

**Report of the Supervisory Board of ING Bank Śląski S.A.
on Their Operations for 2016**

Pursuant to Article 382 §1 of the Commercial Companies and Partnerships Code and the provisions of the Code of Best Practice for WSE Listed Companies, the Supervisory Board of ING Bank Śląski S.A. herewith submit to the Ordinary General Meeting the *Report of the Supervisory Board of ING Bank Śląski S.A. on Their Operations for 2016*.

I. Legal basis of the functioning of the Supervisory Board at ING Bank Śląski S.A.

The Supervisory Board of ING Bank Śląski S.A. operate pursuant to the Banking Law, the Commercial Companies and Partnerships Code, the Bank Charter and the Supervisory Board Bylaw. Pursuant to §19.5 of the Charter of ING Bank Śląski S.A., members of the Supervisory Board are appointed for a joint 5-year term of office. The current term of office commenced on 10 April 2014.

II. Composition of the Supervisory Board at ING Bank Śląski S.A., division of functions, and changes on the Supervisory Board during the financial year

The following changes took place on the Supervisory Board in 2016:

On 4 March 2016, Mr Brunon Bartkiewicz tendered resignation from his capacity as Deputy Chairman of the Supervisory Board, with immediate effect, in connection with his running for the position of the Bank Management Board President.

On 24 March 2016, Mr Diederik van Wassenaeer tendered his resignation from his capacity as member of the Supervisory Board, effective as of 31 March 2016. On 31 March 2016, the General Meeting appointed Ms Małgorzata Kołakowska who until then had been the President of the Bank Management Board as a new member of the Supervisory Board (effective as of 01 April 2016). The General Meeting also appointed Mr Christopher Steane as a new Supervisory Board member (effective as of 31 March 2016). The new members have ties with ING Group. Furthermore, during the meeting on 31 March 2016, the Bank Supervisory Board appointed Mr Roland Boekhout Deputy Chairman of the Supervisory Board.

As at 31.12.2016, the Supervisory Board worked in the following composition:

Antoni Reczek		Chairman (independent member)
Roland Boekhout	-	Deputy Chairman
Aleksander Galos		Secretary (independent member)
Ad Kas	-	Member
Małgorzata Kołakowska	-	Member
Aleksander Kutela		Member (independent member)
Christopher Steane	-	Member

The Supervisory Board confirm that the number of members is sufficient for and adequate to the

nature and to the scale of the Bank's operations.

III. Compliance with the Principles of Corporate Governance for Supervised Institutions and Best Practices of WSE Listed Companies.

The Supervisory Body fulfil their tasks pursuant to special authorisation granted under the *Company Charter and Bylaw of the Supervisory Board*, as well as the requirements of the *Principles of Corporate Governance for Supervised Institutions* and the *Code of Best Practice for WSE Listed Companies*.

Under the corporate governance rules, there should be at least two independent members on the Supervisory Board. According to the written statements filed by the members of the Supervisory Board, three (3) out of seven (7) members of the Supervisory Board meet the independence criteria set out in the Charter. These are: the Supervisory Board Chairman – Mr Antoni Reczek, the Supervisory Board Secretary – Mr Aleksander Galos and Mr Aleksander Kutela who is a member of the Supervisory Board. The other members, namely: Mr Roland Boekhout, Mr Ad Kas, Ms Małgorzata Kołakowska and Mr Christopher Steane have ties with ING Bank N.V., the strategic shareholder of the Bank.

In keeping with the Bank's practice, the independent members file each year a statement to confirm that they have no relationship with the Bank, its shareholders, or employees that could have significant impact on their ability to make impartial decisions. On 31 March 2016, that is on the day of the Ordinary General Meeting, the independent members re-submitted such statements. Their status has not changed ever since. On the Bank's website, there are professional resumes of all members of the Supervisory Board including their functions on the Supervisory Board Committees. Furthermore, on the Bank's website, there are annotations on filing independence statements or statements on ties with ING Bank N.V. There is also the information on compliance with the requirements under Article 22aa of the Polish Banking Law Act. In keeping with the 2016 Code of Best Practice for WSE Listed Companies, there is also an update on the share of men and women in the Management Board and Supervisory Board of ING Bank Śląski S.A. on the Bank's website.

