

**WNIOSEK ZARZĄDU
DOTYCZĄCY PODZIAŁU ZYSKU ZA 2022 ROK****MANAGEMENT BOARD MOTION
ON DISTRIBUTION OF 2022 PROFIT**

Zarząd ING Banku Śląskiego S.A. proponuje Zwyczajnemu Walnemu Zgromadzeniu dokonanie podziału zysku netto ING Banku Śląskiego S.A. za 2022 rok w kwocie 1 714 407 093,95 złotych zgodnie z poniższym:

The Management Board of ING Bank Śląski S.A. hereby propose to the Ordinary General Meeting distribution of the 2022 net profit of ING Bank Śląski S.A. in the amount of PLN 1 714 407 093.95 as follows:

- | | |
|--|---|
| 1) przeznaczenie kwoty 513 895 000,00 złotych na zasilenie kapitału rezerwowego przeznaczonego na wypłatę dywidendy, w tym zaliczek na poczet przewidywanej dywidendy, | 1) <i>allocating the amount of PLN 513 895 000.00 to increase the reserve capital earmarked for dividend payout, including interim dividend payments,</i> |
| 2) przeznaczenie kwoty 1 200 512 093,95 złotych na zasilenie ogólnego kapitału rezerwowego. | 2) <i>allocating the amount of PLN 1 200 512 093.95 to increase the general reserve capital.</i> |

Zarząd ING Banku Śląskiego S.A.
Management Board of ING Bank Śląski S.A.



Summary of operations

of the Supervisory Board

for 2022





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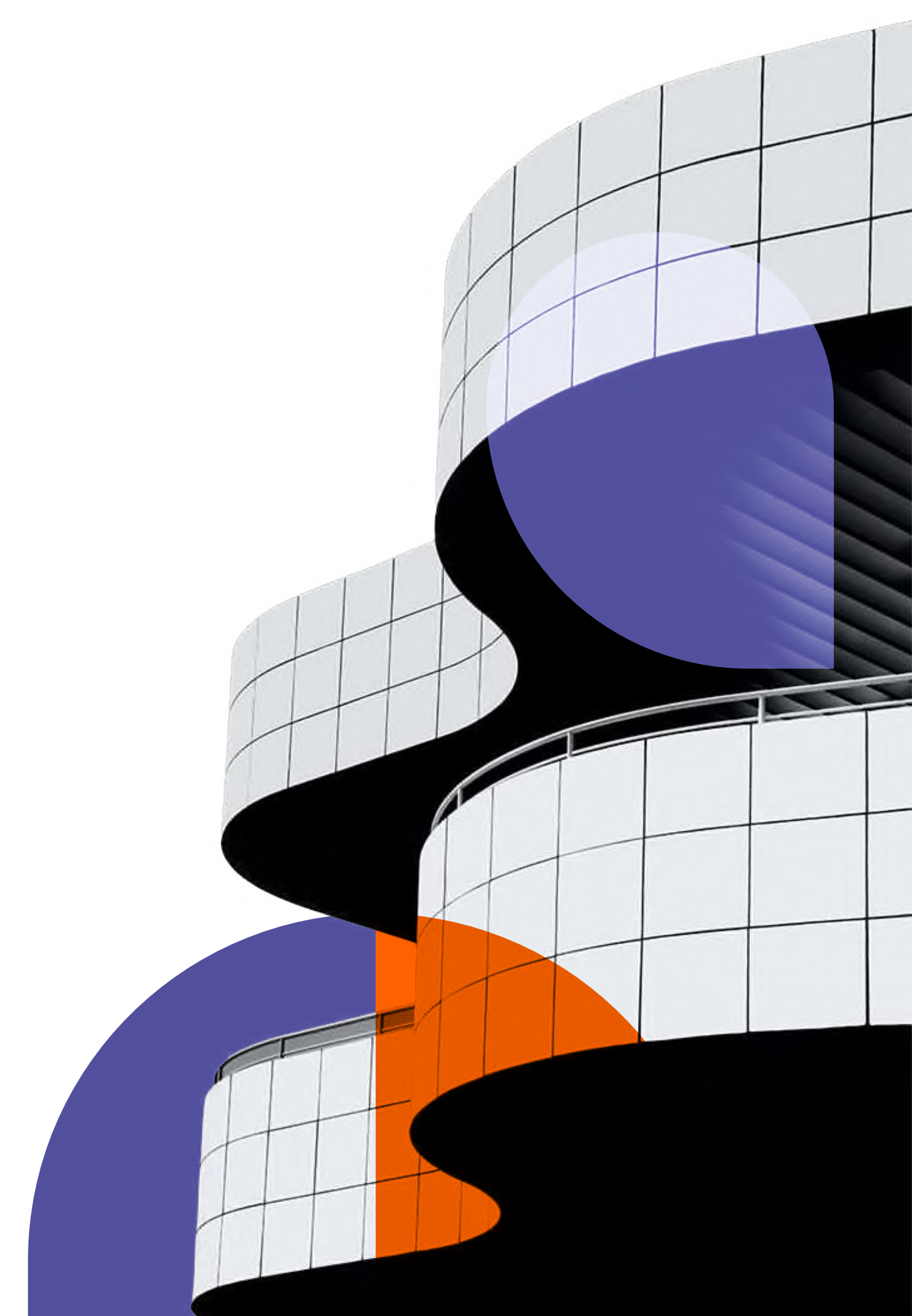
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Summary

of operations of the Supervisory Board and its committees in 2022 along with information on the composition of the Board and its committees



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

Acting pursuant to Article 382 §3.3) of the Commercial Companies and Partnerships Code (CCPC) and the provisions of the Best Practice for GPW Listed Companies, the ING Bank Śląski S.A. Supervisory Board herewith submit to the Ordinary General Meeting the Report of the ING Bank Śląski S.A. Supervisory Board for 2022.

The ING Bank Śląski S.A. Supervisory Board operate pursuant to the Banking Law, the Commercial Companies and Partnerships Code, the ING Bank Śląski S.A. Charter and the ING Bank Śląski S.A. Supervisory Board Bylaw. Pursuant to §19.5 of the Bank Charter, Supervisory Board Members shall be appointed for the joint term of office which shall commence as of the appointment date and shall last for the full four consecutive financial years. The current term of office commenced on 29 March 2019. Therefore, the mandates of the Supervisory Board Members of the current term of office expire as of the date of the General Meeting approving the financial statements for 2023.



Composition of the Supervisory Board at ING Bank Śląski S.A.

Division of functions, and changes on the Supervisory Board during the financial year

2022 saw the following changes on the Supervisory Board:

On 10 February 2022, the Bank received a representation from Mr Remco Nieland stating his resignation from the capacity as Member of the Bank Supervisory Board effective as at the date of the subsequent Ordinary General Meeting of the Bank. The reason for the resignation was the planned retirement. The resignation of Mr Remco Nieland entailed a change to the composition of the Audit Committee which he was the member of.

Following the notice received, the agenda of the Ordinary General Meeting read an item on changes to the Supervisory Board. Pursuant to the Policy of Appointing and Recalling Members of the Supervisory Board of ING Bank Śląski S.A. and 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., the Remuneration and Nomination Committee made an individual assessment of the candidate for the Supervisory Board, i.e.: Mr Aris Bogdaneris and a collective assessment of the Supervisory Board stating that 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. The relevant recommendation of the Remuneration and Nomination Committee was published

on the Bank's website before the date of the Ordinary General Meeting.

On 7 April 2022, the General Meeting appointed Mr Aris Bogdaneris as Member of the Supervisory Board. Mr Aris Bogdaneris is related to ING Group.

Furthermore, due to amendments to para. 21 and para. 24.1 of the *Bank Charter*, made by way of Bank Ordinary General Meeting Resolution No. 26 of 7 April 2022, entailing inter alia liquidation of the role of the Secretary to the Supervisory Board and considering previous suitability assessments, on 7 April the Supervisory Board elected Mr Michał Szczurek Deputy Chair of the ING Bank Śląski S.A. Supervisory Board. At the same time, the Supervisory Board entrusted the role of Deputy Chair I of the ING Bank Śląski S.A. Supervisory Board to Ms Małgorzata Kołakowska. The relevant resolution of the Supervisory Board provided for the reservation that it should take effect as of the registration date of the amendments to para. 21 and para. 24.1 of the Bank Charter, made by way of Bank Ordinary General Meeting Resolution No. 26 of 7 April 2022, in the Register of Entrepreneurs with the National Court Register (on 16 May 2022). At the same time, the Supervisory Board suggested changing the composition of the Risk Committee and of the Audit Committee: appointment of Ms Małgorzata

Kołakowska (incumbent Audit Committee Member) as the Risk Committee Member and Mr Michał Szczurek (incumbent Risk Committee Member) and Mr Stephen Creese as Audit Committee Members. Therefore, Mr Stephen Creese is both Member of the Risk Committee and Member of the Audit Committee.

Pursuant to 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. and in keeping with the Suitability Assessment Procedure for Members of the Supervisory Board, Members of the Management Board and Audit Committee at ING Bank Śląski S.A., the Remuneration and Nomination Committee made an individual assessment of the candidates for the Audit Committee, i.e.: Mr Stephen Creese and Mr Michał Szczurek and concluded that both aforesaid candidates have the knowledge, skills and experience required to hold the function of a member of the ING Bank Śląski S.A. Supervisory Board Audit Committee, provide assurance of proper performance of duties relating to that function and fulfil other requirements as set out in Article 22aa of the Polish Banking Law Act. At the same time, Committee stated that the individual competences of the incumbent Members of the Audit Committee; i.e. Ms Monika Marcinkowska, Ms Dorota Dobija and Mr Aleksander Galos and the aforesaid candidates for Members of the Audit Committee were complementary and allowed for ensuring adequate level of



collective performance of supervision duties for all the areas falling within the capacity of the Audit Committee. It was further attested that the new Audit Committee would satisfy both the criterion of the collective suitability covering a sufficient number of members having the knowledge of and skills in accounting, as to the audit of the financial statements and as to banking and the criterion of a sufficient number of members being independent, including an independent Chair of the ING Bank Śląski S.A. Supervisory Board Audit Committee.

Taking account of the above changes and existing suitability assessments of individual Supervisory Board Members, on 10 June 2022, the Supervisory Board changed the compositions of the Audit Committee and of the Risk Committee. The Supervisory Board appointed Ms Małgorzata Kołakowska (incumbent Audit Committee Member) as the Risk Committee Member and Mr Michał Szczurek (incumbent Risk Committee Member) and Mr Stephen Creese as Audit Committee Members.

Following the changes made on 10 June 2022, the ING Bank Śląski S.A Supervisory Board Audit Committee operate in the following composition:

Ms Monika Marcinkowska

Committee Chair (independent member)

Mr Stephen Creese

Committee Member

Ms Dorota Dobija

Committee Member (independent member)

Mr Aleksander Galos

Committee Member (independent member)

Mr Michał Szczurek

Committee Member

Following the changes made on 10 June 2022, the ING Bank Śląski S.A Supervisory Board Risk Committee operates in the following composition:

Ms Dorota Dobija

Committee Chair (independent member)

Mr Stephen Creese

Committee Member

Mr Aleksander Galos

Committee Member (independent member)

Ms Małgorzata Kołakowska

Committee Member

Ms Monika Marcinkowska

Committee Member (independent member)



The composition of the Remuneration and Nomination Committee did not change. The Committee operates in the following composition:

Mr Aleksander Galos

Chair (independent member)

Ms Dorota Dobija

Committee Member (independent member)

Ms Małgorzata Kołakowska

Committee Member

Following the by-election to the Supervisory Board in 2022, as at 31 December 2021, the Supervisory Board Members were:

Mr Aleksander Galos

Chair (independent member)

Ms Małgorzata Kołakowska

Deputy Chair I

Mr Michał Szczurek

Deputy Chair

Mr Aris Bogdaneris

Member

Mr Stephen Creese

Member

Ms Dorota Dobija

Member (independent member)

Ms Monika Marcinkowska

Member (independent member)





Information on compliance with the *Principles of Corporate Governance for Supervised Institutions and Best Practice for GPW Listed Companies*

The Supervisory Body fulfil their tasks pursuant to a special authorisation granted thereto under the *Bank Charter* and the *Supervisory Board Bylaw* as well as the requirements of the *Principles of Corporate Governance for Supervised Institutions* and the *Best Practice for GPW Listed Companies*, as adopted on 22 July 2021 by way of Supervisory Board Resolution No. 60/XII/2021 on the opinion on the Management Board's decision concerning application of the Best Practice for GPW Listed Companies 2021 by the Bank and implementation of its principles referring to the Board.

