

**Supervisory Board's assessment of application of
the Principles of Corporate Governance for Supervised Institutions by ING Bank Śląski S.A.**

With Resolution No. 218/2014 of 22 July 2014 (Official Journal of the PFSA item 17), the Polish Financial Supervision Authority adopted the *Principles of Corporate Governance for Supervised Institutions* (hereinafter referred to as: "CG Principles"). The PFSA expected the Principles to be implemented by 01 January 2015.

Whereas the CG Principles apply to ING Bank Śląski S.A. (hereinafter referred to as: "Bank"), the Bank made an analysis of its compliance with the CG Principles and consequently took actions – as far as needed – to tailor its in-house regulations to the regulatory requirements.

As a consequence, on 27 November 2014, the Bank Management Board adopted a draft *Report on Observance of "Principles of Corporate Governance for Supervised Institutions" at ING Bank Śląski S.A.* whereby they implemented the CG Principles at the Bank as of 01 January 2015 with the caveat that:

- the rule introduced under Article 8 section 4 of the *CG Principles*, due to the impossibility of end-to-end elimination of risks of legal nature as well as organisational and technical nature that can negatively impact the course of the General Meeting, would be applied by the Bank to the extent limited to transmission of Bank General Meeting debates via the internet,
- for the rules introduced under Article 11 section 2 and Article 22 section 6 of the *CG Principles*, the practice applied by the Bank to-date would be supplemented with additional powers of the Supervisory Board upon adoption of the amended *Charter* by the subsequent General Meeting.

Further, the Bank Management Board resolved to present an update on the content of the *Report on Observance of the CG Principles* made by the Bank and provide information about the principles applicable directly to Bank shareholders at the subsequent Ordinary General Meeting of ING Bank Śląski S.A.

Thereafter, the Management Board moved to the Supervisory Board for issuing advice on implementing the draft *Report on Observance of "Principles of Corporate Governance for Supervised Institutions" at ING Bank Śląski S.A.* and presenting the Supervisory Board's stance on the provisions of the *CG Principles* applicable to the Supervisory Board and their members.

On 28 November 2014, the Supervisory Board rendered their positive advice on the draft *Report on Observance of "Principles of Corporate Governance for Supervised Institutions" at ING Bank Śląski S.A.* and implemented the *CG Principles* applicable to the Supervisory Board and their members.

Rada Nadzorcza / Supervisory Board

At the same time, so as to accommodate themselves to the provisions of the *CG Principles*, the Supervisory Board amended the *Bylaw of the Supervisory Board of ING Bank Śląski S.A.* and approved amendments to the *Bylaw of the Management Board of ING Bank Śląski S.A.* Other in-house regulations were amended accordingly.

Hence, on 30 December 2014, the Bank Management Board presented a *Report on Observance of "Principles of Corporate Governance for Supervised Institutions"* at ING Bank Śląski S.A.. The Report was published and is accessible on the Bank's website at: <http://www.ingbank.pl/o-banku/lad-korporacyjny>.

At the Ordinary General Meeting held on 31 March 2015, the Bank Management Board presented the shareholders with the *CG Principles* update. With Resolution No. 25 of 31 March 2015 the Ordinary General Meeting accepted the Bank Management Board Report of 30 December 2014 and also declared readiness to apply *CG Principles* in the part regarding shareholders and relations of the Bank as a supervised institution with its shareholders, on the terms and conditions set out in that Resolution. The Resolution is available on the Bank's website at: <http://www.ingbank.pl/fileserver/item/1105190>.

Further, with Resolution No. 26 of 31 March 2015, the Ordinary General Meeting passed amendments to the *Bank Charter* as regards its adaptation to the *CG Principles*, in particular as regards the Supervisory Board's powers.

The Supervisory Board have assessed that the actions taken resulted in adherence to the *CG Principles* being assured both in terms of compliance of in-house regulations therewith and their application by the Bank in the daily routine. The Bank governing bodies apply the *CG Principles*, particularly those referring to their affairs and mutual relations. *CG Principles* are also followed by Bank employees and are mirrored in the day-to-day business of the Bank. The foregoing applies to the *CG Principles* concerning internal relations, the Bank's organisation and key systems and functions, and also the *CG Principles* relating to external relations with shareholders, Bank clients and other entities concerned.

In the course of the assessment, no instance of Bank's application-related breach of the *CG Principles* was found.

Hence, the Supervisory Board have assessed that in 2015 the Bank was applying the *Principles of Corporate Governance for Supervised Institutions* in a proper manner.