



BNP PARIBAS



**REPORT ON
ACTIVITIES OF
SUPERVISORY
BOARD
IN 2023**

Table of contents

1. COMPOSITION OF THE SUPERVISORY BOARD OF BNP PARIBAS BANK POLSKA S.A. IN 2023.	2
2. INDEPENDENCE OF THE SUPERVISORY BOARD MEMBERS	3
3. ACTIVITIES OF THE SUPERVISORY BOARD IN 2023	5
4. COMMITTEES OF THE SUPERVISORY BOARD	9
4.1. AUDIT COMMITTEE	10
4.2. RISK COMMITTEE	14
4.3. REMUNERATION COMMITTEE,	16
4.4. NOMINATION COMMITTEE	17
5. SELF-ASSESSMENT OF THE SUPERVISORY BODY WORK IN 2023	19
6. ASSESSMENTS MADE BY THE SUPERVISORY BOARD OF THE BANK IN 2023	20
6.1. ASSESSMENT OF THE COMPANY'S STANDING INCLUDING AN ASSESSMENT OF THE INTERNAL CONTROL, RISK MANAGEMENT AND COMPLIANCE SYSTEMS AND THE INTERNAL AUDIT FUNCTION; SUCH ASSESSMENT SHOULD COVER ALL SIGNIFICANT CONTROL MECHANISMS, IN PARTICULAR FINANCIAL REPORTING AND OPERATIONAL ACTIVITY	20
6.2. ASSESSMENT OF THE BANK'S COMPLIANCE WITH THE PRINCIPLES OF CORPORATE GOVERNANCE FOR THE SUPERVISED INSTITUTIONS OF 22 JULY 2014 ISSUED BY THE FINANCIAL SUPERVISION AUTHORITY	21
6.3. EVALUATION OF THE ADEQUACY AND EFFECTIVENESS OF INTERNAL GOVERNANCE IN BNP PARIBAS BANK POLSKA S.A.	22
6.4. ASSESSMENT OF THE BANK'S COMPLIANCE WITH THE DISCLOSURE OBLIGATIONS CONCERNING COMPLIANCE WITH THE CORPORATE GOVERNANCE PRINCIPLES SPECIFIED IN THE BEST PRACTICE OF COMPANIES LISTED ON WARSAW STOCK EXCHANGE 2021	25
6.5. ASSESSMENT OF THE RATIONALITY OF SPONSORSHIP, PHILANTHROPIC AND CSR ACTIVITY PURSUED BY THE COMPANY TOGETHER WITH ASSESSMENT OF THE ELIGIBILITY OF THE EXPENSES INCURRED FOR THIS PURPOSE	26
6.6. ASSESSMENT OF THE POLICY REGARDING THE ELECTION OF MEMBERS OF THE BANK'S MANAGEMENT BOARD OR SUPERVISORY BOARD AS REGARDS ENSURING VERSATILITY AND DIVERSITY OF SUCH AUTHORITIES, INCLUDING WITH RESPECT TO GENDER, EDUCATION, AGE AND PROFESSIONAL EXPERIENCE	31

The Supervisory Board presents this Report pursuant to Article 382 para. 3 and 3[1] of the Code of Commercial Companies and Partnerships, § 70 para. 1 items 14 and 71, para. 1 item 12 of the Ordinance of the Minister of Finance dated 29 March 2018 regarding the current and periodic information disclosed by issuers of securities and the provisions of the Articles of Association of BNP Paribas Bank Polska S.A. ("the Bank's Articles of Association"), the By-laws of the Supervisory Board of BNP Paribas Bank Polska S.A. ("the By-laws of the Supervisory Board"), Best Practice of WSE Listed Companies, the Corporate Governance Principles for Supervised Institutions ("the Corporate Governance Principles") adopted by Resolution No. 218/2014 of the Polish Financial Supervision Authority of 22 July 2014 and Recommendation Z of the Polish Financial Supervision Authority concerning internal governance rules in banks ("the Z Recommendation").

1. COMPOSITION OF THE SUPERVISORY BOARD OF BNP PARIBAS BANK POLSKA S.A. IN 2023.

The Supervisory Board is appointed by the General Meeting for a joint five-year term of office. The current term of office of the Supervisory Board commenced on 24 March 2021. The Supervisory Board is composed of twelve members. At least a half of the Supervisory Board members have good knowledge of the banking market in Poland, i.e. they have a good command of Polish and the relevant experience on the Polish market.

Table 1 Composition of the Supervisory Board as at 31 December 2023 along with the information on the independence of its members

No.	Name and surname	Function held in the Supervisory Board of the Bank
1.	Lucyna Stańczak-Wuczyńska	Chairwoman Independent Member
2.	Francois Benaroya	Vice-Chairman
3.	Jean-Charles Aranda	Member
4.	Jarosław Bauc	Independent Member
5.	Małgorzata Chruściak	Independent Member
6.	Géraldine Conti	Member
7.	Magdalena Dzięwguć	Independent Member
8.	Sophie Heller	Member
9.	Vincent Metz	Member
10.	Piotr Mietkowski	Member
11.	Khatleen Pauwels	Member
12.	Mariusz Warych	Independent Member

Changes in the composition of the Bank's Supervisory Board between 1 January and 31 December 2023:

- On 17 January 2023 the Extraordinary General Meeting of the Bank appointed Mr Grégory Raison to the Bank's Supervisory Board, effective 17 January 2023 until the end of the current five-year joint term of office of the Members of the Supervisory Board
- On 24 March 2023 Mr Grégory Raison stepped down as the member of the Supervisory Board of the Bank. The reason behind Mr Grégory Raison's resignation was standing for a position of the Vice-President of the Management Board of the Bank.

- On 28 February 2023 Mr Jean-Paul Sabet stepped down as the member of the Supervisory Board of the Bank, effective the date of the Ordinary General Meeting held to approve financial statements for 2022 (30 June 2023)
- On 30 June 2023, the Ordinary General Meeting of the Bank appointed Ms Sophie Heller to the Bank's Supervisory Board until the end of the current five-year joint term of office of the Members of the Supervisory Board
- On 30 June 2023 the Ordinary General Meeting of the Bank appointed Mr Jean-Charles Aranda to the Bank's Supervisory Board, effective 1 August 2023 until the end of the current five-year joint term of office of the Members of the Supervisory Board
- On 7 November 2023 Ms Géraldine Conti stepped down as the member of the Supervisory Board of the Bank, effective 31 December 2023
- On 12 December 2023, the Extraordinary General Meeting of the Bank appointed Mr Jacques Roger Jean-Marie Rinino to serve on the Bank's Supervisory Board as an independent member, effective 1 January 2024 until the end of the current five-year joint term of office of the Members of the Supervisory Board

Pursuant to the Bank's Policy on the Assessment of Suitability of Members of the Supervisory Board of BNP Paribas Bank Polska S.A., based on the guidelines of the European Banking Authority of 2 July 2021 on the assessment of the suitability of members of the management body and key function holders (EBA/GL/2021/06) and the Polish Financial Supervision Authority's Methodology for assessing the suitability of members of bodies of supervised entities (published on 27 January 2020 and updated on 8 August 2023) as well as the Banking Law and other legal acts regulating the aforementioned issues, members of the Supervisory Board are subject to individual suitability assessment (initial and periodic) and collective suitability assessment of the Supervisory Board as a whole.

The individual and collective suitability assessments are performed at least once a year and in situations specified in the Bank's Policy, including but not limited to putting forward candidates for Supervisory Board members (before appointment to the function), in the event of changes to the composition of the Supervisory Board or a material change in the Bank's business model. The Nomination Committee conducts an assessment of the individual and collective suitability of the Supervisory Board, and the results of the suitability assessment are presented by the Supervisory Board to the General Meeting

Members of the Supervisory Board have diverse expertise, high levels of qualification, competence and professional experience. They ensure an appropriate level of collective supervision of all areas of the Bank's operations and a broad and comprehensive representation of views in evaluating the work of the Bank's Management Board and the Bank's operations. At the same time, it should be noted with regard to the composition of the Supervisory Board that women's participation is currently at 50%.