As per the *Best Practice for GPW Listed Companies*, the criteria of independence are satisfied by the requisite number of Board Members. According to the representations 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 *Bank Charter*. Those are: Supervisory Board Chair – Mr Aleksander Galos and Board Members – Ms Dorota Dobija and Ms Monika Marcinkowska. The other Members, namely: Ms Małgorzata Kołakowska (Board Deputy Chair I), Mr Michał Szczurek (Board Deputy Chair), Mr Aris Bogdaneris and Mr Stephen Creese (Board Members) have ties with ING Bank N.V., the strategic shareholder of the Bank.

As practised by the Bank, every year, all Supervisory Board Members file independence representations, considering in particular the criteria laid down in the Act of 11 May 2017 on Auditors, Audit Firms and Public Supervision, and also the absence of actual and material relations with any shareholder who holds at least 5% of the total vote in the company. Independent members attest thereby that they have no relationship with the Bank, its shareholders, or employees that could have a significant impact on their ability to make impartial decisions. Furthermore, Members are required to notify the Bank immediately of occurrence of any circumstances impacting their independence. Therefore, the Board confirmed that there were neither ties nor circumstances which would compromise the satisfaction of independence criteria by the Board Members.

Professional resumes of all the Supervisory Board Members, including their functions on the Supervisory Board Committees, have been published on the Bank's website: <https://en.ing.pl/company-profile/authorities>. Short personal bios of Board Members with their individual competencies have been given below. 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 *Best Practice for GPW Listed Companies*, the share of men and women in the Management Board and Supervisory Board of ING Bank Śląski S.A. has been published on the Bank's website. The data are further presented hereinbelow.





Competency Profiles of Supervisory Board Members

Supervisory Board Members have high qualifications. All Members have the relevant experience and knowledge that enable them to exercise oversight of the Bank. Five out of seven Board Members are Polish and they speak Polish fluently.

Short personal bios of Board Members showing their individual competencies have been given below.





Mr Aleksander Galos

*Independent Supervisory Board Member
Chair of the Supervisory Board, Chair of the Remuneration and Nomination Committee
Risk Committee Member, Audit Committee Member*

Holds a Law degree. In 1984, he graduated from the School of Law and Administration of the Jagiellonian University in Kraków. Legal Counsel since 1994. In 2009, he completed with diploma post-graduate studies in Management at the Warsaw School of Economics. In 2009–2010, he studied at the Warsaw School of Economics – post-graduate studies in Accounting (without diploma). He was member of the Supervisory Board of Bank PKO BP S.A. and Bank Zachodni WBK S.A. for example. Since 2017, he has been engaged by the law firm Kocharński Zięba i Partnerzy Sp. k. Since April 2014, he has been Member the ING Bank Śląski S.A. Supervisory Board. Secretary to the Board until November 2021. On 29 November 2021, he was elected Chair of the Supervisory Board.

Ms Małgorzata Kołakowska

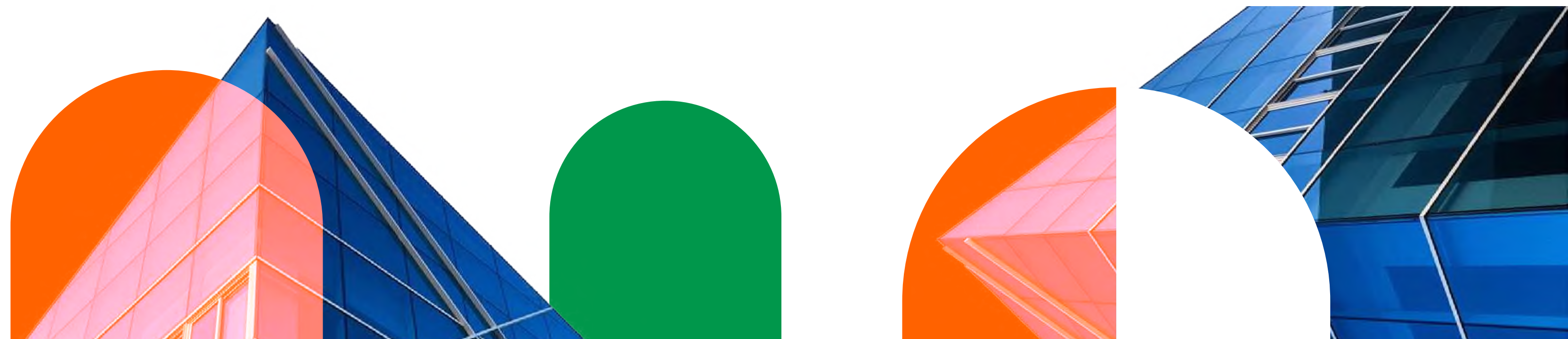
*Deputy Chair I of the Supervisory Board
Remuneration and Nomination Committee Member
Risk Committee Member*

Graduated from the Faculty of International Trade Economics and Organisation at the Main School of Planning and Statistics (at present Warsaw School of Economics). In 2014, she completed the Advanced Management Program (AMP) at the Harvard Business School. From February 2010 to March 2016, she was the President of the Management Board of ING Bank Śląski S.A. Since 2018, she has been the CEO of ING Bank N.V., London Branch (the United Kingdom, Middle East). Before joining ING, she was the Director at the European Bank of Reconstruction and Development and McDonalds's Poland.

Mr Michał Szczurek

*Deputy Chair of the Supervisory Board
Audit Committee Member*

Master of Science, Economic Sciences, after completing a joint programme of Warsaw University and Columbia University. Also studied at the Faculty of Law and Administration, Warsaw University and a Master's degree, Department of Computer Sciences, Faculty of Electronics, University of Warsaw. He has been working at ING Group since the formative years of his career. He was the Vice-President of the Management Board in charge of finance and investment policy of the pension fund Nationale-Nederlanden Polska PTE S.A. and the Vice-President of the Management Board of ING Bank Śląski supervising the Retail Banking Division and the CEO of ING Bank, Romania, for example. In 2019-2022, he was Head of Challengers & Growth Markets (C&G), ING Asia. Since 2023, Country Manager for ING Bank Italia.





Mr Aris Bogdaneris

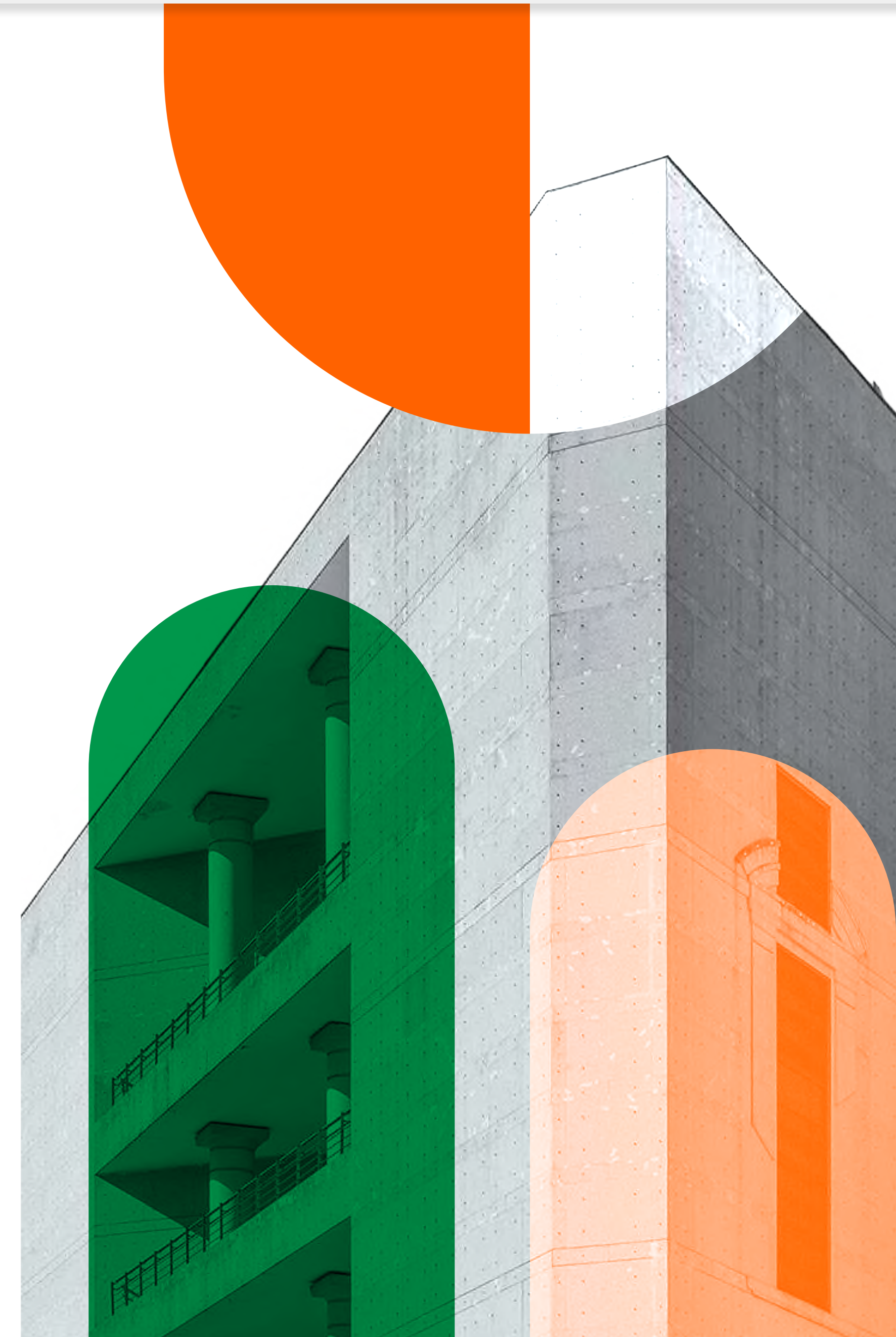
Supervisory Board Member

He has a degree of Master of Arts from the faculty of International Economics and International Relations, Paul Nitze School of Advanced International Studies (SAIS), Johns Hopkins University, Baltimore. Also Bachelor of Arts – Graduation With Distinction from the faculty of Political Science – University Of South Florida, Tampa. Since 2015 working for ING Group, where today he is Member of the Management Board, CEO of Retail Banking and Challengers and Growth Markets. Furthermore, since 2015 Member of the ING DIBA Supervisory Board and Executive Director on the Board of Directors for ING Australia, Sydney. In 2004–2015, Member of Management Board for Retail Banking and Head and Chief Operating Officer at Raiffeisen Bank International, Vienna. In 1998–2004, Chief Executive Officer (AI), Retail Banking Head and Chief Operating Officer, Six Sigma Leader at Budapest Bank (GE Money). Earlier worked as Corporate Auditor at General Electric, Fairfield and as Investment Banking Associate at ABN AMRO Bank, Budapest and Warsaw.

Mr Stephen Creese

*Supervisory Board Member
Risk Committee Member
Audit Committee Member*

He has a Bachelor's degree (BA), received after graduating from the University of Manchester, Economics and Economic History, faculty of Arts. He is also a Certified Information Systems Security Professional (CISSP). From 1998 to May 2021 he has been working for Citigroup Inc., where he was responsible for Forex & Local markets, Regional Head of Operational Risk and Managing Director – EMEA countries. Since June 2021, he has been Global Head of Non-Financial Risk (NFR) within ING Group.