The Supervisory Board confirm that their members have the knowledge, skills and practical experience required to perform their duties in a proper manner. The competences of the individual members of the Supervisory Board are complementary and allow for ensuring adequate level of collective performance of supervision duties in respect of all the business areas of the Bank. All members have the relevant experience and knowledge that enable them to exercise oversight of the Bank. The Chairman of the Supervisory Board (and also of the Audit Committee) is an independent member and is also qualified in financial auditing, in keeping with Article 86 section 4 of the Act of 07 May 2009 on Certified Auditors and Their Self-Government, Entities Authorised to Audit Financial Statements and Public Supervision.

IV. Form of oversight. Number and frequency of the Supervisory Board's meetings. Number of resolutions issued by the Supervisory Board

The Supervisory Board operated according to a meetings schedule and a framework plan of work adopted. The meeting agendas included ongoing business matters, submissions made by the Bank

Management Board, as well as any other material issues that required attention of the Supervisory Board.

The Supervisory Board exercised oversight of the Bank's operations primarily during the meetings and took the required decisions in the form of resolutions. During the meetings, the members of the Supervisory Board are joined by members of the Management Board, as well as the Director in charge of the compliance units, as well as the Internal Audit Department Director and other invited guests who give presentations on specific topics within their competence.

In keeping with the approved work calendar, between 1 January 2016 and 31 December 2016, the Supervisory Board met eight times at the following dates: 25 January, 12 February (a joint meeting with the Remuneration and Nomination Committee), 29 February (a joint meeting with the Audit Committee), 4 March, 31 March, 27 June, 15 September and 24 November. In total, the Supervisory Board adopted 104 resolutions, including 18 passed by way of circulation. All the meetings were quorate and held in line with the procedures so that binding resolutions could be taken; the attendance rate during the meetings was very high. A detailed description of the actions taken by the Supervisory Board in 2016 is presented in the minutes from the Supervisory Board meetings; the minutes and the resolutions passed by the Supervisory Board are kept at the Company's registered office.

In addition to regular meetings, the members of the Supervisory Board stayed in regular and direct contact with the Bank Management Board and took an active part in all the material matters concerning the Company's business. Furthermore, the Chairman of the Supervisory Board (who also chairs the Audit Committee) held regular meetings with the Bank's CFO to discuss the Bank's financial statements prior to their publication. In consequence, the Supervisory Board was able to exercise a blanket oversight of the operations of the Management Board and of the Company.

V. Agenda of the Supervisory Board Meetings

Throughout 2016, the Supervisory Board exercised ongoing oversight over the Company's operations, kept watch over the Company's adherence to the relevant regulations in the area of accounting, finance and reporting of public companies. The works of the Supervisory Board proceeded smoothly, with all members taking an active part in them.

During the meetings, the Supervisory Board reviewed the matters required under the Commercial Companies and Partnerships Code, as well as the matters relating to the day-to-day operations of the Company. The Supervisory Board received extensive reports from the Bank Management Board regarding the current financial standing of the Bank, its functioning, action plans and all the material developments that may have an impact on its functioning.

