment of the Body	1. The Appointing Body make an assessment of the collective suitability of the Body:		Appointing Body
	1) positive assessment	2) negative assessment	
	The Body is to function with an unchanged composition. The outcome of the evaluation may also include recommendations as to corrective actions to be taken to address identified concerns or irregularities.	The Appointing Body approves the method and timetable for the implementation of the supplementary action. After the implementation of the supplementary action, the collective assessment of the Bank's Body is repeated.	
		In the event of a negative assessment of the collective suitability of the Bank's Management Board, the Committee additionally initiates a process to assess the individual and collective suitability of the	Committee

		Management Board in the context of its obligations to ensure the suitability of the Bank's Management Board.	
	2. In the event of a vote contrary to the Committee's recommendation, the Member of the Appointing Body must state the reasons for such action, in writing or for the record, unless the vote is taken by secret ballot.		Member of the Appointing Body
	3. The Bank provides KNF with information on the outcome of the collective assessment of the Bank's Body and, in the case of a negative assessment, additionally with information on the recommended supplementary actions, if applicable.		1) in the case of assessment of a Member of the Supervisory Board, the Bank (according to the rules of representation), 2) in the case of assessment of a Member of the Management Board, the Supervisory Board.
	4. At the request of KNF, the Bank provides the completed assessment form, together with any documents supporting the information contained therein.		
	5. The Appointing Body immediately informs the Bank's Body of the decision.		Appointing Body

Collective assessment of the Body



3. Actions to be taken if the suitability criteria are not met

1. The supplementary actions that may be taken to remove objections against a Candidate for a Member of the Bank's Body or Member of the Bank's Body include, depending on the criterion, the following:
 - 1) **education, experience and skills** – remedying the deficiencies of a Candidate for a Member of the Bank's Body or Member of the Bank's Body in this respect, e.g., by providing additional training or courses (e.g., in-house training by highly qualified staff or by external experts),
 - 2) **conflicts of interest** – eliminating identified conflicts of interest or putting in place arrangements to ensure that conflicts of interest are managed,
 - 3) **time commitment** – implementing solutions to increase the involvement of the Candidate for a Member of the Bank's Body or Member of the Bank's Body (e.g., resignation from other functions) or to reduce the requirements and implement solutions to reduce the extent of the necessary involvement (e.g., limiting the scope of competences and entrusting some competences to another Member of the Bank's Body).
 - 4) **functions held** – reducing the number of positions held (e.g., resignation from other functions held concurrently).
2. In the event of a negative assessment according to the criterion of guarantee and clear criminal record, no supplementary action is possible.
3. Supplementary actions that may be taken in the event of a negative assessment of collective suitability or to remove objections against the Bank's Body include, in particular, the following:
 - 1) adjusting the division of responsibilities between the Members of the Bank's Body,
 - 2) replacement of Members of the Bank's Body,
 - 3) recruitment of additional Members to the Bank's Body,
 - 4) taking potential measures to minimise conflicts of interest,
 - 5) organising training for specific Members of the Bank's Body,
 - 6) organising training for the Bank's Body as a whole to ensure individual and collective suitability of the Bank's Body.