Ms Dorota Dobija

*Independent Supervisory Board Member
Chair of the Risk Committee
Remuneration and Nomination Committee Member
Audit Committee Member*

Researcher. Since 2015 Full Professor in economic science. Since 2009 Certified Accountant. Since 2005 Habilitation degree in economic science – Management Science. He is a full-time employee at Kozminski University – since August 2015 as a Professor in social science, disciplines: Management and Quality, Finance and Economics, and formerly as Associate Professor in economic science, disciplines: Management Science, specialty: Accounting. She owns her supervisory experience to engagement in XIII National Investment Fund “Fortuna” and PEKAO Investment Banking. Since May 2017 she has been Vice-President of European Management Academy EURAM (responsible for governance and finance), and since September 2016 Ph.D. Programme Director, Kozminski University. She has a vast international teaching experience and impressive research achievements. In 2018, she has been awarded with the Silver Cross of Merit. Non-financial reporting expert. Coordinator of the post-gradual programme for and lecturer on environmental aspects and green finance. Member of Chapter Zero Poland, the Climate Governance Initiative – gathering members of supervisory boards and CEOs of top companies. Researcher in the corporate governance and ESG areas. Results of her research were published in such papers as Corporate Social Responsibility and Environmental Management or Organization and Environment, for example.

Ms Monika Marcinkowska

*Independent Supervisory Board Member
Chair of the Audit Committee
Risk Committee Member*

Researcher. Since 2014 Full Professor in economic science. Since 2004 Habilitation degree in economic science. She is a full-time employee of the University of Lodz; since 2006 she has been Head of the Department of Banking and in 2010-2022 Head of the Institute of Finance. She was formerly working in the Faculty of Management, Accounting Department. She owns her supervisory experience to engagement as Member of the European Banking Authority’s Banking Stakeholder Group since 2016, and since March 2020 coordinator of the Sustainable finance Working Group. She has experience in sitting on supervisory boards of financial institutions (DI Xelion, Polski Gaz TUW, Pocztylion-Arka PTE) and non-governmental organisations (Bruegel, University of Lodz Foundation). She has a vast teaching experience and impressive scientific achievements. In 2016, she was awarded the Silver Nicolaus Copernicus Medal of the Polish Bank Association for outstanding achievements for the development and safe functioning of Polish banking. Corporate Governance Person of the Year 2021 – honorary title awarded for contribution to the construction and development of corporate governance in Poland. Member of Chapter Zero Poland, the Climate Governance Initiative – gathering members of supervisory boards and CEOs of top companies. Coordinator of Sustainable Finance Working Group with the European Banking

Authority’s Banking Stakeholder Group. Involved in numerous consultations of EU regulations from the sustainable finance area; author of numerous sustainability-related publications, including those assessing results and non-financial reporting. Speaker and moderator at local and international ESG events.





The above details have been summarised in the table below.

Independence criterion and competencies		Satisfies the criterion of independence as per the Act on Statutory Auditors, Auditing Firms and Public Oversight		Knowledge of and competency in accounting or financial statements auditing, confirmed with the qualifications of the chartered auditor (including confirmation with the qualifications of the chartered auditor)		Has knowledge of and competency in the banking area
		satisfies the criterion	no	qualifications		
				yes	no	
	Aleksander Galos	yes	no	n/a	yes	
	Małgorzata Kołakowska	no	yes	competence acquired through professional career and in executive positions in Bank authorities		yes
	Michał Szczurek	no	no	n/a	yes	
	Aris Bogdaneris	no	yes	competence acquired through professional career		yes
	Stephen Creese	no	no	n/a	yes	
	Dorota Dobija	yes	yes	Certified Accountant Professor in economic science university degree – specialty: data processing and accounting		yes
	Monika Marcinkowska	yes	yes	Professor in economic science university degree – specialty: accounting		yes

Professional diversity of Supervisory Board Members can be summarised as in the table below:

Number of Board Members from legal sector	Number of Board Members from banking sector	Number of Board Members from higher education sector
1	4	2



Competency Profiles of Management Board Members

Professional resumes of all the Management Board Members have been published on the Bank's website:

<https://en.ing.pl/company-profile/authorities> Education, core competences and specialist knowledge demonstrated by individual Management Board Members have been outlined below.

Management Board Member	Education, competences and specialist knowledge
Brunon Bartkiewicz President of the Management Board, CEO Division	Graduate School of Business Stanford University, Standard Executive Program Szkoła Główna Planowania i Statystyki w Warszawie (obecnie Szkoła Główna Handlowa), Wydział Handlu Zagranicznego Magister ekonomii
Joanna Erdman Vice-President of the Management Board, CRO Division	London Business School, Senior Executive Programme Warsaw School of Economics, Finance & Statistics
Marcin Giżycki Vice-President of the Management Board, Retail Clients Division	The University of Economics in Katowice, Banking and Finance Faculty – Master's Degree The Poznań School of Banking, Banking and Finance Faculty – Bachelor's Degree
Bożena Graczyk Vice-President of the Bank Management Board, CFO Division	University of Navarra, Spain, Advanced Management Program IESE Business School Diploma of The Accountants Association of Poland; certified auditor qualifications University of Bristol, Great Britain and École Nationale des Ponts et Chaussées, France, Executive MBA in International Business University of Limburg as part of Tempus Programme University of Łódź, the Centre of European Studies University of Łódź, Foreign Trade Faculty, a master degree in economics
Ewa Łuniewska Vice-President of the Bank Management Board, Business Clients Division	Warsaw School of Economics Foreign Trade Faculty
Michał H. Mrozek Vice-President of the Bank Management Board, Wholesale Banking Division	Georgetown University School of Foreign Service, Washington, D.C. Georgetown University School of Foreign Service, Washington, D.C. Joint degree – Bachelor Cum Laude and Masters Dean Citation in International Trade & Finance
Sławomir Soszyński Vice-President of the Bank Management Board, CIO Division	Kozminski University, Warsaw, MBA Nicolaus Copernicus University, Toruń, Master of Science, theoretical physics and information technology
Alicja Żyła Vice-President of the Bank Management Board, COO Division	Marketing Training for ING Staff, ING Group Amsterdam Tilburg University of Business Studies Students internships/trainings: Ministry of Finance Foreign Trade Institute Stalexport S.A. University in Trier, Germany University of Economics, Katowice Master degree in Economics, International Economic Relationships/ European Integration





Form and manner of oversight

Number and frequency of the Supervisory Board meetings and number of resolutions passed

The Supervisory Board works according to a meetings schedule and a framework plan of work. The Board debates analysing the company situation versus the sector and the market, based on the materials submitted by the Company Management Board and those coming from internal functions of the Company as well as those attained from exterior sources, also taking advantage of the works of its committees. In particular, the Supervisory Board approve the Company strategy and verify the performance of the Management Board as far as delivery of preset strategic goals is concerned. Further, the Board monitor the results of the Company.

In 2022, 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. Updates on the impact of the coronavirus pandemic and the war in Ukraine on the Bank's business also were among the regular agenda items. 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 Heads of the Internal Audit Department and the Centre of Expertise – Compliance, and other invited guests who give presentations on specific topics within their competence.

The Supervisory Board attaches particular significance to the Bank having an adequate and effective risk management system and an adequate and effective internal control system. In the course of works, the Supervisory Board monitors performance of both systems across the organisation on an ongoing basis. The Supervisory Board further makes periodic assessments of their functioning. In 2022, considering the requirements of the *Regulation of the Minister of Finance, Funds and Regional Policy of 8 June 2021 on the risk management system and internal control system and remuneration policy in banks*, the Supervisory Board approved the *Report on the operation of the risk management system in 2021*. Furthermore, considering the information from the report and periodic reports of the CRO Division, the findings made by the external auditor, the findings from regulatory activities of the Polish Financial Supervision Authority and the SREP results, the Supervisory Board made a positive assessment of the adequacy and effectiveness of the risk management system at the Bank in 2021.

As far as performance of the internal control system is concerned, in 2021, the Supervisory Board approved the *Report on fulfilment of the internal control system tasks for 2021 along with the List of critical and high recommendations*. Furthermore, as required by the aforesaid Regulation and considering the following operational aspects for the internal control system:

- assessment of the internal control system made by the Internal Audit Department,
- update of the Bank Management Board on the manner of performing tasks related to the internal control system described in the report,
- periodic reports of the Centre of Expertise – Compliance,
- findings made by a statutory auditor, and
- findings resulting from supervisory activities performed by authorized institutions.





The Supervisory Board assessed with a positive result the adequacy and effectiveness of the internal control system at the Bank in 2021, including a positive assessment of the adequacy and effectiveness of control functions, the Centre of Expertise – Compliance and the Internal Audit Department. The information on the evaluation of the Bank's standing in 2022, including the assessment of the internal control system, risk management system, compliance and the internal audit function has been presented below – [Assessment of Bank's situation](#).

In 2022, Supervisory Board Members devoted sufficient time to performance of their duties. Between 1 January and 31 December 2022, the Supervisory Board held seven meetings. The Board also passed resolution by way of circulation (12 cases). The meetings were held at the following dates: 28 January, 11 March, 7 April, 10 June, 27 July, 23 September and 18 November; by way of circulation on: 15 February, 28 February, 3 March, 29 March, 20 April, 12 May, 3 August, 23 November, 8 December, 9 December, 14 December and 29 December. Meetings were held on site and in hybrid mode. In total, the Supervisory Board adopted 118 resolutions, including 19 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.

Attendance of the Supervisory Board Members in 2022 has been shown in the table below.

Attendance in 2022

Aleksander Galos	18/19
Małgorzata Kołakowska	19/19
Michał Szczurek	18/19
Aris Bogdaneris (Member since the appointment date by the OGM, i.e. 07.04.2022)	13/13*
Stephen Creese	19/19
Dorota Dobija	19/19
Monika Marcinkowska	19/19
Board Members holding functions in the reporting period	
Remco Nieland (Board Member until the OGM date, i.e. 07.04.2022)	6/6**

* New Supervisory Board Member attended all the Supervisory Board meetings which were held from the date of his appointment to the Supervisory Board.

** Meeting attendance / Number of meetings during the term of 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 business. The Chair of the Audit Committee regularly meets with the Bank CFO to discuss the Bank's financial statements prior to their publication as well as with the Chief Audit Executive and Centre of Expertise Lead II – Compliance, to discuss the aspects typical for the internal audit and compliance risk management functions. In consequence of the outbreak of the war in Ukraine, Board Members, and Risk Committee Members in particular, held separate meetings with the Bank Management Board Members to discuss the war and its implications for the Bank, the banking sector and the Polish economy.

The minutes from the Supervisory Board and Committees meetings offer a detailed recount of activity of the Supervisory Board and Board Committees in 2022; the minutes and the resolutions passed by the Supervisory Board as well as the recommendations, opinions and decisions made by Committees are kept at the Company's registered office.

Additionally, Members of the Supervisory Board attended internal training sessions held by the Bank. Those were: model risk and model risk management workshops, cloud computing workshops and workshops on trends in the anti-fraud area. Members of the Supervisory Board also attended a training session on the AML area and ESG workshops. Selected Members of the Audit Committee and the Board held a meeting with the Polish Financial Supervision Authority inspectors during the inspection at the Bank.



Agenda of the Supervisory Board Meetings

In 2022, the Supervisory Board exercised ongoing oversight over the Company operations and kept watch over the Company adherence to the relevant regulations, including: 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.

In the course of works in Q1 last year, the Supervisory Board developed and submitted to the Ordinary General Meeting *inter alia*: the requisite report on the evaluation of the Bank's standing, including the assessment of the internal control system, risk management, compliance and the internal audit function, and also the Supervisory Board's report on their operations. Furthermore, the Supervisory Board submitted to the Ordinary General Meeting the assessment on satisfaction of corporate governance-related disclosure duties by the Bank and assessment of the rationality of the Bank's policy concerning sponsorship and charity initiatives. In 2022, the Supervisory Board reviewed and made a positive opinion on the draft resolutions of the Ordinary General Meeting convened on 7 April 2022.