2. INDEPENDENCE OF THE SUPERVISORY BOARD MEMBERS

There are five independent members of the Supervisory Board:

Table 2 Supervisory Board Members who meet the independence criteria as at 31 December 2023

Name and surname	Function held in the Supervisory Board of the Bank
Lucyna Stańczak-Wuczyńska	Chairwoman of the Supervisory Board
Jarosław Bauc	Member of the Supervisory Board
Małgorzata Chruściak	Member of the Supervisory Board
Magdalena Dziewguć	Member of the Supervisory Board
Mariusz Warych	Member of the Supervisory Board, Chairman of the Audit Committee

According to the Articles of Association of the Bank, at least two members should be independent. As at 31 December 2023, Ms Lucyna Stańczak-Wuczyńska, Mr Jarosław Bauc, Ms Małgorzata Chruściak, Ms Magdalena Dziewguć, Mr Mariusz Warych met independence requirements (criteria concerning independent members of the Supervisory Board are set forth in Art. 16 para. 4 of the Articles of Association of the Bank), including:

- they do not hold and have not held, within the last five years, the function of a member of the Management Board or another managerial function, regardless of the legal form of employment, whether in the Bank, its subsidiaries or parent entity;
- they are not and have not been employed in the Bank, its subsidiaries or parent entity, or in affiliated entities of the Bank, within the last three years;
- they have not received any additional remuneration, apart from the compensation due for the membership in the Supervisory Board, or any other financial benefits from the Bank, its subsidiaries or parent entity, with the exception of benefits due to the Supervisory Board member as a consumer who has entered into an agreement on standard terms with the Bank, its subsidiary or parent entity;
- they are not shareholders or members of the management, managerial personnel or employees of the shareholder holding shares representing more than 5% of the total number of votes at the General Meeting of the Bank, nor are members of the management, managerial personnel or employees of the shareholder of the Bank holding such number of shares which gives effective control over the Bank;
- they have not had, during the year preceding the election for the Supervisory Board, and does not currently have, any material commercial or business connections with the Bank, its subsidiaries and parent entity which could materially affect their independence;
- they are not and have not been within the last three years chartered auditors or employees, members of the management, managerial personnel or shareholders of an entity providing chartered auditor's services to the Bank, its subsidiaries or parent entity;
- they are not members of a management board in another company in which a member of the Bank Management Board is a member of the supervisory board;
- they do not have material connections with members of the Bank Management Board manifested in the joint shareholding in other companies or governing bodies of those companies;

- they are not and have not been, within the last three years, a spouse, partner or a relative of a member of the Bank Management Board, or an employee holding a position in the Bank which is directly subordinated to the Bank Management Board or a member of the Bank Management Board.

In addition, the aforementioned members of the Supervisory Board have no actual or material connections with a shareholder holding at least 5% of the total number of votes in a company and they fulfil the independence criteria set forth in Art. 129 of the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Oversight (Journal of Laws of 2017, 1421, consolidated text, as amended).

3. ACTIVITIES OF THE SUPERVISORY BOARD IN 2023

The year 2023 was a year when the Supervisory Board had to operate in an environment marked by change and challenge, such as an increasing geopolitical instability resulting from the war in Ukraine, now in its second year, the conflict in Gaza, and the growing rivalry between the world's largest economies, the US and China. High inflation, which is a drag on economic growth throughout Europe and our region, was also a global challenge. It was also not insignificant that global trade remains under pressure from geopolitical developments, reduced access to raw materials, especially rare ones, and increasing competitiveness.

But this year has also brought positive changes. Investment growth (despite inflationary pressures and general economic uncertainty), low unemployment (including in Poland), prospects for a more stable macroeconomic environment in 2024. During the year, the downward trend in economic activity was successfully reversed, while pronounced disinflation and moderate interest rate cuts had a positive impact on the banking sector. There is also an increasing global consensus that immediate action is required to halt climate change.

The past year also saw a technological revolution under the banner of Generative AI that gained momentum with the launch of Large Learning Models and ChatGPT. Artificial intelligence is already present in many areas of both professional and private life and will have a huge impact on the further development of technological solutions. The banking sector will too be affected by these developments.

In the opinion of the Supervisory Board, the Bank had successfully adapted its operations to the rapidly changing environment, both in terms of internal reorganisation and in terms of core banking activities. The Supervisory Board supported the decisions of the Bank's Management Board aimed at making the required changes and keeping the pace of development.

In all it did, the Supervisory Board was guided by concern for the proper and safe operation of the Bank, acting in accordance with the tenets of utmost care and objective judgement. The Supervisory Board fulfilled its duties arising from the applicable laws and the Bank's Articles of Association. These duties were defined in the "General Plan of Work for the Supervisory Board and its Committees in 2023". In addition, the Supervisory Board was updated on a regular basis on the most important events and decisions of the Management Board. Consequently, the

Supervisory Board had adequate knowledge regarding the Bank's position, the macroeconomic situation and the market environment, which enabled it to assess how these factors affected the assumed performance of the Bank and its growth plans.

The Bank's Supervisory Board operates pursuant to the provisions of the Banking Law, the Code of Partnerships and Commercial Companies, the Bank's Articles of Association and the By-laws of the Supervisory Board.

The Supervisory Board exercises continuous oversight over the Bank's operations in all aspects of its business. In particular, the Supervisory Board evaluates the Management Board's report on the activity of the Bank and the Bank's Group, and the financial statements of the Bank and of the Bank Group for the previous financial year. The Supervisory Board checks whether or not they match the books of accounts, the records and the facts. It evaluates the Management Board's proposals regarding distribution of profit or coverage of losses. Concurrently, the Supervisory Board oversees the implementation of the internal control system and evaluates its adequacy and effectiveness.

The Supervisory Board draws up and presents to the Annual General Meeting an annual report on its activities that also includes the summary report on activities of the Committees of the Supervisory Board. Furthermore, the Supervisory Board provides the General Meeting with an appraisal report on the (separate and consolidated) financial statements (including the motion of the Management Board on profit distribution), the Management Board's report on the activities of BNP Paribas Bank Polska S.A. Group, as well as an assessment regarding the Report presenting non-financial information. In addition to an assessment of the adequacy and effectiveness of the internal control system, the Supervisory Board evaluates the risk management system, compliance and the internal audit function. The Supervisory Board also makes an assessment of the application of corporate governance principles, the functioning of the remuneration policy and policy on suitability as regards the election of members of the Bank's Management Board or Supervisory Board, as well as the rationality of the sponsorship policy and charitable policy pursued by the Bank.

The Supervisory Board's resolutions are effectively passed when all members of the Supervisory Board have been notified of the meetings, and the meeting is attended by at least a half of the Supervisory Board members, including its Chairperson or Deputy Chairperson. The Supervisory Board's resolutions are passed by a simple majority of votes in an open voting. The Chairperson of the Supervisory Board orders a secret ballot at the request of a member of the Supervisory Board. The Supervisory Board may also pass written resolutions, without holding a meeting or by direct long-distance communication means, including but not limited to the telephone, audiovisual or electronic communication means.

The Members of the Bank's Supervisory Board dedicated sufficient time to perform their duties on the Supervisory Board in 2023. In 2023, the Supervisory Board held 21 meetings, including 15 according to the written procedure. It adopted a total of 102 resolutions. The attendance rate of the Supervisory Board Members stood at 94.14%.

Table 3. The activity of the individual Supervisory Board members in 2023

Lucyna Stańczak-Wuczyńska	Francois Benaroya	Khatleen Pauwels	Jarosław Bauc	Małgorzata Chruściak	Géraldine Conti	Magdalena Dzięwguć
20/21	21/21	21/21	19/21	20/21	20/21	18/21
Vincent Metz	Piotr Mietkowski	Mariusz Warych	Jean-Paul Sabet	Jean-Charles Aranda	Sophie Heller	Gregory Raison
21/21	16/21	21/21	6/6	12/12	12/15	1/1

* meeting attendance / number of meetings

While discharging its duties, the Supervisory Board:

- assessed and provided the General Meeting with the Appraisal Report of the Supervisory Board on the Separate Financial Statements of BNP Paribas Bank Polska S.A. for the year ended 31 December 2022, the Consolidated Financial Statements of BNP Paribas Bank Polska S.A. Capital Group for the year ended 31 December 2022, and of the Management Board's Report on the Activities of BNP Paribas Bank Polska S.A. Group in 2022 (including Report of the Management Board on the activities of BNP Paribas Bank Polska S.A. in 2022), the Report presenting non-financial information of BNP Paribas Bank Polska S.A. Group in 2022 (including non-financial information of BNP Paribas Bank Polska S.A. in 2022) and on the motion of the Management Board on the distribution of profit for the financial year 2022 together with the assessment of adequacy and effectiveness of the internal control system in BNP Paribas Bank Polska S.A. in 2022.
- discussed the Bank's interim financial statements and results of each business line,
- received updates on current situation regarding the CHF mortgage portfolio,
- reviewed the Annual Risk Management Report for 2022,
- passed resolution concerning allocation of BNP Paribas Bank Polska S.A. net profit for the financial year 2022,
- passed resolution on approval of the categorization of irregularities identified in the internal control system and criteria of assessment of the adequacy and effectiveness of the internal control system in BNP Paribas Bank Polska S.A.,
- passed resolution on the approval of the "Risk Appetite at BNP Paribas Bank Polska S.A.",
- passed resolutions on changes in the By-laws of the Compliance Line and Compliance Policy in BNP Paribas Bank Polska S.A.,
- passed resolutions on approval of the Capital adequacy information of the BNP Paribas Bank Polska S.A. Group (disclosures).
- passed resolution on the approval of the "Capital Contingency Plan of BNP Paribas Bank Polska S.A.",
- passed resolution on the "Capital Plan of BNP Paribas Bank Polska S.A. for 2024-2026",