The topics discussed by the Supervisory Board in 2016 included but were not limited to:

- 1) Finance, including:
 - approval of the Bank's Strategy for 2016-2018 and continuous oversight of the implementation of the approved financial plan,
 - the report on the results of review of the annual financial statements of ING Bank Śląski for

- 2015, Reports of the Management Board of ING Bank Śląski S.A. on Bank's Operations in 2015 and review of the Bank Management Board motion regarding distribution of the profit earned by the Bank in 2015,
- the report on the results of assessment of the annual consolidated financial statements of the ING Bank Śląski S.A. Group for 2015 and the Bank Management Board's report on the operations of the ING Bank Śląski S.A. Group for 2015,
 - approval of amendments to the *Policy of Disclosing Qualitative and Quantitative Information on Capital Adequacy and the Scope of Published Information of ING Bank Śląski S.A.*,
 - approval of amendments to the *ING Bank Śląski S.A. External Auditor Independence Policy*,
 - granting consent to the division of ING Securities S.A.,
 - the Management Board's update on related-party agreements,
 - approval of the Bank's *Dividend Policy*,
 - approval of amendments to the *Planning Policy at ING Bank Śląski S.A.*,
 - approval of amendments to the *Capital Management and ICAAP Process Policy at ING Bank Śląski S.A.*,
 - approval of the Recovery Plan for ING Bank Śląski S.A. Group.
- 2) Internal audit at the Bank, including:
- Annual Report on the Standard of Internal Control of ING Bank Śląski S.A. as at 31 December 2015,
 - approval of the updated 2016 audit plan,
 - approval of the Audit Strategy Memorandum (ASM), including long-term planning for the years 2017-2019 and the Annual Audit Plan 2017,
 - approval of the Report on the execution of the audit assignments in 2016 – status and update, including amendments to the 2016 Audit Plan,
 - the appointment of a new Internal Audit Department Director (effective as of 01 April 2017)
- 3) Monitoring the efficiency of the risk management system at the Bank, including compliance risk and non-financial risk:
- approval of the risk appetite parameters (RAS), as amended,
 - approval of the capital plan for 2016-2018,
 - approval of amendments to the *Risk Model and Valuation Models Management Policy at ING Bank Śląski S.A.*,
 - amendments to the *Bylaw of making use of the bank products by the Bank authorities members and the persons holding senior positions and the entities connected with them*,
 - adoption of the *Non-financial Risk Appetite Statement of the Bank for 2016*, as amended and oversight of its implementation,
 - approval of amendments to the *ING Bank Śląski S.A. Operational Risk Management Policy*,
 - approval of updated *General Principles of Credit and Market Risk Management and Mitigation in ING Bank Śląski S.A.*,
 - approval of amendments to the *Stress Testing Policy in ING Bank Śląski S.A.*,
 - approval of amendments to the *Funding and Liquidity Risk Management Policy at ING Bank Śląski S.A.*,
 - approval of amendments to the *Policy – General Rules of Limiting and Managing Conflicts of Interest Related to Segregation of Responsibilities at ING Bank Śląski S.A.*,

- regular Risk Report describing the main aspects from the credit- and market risk area,
 - quarterly Report on Risk Tolerance Limits Utilisation for Non-Financial Risk Area,
 - Non-Financial Risk Dashboard,
 - the appointment of a new Compliance Department Director,
- 4) Monitoring and supervising the HR and payroll area at the Bank, including:
- approval of the methodology for updating the List of Managerial Positions Having Material Impact on the Risk Profile of ING Bank Śląski S.A.,
 - giving advice on the draft *ING Bank Śląski S.A. Supervisory Board Members Remuneration Policy*,
 - approval of the updated *List of Managerial Positions Having Material Impact on the Risk Profile of ING Bank Śląski S.A.*,
 - the assessment of the 2015 performance of the members of the Bank Management Board and setting KPIs for 2016,
 - the appointment of the President and Vice-President of the Bank Management Board,
 - the appointment of the Deputy Chairman of the Supervisory Board and new members of the Supervisory Board Committees,
 - approval of the results of the review of competence profiles as well as headcount level and structure at the Internal Audit Department,
 - approval of the results of the review of the salaries of the Internal Audit Department employees and Director,
 - approval of the Internal Audit Department's Report on the audit of the principles of remunerating the persons holding managerial positions having material impact on the risk profile of ("Identified Staff") at ING Bank Śląski S.A.,
 - approval of the amended *Variable Remuneration Policy of Persons Holding Managerial Positions Having Material Impact on the Risk Profile of ING Bank Śląski S.A.*,
 - approval of the *ING Bank Śląski S.A. Group Remuneration Policy*,
 - approval of the amendments to the *Executive Remuneration Bylaw for Members of the Management Board of ING Bank Śląski S.A.*,
 - approval of the *Policy for the Assessment of the Suitability of the Members of the Supervisory Board, Management Board and Key Function Holders at ING Bank Śląski S.A.*,
 - assumptions of the Bank's pay policy for 2017,
 - approval of changes on the Remuneration and Nomination Committee.
- 5) Implementation of the recommendations issued by the Polish Financial Supervision Authority
- giving advice on the stance of the Bank Management Board on the implementation of the Polish Financial Supervision Authority recommendation regarding profit distribution for 2015,
 - review of the Schedule of works regarding the implementation of post-inspection recommendations of the Polish Financial Supervision Authority,
 - acceptance of the statement regarding the implementation of the Guidelines on Rendering Brokerage Services on the OTC Market of Derivatives.
 - bancassurance policy implementation under Recommendation U,
 - report on the Bank Clients' complaints.