The topics discussed by the Supervisory Board in 2022 have been detailed below. Those topics were also discussed by the Supervisory Board Committees (within their remit) who gave their recommendations and opinions for the Supervisory Board.

1. Finance, including:

- approval of the Bank Strategy for 2022–2024 and continuous oversight of the implementation of the approved financial plan,
- approval of the report on the results of review of the Annual Financial Statements of ING Bank Śląski S.A. for 2021 (separate and consolidated), Management Board Report on Operations of ING Bank Śląski S.A. Group in 2021 covering the Report on Operations of ING Bank Śląski S.A., including the Management Board statement on the application of corporate governance rules, Report on non-financial information of ING Bank Śląski S.A. Group for 2021, including non-financial information of ING Bank Śląski S.A.,
- assessment of the Bank Management Board motion regarding distribution of profit earned by the Bank in 2021 and past-year undivided profit,
- approval of amendments to the Capital Management Policy at ING Bank Śląski S.A.,

- approval of the 2021 ING Bank Śląski S.A. ICAAP Report,
- opinion on the Bank Management Board's declaration on the application by the Bank of the Polish Financial Supervision Authority's recommendation on not taking, without prior consultation with the supervision authority, actions other than payment of a dividend from the 2021 profit which may result in a reduction of own funds,
- approval of the updated Recovery Plan for ING Bank Śląski S.A.,
- regular update of the Bank Management Board on related-party agreements,
- regular update of the Bank Management Board on the operations of the ING Bank Śląski S.A. Brokerage Office,
- regular update on capital investments as required by the ING Bank Śląski S.A. Equity Investment and Corporate Governance Policy,





- annual report on the supervision system in custody operations, and
- annual report on fulfilment by the Bank of the obligations regarding: issuing or sharing financial instruments as well as recommending, offering or otherwise enabling the purchase or subscription of financial instruments and structured deposits by clients of the Retail Customers Division, Wholesale Banking Division and Business Clients Division.

2. Internal audit at the Bank, including:

- noting the reports on the status of the 2021 audit plan delivery and the status and changes in due dates of audit issue closure,
- approval of the Annual Report on delivery of the objectives, mission and strategy including internal control system and risk management system assessment for 2021,
- noting the Report on the results of quality assurance and improvement process within Internal Audit Department (IAD) function for 2021,
- approval of the 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.,

- noting the reports on the status of the 2022 audit plan delivery and the status and changes in due dates of audit issue closure,
- approval of the update of the Audit Strategy Memorandum (ASM) including long-term planning for the years 2022–2024 and the 2022 Audit Plan,
- approval of the Report on the review of the headcount level and structure, job description and remuneration for the Internal Audit Department, and
- approval of the update of the Audit Strategy Memorandum (ASM) including long-term planning for the years 2023–2027 and the 2023 Audit Plan.

3. Compliance at the Bank, including:

- approval of the Annual Plan of Tasks of the Centre of Expertise – Compliance for 2022,
- assessment of the adequacy and effectiveness of the system for anonymous reporting of violations of law, internal regulations and ethical standards in ING Bank Śląski S.A. in 2022,
- assessment of adequacy and effectiveness of corporate governance at ING Bank Śląski S.A. for 2021,

- approval of updated internal compliance regulations,
- approval of the Report on the review of the headcount level and structure, job description and remuneration for the Centre of Expertise – Compliance,
- update on the implementation of the Annual Compliance Plan,
- regular updates from the compliance risk area at the Bank, including from the personal management, anti-money laundering and terrorism financing and sanction violation areas,
- update on financial instruments and structured deposits offered by the Bank, and
- update on observance of ethical standards.





4. Monitoring the efficiency of the risk management system at the Bank, including non-financial risk and compliance risk, including:

- approval of the high-level RAS parameters for 2022,
- approval of the Non-financial Risk Appetite Statement of the Bank for 2022, and oversight of its implementation,
- approval of the Principles and criteria for assessing the adequacy and effectiveness of the Risk Management System,
- approval of the ING Bank Śląski S.A. ILAAP Review Report for 2021,
- approval of amendments to the Policy – Internal Control System at ING Bank Śląski S.A.,
- approval of Report on the operation of the risk management system in 2021 as well as final assessment of the risk management system adequacy and effectiveness in 2021,
- approval of amendments to the General Principles of Credit, Market, Liquidity and Funding and Operational Risk Management and Mitigation in ING Bank Śląski S.A.,
- consent to conclusion of significant agreements by the Bank,
- approval of amendments to the ING Bank Śląski S.A. Operational Risk Management Policy,

- periodic report on credit, market and non-financial risk management at the Bank,
- periodic update on Bank's activities for FX-indexed mortgage loans,
- periodic update on the status of open recommendations at the Bank, and
- periodic update on the risk situation due to the war in Ukraine.

5. Participation in the new external auditor selection process.

6. Monitoring and supervising the HR and payroll area at the Bank, including:

- periodic suitability assessment for the ING Bank Śląski S.A. Management Board,
- suitability assessment of individual Bank Management Board Members due to change to the scope of responsibilities,
- approval of amendments to the Policy of Disclosing Qualitative and Quantitative Information on Capital Adequacy and Variable Components of Remuneration of ING Bank Śląski S.A.,
- assessment of the 2021 performance of the Members of the Bank Management Board and setting KPIs for 2022,

- approval of amendments to the ING Bank Śląski S.A. Group Remuneration Policy,
- approval of amendments to the Variable Remuneration Policy of Identified Staff of ING Bank Śląski S.A.,
- approval of amendments to the Executive Remuneration Bylaw for Members of the Management Board of ING Bank Śląski S.A.,
- update of the List of qualitative and quantitative criteria and the additional criteria for qualifying Staff Members to be included in the ING Bank Śląski S.A. List of Identified Staff for 2022,
- advice on draft amendments to the ING Bank Śląski S.A. Supervisory Board and Management Board Members Remuneration Policy,
- approval of the Internal Audit Department's Report on the audit of the process of remunerating the persons holding managerial positions having material impact on the risk profile of ("Identified Staff") at the Bank,





- approval of the Report regarding the implementation of the pay policy in relation to the internal audit employees and the Chief Audit Executive,
- approval of the Report regarding the implementation of the pay policy in relation to the employees and Lead II of the Centre of Expertise – Compliance,
- approval of the remuneration packages of people holding control functions at the Bank,
- consent to holding functions at external institutions by Bank Management Board Members,
- update regarding pay policy at the Bank, and
- approval of Succession plans for the Management Board and key function holders at ING Bank Śląski S.A.

7. Implementation of the recommendations issued by the regulators

8. Bank governance area:

- approval of amendments to the Bylaws of the Supervisory Board and Board Committees,
- approval of amendments to the ING Bank Śląski S.A. Management Board Bylaw,
- approval of the amendments to the ING Bank Śląski

S.A. Organisational Bylaw and periodic amendments to Enclosure No. 2 therewith – Segregation of responsibilities of ING Bank Śląski S.A. Management Board Members,

- approval of the 2023 Outline Work Plan of the Supervisory Board,
- annual Management Board's update on the main changes within the Bank's organisational framework, and
- periodic update – list of Bank Management Board Resolutions.



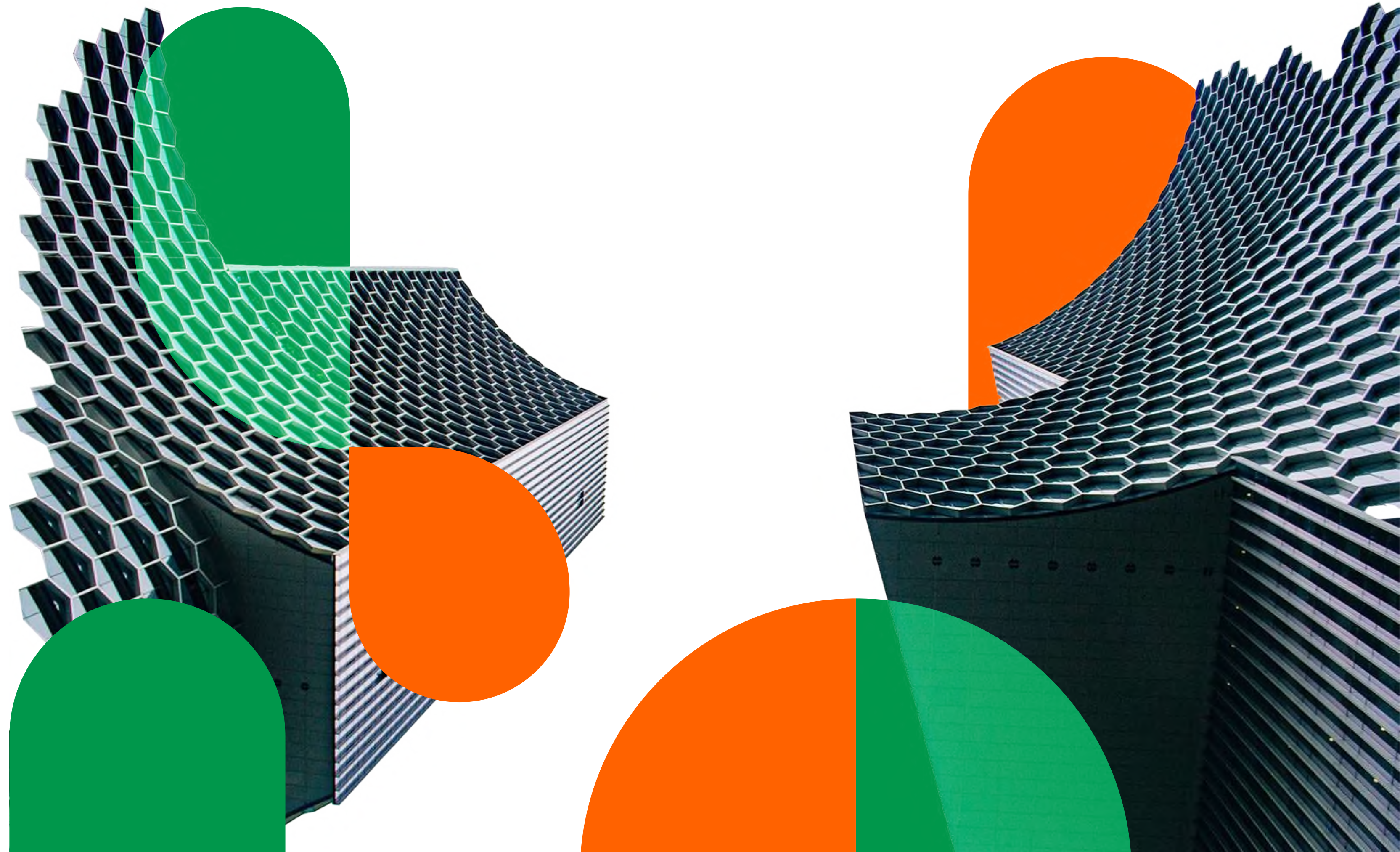


Assessment of performance of disclosure duties by the Management Board towards the Supervisory Board

The Supervisory Board received extensive reports from the Bank Management Board regarding the current standing of the Bank (economic and financial standing included), its functioning, action plans and progress in the development of business as well as any material developments and circumstances that may have an impact on its functioning and material situation. The information also covered that held by the Management Board on subsidiaries and related companies. Following the entry into force (on 13 October 2022) of the new 380¹ of the CCPC, the scope of information was modified accordingly. At the same time, approving the relevant provisions of the *ING Bank Śląski S.A. Management Board Bylaw*, the Supervisory Board resolved that the periodic information under the said provision would be relayed thereto at least once a quarter.

Taking into account the foregoing, the Supervisory Board assesses that the Bank Management Board was discharging properly the duties under Article 380¹ of the CCPC.