- reviewed the Operational Risk Strategy in 2023 and passed resolution on the acceptance of the Operational Risk Strategy for 2024,
- passed resolution on approval of "BNP Paribas Bank Polska S.A. Capital Management Policy",
- passed resolution on the acceptance of the "Risk Management Strategy at BNP Paribas Bank Polska S.A.",
- passed resolution on the approval of the "Investment Strategy of BNP Paribas Bank Polska S.A.",
- passed resolution on the approval of the Strategy of Internal Audit Line for the years 2023-2025 in BNP Paribas Bank Polska S.A.,
- passed resolution on the approval of the Audit Plan for 2024 and Multiyear Audit Plan,
- passed resolution on the approval of "Internal Audit Charter of BNP Paribas Bank Polska S.A.",
- passed resolution regarding the appointment of the audit firm to review and audit the financial statements for years 2024-2025,
- passed resolution on the assessment of the adequacy of internal regulations regarding the functioning of the Management Board and the effectiveness of the Bank's Management Board, and on the Supervisory Board self-assessment of the adequacy of internal regulations regarding the functioning of the Supervisory Board and the effectiveness of the Bank's Supervisory Board,
- discussed and passed resolution on approval of the Financial Plan for 2024 and financial assumptions for the years 2025-2026,
- passed resolutions on issuing the opinion on amendments to the Articles of Association and approval of the consolidated text of the Articles of Association,
- received Information on the Bank's transition towards a more value creating organisation,
- performed evaluations of candidates and passed resolutions on changes in the Management Board of the Bank,
- received Information on the current situation regarding the change of the reference benchmark from WIBOR to WIRON,
- reviewed loan processes and efficiency related projects,
- approved periodic reports on the implementation of the Bancassurance Policy in BNP Paribas Bank Polska S.A. and the results of control on implementation of the Accounting Policy in that area,
- received updates on the topics discussed during the meetings of the Audit Committee, Risk Committee as well as Remuneration Committee and Nomination Committee,
- reviewed the annual reports on activity of the Compliance Line and Internal Audit Line,
- discussed reports on the claims, complaints and pending applications at BNP Paribas Bank Polska S.A. in 2023 and reviewed significant complaints or disputed matters in Customer relations,
- received Information on results of 2022 BCP/DRP tests and Plan of 2023 BCP/DRP tests,
- passed resolutions on amendments to the By-laws of the Supervisory Board, of the Management Board and Committees of the Supervisory Board of the Bank,

- passed resolutions on the Policy on the assessment of suitability of members of the Supervisory Board of BNP Paribas Bank Polska S.A. and Policy on the assessment of suitability of members of the Management Board and key function holders at BNP Paribas Bank Polska S.A.,
- passed resolution on approving the Report on remuneration of the Members of the Management Board and Supervisory Board of BNP Paribas Bank Polska S.A. for 2022,
- passed resolution on the changes to the Remuneration policy for employees of BNP Paribas Bank Polska S.A.,
- passed resolution on the changes to the Remuneration policy for persons having material impact on the risk profile of BNP Paribas Bank Polska S.A.,
- passed resolution on determination of the terms and conditions of issuance of series A4 subscription warrants issued pursuant to Resolution No. 5 of the Extraordinary General Meeting of 31 January 2020 (as amended) and determination of the terms and conditions of issuance of series B1 subscription warrants issued pursuant to Resolution No. 39 of the Ordinary General Meeting of 27 June 2022,
- passed resolution on the approval of successors for positions of the Management Board Members,
- familiarised itself with the Information on employment and remuneration in 2022,
- passed resolution on establishing the number of Management Board Members appointed for the new, three-year term of office,
- passed resolutions on the appointment of the Members of the Committees of the Supervisory Board,
- Furthermore, the Supervisory Board passed resolutions on rules of remuneration of the Members of the Management Board, variable and fixed remuneration of the Management Board Members, collective periodical suitability assessment of the Supervisory Board Members and of the Management Board Members, settlement of individual goals of the Management Board Members for 2022, and approval of the individual KPIs for the Management Board Members in 2023,
- received information on the implementation of the ESG strategy that embraces all the areas of the Bank's operations. The ESG also contributes to the assessment of the Bank's business activity and achievement by the Bank of the strategic goals set in the GO beyond Strategy. It is also considered for the purpose of the risk assessment, Bank's remuneration policy and reporting. The Supervisory Board, in its work, takes into consideration the sustainability goals in the manner they are reflected in the banking activity.

4. COMMITTEES OF THE SUPERVISORY BOARD

The Supervisory Board has established internal committees, composed of the members of the Supervisory Board. The Committees exercise consultative and advisory function. Their purpose is also to streamline the work of the Supervisory Board. To this end, the committees formulate opinions, recommendations and decisions proposals regarding motions submitted to the

Supervisory Board. The scope of duties and manner of operation of the committees are defined by the by-laws implemented by the Supervisory Board by a resolution.

Committees of the Bank's Supervisory Board:

- Audit Committee
- Risk Committee
- Remuneration Committee
- Nomination Committee

Table 4. Composition of the Supervisory Board and its committees as at 31 December 2023

No.	Name and surname	Function held in the Supervisory Board	COMMITTEES OF THE SUPERVISORY BOARD			
			Audit Committee	Risk Committee	Remuneration Committee	Nomination Committee
1	Lucyna Stańczak-Wuczyńska	Chairwoman <i>Independent Member</i>	Member	Member	Member	Member
2	Francois Benaroya	Vice-Chairman	Member	Chairman	Member	Member
3	Jean-Charles Aranda	Member	Member			
4	Jarosław Bauc	Independent Member	Member			
5	Małgorzata Chruściak	Independent Member		Member		
6	Géraldine Conti	Member			Chairwoman	Chairwoman
7	Magdalena Dziewguć	Independent Member				
8	Sophie Heller	Member				
9	Vincent Metz	Member				
10	Piotr Mietkowski	Member				
11	Khatleen Pauwels	Member				
12	Mariusz Warych	Independent Member	Chairman	Member		

4.1. AUDIT COMMITTEE

The Committee consists of five members, three of whom are independent members of the Supervisory Board. They meet the independence criteria referred to in the "Regulation of the Minister of Finance on Audit Committee" and § 16 para. 4 of the Articles of Association of the Bank, as well as the "Act on Statutory Auditors, Audit Firms and Public Supervision".

Composition of the Audit Committee

Composition of the Audit Committee as at 31 December 2023:

- Mariusz Warych - Chairman of the Committee (independent member)
- Lucyna Stańczak-Wuczyńska - Member of the Committee (independent member)
- Jarosław Bauc – Member of the Committee (independent member)
- Francois Benaroya – Member of the Committee
- Jean-Charles Aranda - Member of the Committee

All Audit Committee members have adequate knowledge, competences and years of experience in finance and accounting:

- Mariusz Warych – competences in the area of accounting, financial audit and internal audit, attested by the CIA (Certified Internal Auditor) certification. A participant of the ACCA Coursework Programme. Years of experience as an independent member on supervisory boards and audit committees (JSW, Selenia FM, Ukrsibbank Ukraine). External Auditor at Ernst & Young auditing banks in Poland, the UK, Canada and the US. He evaluated the functioning of the audit committees. The Chairman of Chief Audit Executive Club in Poland. He built his knowledge and experience as the Chief Financial Officer at Citi Group (leasing companies), and regional coordinator at KBC Group overseeing the operations of KBC Group in Poland.
- Lucyna Stańczak-Wuczyńska holds a degree in economics and has 30 years of experience in banking and finance which she gathered while working in the banking sector, commercial banking and EBRD. She held multiple functions in the corporate governance area; she was a member of supervisory boards (or an observer) and a member of the audit and risk committees (in Alior Bank, among others). She gathered her knowledge and experience in the sector by managing for many years (as the head of EU Banks Team with EBRD London) a (debt and equity) portfolio of a significant group of banks in 12 European Union countries, in Central and Southern Europe.
- Jarosław Bauc holds a PhD in economics. He gained his experience as a member of the management boards and supervisory boards of multiple companies (Powszechnie Towarzystwo Emerytalne Skarbiec-Emerytura, Skarbiec Investment Management, Skarbiec Asset Management Holding and Skarbiec Towarzystwo Funduszy Inwestycyjnych, Polkomtel, HAWE, and PGNiG). He has extensive knowledge in the area of finance and banking in Poland and other countries.
- Francois Benaroya - holds a degree in economics. He built his knowledge and experience in banking during his many years of employment in the banking sector as a top executive in BNP Paribas Group. He was a management board member of BNP Paribas Bank Polska S.A. responsible for the Integration Area, and then for the Retail and Business Banking Area. He has held functions on the supervisory boards (Ukrsibbank Ukraine, TEB AS, MMCI Morocco) and in the management of Europe Mediterranean at BNP Paribas Group where he is responsible for the Central and Eastern Europe and for Turkey.
- Jean-Charles Aranda - holds a degree in economics with a specialisation in Internal Audit and Management Control. A Chartered Accountant. He built his experience at KPMG in Paris as a manager responsible for banking financial audit. For many years he served as Head of Mission at the BNP Paribas Inspection Générale's Central Accounting Team where

he set up a new audit team dedicated to financial audits. CFO and COO of BNP Paribas EL Djazair in Algeria. He joined BNP Paribas Bank Polska S.A. in 2017, initially as Executive Director of the Management Accounting and Capital Management Division and then as Vice-President of the Management Board responsible for the Finance Area. He also served as Vice-Chairman of the Supervisory Board of BNP Paribas TFI S.A. Currently CFO of Europe-Mediterranean at BNP Paribas.

Detailed information on the education background and professional experience of the Committee members is presented in the section "Supervisory Board" and at the website: <https://www.bnpparibas.pl/o-banku/rada>

Meetings of the Audit Committee are also attended by regular participants, including:

- President of the Management Board,
- Member of the Management Board supervising the Finance Area,
- Member of the Management Board supervising the Risk Area,
- Managing Director of the Internal Audit Line,
- Managing Director of the Compliance Line.

