



Information for Shareholders of BNP Paribas Bank Polska S.A.

Rationale for the resolutions to be considered by the Ordinary General Meeting convened for 27 June 2022

The Management Board of BNP Paribas Bank Polska S.A. ("the Bank"), acting pursuant to Article 395 of the Commercial Companies and Partnerships Code ("the Code") and § 8 para. 2 of the Articles of Association of the Bank, has convened the Ordinary General Meeting of BNP Paribas Bank Polska S.A. ("OGM") to be held on 27 June 2022 at 10:00 a.m., proposing at the same time to pass the resolutions which are on the OGM's agenda as presented in the published Announcement.

1. Justification for the OGM's agenda

Pursuant to Article 395 § 2-2¹ and § 5 of the Commercial Companies and Partnerships Code, the agenda of an Ordinary General Meeting ("OGM") should comprise:

- 1) review and approval of the management board's report on the company's activities and the financial statements for the prior financial year;
- 2) passing a resolution on profit distribution or loss offset;
- 3) granting a vote of acceptance to the members of the company's bodies for the fulfilment of their duties;
- 4) passing a resolution giving an opinion on the Supervisory Board's report on the remuneration;
- 5) review and approval of the financial statements of the group.

There may also be other matters on the agenda of an Ordinary General Meeting.

On 24 May 2022, the Supervisory Board of BNP Paribas Bank Polska S.A. expressed a favourable opinion on the agenda of the OGM convened for 27 June 2022. (Resolution of the Supervisory Board No. 42/2022 dated 24 May 2022)

2. Justification for Resolutions Nos. 3–5 (point 8 of the agenda)

- a) **Resolution No. 3 on the review and approval of the Management Board's Report on the activities of the BNP Paribas Bank Polska S.A. Group in 2021 (including the Report of the Management Board on the activities of BNP Paribas Bank Polska S.A. in 2021)**
- b) **Resolution No. 4 on the review and approval of the Separate Financial Statements of BNP Paribas Bank Polska S.A. for the year ended 31 December 2021**
- c) **Resolution No. 5 on the review and approval of the Consolidated Financial Statements of the BNP Paribas Bank Polska S.A. Group for the year ended 31 December 2021**

The passing by the OGM of resolutions on the above matters is required by Article 395 § 2 point 1 and § 5 in conjunction with Article 393 point 1 of the Commercial Companies and Partnerships Code.

The statements indicated above were made public on 3 March 2022. They are available at <https://www.bnpparibas.pl/en/investor-relations/stock-exchange-reports/periodic-reports>

The Supervisory Board has favourably assessed the annual financial statements prepared by the Bank's Management Board and the annual Management Board's report for 2021 (Resolution of the Supervisory Board No. 4/2022 dated 2 March 2022) and recommended that they be adopted by the General Meeting.

3. Justification for Resolution No. 6 on the profit distribution of BNP Paribas Bank Polska S.A. for the financial year 2021 (point 9 of the agenda)

The passing of a resolution on profit distribution falls within the competence of the Ordinary General Meeting, pursuant to Article 395 § 2 point 2 of the Commercial Companies and Partnerships Code. The Management Board's justification for the proposed profit distribution is presented as an attachment to the OGM's draft resolution on that matter. The Management Board recommends that the net profit be allocated in whole to reserve capital.

The Supervisory Board gave a favourable opinion on the Management Board's profit distribution recommendation (Resolution of the Supervisory Board No. 4/2022 dated 2 March 2022)

4. Justification for Resolution No. 7 on the review and approval of the ESG Report presenting non-financial information of BNP Paribas Bank Polska S.A. and the BNP Paribas Bank Polska S.A. Group for the year 2021 (point 10 of the agenda)

The passing by the OGM of a Resolution on the above matter is required by § 12 para. 1 items 1 and 2 of the Articles of Association of BNP Paribas Bank Polska S.A. The ESG Report is an element of the annual report.