Thanks to the elaborate information and reports relayed by the Bank Management Board, the Supervisory Board did not have to apply the right to request additional information, documents, reports or clarifications under Article 382 §4 of the CCPC.





Total fee due from the company for all the examinations commissioned by the Supervisory Board in the course of the accounting year under Article 382¹ of the CCPC

In 2022, the Supervisory Board did not use the right to have a certain case connected with company business or property examined or to have certain analyses or opinions developed by a selected advisor (advisor to the supervisory board) at the cost of the company, under Article 382¹ of the CCPC (the provision in force since 13 October 2022).



Self-assessment of the Supervisory Board's Work in 2022

In 2022, the Supervisory Board assisted and advised the Management Board on all the matters pertaining to the Bank and its business. The Supervisory Board monitored the implementation of the Bank's strategy on an ongoing basis.

The Supervisory Board confirm that they have exercised regular and ongoing supervision over the Bank's business throughout 2022 in accordance with their powers and the legal requirements concerning joint-stock companies. The Supervisory Board are well prepared to exercise all the 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. Considering the array of areas covered by the Supervisory Board and all the activities performed, the Supervisory Board is convinced that their operations in 2022 can be deemed efficient, effective and in keeping with the best market standards.

Members of the Supervisory Board performed their responsibilities in an honest and reliable manner. All meetings were held with a very high attendance rate. Supervisory Board Members were able to devote sufficient time to performing their duties. Acting in the company's interest, Supervisory Board Members applied their independent opinions and judgements in their actions. In that manner, the Supervisory

Board was able to assess and verify the way of taking and implementing decisions connected with day-to-day management of the Bank in an effective manner.

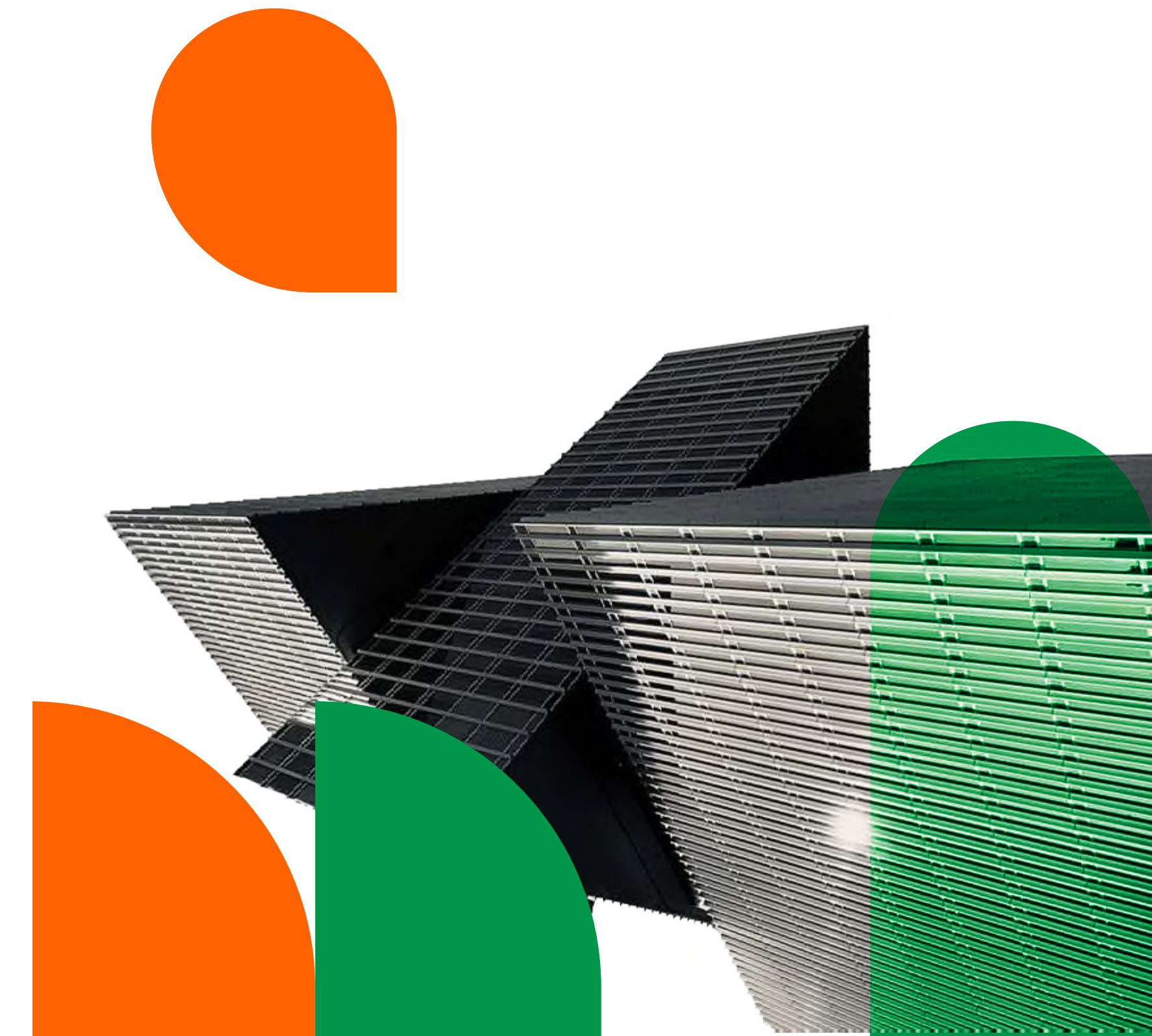
The cooperation with the Bank Management Board was very good; the Bank Management Board provided the required information in a clear, reliable and exhaustive manner. The Supervisory Board would like to thank the Bank Management Board for developing and delivering thereto the information, documents and reports in the manner ensuring efficient performance of tasks by the Supervisory Board. The Board would like to thank the Management Board in particular for the effective delivery of the Strategy in 2022, despite unfavourable, volatile and often unpredictable market and economic conditions.

Bearing in mind the foregoing, the Supervisory Board would like to express deep appreciation for the actions taken by the Bank Management Board not only to ensure further development of the Bank, but also for the society and local communities. Especially, the Supervisory Board would like to thank the Management Board and all Bank employees, and employees of the ING for Children Foundation in particular, for the proactive approach and innumerable aid activities taken and pursued in connection with the outbreak of the war in Ukraine.

Further, the Supervisory Board would like to thank the Management Board and Bank employees for the appropriate approach to client experience and for the invaluable care and

concern about other colleagues, and those affected by the war and the continued pandemic in particular.

Keeping in mind the Bank's 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 2022.





Report of the Supervisory Board Committees on Their Operations in 2022

In order to ensure support for the Supervisory Board in exercising their powers, the Supervisory Board established from their Members three committees: the Audit Committee, the Remuneration and Nomination Committee and the Risk Committee.

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

The composition of individual Committees as at 2022 yearend has been given below.

Audit Committee

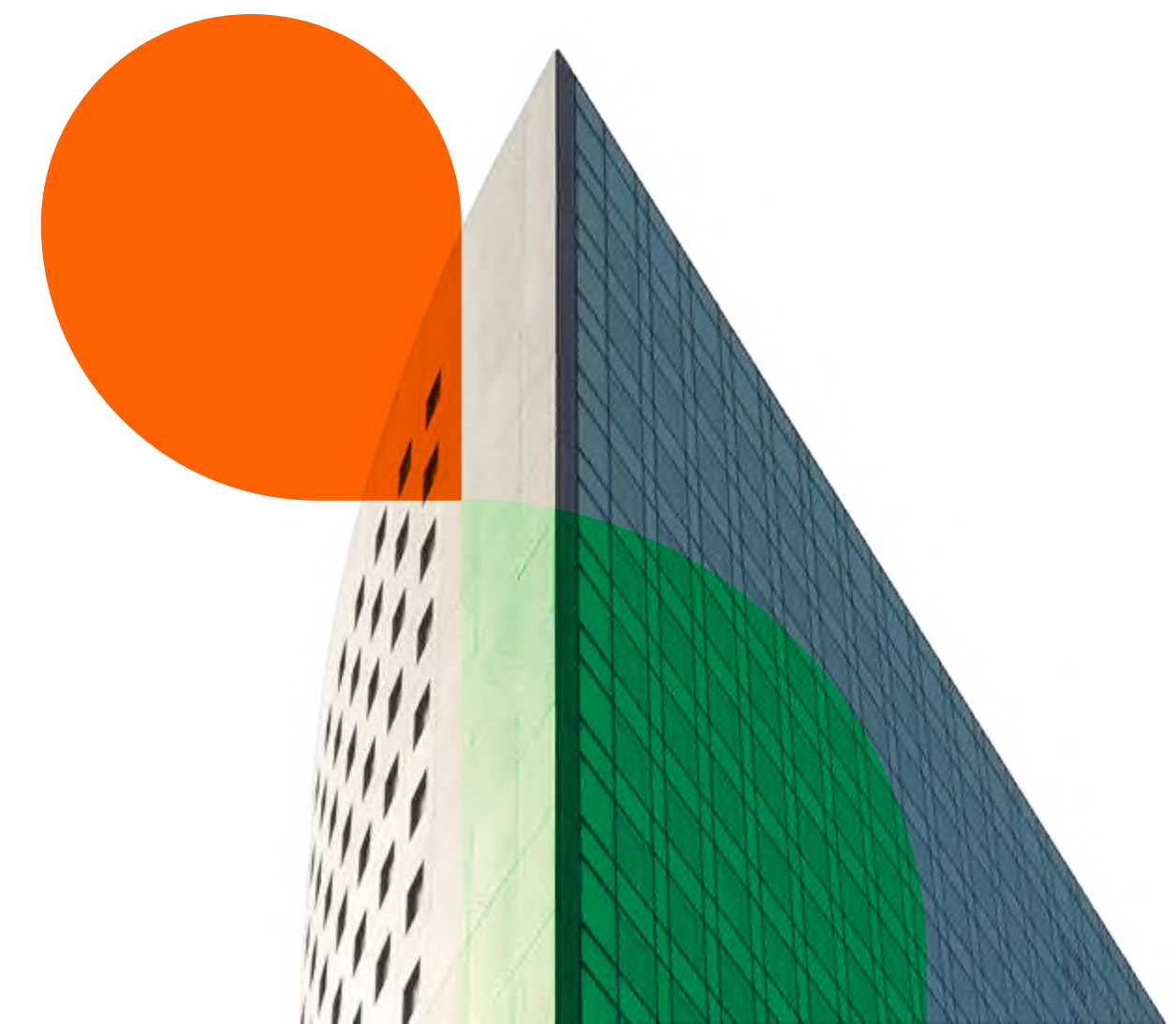
Monika Marcinkowska – Chair
Stephen Creese
Dorota Dobija
Aleksander Galos
Michał Szczurek

Remuneration and Nomination Committee

Aleksander Galos – Chair
Dorota Dobija
Małgorzata Kołakowska

Risk Committee

Dorota Dobija – Chair
Stephen Creese
Aleksander Galos
Małgorzata Kołakowska
Monika Marcinkowska





Audit Committee

The Audit Committee of the Supervisory Board of ING Bank Śląski S.A. performs consultation and advisory functions for the Supervisory Board, and also delivers on other tasks under the law, instructions and recommendations of the regulator. The Audit Committee supports 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.

Composition of the ING Bank Śląski S.A. Audit Committee and changes on the Committee during the financial year

2022 saw the following changes on the Audit Committee:

On 10 February 2022, the Bank received a representation from Mr Remco Nieland stating his resignation from the capacity as Member of the Bank Supervisory Board effective as at the date of the subsequent Ordinary General Meeting of the Bank. The reason for the resignation was the planned retirement. The resignation of Mr Remco Nieland entailed a change to the composition of the Audit Committee which he was the member of.

Having received the recommendation of the Remuneration and Nomination Committee concerning assessment of candidates for the Members of the Audit Committee, issued under the process discussed hereinabove, on 10 June 2022 the Supervisory Board appointed Ms Stephen Creese and Mr Michał Szczurek as Committee Members.