VI. Self-assessment of the Supervisory Board's Work in 2016

The Supervisory Board confirm that they have exercised regular and ongoing supervision over the Bank's business throughout 2016 in accordance with their powers and the legal requirements concerning joint-stock companies. The Supervisory Board members are well prepared to exercise all statutory and Charter-defined rights and duties and perform their tasks properly, ensuring adequate supervision over the Bank in all material aspects of its operations. All members of the Supervisory Board exercised their duties with due care, while taking advantage of their knowledge and experience in terms of supervising a joint-stock company. The Supervisory Board consider their operations in 2016 to have been effective and in keeping with the best market standards.

The cooperation with the Bank Management Board was very good; the Management Board provided the required information in a clear, reliable and exhaustive manner. The Supervisory Board express their appreciation for the Bank Management Board's contribution in 2016, including in particular their determination in the implementation of the strategy and innovative solutions, as well as building a positive image of the Bank among the staff and in the society. The Supervisory Board wish to thank the Management Board and the employees of ING Bank Śląski S.A. for their effort and commitment to the Bank's growth.

Keeping in mind the Bank's financial results and overall performance, the Supervisory Board request that the General Meeting acknowledge the fulfilment of duties by the members of the Bank's bodies in 2016.

Report of the Supervisory Board Committees on Their Operations in 2016

In order to ensure support for the Supervisory Board in exercising their powers, the Supervisory Board established the Audit Committee, the Remuneration & Nomination Committee and the Risk Committee from among their members.

The Committees perform consulting and advisory functions by preparing recommendations for the Supervisory Board; the Committee chairmen give reports from the Committee work during the Supervisory Board meeting.

Audit Committee

The Audit Committee support the Supervisory Board with regard to monitoring the financial reporting, monitoring and supervising the internal- and external audit and the management system at the Bank and its subsidiaries. In particular, the Committee oversee the adequacy and effectiveness of the internal control system and the risk management system, including compliance risk, relations between the Bank and related entities as well as between the Bank and the entity auditing Bank's financial statements.

The following changes took place on the Audit Committee in 2016:

On 4 March 2016, Mr Brunon Bartkiewicz tendered resignation from his capacity as Deputy Chairman of the Supervisory Board, and a member of the Audit Committee with immediate effect, in connection with his running for the position of the Bank Management Board President. On 31 March 2016, the Supervisory Board appointed Ms Małgorzata Kołakowska as a member of the Audit Committee, effective as of 1 April 2016.