Meetings of the Audit Committee

The Audit Committee meetings are held at least four times a year or more frequently, as needed in view of the tasks performed, including a meeting before each publication of the Bank's financial results and reports.

The Audit Committee held eleven meetings in 2023, including five according to the written procedure. The Committee deliberated, among others, on the following issues at its meetings:

- financial statements for 2022,
- Report on Activities of the Bank's Group in 2022,
- Report presenting non-financial information for 2022,
- quarterly and interim financial statements for the year 2023,
- Information on capital adequacy of BNP Paribas Bank Polska S.A. Group,
- provision of additional services by the audit firm,
- plan of audits of financial statements,
- actions plans of the Internal Audit Line and Compliance Line,
- annual and periodic reports on the activity of the Internal Audit Line and Compliance Line,
- annual report on the assessment of the adequacy and effectiveness of the internal control system,
- periodic reports on the status of monitored post-control recommendations and implementation of the PFSA recommendations,
- SREP results,
- annual and quarterly reports on the claims, complaints and pending applications at the Bank,

- report on adherence to ethics principles and results of the review of cases of violation of internal regulations or applicable law by employees or organizational units of the company,
- information on the Bank's compliance with "Best Practice for GPW Listed Companies 2021" in the year 2022 and on financial information communication in 2022,
- annual reports on the functioning of the system of supervision over the compliance of activities performed by the Brokerage House and by the Custody Services Department with the law,
- results of the review of the accounting and reporting process and review of the management accounting system,
- annual report on the Audit Committee activity for the Supervisory Board.

Furthermore, the Committee carried out a periodic assessment of the activity of the external auditor. The Committee discussed and verified the updated regulations on accounting, audit and compliance and recommended that the Supervisory Board adopt them.

In 2023, the Audit Committee's activity also focused on the selection of a new audit firm to audit financial statements of the Bank.

In 2023, all members of the Audit Committee took an active part in the Committee meetings and showed high commitment to the proper performance of their duties. The overall attendance rate of the Committee Members stood at 96.6%. The number and the duration of the meetings, as well as the access to the resources were sufficient to enable the Audit Committee full performance of its duties.

Supervision exercised by the Audit Committee over selection of an audit firm

The Audit Committee oversees the activity of the external auditor. The Committee gives recommendations to the Supervisory Board regarding the selection, or resignation from the services, of the entity authorised to audit financial statements. It also monitors compliance with the auditor's independence and objectivity principles and as well as the principles of information exchange. Furthermore, the Committee carries out a periodic assessment of the operations of the external auditor.

The Supervisory Board operates on the basis of documents prepared by the Audit Committee:

- "Policy on selecting the audit firm at BNP Paribas Bank Polska S.A.",
- "Procedure for selecting the audit firm at BNP Paribas Bank Polska S.A.",
- "Policy of providing permitted services other than an audit at BNP Paribas Bank Polska S.A. by the audit firm, entities affiliated with the audit firm and members of the audit firm's network."

These documents set out the rules to ensure that the selection of the audit firm is carried out correctly and in accordance with the applicable laws. The most important rules are presented below:

- maintaining the independence of the audit firm and key external auditor,

- applying transparent and non-discriminating assessment criteria when selecting an audit firm in the course of a tender procedure,
- ensuring compliance with the principles of the audit firms and key external auditor's rotation, including the grace periods.

The audit firm Mazars Audyty Sp. z o.o., which is authorised to audit and review the separate financial statements of BNP Paribas Bank Polska S.A. and the consolidated financial statements of the BNP Paribas Bank Polska S.A. Group, including the reporting packages, has provided services for the Bank since 2020.

In April 2023, the Audit Committee initiated the process of selecting an external auditor to conduct reviews and audits of the financial statements for 2024-2025. Acting in accordance with the Procedure for selecting the audit firm, the Committee approved the successive steps of the selection process as they were carried out.

The Audit Committee's recommendation was made following an organised selection procedure that met the criteria set out in the Policy on selecting the audit firm and the Procedure for selecting the audit firm, including the rotation rules for the audit firm and the key external auditor. The Audit Committee recommended the selection of the audit firm Ernst & Young Audyty Polska spółka z ograniczoną odpowiedzialnością sp.k. to review and audit the 2024-2025 financial statements of the Bank and the Group, including packages.

On 15 September 2023, taking into account the recommendation of the Audit Committee, the Supervisory Board selected Ernst & Young Audyty Polska spółka z ograniczoną odpowiedzialnością sp.k. as the audit firm authorized to audit and review the separate financial statements of BNP Paribas Bank Polska S.A. and the consolidated financial statements of the BNP Paribas Bank Polska S.A. Group, including reporting packages, for the years 2024-2025.

4.2. RISK COMMITTEE

The Risk Committee supports the Supervisory Board in performance of its supervisory duties pertaining to the risk management. The Risk Committee gives advice on the overall, current and future risk appetite of the Bank. The Risk Committee gives an opinion on the risk management strategy of the Bank and on the Management Board's submissions regarding the execution of that strategy. Together with the Supervisory Board, the Risk Committee oversees the implementation of the risk management strategy by senior management. The Risk Committee verifies whether or not the prices of liabilities and assets offered to customers fully reflect the Bank's business model and its risk strategy. If those prices fail to adequately reflect the risks in line with the risk management model and strategy, the Committee submits proposals to the Bank's Management Board to ensure that the prices of liabilities and assets match those risks.

Every year the Risk Committee submits to the Supervisory Board an annual report on its activity.

Composition of the Risk Committee

Composition of the Risk Committee as at 31 December 2023:

- Francois Benaroya – Chairman of the Committee

- Małgorzata Chruściak- Member of the Committee (independent member)
- Lucyna Stańczak-Wuczyńska - Member of the Committee (independent member)
- Mariusz Warych - Member of the Committee (independent member)

On 13 December 2023, Mr Francois Benaroya resigned as Chair of the Risk Committee effective 31 December 2023. The Supervisory Board passed on 20 December 2023 a resolution appointing Mr Jacques Rinino as Chair of the Risk Committee effective 1 January 2024.

Accordingly, as of the beginning of 2024, the Risk Committee had the following composition:

- Jacques Rinino – Chairman of the Committee, (independent member)
- Francois Benaroya – Member of the Committee,
- Małgorzata Chruściak- Member of the Committee (independent member),
- Lucyna Stańczak-Wuczyńska - Member of the Committee (independent member),
- Mariusz Warych - Member of the Committee (independent member)

Four Members of the Risk Committee, including the Committee Chairman, meet the independence criteria set forth in the “Act on Statutory Auditors, Audit Firms and Public Supervision”.

Meetings of the Risk Committee

The Risk Committee meets at least four times a year. The meeting dates are set by the Committee chair. In 2023, the Risk Committee met four times. During its meetings the Risk Committee discussed periodic reports on the following issues:

- credit risk,
- market risk and liquidity risk, recovery plan indicators, risk appetite indicators, risk of investments undertaken under the Investment Strategy, ESG risk,
- operational risk, internal control and fraud prevention,
- ALMT risk,
- legal risk.

In addition, the Committee issued opinions and recommended that the Supervisory Board pass resolutions regarding, i.a.:

- categorization of irregularities identified in the internal control system and criteria of assessment of the adequacy and effectiveness of the internal control system in BNP Paribas Bank Polska S.A.,
- risk appetite of BNP Paribas Bank Polska S.A.,
- investment strategy of BNP Paribas Bank Polska S.A.,
- BNP Paribas Bank Polska S.A. Capital Plan for 2024-2026,
- Capital Contingency Plan of BNP Paribas Bank Polska S.A.,
- Policy on Capital Management at BNP Paribas Bank Polska S.A.
- strategy for operational risk and internal control management in BNP Paribas Bank Polska S.A.,
- amended By-laws of the Risk Committee.

In 2023, in its deliberations, the Committee focused in particular on the following issues:

- legal risk arising from court cases related to loans in foreign currencies/loans denominated in CHF, depositary activity of the Bank, as well as the sanction of free loan,
- situation related to the CHF mortgage portfolio and progress in concluding voluntary settlements,
- phishing risk,
- ESG risk and its impact on the Bank's activities.

The number of Committee Members attending the meetings of the Risk Committee ensured the correct course of all Committee meetings in 2023. The attendance rate was 100 %.

4.3. REMUNERATION COMMITTEE,

The Remuneration Committee supports the Supervisory Board in its supervisory duties in the area of human resources management. The Committee monitors and supervises key processes, in particular those relating to the HR policy, professional development of employees and the remuneration policy. The competencies of the Committee include among others: analysing the performance of the Management Board members and presenting to the Supervisory Board proposals of recommendations in this respect as well as recommending to the Supervisory Board the key performance indicators for the Management Board members. Furthermore, the Committee gives opinions on and monitors succession plans for key positions in the Bank; the Committee also monitors the level and structure of remuneration of key function holders at the Bank. Each year, the Committee provides the Supervisory Board with annual information on the employment and remuneration structure in the Bank, as well as an annual report on its activities.

Composition of the Remuneration Committee

The Committee comprises at least three members appointed from among the Supervisory Board Members.