The Remuneration and Nomination Committee attested that the Audit Committee satisfies the criterion of collective suitability covering the sufficient number of members having knowledge of and skills in accounting, financial review and banking, and the criterion of independence of sufficient number of members, including independence of the Chair of the Audit Committee.

Therefore, as at 31 December 2022, the Audit Committee worked in the following composition:

Ms Monika Marcinkowska

Chair (independent member)

Mr Stephen Creese

Member

Ms Dorota Dobija

Member (independent member)

Mr Aleksander Galos

Member (independent member)

Mr Michał Szczurek

Member

As required under the Statutory Auditors Act of 11 May 2017, the majority of the Committee members, the Committee Chair included, satisfy the independence criteria. Ms Monika Marcinkowska and Ms Dorota Dobija demonstrate know-how and expertise in accounting or financial auditing, as further substantiated with the professor title.



Number and frequency of the Audit Committee meetings. Number of recommendations passed and attendance rate at meetings

The Audit Committee supported the Supervisory Board in their tasks primarily during meetings by passing the relevant recommendations and issuing relevant opinions. During the meetings, the Committee members are joined by members of the Bank Management Board, the Heads of the Internal Audit Department and Centre of Expertise – Compliance, the Centre of Expertise Accounting Policy and Financial Reporting – Chief Accountant, the Operational Risk Management Department Director, and also representatives of the auditing firm.

Between 1 January and 31 December 2022, the Audit Committee held eight meetings. The Committee also issued

recommendations by way of circulation (3 cases). The meetings were held at the following dates: 28 January, 11 March, 9 June, 15 September, 22 September, 7 October, 17 November and 8 December; by way of circulation on: 15 February, 28 February and 27 April.

In line with the requirements of the *Good practices for public interest entities concerning the rules of establishment, composition and functioning of the Audit Committee* issued by the Polish Financial Supervision Authority Office dated 24 December 2019 and the *Audit Committee Bylaw*, on 11 March 2022 and 17 November 2022 the Audit Committee also held separate closed meetings with: the CFO and the representatives of the internal auditor and external auditor.

The Audit Committee issued 20 recommendations for the Supervisory Board in total (including 3 by way of circulation) as well as 3 decisions (including 1 by way of circulation) and 1 opinion.

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.

Attendance of the Audit Committee Members in 2022 has been shown in the table below.

Attendance in 2022

Monika Marcinkowska 11/11

Stephen Creese (Committee Member since 10.06.2022) 8/8*

Dorota Dobija 11/11

Aleksander Galos 10/11

Michał Szczurek (Committee Member since 10.06.2022) 8/8*

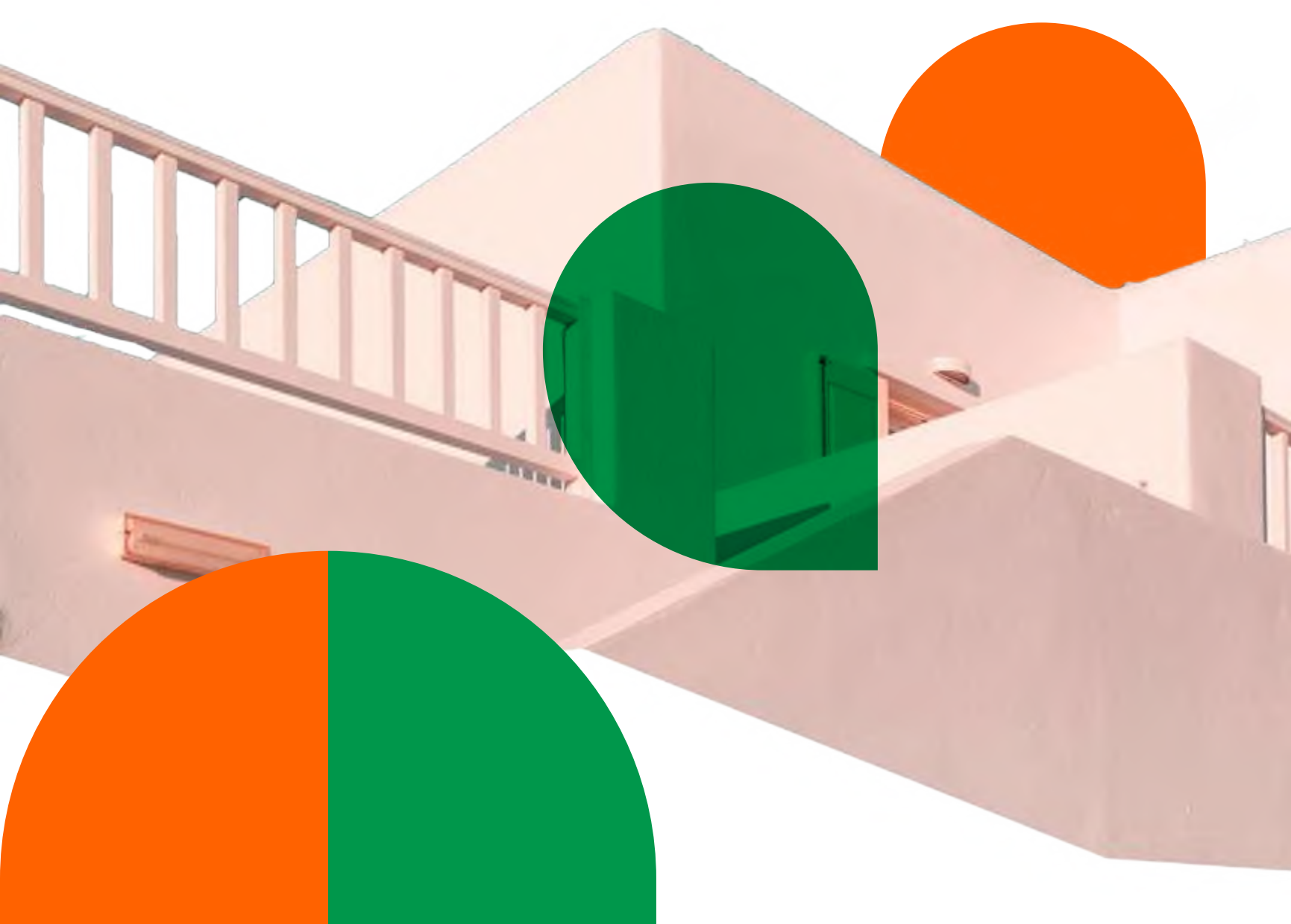
Committee Members holding functions in the reporting period

Małgorzata Kołakowska (Committee Member until 10.06.2022.) 6/6**

Remco Nieland (Committee Member until the OGM date, i.e. 07.04.2022) 4/4*

* New Audit Committee Members attended all Committee meetings which were held from the date of their appointment.

** Meeting attendance / Number of meetings during the term of office.





Agenda of the Audit Committee Meetings

In 2022, the Committee focused on the following areas in particular:

- monitoring of the adequacy and effectiveness of the internal control system and risk management system, including compliance risk,
- process of selection of a new entity authorised to audit financial statements of the Bank and determination of the scope of services to be provided by the new auditor to the Bank, along with the fee,
- supervision of the Bank's relationship with the entity auditing the financial statements of the Bank, including analysis of the work performed by the entity authorised to audit the financial statements and audit results as well as Management Letter assumptions,
- assessment of the annual financial statements of ING Bank Śląski S.A. and the ING Bank Śląski S.A. Group,
- analysis of the information and materials provided from time to time by the external auditor and presentations of the external auditor delivered for the Audit Committee Members directly at Committee meetings,

- regular analysis of periodical reports from the Chief Audit Executive on the status of the annual audit plan 2022 delivery and the status and changes in due dates of audit issue closure, and
- monitoring compliance area works.

In 2022, Audit Committee Members were active in the process of selection of the entity authorised to audit financial statements of the Bank for 2023-2025. They analysed the course of the tender procedure organised by the Bank as well as the documents received by the Bank from bidders. They reviewed the deliverables of the tender procedure, held meetings with the bidder and issued a recommendation on auditor selection for the Supervisory Board.

Further, selected Members of the Audit Committee held a meeting with the Polish Financial Supervision Authority inspectors during the inspection at the Bank.

As part of their work, the Committee concluded that both the Internal Audit Department and the external auditor were able to perform their tasks in an independent and impartial manner. Therefore, the Audit Committee confirm that they do not have any reservations about the independent audit process at the Bank.

Other areas of the Audit Committee works in 2022 included but were not limited to:

- monitoring of the Bank's relationship with related entities, including analysis of a periodic update on agreements with related entities,
- supervision of compliance area at the Bank, including development and submission to the Supervisory Board of recommendations on approval of amendments to the Policy – Principles of Corporate Governance at ING Bank Śląski S.A. Group,
- regular analysis of periodic quarterly compliance risk reports,
- analysis of a list of critical – and high-risk recommendations, and
- analysis of information on financial and regulatory reporting and control environment for reporting.





Furthermore, throughout 2022, the Committee regularly focused on the topics enlisted in the Good practices for public interest entities concerning the rules of establishment, composition and functioning of the audit committee, published on 24 December 2019 by the Polish Financial Supervision Authority Office. Taking into account the provisions of the Practices concerning the activities in the areas of:

- monitoring of the financial reporting process,
- monitoring of effectiveness of internal control systems, internal audit as well as risk management,
- monitoring of financial revision
- as well as control and monitoring of independence of the statutory auditor and the auditing firm, notably, when the auditing firm provides the public interest entity with non-audit services.

Further, Committee Members regularly received reports from audits carried out by the Internal Audit Department.

The Audit Committee – based on the information and documents provided by the Bank Management Board as well as analyses during the sessions – made assessment of risk of the processes and areas under monitoring. Committee's assessment did not differ from that of the Bank Management Board. No areas were identified for which the activities taken by the Bank Management Board would be inadequate to the situation of the Bank, market requirements or regulatory recommendations. The banking areas of particular focus of the Committee comprised: compliance, anti-fraud, Know Your Customer, model risk, IT and outsourcing.





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.

In line with *EBA Guidelines on sound remuneration policies under Directive 2013/36/EU*, the majority of the Remuneration and Nomination Committee Members, including its Chair, are independent members.

Composition of the ING Bank Śląski S.A. Remuneration and Nomination Committee and changes on the Committee during the financial year

The composition of the Remuneration and Nomination Committee did not change between 1 January 2022 and 31 December 2022. The Committee composition is the following:

Mr Aleksander Galos
Chair (independent member)

Ms Dorota Dobija
Member (independent member)

Ms Małgorzata Kołakowska
Member

Executive Director for HR and the Area Lead II – Performance & Reward attend the Committee meetings on a regular basis.

Between 1 January to 31 December 2022, the Remuneration and Nomination Committee held seven meetings. The Committee also issued recommendations by way of circulation (2 cases). The meetings of the Remuneration and Nomination Committee were held at the following dates: 28 January, 8 March, 28 March, 7 April, 9 June, 22 September and 18 November, by way of circulation on: 3 August and 23 November.

The Committee issued 58 recommendations in total (including 5 by way of circulation), 4 opinions and 1 decision.

Attendance of the Remuneration and Nomination Committee Members in 2022 has been shown in the table below.