The information for the report has been prepared in accordance with the international non-financial reporting methodology of the GRI Standard. The report also addresses the disclosure requirements for listed companies of the SFDR (Sustainable Finance Disclosure Regulation) regarding sustainability-related disclosures in the financial services sector, the EU Taxonomy Regulation, the ESG Reporting Guidelines prepared by the Stock Exchange (WSE), the Best Practice for WSE Listed Companies, and the Ten Principles of the UN Global Compact. The Report describes the organisation's approach to climate change, as recommended by the Task Force on Climate-related Financial Disclosures, or TCFD. The publication lists actions undertaken by BNP Paribas Bank Polska S.A. to support the implementation of the 17 Sustainable Development Goals adopted by the United Nations.

The ESG Report presents in a reliable and clear manner the non-financial effectiveness indicators connected to the Bank and Bank's Capital Group activities, as well as information on employment and natural environment matters that are relevant to the assessment of economic activity for the period from 1 January 2021 to 31 December 2021.

The Supervisory Board's evaluation of the ESG Report, Bank's sponsorship, charitable and social policy, described in the ESG Report, was positive. The Bank's activity supports, in a rational manner, the implementation of the business mission and strategy, and accounts for the needs of the company's stakeholders. It also contributes to building and reinforcing the positive image of the Bank as a socially responsible corporate citizen.

The report was made public as the ESG Report together with the statements on 3 March 2022.

5. Justification for Resolution No. 8 on the review and approval of the Report of the Supervisory Board of BNP Paribas Bank Polska S.A. for the year 2021 together with the assessments indicated in Chapter 2.11 of the Best Practice for WSE Listed Companies 2021 and assessment of the Bank's



compliance with the Principles of Corporate Governance for Supervised Institutions (point 11 of the agenda)

The passing by the Ordinary General Meeting of the above resolution is required by Article 382 § 2 of the Commercial Companies and Partnerships Code, point 2.11 of the Best Practice for WSE Listed Companies 2021, § 28 paras. 3 and 4 of the Principles of Corporate Governance for Supervised Institutions, point 8.9 of Recommendation Z of the PFSA, and the guidelines of the European Banking Authority EBA/GL/2021/06 dated 2 July 2021 on the assessment of the suitability of members of the management body and key function holders.

The Supervisory Board stated that it duly exercised continuous oversight over the Bank's activity in all its areas pursuant to the applicable law and the Bank's Articles of Association. The Supervisory Board favorably assessed the cooperation with the Management Board of the Bank, emphasizing the reliability and accuracy of the information provided by the Management Board. With respect to the internal control system, the Supervisory Board positively assessed the internal control model integrating all three lines of defense, implemented at the Bank in compliance with the PFSA Recommendation H. The compliance risk management by the Bank was also viewed as effective. In the opinion of the Supervisory Board, the Bank Management Board duly fulfilled the disclosure duties arising from the principles set out in the Best Practice for WSE Listed Companies 2021, the duties arising from the WSE Rules and from regulations concerning the performance of disclosure duties by publicly listed companies. The Supervisory Board did not identify any violations by the Bank of the Principles of Corporate Governance for the Supervised Institutions in the period covered by the report. As regards the assessment of the rationality of the sponsorship, charitable and CSR policy, the Supervisory Board is of the view that the Bank's sponsorship and charitable policy is pursued in a prudent and effective manner. All initiatives are well-thought-out and consistent. Furthermore, the Supervisory Board had a positive opinion on the best practices applied by the Bank in regard to the diversity policy towards all Bank employee, regardless of their position, with special focus on the suitability of the governing bodies of the Bank and its key managers.

6. Justification for Resolution No. 9 on the independent assessment of the application of the Remuneration Policy at BNP Paribas Bank Polska S.A. in 2021 (point 12 of the agenda)

The passing by the OGM of the said Resolution is associated with § 28 paras. 3 and 4 of the Principles of Corporate Governance for Supervised Institutions as adopted by Resolution No. 218/2014 of the Polish Financial Supervision Authority dated 22 July 2014.