The composition of the Remuneration Committee as at 31 December 2023 was as follows:

- Géraldine Conti – Member of the Committee until 30 June 2023, Chairwoman of the Committee from 1 July 2023 to 31 December 2023
- Francois Benaroya – Member of the Committee
- Lucyna Stańczak-Wuczyńska - Member of the Committee (independent member)

Jean-Paul Sabet - Chairman and Member of the Committee until 30 June 2023.

Meetings of the Remuneration Committee

The Remuneration Committee meets at least twice a year or as frequently as required for the Committee to fulfil its tasks and mission effectively. The meeting dates are set by the Committee chair. In 2023, the Remuneration Committee held nine meetings, including three according to the written procedure. During its deliberations, the Committee discussed:

- annual targets of the Management Board Members Bank and evaluation of target realisation,
- remuneration conditions and variable remuneration of the Members of the Management Board and directors managing the compliance area and internal audit area,
- report on employment and remuneration at the Bank in 2022,
- issued an opinion on the Report on remuneration of the Members of the Management Board and Supervisory Board of BNP Paribas Bank Polska S.A. for the year 2022,
- issued an opinion on the evaluation of the application of the Remuneration Policy at the Bank,
- issued an opinion on the amendments to the Remuneration policy for persons having material impact on the risk profile of BNP Paribas Bank Polska S.A.,
- issued an opinion on the terms and conditions of issuance of series A4 and B1 subscription warrants,
- issued an opinion on the pricing terms applicable to credit products for selected Members of the Management Board,
- issued an opinion on changes to the By-laws of the Remuneration Committee,
- discussed the information on eNPS results in BNP Paribas Bank Polska S.A.,
- discussed the information on employment restructuring at the Bank,
- prepared and discussed the Annual summary report on the Remuneration Committee activity for the Supervisory Board.

The number of Committee Members attending the meetings of the Remuneration Committee ensured the correct course of all Committee meetings in 2023. The attendance rate was 90%.

4.4. NOMINATION COMMITTEE

The Committee comprises at least three members appointed from among the Supervisory Board Members. The Nomination Committee members must have the relevant knowledge, competences and experience to be able to properly assess the composition of the Management Board and Supervisory Board and the candidates recommended for the Management Board and Supervisory Board. As part of the suitability assessment, which is carried out regularly once a year or whenever any circumstances have occurred that raise a need for an assessment, knowledge, skills and professional experience (i.a., with regard to the ESG risk management) are assessed. The detailed criteria matrix is enclosed to the *Policy on the assessment of suitability of members of the Supervisory Board of BNP Paribas Bank Polska S.A.*

Composition of the Nomination Committee as at 31 December 2023:

- Géraldine Conti – Member of the Committee until 30 June 2023, Chairwoman of the Committee from 1 July 2023 to 31 December 2023
- Francois Benaroya – Member of the Committee
- Lucyna Stańczak-Wuczyńska - Member of the Committee (independent member)

Jean-Paul Sabet - Chairman and Member of the Committee until 30 June 2023.

Following Ms Geraldine Conti's resignation as a member of the Bank's Supervisory Board as of 31 December 2023, the Supervisory Board appointed Ms Lucyna Stańczak-Wuczyńska as Chair of the Nomination Committee and Chair of the Remuneration Committee with effect from 1 January 2024. Moreover, at its meeting on 7 December 2023, the Supervisory Board appointed Ms Magdalena Dzięwguć as a member of both committees, also with effect from 1 January 2024.

Accordingly, as of the beginning of 2024, the Nomination Committee and the Remuneration Committee had the following composition:

- Lucyna Stańczak-Wuczyńska - Chairwoman of the Committee (independent member)
- Francois Benaroya - Member of the Committee
- Magdalena Dzięwguć - Member of the Committee (independent member)

In case of both Committees, two Members, including the Chairwoman, meet the independence criteria defined in the Act on Statutory Auditors, Audit Firms and Public Oversight.

Meetings of the Nomination Committee

The Committee meetings take place as frequently as required for the Committee to fulfil its mission effectively, but not less frequently than twice a year. The meeting dates are set by the chair of the Nomination Committee. In 2023, the Nomination Committee held twelve meetings, including four according to the written procedure.

During the meetings the Committee:

- performed the periodic assessment of the individual and collective suitability of the Members of the Supervisory Board and Management Board, confirmed the positive assessment of the individual suitability and collective suitability of the Members of the Management Board and Supervisory Board,
- carried out an assessment of the individual suitability of candidates to the Supervisory Board and an additional assessment of the collective suitability of the Supervisory Board,
- carried out an assessment of the individual suitability of candidates for the members of the Committees of the Supervisory Board and additional assessment of collective suitability of specific Committees,
- conducted an assessment of the individual suitability of candidates for the members of the Management Board and additional assessment of the collective suitability of the Management Board, and it presented the relevant recommendations to the Supervisory Board,
- accepted and presented to the Supervisory Board the recommendation regarding the target number of the Management Board members,
- discussed the reports on the assessment of the adequacy of internal regulations as they apply to the functioning and the effectiveness of the Bank's Management Board, as well as to the functioning and the effectiveness of the Supervisory Board,
- discussed and recommended to the Supervisory Board the acceptance of the rules of procedure for organisational changes, requests for additional FTEs and cost overruns,

- discussed amendments to the Policy on the Assessment of Suitability of Members of the Supervisory Board of BNP Paribas Bank Polska S.A. and Policy on the Assessment of Suitability of Members of the Management Board and Key Function Holders at BNP Paribas Bank Polska S.A. The Committee recommended to the Supervisory Board the approval of the above regulations.
- discussed proposals of successors for critical positions of the Management Board Members and executive directors.
- issued an opinion on the changes to the By-laws of the Nomination Committee,
- prepared and discussed the Annual summary report on the Nomination Committee activity for the Supervisory Board.

The number of Committee Members attending the meetings of the Nomination Committee ensured the correct course of all Committee meetings in 2023. The attendance rate was 91 %.

5. SELF-ASSESSMENT OF THE SUPERVISORY BODY WORK IN 2023

The Supervisory Board of BNP Paribas Bank Polska S.A. states that in 2023 it duly exercised continuous oversight over the Bank's activity in all areas pursuant to the applicable law and the Bank's Articles of Association. It is the view of the Supervisory Board that it has fulfilled its duties diligently and effectively, and its composition has guaranteed a high level of qualifications, competence and extensive professional experience as well as knowledge of the Polish financial market, thus ensuring an appropriate level of collective supervision over all areas of the Bank's operations. Concurrently, in the opinion of the Supervisory Board, the professional experience and diversified competences of the members of the Supervisory Board enable them to examine the topics in a thorough manner and provide opinions thereon, and to express a wide range of views while assessing the work of the Management Board and the functioning of the Bank.

In 2023, the Members of the Supervisory Board actively participated in the Board's and committees' meetings and showed commitment to duly perform their duties; their discussions covered the current situation of the Bank, the market changes as well as best practices and standards followed by listed companies.

The number and duration of the meetings, paired with the access to resources, proved sufficient for the Supervisory Board and enabled it to fully meet its obligations, whereas the documents prepared for the Supervisory Board contained important information and were provided for the meetings sufficiently in advance.

The Supervisory Board positively assessed the cooperation with the Management Board, stressing the reliability and accuracy of the information provided by the Management Board, as well as high quality of their content. Furthermore, the Supervisory Board recognized the active participation of the Management Board during the Supervisory Board meetings (presentation of motions submitted to the Supervisory Board and provision of relevant clarifications).

The Supervisory Board has concluded that the financial and non-financial statements of the Bank, in all material aspects, have been prepared:

- in accordance with the International Financial Reporting Standards approved by the European Union,
- based on properly maintained accounting records,
- in accordance with the provisions of the law governing preparation of the financial statements and provisions of the Bank's Articles of Association affecting the form and content of the financial statements,
- within the set deadline

and give a fair and clear view of all information material for the evaluation of the financial result of business activities as well as the economic and financial position of the Bank and BNP Paribas Bank Polska S.A Group.

6. ASSESSMENTS MADE BY THE SUPERVISORY BOARD OF THE BANK IN 2023

6.1. ASSESSMENT OF THE COMPANY'S STANDING INCLUDING AN ASSESSMENT OF THE INTERNAL CONTROL, RISK MANAGEMENT AND COMPLIANCE SYSTEMS AND THE INTERNAL AUDIT FUNCTION; SUCH ASSESSMENT SHOULD COVER ALL SIGNIFICANT CONTROL MECHANISMS, IN PARTICULAR FINANCIAL REPORTING AND OPERATIONAL ACTIVITY

With respect to the internal control system, the Supervisory Board positively assesses the internal control model integrating all three lines of defence, implemented at the Bank in compliance with the PFSA Recommendation H.

The Supervisory Board received periodic reports and analyses of results of controls performed by all the control functions, i.e., in respect of monitoring of adherence to control mechanisms and risk control mechanisms, risk of non-compliance of the Bank's operations with the law provisions, market standards and internal regulations, as well as legal risk and internal audit. Furthermore, the Supervisory Board was notified on a regular basis of any irregularities with regard to the adopted plans or limits, critical irregularities identified by the internal control system, results of audit assignments, changes in the profile of the Bank's compliance risk, as well as results of any controls conducted by supervisory authorities, therefore, the Supervisory Board had up-to-date and adequate knowledge allowing for efficient supervision over the internal control system.