As at the end of 2016, the composition of the Audit Committee was as follows:

Antoni Reczek	–	Chairman (independent member)
Aleksander Galos	–	Member (independent member)
Ad Kas	–	Member
Małgorzata Kołakowska	–	Member

I. Number and frequency of the Audit Committee's meetings. Number of recommendations issued by the Committee

The Audit Committee supported the Supervisory Board in their tasks primarily during meetings by passing the relevant recommendations. During the meetings, the members of the Audit Committee are joined by members of the Management Board, as well as the Bank Executive Director – Finance, Director in charge of compliance units, as well as the Internal Audit Department Director, Compliance Department Director, Operational Risk Management Department Director, Accounting Department Director – Chief Accountant, Market Risk Management Department Director, IT Security Department Director and representatives of external auditors.

In keeping with the approved work calendar, between 1 January 2016 and 31 December 2016, the Audit Committee met five times at the following dates: 25 January, 29 February (a joint meeting with the Supervisory Board), 27 June, 15 September and 23 November. The Audit Committee issued 19 recommendations for the Supervisory Board and two letters of advice. All the meetings were

quorate and held in line with the procedures so that binding recommendations could be issued; the attendance rate during the meetings was very high.

II. Agenda of the Audit Committee Meetings

The topics discussed by the Audit Committee in 2016 included but were not limited to:

- 1) Finance, including:
 - An assessment of the current financial results of the Bank,
 - Letter of advice on the Management Letter for 2015,
 - Amendments to the *Policy of Disclosing Qualitative and Quantitative Information on Capital Adequacy and the Scope of Published Information of ING Bank Śląski S.A.*,
 - *ING Bank Śląski S.A. Dividend Policy*
 - Amendments to the *Planning Policy at ING Bank Śląski S.A.*,
 - Update on the IFRS 9 Project,
 - The Management Board's update on related-party agreements.
- 2) Internal audit at the Bank, including:
 - Annual Report on the Standard of Internal Control of ING Bank Śląski S.A. as at 31 December 2015,
 - Changes to the 2016 audit plan,
 - Results of the review of competence profiles as well as headcount level and structure of the Internal Audit Department,
 - Report on implementation of 2016 Audit Plan,
 - Risk and Culture Assessment approach in the internal audit,
 - The Audit Strategy Memorandum (ASM) including long-term planning for the years 2017-2019 and the Annual Audit Plan 2017,
- 3) Monitoring the efficiency of the risk management system at the Bank, including:
 - Capital plan of the Bank for 2016-2018,
- 4) Monitoring the efficiency of the compliance risk and non-financial risk management system at the Bank, including:
 - Adoption of the Non-financial Risk Appetite Statement of the Bank for 2016, and oversight of its implementation,
 - Opinion regarding the candidate to assume the position of a new Compliance Department Director,
 - *Policy – General Rules of Limiting and Managing Conflicts of Interest Related to Segregation of Responsibilities at ING Bank Śląski S.A.*,
 - Amendments to the *ING Bank Śląski S.A. Operational Risk Management Policy*,
 - Quarterly Report on Risk Tolerance Limits Utilisation for Non-Financial Risk Area,
 - Risk report compliance,
- 5) Relations with the parent entity, including:
 - advice on the Annex to the *Co-operation Agreement with ING Bank N.V., ING Group N.V. and ING Bank Śląski S.A. for 2016*,
- 6) Relations with the external auditor, including:
 - Amendments to the *ING Bank Śląski S.A. External Auditor Independence Policy*,

In line with the requirements of the Bylaw of the Audit Committee, on 23 November 2016 the Audit Committee also held a closed meeting with the representatives of the external and internal auditors.

Remuneration and Nomination Committee

The Remuneration and Nomination Committee support the Supervisory Board with regard to the monitoring and supervision of the HR and payroll area, including, in particular, succession plans, employee-turnover processes, employee satisfaction surveys as well as the remunerating and rewarding policy.

From 1 January 2016 to 4 March 2016, the Remuneration and Nomination Committee worked in the following composition:

Aleksander Kutela	–	Chairman (independent member)
Brunon Bartkiewicz	–	Member
Roland Boekhout	–	Member
Diederik van Wassenauer	–	Member

The following changes took place in 2016 on the Supervisory Board:

On 4 March 2016, the Supervisory Board accepted Mr Brunon Bartkiewicz's resignation from his function as the Deputy Chairman of the Supervisory Board and member of the Remuneration and Nomination Committee, effective as of 4 March 2016.