The Supervisory Board confirms in its assessment that the Bank pursues a rational, balanced and controlled remuneration policy, ensuring its consistence with the strategy, the accepted risk level, with the standards and key values of the Bank, and with the relevant statutory and implementing legislation, in the first instance with the Regulation of the Ministry of Finance, Funds and Regional Policy of 8 June 2021 on the risk management and internal control systems, and remuneration policy in banks, Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019, and the Polish Banking Act.

7. Justification for Resolution No. 10 on the opinion on the Supervisory Board's report on the remuneration of the Members of the Supervisory Board and Management Board of BNP Paribas Bank Polska S.A. in 2021 (point 13 of the agenda)

The passing by the OGM of a resolution on the Supervisory Board's report on the remuneration of the Members of the Supervisory Board and Management Board of BNP Paribas Bank Polska S.A. in 2021 is required by Article 395 § 2¹ of the Commercial Companies and Partnerships



Code in conjunction with Article 90g para. 6 of the Act on the Public Offering and the Conditions for Introducing Financial Instruments to Organised Trading, and on Public Companies.

The Supervisory Board adopted the Report on the Remuneration of the Members of the Supervisory Board and Management Board in 2021 at its meeting on 9 May 2022. (Resolution of the Supervisory Board No. 36/2022 dated 9 May 2022).

An assessment of the document, made by the external auditor, has been added to the materials submitted to the OGM.

As stated by the external auditor in its opinion, the Report on remuneration, in all its material aspects, includes all the elements listed in Art. 90g, paras. 1-5 and para. 8 of the Act on Public Offering.

8. Justification for resolutions on granting a vote of acceptance to Members of the Bank's Management Board for the fulfilment of their duties in the financial year 2021 (Resolution Nos. 11–20) (point 14 of the agenda)

The passing by the OGM of Resolutions on granting a vote of acceptance to the Members of the Management Board arises from the obligation for the Bank to apply the provisions of Article 395 § 2 point 3 in conjunction with Article 393 point 1 of the Commercial Companies and Partnerships Code.

Following the review and assessment of the financial statements and Report on activities of BNP Paribas Bank Polska S.A. in 2021, the Supervisory Board, by means of the resolutions dated 2 March 2022, requested the General Meeting to grant a vote of acceptance to the Members of the Management Board for fulfilment of their duties in 2021, which confirms the positive assessment by the Supervisory Board of the effective and correct performance of duties by the Members of the Bank's Management Board in 2021.

9. Justification for resolutions on granting a vote of acceptance to members of the Bank's Supervisory Board for the fulfilment of their duties in the financial year 2021 (Resolution Nos. 21–35) (point 15 of the agenda)

The passing by the OGM of Resolutions on granting a vote of acceptance to Members of the Supervisory Board arises from the obligation for the Bank to apply the provisions of Article 395 § 2 point 3 in conjunction with Article 393 point 1 of the Commercial Companies and Partnerships Code.

By granting the vote of acceptance to the Members of the Supervisory Board for fulfilment of their duties in the financial year 2021, the General Meeting confirms its approval of performance of the supervisory duties by the Supervisory Board. The Supervisory Board duly exercised continuous and effective oversight over the Bank's activity in all its areas pursuant to the applicable law and the Bank's Articles of Association.

10. Justification for Resolution No. 36 on the individual and collective suitability assessments of the Supervisory Board members and assessment of the adequacy of the Bank's internal regulations regarding the functioning of the Supervisory Board and the effectiveness of its operation (point 16 of the agenda)

The need for the OGM to pass a resolution on that matter arises from the "Guidelines of the European Banking Authority on the assessment of the suitability of members of the management body and key function holders" dated 2 July 2021, the "Methodology of

assessment of the suitability of members of the bodies of entities supervised by the Polish Financial Supervision Authority", and the "Policy on the Assessment of the Suitability of the Supervisory Board Members, Management Board Members, and Key Function Holders at BNP Paribas Bank Polska S.A."