The Supervisory Board made the relevant assessment based, i.e., on the Report of the Management Board on the adequacy and effectiveness of the internal control system in 2023, as well as the assessment of the internal control system performed by the Audit Committee.

The Supervisory Board assesses the adequacy and efficiency of the Bank's internal control system (integrating the control function, compliance unit and internal audit unit) as generally satisfactory. The Supervisory Board concludes that the gaps identified in the processes carried out under this system do not jeopardise the achievement of the objectives of the Bank's internal control system. Key gaps have been identified with respect to:

- control mechanisms regarding, among others, quality and aggregation of data,
- supervision over agreements with suppliers,
- human resources management area
- relationships with Clients with regard to offering investment products.

All identified gaps are addressed in relevant action plans concerning the deficiencies. With respect to material deficiencies of the internal control system, the Audit Committee monitors implementation of the action plans. In addition, the Bank pursues actions aimed at further improvement and development of the second line of defence in the context of a growing complexity of the regulatory environment and expectations of the Group. Furthermore, measures have been undertaken aimed at extending and enhancement of awareness of owners of processes at the first line of defence with regard to risk and control.

Furthermore, the Supervisory Board assessed the adequacy and efficiency of the internal audit function as satisfactory. The Supervisory Board underlined that the Internal Audit Line completed all audits planned for 2023 and achieved the assumed Key Performance Indicators (KPI).

The Supervisory Board also assessed the effectiveness of the compliance risk management by the Bank as generally satisfactory. The Supervisory Board positively assesses the adequacy and effectiveness of the control environment of the Compliance Line processes. The Supervisory Board underlined that the Compliance Line fully completed its action plan for 2023, including testing plans, and achieved the assumed Key Performance Indicators.

It is the view of the Supervisory Board that the whistleblowing procedures in place at the Bank function adequately and efficiently.

6.2. ASSESSMENT OF THE BANK'S COMPLIANCE WITH THE PRINCIPLES OF CORPORATE GOVERNANCE FOR THE SUPERVISED INSTITUTIONS OF 22 JULY 2014 ISSUED BY THE FINANCIAL SUPERVISION AUTHORITY

The Bank abides by the "Corporate Governance Principles for Supervised Institutions" issued by the Polish Financial Supervision Authority on 22 July 2014. The document outlines internal and external relations of supervised institutions, including relations with shareholders and Customers, their organisation, operation of internal control, key systems and internal functions, as well as statutory bodies and rules of their collaboration.

The "Principles of Corporate Governance for Supervised Institutions", issued by the PFSA on 22 July 2014, were adopted by the Bank's Management Board and Supervisory Board in December 2014, and the General Meeting in February 2015.

The Bank's position regarding the application of the Principles of Corporate Governance for Supervised Institutions was updated in 2022 and expressed in the Resolution of the Bank's Management Board dated 17 February 2022, and later confirmed by the Supervisory Board on 02 March 2022 and adopted by the General Meeting on 27 June 2022. It is posted on the Bank's website: <https://www.bnpparibas.pl/relacje-inwestorskie/lad-korporacyjny/zasady-ladu-korporacyjnego-knf>.

BNP Paribas Bank Polska S.A. represents that it has adopted and follows all the Principles of Corporate Governance for Supervised Institutions", issued by the Polish Financial Supervision Authority.

The Supervisory Board concludes that in the period covered by the report it has not identified any breaches of the Principles of Corporate Governance for Supervised Institutions adhered to by the Bank; therefore, it confirms that the Bank and its bodies complied in 2023 with all the Principles of Corporate Governance for Supervised Institutions.

6.3. EVALUATION OF THE ADEQUACY AND EFFECTIVENESS OF INTERNAL GOVERNANCE IN BNP PARIBAS BANK POLSKA S.A.

Acting on the basis of Recommendation Z of the Polish Financial Supervision Authority, the Supervisory Board assessed the adequacy and effectiveness of the internal governance arrangements in place at BNP Paribas Bank Polska S.A. The assessment was informed, amongst others, by:

- motions and information presented to the Supervisory Board or its committees by the Bank's Management Board,
- the results of the Supervisory Board's assessment of the internal control system, the risk management system and compliance with the principles of corporate governance and other market standards applied at the Bank,
- the Management Board's assessment of compliance with ethics and standards of conduct at BNP Paribas Bank Polska S.A.,
- Self-assessment by the Management Board of BNP Paribas Bank Polska S.A. regarding adequacy of internal regulations as they apply to the functioning and effectiveness of the Management Board,
- Self-assessment by the Supervisory Board of BNP Paribas Bank Polska S.A. regarding adequacy of internal regulations as they apply to the functioning and effectiveness of the Supervisory Board.

The Supervisory Board confirms that the Bank has in place legally compliant, transparent and effective internal governance arrangements that are set out in the Articles of Association and the hierarchical system of internal regulations. Internal regulations are complete, i.e. they regulate all legally required issues and are up-to-date, issued in accordance with applicable laws and the Bank's Internal Legislation Methodology.

The regulations are subject to periodic reviews whose purpose is to identify the necessity for update in line with amendments to the law, changes in the regulatory environment or Group standards, or for adjustment in line with current needs related to the operation of the Bank.

The regulations adopted at the Bank are comprehensive, up-to-date and adequate. They enable the Management Board and Supervisory Board to operate effectively and efficiently.

The Supervisory Board positively evaluates the internal governance arrangements implemented at the Bank.

Internal governance at the Bank consists of:

- bank management system,
- bank organisation,
- principles of operation, powers, duties and responsibilities, as well as mutual relations between the Supervisory Board, the Management Board and key function holders at the Bank.

The Bank's organisation is transparent and well-structured, reflecting the Bank's size and risk profile, and the nature and scale of its operations, and it ensures the achievement of business objectives set and appropriate response to changing external conditions or sudden and unexpected occurrences, including the ability to continue current business operations. It also enables effective flow and protection of information, as well as effective fulfilment of tasks by the Management Board of the Bank and the Supervisory Board.

The Bank's organisational structure is presented in the Organisational Regulations of BNP Paribas Bank Polska S.A. and the Organisational Regulations of the Head Office of BNP Paribas Bank Polska S.A.

The Supervisory Board of BNP Paribas Bank Polska S.A. exercises ongoing supervision over all areas of operation of BNP Paribas Bank Polska S.A., also bearing in mind the role of the Bank as a parent company in relation to its subsidiaries. The powers of the Supervisory Board are set forth in the Banking Law, the Code of Partnerships and Commercial Companies, as well as other provisions of the law and the Bank's Articles of Association. The Supervisory Board acts pursuant to the By-laws passed by the Board itself. The composition of the Bank's Supervisory Board and its committees is adequate in terms of the number of members and their conformity with the suitability criteria, both individually and as a whole body, which contributes to the effective exercise of ongoing supervision by the Supervisory Board.

The Management Board of the Bank manages the Bank's activities, including deciding how to perform tasks, controlling and supervising the process of their performance and analysing the outcomes. The scope of the Management Board's activities includes matters that do not fall within the competence of other statutory bodies of the Bank in accordance with the law or the Bank's Articles of Association. The division of Management Board tasks and responsibilities is governed by the internal regulation: Internal Division of Competence in the Management Board of BNP Paribas Bank Polska S.A.

The composition of the Bank's Management Board is adequate in terms of the number of members and their conformity with the suitability criteria, both individually and as a whole body, which contributes to the effective management of the Bank. Members of the Supervisory Board and the Management Board and key function holders at the Bank meet the condition of suitability, i.e. they have the knowledge, skills and experience necessary to perform their functions or fulfil their responsibilities, and ensure that those responsibilities are properly fulfilled.

The organisational structure of the Bank covers and reflects the entire scope of operation of the Bank and clearly identifies each key function with respect to both the division of tasks, powers, duties and responsibilities among the members of the Management Board of the Bank and the division of tasks, powers, duties and responsibilities among the organisational units, functions

and positions. The risk of vacancies among the members of the Management Board and among persons responsible for carrying out critical tasks is mitigated (the Policy on the Appointment and Dismissal of Members of the Management Board and the Succession Planning Policy).

The process of organisational changes is described in the Rules of Procedure for Organisational Changes at BNP Paribas Bank Polska S.A. The organisational change solutions put in place at the Bank are driven by the Bank's strategy and serve as an important tool for achieving both business and financial goals, as well as other important objectives of the Bank's activity. Specifically, organisational changes reflecting the simplification of the management structure enable increased sales potential, improved information flow, stronger and more consistent management of processes and their quality, as well as increasing employee engagement and development opportunities.

The Principles of Corporate Governance at companies where BNP Paribas Bank is a shareholder or stakeholder are in place at the Bank to ensure an effective supervision of the Bank's subsidiaries and affiliates.

The relationship between the Bank's Management Board and Supervisory Board is sound and the tasks of the Supervisory Board and Management Board are mutually coordinated to ensure that both bodies operate effectively in carrying out the Bank's strategy and the risk management strategy. The Management Board provides the Supervisory Board with all information, documents, reports or explanations regarding the Bank's operations and assets, as well as reports and clarifications regarding the Bank's subsidiaries and affiliates.