Attendance in 2022

Aleksander Galos	8/9
Dorota Dobija	9/9
Małgorzata Kołakowska	9/9

Number and frequency of the Remuneration and Nomination Committee meetings. Number of recommendations passed and attendance rate at meetings

The Remuneration and Nomination Committee supported the Supervisory Board in their tasks primarily during meetings by passing the relevant recommendations and issuing relevant opinions. The CEO, the Centre of Expertise Lead III – Bank





Agenda of the Remuneration and Nomination Committee Meetings

In 2022, the Committee focused on the following areas in particular:

- active supervision of the process of suitability assessment for the Members of the Supervisory Board, Management Board and key function holders at the Bank,
 - » periodic annual suitability assessment of the Bank Supervisory Board and Management Board,
 - » suitability assessment of a candidate for a Member of the Supervisory Board,
 - » suitability assessment of the Audit Committee, and
 - » secondary individual suitability assessments of particular Bank Management Board Members due to change to the scope of responsibilities along with respective assessments of the Management Board – on an as needed basis,
- monitoring of adequacy and effectiveness of the Bank's policy in the HR area, including development and submission to the Supervisory Board of recommendations on to the *List of qualitative and quantitative criteria and the additional criteria for qualifying Staff Members to be included in the ING Bank Śląski S.A. List of Identified Staff for 2022*,
- succession review for the positions of the Management Board Members,
- monitoring of adequacy and effectiveness of the Bank's

policy in the payroll area, including development and submission to the Supervisory Board of recommendations on the following documents:

- » Variable Remuneration Policy of Identified Staff of ING Bank Śląski S.A.,
- » ING Bank Śląski S.A. Group Remuneration Policy, and
- » Executive Remuneration Bylaw for Members of the Management Board of ING Bank Śląski S.A.,
- analysis of the pay policy/practice assumptions in 2022 and 2023, including determination of the level of the adjusting multiplier applicable to the 2021 and 2022 annual bonus for Bank employees,
- assessment of the 2021 performance of the Members of the Bank Management Board and setting KPIs for 2022,
- development and submission to the Supervisory Board of recommendations on the Report regarding the implementation of the pay policy in relation to the internal audit employees and the Chief Audit Executive,
- development and submission to the Supervisory Board of recommendations on the Report regarding the implementation of the pay policy in relation to the employees and Lead II of the Centre of Expertise – Compliance, and
- analysis of proposals of remuneration packages of people holding control functions at the Bank, submitted by the Management Board.

Other areas of the Remuneration and Nomination Committee works in 2022 included but were not limited to:

- analysis of the implementation of the diversity policy for the Management Board and Supervisory Board by the Bank in 2021,
- submission to the Supervisory Board of a recommendation on amendments to the Diversity Policy for ING Bank Śląski S.A. Management Board and Supervisory Board Members,
- Remuneration report for the ING Bank Śląski S.A. Supervisory Board and Management Board Members for 2021,
- analysis of the results of the organisation health survey (OHI Pulse survey), made among the ING Bank Śląski S.A. staff as well as post-OHI survey priorities and measures,
- report from the audit of the remuneration process for Identified Staff in ING Bank Śląski S.A., and
- update on the incentive programme for Identified Staff of 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.

Composition of the Risk Committee at ING Bank Śląski S.A. and changes on the Committee during the financial year

2022 saw the following changes on the Risk Committee:

As stated above, on 10 June 2022, the Supervisory Board appointed Ms Małgorzata Kołakowska as the Risk Committee Member. Therefore, as at 31 December 2022, the Risk Committee worked in the following composition:

Ms Dorota Dobija
Chair (independent member)

Mr Stephen Creese
Member

Mr Aleksander Galos
Member (independent member)

Ms Małgorzata Kołakowska
Member

Ms Monika Marcinkowska
Member (independent member)

Number and frequency of the Risk Committee meetings. Number of recommendations passed and attendance rate at meetings

The Risk Committee supported the Supervisory Board in their tasks primarily during meetings by passing the relevant recommendations. During the meetings, the Members of the Committee are joined by Members of the Bank Management Board, and also the Market Risk Management Department Director, Operational Risk Management Department Director, as well as the Heads of the Internal Audit Department and the Centre of Expertise – Compliance, and also representatives of the auditing firm.

Between 1 January and 31 December 2022, the Risk Committee held five meetings. The Committee also issued recommendations by way of circulation (10 cases). The meetings of the Committee were held at the following dates: 28 January, 8 March, 9 June, 22 September and 17 November, by way of circulation on: 15 February, 28 February, 29 March, 20 March, 4 May, 3 August, 2 November, 23 December, 8 December and 29 December.

The Committee issued 26 recommendations in total (including 7 by way of circulation) as well as 3 decisions (all by way of circulation). 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.



Attendance of the Risk Committee Members in 2022 has been shown in the table below.

Attendance in 2022

Dorota Dobija	15/15
Stephen Creese	15/15
Aleksander Galos	14/15
Małgorzata Kołakowska (Committee Member since 10.06.2022)	7/7*
Monika Marcinkowska	15/15
Committee Members holding functions in the reporting period	
Michał Szczurek (Committee Member until 10.06.2022.)	7/8**

* New Risk Committee Member attended all the Committee meetings which were held from the date of his appointment to the Committee.

** Meeting attendance / Number of meetings during the term of office.

Agenda of the Risk Committee Meetings

As part of the risk monitoring process at the Bank, the Risk Report was a regular item on the Risk Committee agenda in 2022. The Report is structured into the reports from the credit risk, market risk, operational (non-financial) risk and model risk areas. The update on the coronavirus pandemic-related risk and the risk implications connected with the war in Ukraine as well as from the area of credit holiday instruments and FX-indexed mortgage loans formed a material element of the discussed report.

In 2022, the Committee also focused inter alia on the following areas:

- development and submission to the Supervisory Board of recommendations on the following documents:
 - » Risk Management Strategy for the years 2022–2024,
 - » Capital Management Policy at ING Bank Śląski S.A.,
 - » Policy of Disclosing Qualitative and Quantitative Information on Capital Adequacy and Variable Components of Remuneration of ING Bank Śląski S.A., and
 - » ING Bank Śląski S.A. Operational Risk Management Policy,
- development and submission to the Supervisory Board of recommendations on High Level Risk Appetite Statement Limits for the retail and corporate credit risk areas and the Non-Financial Risk Appetite Statement,
- development and submission to the Supervisory Board of

recommendations regarding the types of agreements made by the Bank that, in the Committee's view, should be classified as having a material impact on the financial – and legal standing of the Bank,

- analysis of the 2021 ING Bank Śląski S.A. ICAAP Report, and
- analysis of the ING Bank Śląski S.A. ILAAP Review Report for 2021.





To fulfil the requirement arising from *Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms amending Regulation (EU) No. 648/2012 as amended as well as from Recommendation M concerning operational risk management at banks and Recommendation Z concerning internal governance principles at banks*, in 2022 the Risk Committee also focused on the process of development and quarterly disclosure by the Bank of interim qualitative and quantitative information on capital adequacy for the Bank Group.

The Supervisory Board highly assesses the performance of the Committees: the Audit Committee, the Remuneration and Nomination Committee and the Risk Committee. The activities pursued by individual Committees over the year (regular and ad-hoc works), including in-depth analyses made by the Committees for the matters discussed as well as the recommendations and opinions submitted to the Supervisory Board are of added value. They certainly enabled the Board to ensure continuity of business.

The Chair of the Supervisory Board would like to thank the Board Members for their engagement and availability during the year, and also for their unwavering readiness to review urgent matters by way of circulation between standard sessions.





Operations of the Supervisory Board and its committees

Assessment of financial statements and profit distribution

Assessment of Bank's situation

Assessment of application of Principles of Corporate Governance

Assessment of the charity and sponsorship initiatives expenditure

Implementation of the diversity policy

Results

of assessment of the annual financial statements of ING Bank Śląski S.A. for 2022 and of the Management Board motion regarding distribution of profit earned by the Bank in 2022



Assessment of the annual financial statements of ING Bank Śląski S.A. for 2022

Pursuant to Article 382 §3.1) and §31.1) of the Commercial Companies and Partnerships Code of 15 September 2000 and having reviewed the annual 2022 financial statements of ING Bank Śląski S.A. and also the report of the independent statutory auditor from the audit of the separate financial statements for the financial year ended 31 December 2022, drawn up by KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp. k., the ING Bank Śląski S.A. Supervisory Board:

1. state that the 2022 financial statements of ING Bank Śląski SA. as presented by the Bank Management Board were developed correctly in all material aspects and present fairly and clearly the property and financial standing of the Company as at 31 December 2022 as well as the financial result and cash flows for the accounting period from 1 January to 31 December 2022, in line with relevant and applicable regulations on financial statements, and comply with the ledgers, documents and the state of affairs, and

2. having regard to the above, resolve to recommend that the General Meeting approve the 2022 annual financial statements of ING Bank Śląski S.A.



Assessment of:

- the Annual Consolidated Financial Statements of the ING Bank Śląski S.A. Group for 2022,
- the Management Board Report on Operations of ING Bank Śląski S.A. Group in 2022 covering the Report on Operations of ING Bank Śląski S.A., including the Management Board statement on the application of corporate governance rules,
- the Report on non-financial information of ING Bank Śląski S.A. Group for 2022, including non-financial information of ING Bank Śląski S.A.

Pursuant to Article 382 §3.1) and §31.1) of the Commercial Companies and Partnerships Code of 15 September 2000 and in conjunction with Article 63c. of the Accounting Act of 29 September 1994, and having reviewed the 2022 annual consolidated financial statements of ING Bank Śląski S.A. Group and the Management Board Report on Operations of ING Bank Śląski S.A. Group in 2022 covering the Report on Operations of ING Bank Śląski S.A. including the Management Board statement on the application of corporate governance rules, as well as the Report on non-financial information of ING Bank Śląski S.A. Group for 2022, including non-financial information of ING Bank Śląski S.A., and also the report of the

independent statutory auditor from the audit of the consolidated financial statements for the financial year ended 31 December 2022, drawn up by KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp. k., the ING Bank Śląski S.A. Supervisory Board:

1. state that the 2022 consolidated financial statements of ING Bank Śląski SA. Group were developed correctly in all material aspects and present fairly and clearly the property and financial standing of the Group as at 31 December 2022 as well as the financial result and cash flows for the accounting period from 1 January to 31 December 2022, in line with relevant and applicable regulations on financial statements and comply with the ledgers, documents and the state of affairs,
2. state that the Management Board Report on Operations of ING Bank Śląski S.A. Group in 2022 covering the Report on Operations of ING Bank Śląski S.A., including the Management Board statement on the application of corporate governance rules, provides for significant information about the property and financial standing of ING Bank Śląski S.A. and its Group as at 31 December 2022, including the assessment of performance, indication of risk factors and description of threats, and that it was developed

in line with effective regulations on reports on operations and that it complies with the ledgers, documents and the state of affairs,

3. state that the Report on non-financial information of ING Bank Śląski S.A. Group for 2022, including non-financial information of ING Bank Śląski S.A., satisfies the disclosure requirements for non-financial information as per the applicable law, and
4. having regard to the above, resolve to recommend that the General Meeting approve the annual consolidated financial statements of ING Bank Śląski S.A. Group and the Management Board Report on Operations of ING Bank Śląski S.A. Group in 2022, covering the Report on Operations of ING Bank Śląski S.A., including the Management Board statement on the application of corporate governance rules, as well as the Report on non-financial information of ING Bank Śląski S.A. Group for 2022, including non-financial information of ING Bank Śląski S.A.





Assessment of the Management Board motion regarding distribution of profit earned by the Bank in 2022

Pursuant to Article 382 §3.2) and §31.1) of the Commercial Companies and Partnerships Code of 15 September 2000, having reviewed the Management Board motion regarding distribution of profit earned by the Bank in 2022, the ING Bank Śląski S.A. Supervisory Board do not raise any objections thereto and resolve to recommend that the General Meeting pass a resolution as per the Management Board motion.





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of the Bank's standing on a consolidated basis, including the assessment of adequacy and effectiveness of the internal control system, risk management system, compliance and the internal audit function



Poland's economic growth was 4.9 per cent in 2022, helped by a rebound in demand, subdued during the COVID-19 pandemic, and refugee purchases from Ukraine. On the supply side, a positive support for growth has been the streamlining of global supply chains. Household consumption grew by 3.0 per cent last year, with the annual growth rate slowing markedly in the second half of the year. This was due to high inflation, which eroded real wages and reduced household purchasing power. Investment growth also slowed down in the second half of 2022, with a 4.6% increase for the year as a whole. Instead, companies were rebuilding their stocks of working capital after supply channels were unblocked and freight prices from China to Europe fell to pre-pandemic levels. As a result, in 2022, the change in stocks accounted for more than half of GDP growth (contribution of 2.9 percentage points to GDP growth of 4.9%).