The Nomination Committee concluded that the individual competencies of the particular Members of the Bank's Supervisory Board complement each other in such a way as to allow for proper level of collective supervision over all areas of the Bank, and that the Bank's Supervisory Board as a whole has the appropriate level of expertise, skills and experience to understand the measures taken by the Bank, including those relating to the main risks.

The Supervisory Board accepted the results of the periodic assessment of the individual and collective suitability of the Supervisory Board, conducted by the Nomination Committee.

Moreover, the need to assess the adequacy of the Bank's internal regulations regarding the functioning of the Supervisory Board and the effectiveness of its operation arises from recommendation 8.9 of Recommendation Z of the Polish Financial Supervision Authority on the principles of internal governance at banks, issued by Resolution 289/2020 of the Polish Financial Supervision Authority dated 9 October 2020.

Based on the results of the assessment of the adequacy of the internal regulations regarding the functioning of the Supervisory Board and effectiveness of its operation, the Supervisory Board stated that the internal regulations of the Bank that govern its functioning are adequate, comprehensive and allow the Supervisory Board to operate in an efficient and effective manner.

The regulations properly reflect the specific nature of the Bank's operations as well as its size and organizational structure. They comply with any and all regulatory requirements laid down both in the law and recommendations, of the Polish Financial Supervision Authority as well as in EBA Guidelines on internal governance.

11. Justification for Resolution No. 37 on the amendment to Resolution No. 8 of the Extraordinary General Meeting of BNP Paribas Bank Polska S.A. dated 17 June 2021 on the determination of the remuneration of the members of the Supervisory Board of BNP Paribas Bank Polska S.A. (point 17 of the agenda)

The passing by the OGM of the said Resolution is required by Article 392 § 1 of the Commercial Companies and Partnerships Code, which provides that: "Remuneration may be granted to members of the supervisory board. The remuneration shall be determined by the articles of association or by a general meeting resolution."

12. Justification for Resolution No. 38 on the amendment to Resolution No. 3 of the Extraordinary General Meeting of BNP Paribas Bank Polska S.A. dated 31 January 2020 on the implementation of an incentive programme for persons having material impact on the Bank's risk profile (risk takers), amended by Resolution No. 37 of the Ordinary General Meeting of BNP Paribas Bank Polska S.A. dated 29 June 2020 (point 18 of the agenda)

Justification for Resolution No. 39 on the issuance of Series B Subscription Warrants, conditional increase of the share capital by way of issuance of Series N Shares, depriving the existing shareholders of the pre-emptive right to subscription warrants and pre-emptive right to Series N Shares, amendment to the Articles of Association and applying for admission of Series N Shares to trading on the regulated market (point 19 of the agenda)



The Resolutions in question relate to the continuation of the incentive programme based on the Bank's own shares (implemented by Resolution No. 3 of the Extraordinary General Meeting of BNP Paribas Bank Polska S.A. dated 31 January 2020 on the implementation of an incentive programme for persons having material impact on the Bank's risk profile (risk takers), amended by Resolution No. 37 of the Ordinary General Meeting of BNP Paribas Bank Polska S.A. dated 29 June 2020, which are to be granted to persons having material impact on the Bank's risk profile (risk takers) as a variable remuneration component, within the meaning of the Regulation of the Ministry of Finance, Funds and Regional Policy of 8 June 2021 on the risk management and internal control systems, and remuneration policy in banks.