The Bank has in place the Remuneration Policy for Persons Having a Material Impact on the Risk Profile of BNP Paribas Bank Polska S.A. and the Regulations on the Allocation and Payment of Variable Remuneration Components to Members of the Management Board of BNP Paribas Bank Polska S.A. The remuneration arrangements set out in these documents ensure the application of transparent and objective principles of employment and remuneration and are conducive to prudent and stable management of the Bank.

The Bank has adopted the Code of Conduct of the BNP Paribas Group. It introduces the principles of ethics that define the norms and ethical standards of conduct for members of the Bank's bodies and employees, culture and respect for co-workers, as well as other persons through whom the Bank conducts its business. The policies adopted by the Bank reflect zero tolerance for dishonest or non-compliant behaviour and apply to all Bank employees. In addition, the Bank's regulations and procedures enable employees and other persons to report potential or actual violations, ensuring proper protection for whistleblowers and enabling the eradication of bad practices or improvement of the Bank's processes. An Ethics and Conduct Standards Committee has been established at the Bank and the Bank's Management Board carries out periodic assessments of compliance with ethics and standards of conduct, and reports the findings to the Supervisory Board.

The Bank has regulations in place to manage conflicts of interest and anti-corruption issues, which are in line with the applicable laws (domestic and EU) and regulations of the Polish Financial Supervision Authority and the European Banking Authority.

The disclosure regulations adopted by the Bank ensure that disclosures are up-to-date, reliable, useful and consistent over time, and that the information is given in an understandable and transparent manner.

The risk management system in place at the Bank, its organisation, powers and responsibilities, as well as the mutual relations between the Management Board and the Supervisory Board, provide a guarantee of effective and prudent management both at the Bank's and the Group's level; in particular, this ensures the reliability of financial reporting, adherence to the Bank's risk management principles and compliance of the Bank's operations with the applicable laws, internal regulations and market standards. The risk management system in place at the Bank fully addresses the nature of the Bank's risk exposure and encompasses all material risks.

The Bank has implemented an Outsourcing Policy which sets out the rules applicable to BNP Paribas Bank Polska S.A. as regards entrusting other entities, including entities of the group of which the Bank is a member, with the performance of banking intermediation services, factual acts related to banking operations and acts related to participation in trading in financial instruments. The Policy complies with the law and the guidelines of the Polish Financial Supervision Authority and the European Banking Authority.

As far as the implementation of new products is concerned, the Bank operates pursuant to the Rules of Acceptance of New Products, Services, and Business, and Exceptional Transactions at BNP Paribas Bank Polska S.A. These rules set out:

- the manner and procedure of acceptance of new products, services and business and exceptional transactions at BNP Paribas Bank Polska S.A., taking into account the applicable rules in place at the BNP Paribas Group, the law in force in Poland, the rules of corporate social responsibility, sustainable development and personal data protection,
- the course of the various processes that must be carried out in order to gain approval for and launch a new product, service or business in the Bank's offer or to introduce significant changes regarding existing products or services,
- requirements to be fulfilled and the roles and responsibilities of the various participants in the approval process for exceptional transactions.

6.4. ASSESSMENT OF THE BANK'S COMPLIANCE WITH THE DISCLOSURE OBLIGATIONS CONCERNING COMPLIANCE WITH THE CORPORATE GOVERNANCE PRINCIPLES SPECIFIED IN THE BEST PRACTICE OF COMPANIES LISTED ON WARSAW STOCK EXCHANGE 2021

Since 1 July 2021, the Bank has been subject to corporate governance principles laid down in the "Best Practice of WSE Listed Companies 2021" which were enacted pursuant to Resolution No. 13/1834/2021 passed on 29 March 2021 by the Supervisory Board of Giełda Papierów Wartościowych w Warszawie S.A. The Bank's Management Board adopted the principles of corporate governance set out in the "Best Practice of WSE Listed Companies 2021" by way of Resolution 49/BZ/42/2021 of 30 July 2021.

Pursuant to §29(3) of the Rules of Giełda Papierów Wartościowych w Warszawie S.A.; and in keeping with the rules set out in the relevant resolutions of the WSE Management Board, the Bank is required to provide the Warsaw Stock Exchange, via the Electronic Information Base (EIB), with reports on the application of the corporate governance principles. In 2023, the Bank provided one such statement summing up the adherence to the principles in 2022. At the beginning of 2024, in line with the changes made to the Bank's bodies, an announcement was made that the Bank was fully (100%) compliant with the "Best Practice of WSE Listed Companies 2021".

The Bank carries out an annual review of the status of the application of the "Best Practice of WSE Listed Companies" and submits an update to the Supervisory Board to that effect (the information concerning 2023 was presented to the Supervisory Board during a meeting on 29 February 2024). Furthermore, as a listed company, the Bank is required to include a statement on the application of the corporate governance principles in its annual report, as per § 70(6)(5) of the Minister of Finance Regulation of 29 March 2018 on current and periodic information (...). The said statement includes an assessment of the application of the "set of corporate governance principles to which the issuer is subject" (PFSA principles) and the "set of corporate governance principles that the issuer chose to apply voluntarily" (Best Practice of WSE Listed Companies 2021). Being a part of the annual report, the statement is published on the Bank's website, together with more detailed information on the application of both sets of corporate governance principles: <https://www.bnpparibas.pl/relacje-inwestorskie/lad-korporacyjny>.

Following the publication of the Annual Report, the Bank also publishes a report on the application of "Best Practice of WSE Listed Companies 2021" via the EIB system. All reports and historical information are posted on the Bank's website at: <https://www.bnpparibas.pl/relacje-inwestorskie/lad-korporacyjny/dobre-praktyki-spolek-notowanych-na-gpw>.

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.

6.5. ASSESSMENT OF THE RATIONALITY OF SPONSORSHIP, PHILANTHROPIC AND CSR ACTIVITY PURSUED BY THE COMPANY TOGETHER WITH ASSESSMENT OF THE ELIGIBILITY OF THE EXPENSES INCURRED FOR THIS PURPOSE

BNP Paribas Bank Polska S.A. carries out activities in the area of corporate social responsibility (CSR) and sustainable growth, which include sponsorship, charitable and socially-beneficial activities. Each of those activities derives from the decision made by the Bank Management Board, supported by an analysis of benefits for the Bank and its stakeholders; it is in accordance with the standards of corporate social responsibility (CSR) and sustainable growth, and accounts not only for the Bank's economic impact on its surroundings but also the environmental, social and governance (ESG) factors. That way the Bank ensures that its actions are credible, stable and transparent for all stakeholders.

In 2023, Bank BNP Paribas undertook targeted and effective actions in the area of CSR and sustainable growth, including charitable acts and sponsorship activities. The actions undertaken by the Bank illustrated its commitments: “The BNP Paribas brand is permanently tied with care about the environment and matters that are important to society” and “A Bank that is involved in the lives of local communities” under the “Positive” pillar as part of the Bank’s GObeyond Strategy for the year 2022-2025, as adopted in 2022.

Sponsorship actions

The purpose of the Bank BNP Paribas’ sponsorship policy is to build the brand and reinforce the brand awareness among the audiences. By pursuing the sponsorship policy, the Bank creates its positive image. The direction of sponsorship activities is set by the global sponsorship strategy of BNP Paribas Group. As part of that strategy, the Bank promotes tennis and culture, particularly cinema. The Bank sponsors tennis events in Poland, film festivals, cultural, technology and business events. The activities are coordinated by the Brand Strategy and Activation Department operating within the Marketing, Communication and Social Involvement Line.

Key figures to illustrate sponsorship activities carried out in 2023:

- more than PLN 9.4 million spent on sponsorship activities,
- sponsoring four film events, including: BNP Paribas Green Film Festival, BNP Paribas Summer Cinema, Mastercard OFF Camera (the strategic partner), BNP Paribas Two Riversides Film and Art Festival
- name partner of one tennis tournament: BNP Paribas Warsaw Open,
- partner of three international events in Poland.

Table 5. Sponsorship spending at Bank in 2023:

Film events	PLN 4,320,000
Tennis events	PLN 3,005,000
Other sponsorship activities	PLN 2,091,000

Social and charitable activities

The Bank develops its social, charitable and philanthropic activities wherever it can make an actual positive difference. Preventing social exclusion, supporting diversity and financial education are given priority. The activities were coordinated by the Brand Strategy and Activation Department and BNP Paribas Foundation, which carries out actions to combat inequalities, including its own and twinning scholarship programmes. The Foundation is also involved in environmental charitable activities and facilitates voluntary activity for employees.

The most important social and charitable activities in 2023:

- engagement by the Bank employees in various initiatives for society and the environment, including: the employee volunteering programme called “Możesz na mnie polegać” (“You Can Count on Me”),
- involvement of the employees of the Bank and BNP Paribas Group companies (2,869 volunteers) in the annual voluntary activity called “Szlachetna Paczka” (Noble Box),
- engagement of 146 Local Bank Ambassadors for the benefit of local communities,
- involvement of the employees of the Bank and BNP Paribas Group companies in “Dobre Kilometry” (Good Kilometres) campaign that supports social organisations,
- participation of 397 employees in the individual philanthropy programme called “Wspieram cały rok” (I support all year long),
- a scholarship and development programme called “Klasa” (“Class”) which supports the eighth grade students who want to continue education in good secondary schools in larger cities and for whom such opportunity would be impossible without financial support,
- a tutoring and scholarship programme “Wiedza do potęgi” (“Knowledge to the Power”) which helps young refugees and immigrants to find their way in the Polish education system,
- the 'Dream Up' programme, which supports the development of social and emotional competences and self-esteem in socially disadvantaged children and youth through arts education,
- environmental philanthropy, or acting for the climate by protecting and restoring key ecosystems, and by educating people on these topics.

