

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

By Resolution No. 218/2014 of 22 July 2014 (PFSA Official Journal No. 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 1 January 2015.

Whereas the CG Principles apply to ING Bank Śląski S.A. (hereinafter referred to as: „the Bank”), the Bank authorities and the competent organisational units 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.

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>.

On 28 November 2014, the draft *Report on Observance of “Principles of Corporate Governance for Supervised Institutions” at ING Bank Śląski S.A.* received positive advice of the Supervisory Board who also accepted the CG Principles applicable to the Supervisory Board and its members.

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.

At the Ordinary General Meeting held on 31 March 2015, the Bank Management Board presented the shareholders with the *CG Principles* update. With its Resolution no. 25 of 31 March 2015 the Ordinary General Meeting accepted the Bank Management Board Report of 30 December 2014 and declared readiness to apply *CG Principles* in the part regarding shareholders and relations of the Bank as 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.

Following the implementation of the said amendments to the Bank's Charter, the Bank applies all rules set out in the *CG Principles*, with the proviso that, due to the impossibility of total elimination of risks of legal- as well as organisational and technical nature that can adversely impact the course of the General Meeting, the Bank applies the rule set out under Article 8 section 4 of the *CG Principles* to the extent limited to the broadcasting of Bank General Meeting debates online.

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 2016 the Bank was applying the *Principles of Corporate Governance for Supervised Institutions* in a proper manner.