In deciding to continue the incentive programme, the Bank has regard to the need for incentive systems to provide support for adequate and effective risk management and not to encourage risk-taking beyond an acceptable level, as well as to seek to maintain a sound capital base, and to the provisions of law requiring the Bank to pay a part of its variable remuneration in the form of financial instruments, in particular the Regulation of the Ministry of Finance, Funds and Regional Policy of 8 June 2021 on the risk management and internal control systems, and remuneration policy in banks. The Bank's intention is to encourage employees to achieve business and quality goals in line with the Bank's long-term strategy and to build awareness of the impact of day-to-day work on the Bank's long-term value and share price. The continuation of the incentive programme will also make it possible to align the individual interests of the Programme participants more strongly with the achievement of sustainable results and to ensure that the interests of the Programme participants are consistent with those of the shareholders.

As part of the continuation of the incentive programme, a new issue of Series N shares is envisaged. The right to variable remuneration in the form of the Bank's shares will be granted through the issue of Series B Subscription Warrants. The Bank may issue up to 1,200,000 Series B Subscription Warrants giving the right to take up Series N ordinary bearer shares of nominal value PLN 1 each, with Series B Warrants to be issued in Series B1 to B8 and in the years from 2023 to 2030.

13. Justification for Resolution 40 on adopting the information on BNP Paribas Bank Polska S.A. compliance with the "Principles of Corporate Governance for Supervised Institutions", issued by the Polish Financial Supervision Authority (point 20 of the agenda)

The passing by the OGM of the said Resolution is required by the Principles of Corporate Governance for Supervised Institutions as adopted by Resolution No. 218/2014 of the Polish Financial Supervision Authority dated 22 July 2014.

The Principles of Corporate Governance for Supervised Institutions were adopted by the General Meeting in February 2015. The Bank's position in that respect was updated in 2017. At that time, the Bank announced its departure from the principle mentioned in § 8 point 4 of the Principles regarding the possibility to attend meetings of a general meeting using some form of electronic participation:

"If justified by the number of shareholders, the supervised institution should seek to facilitate the participation of all the shareholders in the meetings of the decision-making body of the supervised institution by, inter alia, ensuring the possibility to actively participate in the meetings of the decision-making body by electronic means."

The Bank has provided its shareholders with the option of participation in GM meetings via electronic means and electronic voting on resolutions since January 2022. Therefore, the Bank complies with all the rules set forth in the Principles of Corporate Governance for Supervised Institutions, hence the need to adopt an updated position of the General Meeting on the full application of the principles relating to shareholders and the relationship of the Bank as a supervised institution with its shareholders.



The updated position of the General Meeting will be published on the Bank's website.

14. Presentation of the changes introduced by the Supervisory Board to the By-laws of the Supervisory Board of BNP Paribas Bank Polska S.A. (point 21 of the agenda)

In accordance with recommendation 9 of Recommendation Z of the PFSA, the Supervisory Board notifies the General Meeting of changes introduced to the By-laws of the Supervisory Board.

On 12 May 2021, the Supervisory Board introduced changes to the By-laws of the Supervisory Board of BNP Paribas Bank Polska S.A. (Resolution of the Supervisory Board No. 85/2021 dated 12 May 2021). The new provisions of the By-laws of the Supervisory Board are aligned with the provisions of Recommendation Z of the PFSA concerning the principles of internal governance at banks and the updated provisions of the Commercial Companies and Partnerships Code.

The changes arising from Recommendation Z concerned, among other things, the scope of tasks and the manner in which they are performed by the Supervisory Board. The amended provisions of the Commercial Companies and Partnerships Code (Article 388 § 1¹ and art. 406⁵ § 3) made it necessary, i.a., to clarify the provisions of the By-laws of the Supervisory Board concerning the holding of meetings of the Supervisory Board by using direct long-distance communication. The detailed description of the amendments made to the By-laws of the Supervisory Board is attached to the materials submitted to the OGM.

The By-laws of the Supervisory Board of BNP Paribas Bank Polska S.A. are available on the Bank's website: <https://www.bnpparibas.pl/en/investor-relations/corporate-governance/legal-documents>