On 24 March 2016, the Supervisory Board accepted Mr Diederik van Wassenauer's resignation from his function as a member of the Supervisory Board and member of the Remuneration and Nomination Committee, effective as of 31 March 2016.

On 31 March 2015, the Supervisory Board appointed Ms Małgorzata Kołakowska (effective as of 1 April 2016) and Mr Christopher Steane (effective as of 31 March 2016) as Committee members.

As at 1 April 2016, the composition of the Remuneration and Nomination Committee was as follows:

Aleksander Kutela	–	Chairman (independent member)
Roland Boekhout	–	Member
Małgorzata Kołakowska	–	Member
Christopher Steane	–	Member

In reference with the *EBA Guidelines concerning the proper remuneration policy referred to in Article 74 section 3 and Article 75 section 2 of Directive 2013/36/EU as well as disclosing information in accordance with Article 450 of EU Regulation No 575/2013* (Chapter 4, Title I, item 2.4.1 (50)), in November 2016 the Supervisory Board approved the changes on the Remuneration and Nomination Committee so that the Committee composition were as required under the EBA Guidelines, i.e. the majority of the Committee members, including its chairman, are independent members.

As a consequence, the Remuneration and Nomination Committee worked in the following composition:

Aleksander Kutela	–	Chairman (independent member)
Małgorzata Kołakowska	–	Member
Aleksander Galos–Member	–	Member (independent Member)

The Committee composition remained unchanged until the end of 2016.

I. Number and frequency of the Remuneration and Nomination Committee's meetings. Number of recommendations issued by the Committee

The Remuneration and Nomination Committee held six meetings in 2016, including a joint one with the Supervisory Board. The meetings of the Remuneration and Nomination Committee were held at the following dates: 12 February (a joint meeting with the Supervisory Board), 4 March, 31 March, 27 June, 15 September and 24 November. The Committee issued 26 recommendations in total (including six by way of circulation) and two letters of advice for the Supervisory Board.

The CEO and the Bank Executive Director in charge of HR area join the Committee meetings on a regular basis. Furthermore, in accordance with EBA Guidelines (Chapter 4, Title I, item 2.4.3 (56)), during the final meeting of the Supervisory Board in November 2016 it was agreed that the existing Committee members, that is Messrs Roland Boekhout and Christopher Steane, would attend the Remuneration and Nomination Committee meetings as representatives of the Risk Committee.

II. Agenda of the Remuneration and Nomination Committee Meetings

The topics discussed by the Remuneration and Nomination Committee in 2016 included but were not limited to:

- The methodology for updating the *List of Managerial Positions Having Material Impact on the Risk Profile of ING Bank Śląski S.A.*,
- Amendments to the *List of Managerial Positions Having Material Impact on the Risk Profile of ING Bank Śląski S.A.*,
- Amendments to the *Policy of Disclosing Qualitative and Quantitative Information on Capital Adequacy and the Scope of Published Information of ING Bank Śląski S.A.*,
- The assessment of the 2015 performance of the members of the Bank Management Board and setting KPIs for 2016,
- Changes on the Management Board,
- giving advice on the draft *ING Bank Śląski S.A. Supervisory Board Members Remuneration Policy*,
- The Report on the evaluation of the payroll policy at the Bank in keeping with the CG Principles,
- The results of the review of competence profiles as well as headcount level and structure at the Internal Audit Department,
- The results of the review of the salaries of the Internal Audit Department employees and Director,
- Report from the Audit of HR Remuneration and Performance Management: Identified Staff in ING Bank Śląski S.A.,
- *ING Bank Śląski S.A. Group Remuneration Policy*,
- Amendments to the *Variable Remuneration Policy of Persons Holding Managerial Positions Having Material Impact on the Risk Profile of ING Bank Śląski S.A.* (currently, the *Variable Remuneration Policy for Identified Staff of ING Bank Śląski S.A.*),
- Amendments to the *Executive Remuneration Bylaw for Members of the Management Board of ING Bank Śląski S.A.*,
- *Policy for the Assessment of the Suitability of the members of the Supervisory Board, Management Board and key function holders at ING Bank Śląski S.A.*,