Charitable donations

The expenditures from the donations budget are made to support growth and civic activity, improve the quality of life in local communities, take actions to reduce inequalities, support social engagement of employees as part of the Local Grant Programme (among others), reinforce the activities of the Bank Local Ambassadors, and promote responsibility in the area of healthcare and environment protection. Support for selected non-governmental organisations or institutions is aimed to increase the effectiveness of their socially useful activities.

Table 6. Charitable donations given by Bank to non-governmental organisations in 2023

Beneficiaries of charitable donations in 2023	Amount
BNP Paribas Foundation	PLN 3,500,000.00
Beneficiaries of Local Grants Programme	PLN 300,000.00
Organisation supporting social integration and diversity	PLN 358,266
Organisations supporting education and culture	PLN 1,938,143

Trade unions	PLN 50,000
Strategic Partnership with the Noble Box Project	PLN 1,000,000
Health promoting organizations	PLN 109,537
Organisations promoting environment protection	PLN 5,000

Measurable effects of the social, charitable and sponsorship activities

Social, charitable and sponsorship activities translate into the quality of life of the beneficiaries and also into the Bank's image as a reliable partner.

Table 7. Beneficiaries of the social programmes of the Bank and BNP Paribas Foundation in 2023:

Beneficiaries of the social programmes of the Bank and BNP Paribas Foundation in 2023	2023
Beneficiaries of initiatives implemented as part of the "Volunteering Projects Competition"	4,823 people
Families that received packages from our employees volunteering as part of the Noble Box Project	163 families
Students from smaller towns taking part in the "Class" scholarship: in school year 2022-2023	98 students
since the beginning of the program	897 students
Young refugees in Poland who received scholarships and support as part of the "Knowledge to the Power" partnership programme with the Ocalenie Foundation in school year 2022-2023	100 people
since the beginning of the program	192 people
Participants of classes as part of the BAKCYL – Bankers for the Financial Education of Youth Programme	816 students
Participants of the 3rd edition of the "Dream Up" Programme	40 children
Participants of "Meetings with Music"	427,483 participants
Students who took part in meetings as part of the Mission Education campaign	74,000 children

According to the independent Ipsos Sp. z o.o. survey, slight declines in brand and image indicators were noted over the past year. They are attributable to a significant reduction in the marketing budget in 2023

Table 8. Image of the Bank in 2023 vs 2022

Bank BNP Paribas image	2022	2023
A bank that is trustworthy	21	19
A bank that notices and responds to changes around us	21	19
I like that bank	16	14
It sponsors cinema	11	13
It sponsors tennis	26	26
It accounts for environmental and social aspects in its operations	23	21
It is fair and its activities are transparent to clients	17	16
A bank that cares about financial education	12	11

Sample size in the table: 3,890 interviews for 2022, 3,853 interviews for 2023.

Detailed information on our sponsorship, charitable and CSR activities is available to the public:

- 1) In the annual Management Board's Report on the Activities of BNP Paribas Bank Polska S.A. Group in 2023 (including Report of the Management Board on the activities of BNP Paribas Bank Polska S.A.), constituting the Integrated Annual Report of the Group in 2023,
- 2) In the Report which presents non-financial information of BNP Paribas Bank Polska S.A. Group for the year 2023 (including non-financial information of BNP Paribas Bank Polska S.A. in 2023), called "ESG Report", drawn up in line with the requirements stipulated in the amended Accounting Act of 15 December 2016. The information for the report was prepared according to the international non-financial reporting methodology: GRI Standard. The Report describes the organization's approach to the climate changes, 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 document has been verified externally and is disclosed to the public as an integral part of the Integrated Annual Report of the Group for 2023. The Integrated Annual Report of the BNP Paribas Bank Polska S.A. Group for 2023 will be published online in April 2024 and will be promoted to the internal and external audiences.
- 3) The annual Factual and Financial Report on the Activity of BNP Paribas Foundation presents the Bank's charitable activity, in accordance with the rules of reporting for public benefit organizations which arise from the Justice Minister Regulation of 8 May

2001 on Framework Scope of Report on Foundation Activities (Journal of Laws No. 50 of 8 May 2001, item 529).

The Supervisory Board's evaluation of the Bank's sponsorship, charitable and social policy is positive. The Bank's activity supports, in a rational manner, the implementation of the business mission and the GObeyond Strategy for 2022-2025, and most significantly the commitments: "The BNP Paribas brand is permanently tied with care about the environment and matters that are important to the society" and "A Bank that is involved in the lives of local communities" under the "Positive" Pillar, and it accounts for the needs of the company's stakeholders – Clients, employees, local communities, business partners, and professional organisations.

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. Such activities help build and reinforce the positive image of the Bank as a socially responsible corporate citizen.

6.6. ASSESSMENT OF THE POLICY REGARDING THE ELECTION OF MEMBERS OF THE BANK'S MANAGEMENT BOARD OR SUPERVISORY BOARD AS REGARDS ENSURING VERSATILITY AND DIVERSITY OF SUCH AUTHORITIES, INCLUDING WITH RESPECT TO GENDER, EDUCATION, AGE AND PROFESSIONAL EXPERIENCE

The Bank has a diversity policy which forms a formal part of the Policy for Suitability Assessment of the Supervisory Board Members and Policy for Suitability Assessment of the Management Board Members and Key Function Holders at BNP Paribas Bank Polska S.A. The revised diversity policy was adopted by the Supervisory Board on 12 May 2021 and approved by the General Meeting on 4 January 2022. On 8 December 2022, the Supervisory Board amended the policy which was approved by the General Meeting on 17 January 2023. On 7 December 2023 the Supervisory Board revised and amended the Policy.

The application of criteria ensuring diversity in the governing bodies of the Bank is a legally binding requirement arising from the specific legal regulations and the European Banking Authority (EBA) Guidelines binding on banks. The Bank is an entity regulated and supervised by the Polish Financial Supervision Authority. The correctness and the quality of the diversity policy application is monitored, among other things, as part of individual and collective suitability assessments verification by the Polish Financial Supervision Authority. When selecting members for the Company's governing bodies and key function holders, the Bank accounts for the following criteria, among other things: reputation, integrity and ethical behaviour, devoting sufficient time to performing their duties, lack of conflict of interest, independent judgement, knowledge, skills and experience of candidates.

In its suitability assessment policy, the Bank ensured that diversity is promoted on the Management Board and Supervisory Board, from the moment a diversified pool of candidates is built, in order to reach a broad scope of attributes and competences of the Management Board

Members and Supervisory Board, obtain different points of view and experience, and enable the Company's governing bodies to give independent opinions and make reasonable decisions.

The Bank warrants diversity in that it accounts for criteria, such as: gender, education and professional experience, specialist know-how, age and geographical provenance, in the processes of appointment and suitability assessment. The Bank attaches great weight to actual implementation of diversity, also by way of ensuring an adequate share of women on the Bank's governing bodies. As at 31 December 2023, the share of women on the Supervisory Board was 50%, whereas the share of female members on the Bank Management Board was 22.2%. As a result of changes in the composition of the Bank's bodies, as of January 2024, the share of female members on the Management Board is 37%.

Adherence to the principle of diversity is monitored not only at the level of the Bank's governing bodies but also at the managerial level. Currently the share of women at the top management positions other than the Management Board (the managing director, executive director or tribe leader) is 40%.

As regards the selection of the Management Board and Supervisory Board members in terms of education background and experience, the Bank followed the rules arising from Article 22aa of the Banking Law Act, the Methodology of the suitability assessment of the members of the governing bodies of entities supervised by the Polish Financial Supervision Authority, the provisions of Recommendation Z and the Bank's Articles of Association

The Supervisory Board has a positive opinion on the best practices applied by the Bank in regard to the diversity policy towards all Bank employees' regardless of their position, with special focus on the suitability of the governing bodies of the Bank and its key managers.

Conclusion

In the Supervisory Board's view, 2023 was a challenging but very good year for the Bank. The Bank is resilient to adversities in the business environment, has an increasing number of Customers and a growing loan portfolio. It has a wide choice of credit, investment and transactional products for every type of Customer. Effectiveness at the Bank has consistently been improving, risk management and cost of risk remain consistently at the forefront of the sector, and liquidity buffers are at safe levels. The Bank continues its digital transformation, both internally and at the Customer level, particularly in the retail segment. It has a strong position in the area of sustainable financing (it is present in the most important investment projects in the country), stays committed to innovation and consistently carries out the GO beyond strategy. The Supervisory Board especially appreciates the fact that the Bank is an organisation that puts stress on the promotion of its values and is socially committed to initiatives that bring important and significant changes to the social environment in which we live.

Based on the assessment, the Supervisory Board concludes that the situation of BNP Paribas Bank Polska S.A. is stable. The responsible attitude and commitment of the entire employee team,

as well as very good cooperation with the Management Board, based on an effective and transparent flow of information, are other achievements worthy of notice.