Risk Committee

The Risk Committee is to support the Supervisory Board in the oversight of the business risk management strategy implementation by the senior management staff.

From 1 January 2016 to 31 March 2016, the Risk Committee worked in the following composition:

- Ad Kas	- Chairman
- Roland Boekhout	- Member
- Antoni Reczek	- Member (independent member)
- Diederik van Wassenauer	- Member (until 31 March 2016.)

The following changes took place on the Risk Committee in 2016:

On 24 March 2016, the Supervisory Board accepted Mr Diederik van Wassenauer's resignation from his function as a member of the Supervisory Board and member of the Risk Committee, effective as of 31 March 2016.

On 31 March 2015, the Supervisory Board appointed Mr Christopher Steane as a member of the Committee.

As at the end of 2016, the composition of the Risk Committee was as follows:

- Ad Kas	- Chairman
- Roland Boekhout	- Member
- Antoni Reczek	- Member (independent member)
- Christopher Steane	- Member

I. Number and frequency of the Risk Committee's meetings. Number of recommendations issued by the Committee

2016 was the first full year of the Risk Committee's operations.

The first meeting of the Risk Committee was held on 25 January 2016, and the subsequent ones were held as scheduled, that is on: 03 March, 27 June, 15 September and 23 November 2016.

The Committee issued 20 recommendations in total (including four by way of circulation).

During the meetings, the members of the Audit Committee are joined by members of the Management Board, as well as the Bank Executive Director in charge of the risk policy, modelling and reporting, Bank Executive Director – Finance, Director in charge of compliance units, as well as the Market Risk Management Department Director, Operational Risk Management Department Director, Accounting Department Director – Chief Accountant and representatives of external auditors. Furthermore, in accordance with EBA Guidelines (Chapter 4, Title I, item 2.4.3 (56)), during the final meeting of the Supervisory Board in November 2016 it was agreed that Mr Aleksander Kutela would attend the Risk Committee meetings as a representative of the Remuneration and Nomination Committee.

II. Agenda of the Risk Committee Meetings

The topics discussed by the Risk Committee in 2016 included but were not limited to:

- High-level RAS for 2016 for the retail- and corporate area and for market risk, as revised throughout the year,
- *Non-financial Risk Appetite Statement of the Bank for 2016* as amended,
- Risk management strategy for 2016-2018, including the Funding Plan, which is a part of the ING Bank Śląski S.A. Strategy for 2016-2018,
- amendments to the Bylaw of making use of the bank products by the Bank authorities members and the persons holding senior positions and the entities connected with them in terms of capital or in organisational terms, as well as by other entities stipulated by the Bylaw.
- Updated *Policy of Disclosing Qualitative and Quantitative Information on Capital Adequacy and Variable Components of Remuneration of ING Bank Śląski S.A.*,
- Amendments to the *Risk Model and Valuation Models Management Policy at ING Bank Śląski S.A.*,
- Amendments to the *ING Bank Śląski S.A. Operational Risk Management Policy*,
- Amendments to the *General Principles of Credit and Market Risk Management and Mitigation in ING Bank Śląski S.A.*,
- Amendments to the *Liquidity & Funding Risk Management Policy of ING Bank Śląski S.A.*,
- Amendments to the *Capital Management and ICAAP Process Policy at ING Bank Śląski S.A.*,
- Amendments to the *Stress-Testing Policy in ING Bank Śląski S.A.*,
- *Recovery Plan for ING Bank Śląski S.A. Group*