The weakening economy in 2022 was accompanied by dynamic price increases. The energy shock amplified by Russian aggression against Ukraine and sanctions on energy commodities from Russia not only drove up energy and other commodity prices, but also generated secondary effects. Companies raised prices of finished goods in response to rising costs. Consumer inflation rose to the highest levels in a quarter of a century and stood at 16.6% in December 2022. The average annual increase in consumer prices in 2022 was 14.4%.


In response to rapidly rising inflation, the National Bank of Poland (NBP) continued the interest rate hike cycle that began in autumn 2021. Consequently, we have seen a large scale of rapid monetary tightening. The reference rate increased from

1.75% at the end of 2021 to 6.75% as at 2022 yearend. At the same time, the central bank did not adjust its balance sheet by buying or selling assets and did not carry out currency interventions. The tightening of monetary policy in 2022 has been accompanied by a loosening of fiscal policy. Reductions in direct taxes (higher tax-free amount and reduction of the first PIT rate from 17% to 12%) were accompanied by reductions in indirect tax rates (VAT, excise duty) as part of the so-called "anti-inflation shield". This took place against the backdrop of the positive impact of high inflation on budget revenues.

In 2022, the banking sector's performance was influenced by additional regulatory burdens: credit holidays (in Q3 2022 alone, their estimated negative impact on revenues was PLN 12.8 billion, with an average 66% client participation), contributions to the Commercial Bank Protection Scheme, or SOBK for short (PLN 3.5 billion), or the Borrower Support Fund (PLN 1.4 billion). The regulatory burden was to some extent absorbed by rising interest rates and the consequent increase in banks' interest earnings. As a result of rising interest rates, banks made their deposit offerings more attractive, prompting clients to place funds on term deposits. The structure of deposits held at banks has also changed, with a decline in current deposits in favour of time deposits. On the other hand, the rise in interest rates has caused a collapse in the mortgage market. Mortgage sales recorded a 44% y/y decline. However, the activity of economic operators was improving. The need to replenish day-to-day liquidity, finance supplies and replenish inventories, with high double-digit inflation, has contributed to an increasing demand for working capital credit.

In 2022, banks have stepped up their work to enable their clients, holders of foreign currency mortgages, to enter into bank settlements, whether in line with the PFSA Chairman's proposal or based on their own mediation models. Nevertheless, 2022 was another year with a record balance of provisions for legal risk associated with this loan portfolio.





As a result of factors affecting the Polish economy and the banking sector in 2022, the ING Bank Śląski S.A. Group achieved a net profit of PLN 1,714.4 million, a marked 26% deterioration 2021. The lower net profit in the ING Bank Śląski Group was mainly a consequence of the additional regulatory burden in 2022 related to the credit holiday (PLN -1,644.9 million) and the contribution to the Commercial Bank Protection Scheme (PLN -470.7 million). Despite the credit moratorium, which took a toll on the bank's interest income, the bank's total income increased by PLN 825 million y/y (+12%). However, the bank's total costs, charged to SOBK, increased y/y by PLN 678 million (+23%) and bank levy by a further PLN 102 million y/y (+19%), with total assets up 8% y/y. Consequently, this resulted in a 4.6 pp y/y increase in the bank's overheads plus bank levy to income ratio, to 55.5%. The bank's cost of risk including the legal risk cost of foreign currency mortgages increased y/y by PLN 658 million (+177%), which was mainly related to changes in the macroeconomic assumptions in the bank's risk calculation models. Legal risk costs alone increased by PLN 238 million y/y. Following the increase in the cost of risk, the cumulative cost of risk margin changed to 0.68% at the end of 2022 vs 0.27% as at 2021 yearend, while the provisioning coverage ratio of Stage 3 loans and other receivables and POCI deteriorated y/y by 6.6 p.p. to 58.6%. In contrast, the level of coverage of the active portfolio of foreign currency mortgages by provisions for legal risk is one of the highest in the banking sector and stood at 88% as at 2022 yearend.

The Supervisory Board oversees the activities of the Company, ensuring compliance with the relevant laws and regulations relating to accounting, finance and reporting by public companies. The Supervisory Board is also responsible for overseeing processes related to the management of individual risks in ING Bank Śląski S.A. with the support of the Risk Committee and the Audit Committee. On the basis of the recommendations of these Committees, the Supervisory Board accepts and approves the risk management strategy for the Bank's activities, the main principles of the policy in the risk management, as well as the level of risk appetite. In addition, the Supervisory Board monitors the level of utilisation of internal limits from the perspective of the Bank's current strategy.

The Risk Committee provides support to the Supervisory Board in monitoring the risk management process, including operational (non-financial) risk, liquidity risk, credit risk and market risk. The Committee also oversees the risk management process, as well as: internal capital estimation, capital adequacy and the risk of capital and other models. The Committee expresses its opinion on the Bank's overall risk appetite in the current and long term. In addition, the Committee periodically approves the interim qualitative and quantitative information on capital adequacy disclosed by the Bank to the Bank Group on a quarterly basis.



Monitoring the financial reporting process is the responsibility of the Audit Committee. In this context, the Audit Committee periodically reviews the Bank's financial statements and the results of the audit of these statements, whereby the Chairperson of the Audit Committee – who is also an independent member of the Board – holds regular meetings with the Vice-President of the Management Board supervising the CFO Division, during which she reviews the Bank's interim financial results prior to their publication. The Audit Committee takes an active part in the process of selecting the company's auditor and analyses the results of the auditor's work, overseeing its independence and effectiveness. In addition, the Audit Committee monitors the adequacy and effectiveness of the internal control system and internal audit, and assesses the effectiveness of measures used to mitigate risks, including compliance risk, and the quality of the management of these risks.

The Supervisory Board also has a Remuneration and Nomination Committee, which monitors, among other things, the labour market situation in terms of remuneration, employee turnover processes, succession plans and the results of employee satisfaction surveys. The Committee regularly monitors the remuneration system in place at the Bank, including the remuneration and bonus policy. Following the resignation of Mr Remco Nieland as a member of the Bank's Supervisory Board, the Committee carried out an individual assessment process of the Supervisory Board candidate Mr Aris Bogdaneris and a collective assessment of the Supervisory Board in 2022. In addition, the Committee conducted, with the involvement of an external company, a process of collective assessment of the suitability of the Audit Committee, including a process of individual

assessment of Audit Committee candidates, making appropriate recommendations to the Supervisory Board.

The Committee also carried out an assessment of the suitability of the Bank's Management Board and periodic assessments of the suitability of individual Board members, together with a collective assessment of the suitability of this body in connection with changes in the responsibilities of individual members of the Bank's Management Board.

The Supervisory Board assesses that the risk management system in ING Bank Śląski S.A Group is adequate and effective. It covers all relevant risks and the processes for identifying, measuring, managing and reporting them use risk-specific instruments and techniques. The main objectives of the risk management system were achieved in 2022 and the independence of the organisational units for risk management was ensured as well as adequate human resources necessary for the effective performance of these units. In 2022, ING Bank Śląski S.A. complied with all safe harbour and capital adequacy requirements, in particular:

- pursued a prudent lending policy. Lending processes and procedures were in line with supervisory requirements and best practices in the market. In 2022, the Bank took into account in its lending policy the situation prevailing in the economy and applied stricter procedures with regard to industries generating an increased level of risk. The Bank had a diversified loan portfolio with a significant proportion of high quality loans to businesses. At the Bank Group level, Stage 3 loan receivables represented 2.3%

of total gross exposure (measured at amortised cost), which is significantly less than the average for the banking sector as a whole (5.0%);

- had procedures and systems in place to meet the highest market standards in the area of market risk management (including interest rate and currency risk). During 2022, the various categories of market risk were actively managed so that their level remained within the Bank's limits. The Bank has a currency-balanced balance sheet structure, inter alia characterised by a low share of foreign currency receivables in total mortgage receivables;
- maintained an adequate level of liquidity. In 2022, the regulatory liquidity limits were not exceeded and the bank's secure liquidity position is due to one of the largest stable household deposit bases among Polish banks;





- effectively managed operational risk, including model risk, meeting market standards in this regard;
- had an adequate level of own funds to meet supervisory requirements. In December 2022, the total capital ratio of the ING Bank Śląski S.A. Group was 15.23% and the Tier 1 capital ratio was 13.70%;
- had clearly defined duties and responsibilities within its organisational structure for the development and implementation of ESG risk management mechanisms, and developed and introduced new methods and tools in this regard. The Bank had mechanisms in place to mitigate ESG risk as part of the KYC process and mechanisms to manage ESG risk as part of its standard corporate client lending processes, as well as in its operational risk management including reputation risk.

In 2022, ING Bank Śląski S.A. also improved its credit risk management process:

- on the calculation of individual provisions, taking into account the principles set out in Recommendation R, by introducing a monthly calculation cycle,
- in the calculation of collective provisions by, inter alia, making changes to the methodology for classifying exposures into stages.

In addition, the Bank's internal control system sufficiently adequately and effectively protects the Bank against unexpected events in terms of granted financing, non-financial risk, market risk, liquidity or capital adequacy. This system covers all the Bank's business units and all three lines of defence. For the purpose of compliance with legislation, supervisory requirements, internal regulations and market standards for the identified weaknesses, decisive corrective actions were planned and taken. The Bank has a formalised path for reporting the scale and nature of identified irregularities and the status of corrective actions and disciplinary measures taken. Corrective and disciplinary actions are implemented in a timely and effective manner. The independence of the Internal Audit Department System and also the Centre of Expertise – is ensured, as well as the adequate human resources necessary for the effective performance of these units.

In the face of the economic downturn and geo-political and regulatory uncertainty, the Supervisory Board believes that the Bank's attention should continue to be focused on measures that enhance capital security and ensure accessibility and competitiveness in terms of products and client service quality, such as:

- adequate capital management to ensure secure credit growth as well as to meet all current and future regulatory requirements;

- further development of the product range, including sustainable products and electronic service channels;
- increasing lending, while maintaining a prudent assessment of client risk, which will contribute to maintaining a high quality portfolio and increasing interest income;
- maintaining an adequate level of stable deposits to provide the necessary liquidity for credit expansion;
- improving cost efficiency while maintaining high process quality through optimal use of existing resources and the benefits of increased scale of operations.

In the opinion of the Supervisory Board, the existing strategy of increasing the scale of operations pursued by the Bank in recent years has proved successful, as evidenced by the financial and commercial results achieved. The success of the strategy so far justifies the Bank's intention to continue it in the next year while maintaining an adequate level of capital.

Certainly, 2023, in light of the ongoing Ukrainian-Russian conflict, will be marked by further uncertainty, and a return to robust economic growth will still have to wait. In this situation, the role of banks, including ING Bank Śląski, as stabilisers of the Polish economy is all the more important.



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of compliance with disclosure duties as to application of principles of corporate governance, as laid down in the Exchange Rules and regulations on current and interim information made by securities issuers



Assessment of Bank's compliance

with disclosure duties as to application of principles of corporate governance, as laid down in the Exchange Rules and regulations on current and interim information made by securities issuers

The assessment of the Bank's compliance with disclosure duties as to the application of principles of corporate governance, is made on the basis of Principle 2.11.4. of the Best Practice for GPW Listed Companies 2021 (hereinafter "Best Practice 2021") that was introduced by way of GPW Supervisory Board Resolution No. 13/1834/2021 of 29 March 2021 and came into force as of 1 July 2021.

The Best Practice 2021 was adopted by the ING Bank Śląski S.A. Management Board on 20 July 2021 and by the Supervisory Board on 22 July 2021 in the scope as defined in current report no. 1/2021 (EIB) published by the Bank on 30 July 2021, and also by the Extraordinary General Meeting of the Bank on 29 November 2021 insofar as it refers to the General Meeting and the shareholders. Since 29 November 2021, following the change in the composition of the Supervisory Board and its Committees, the Bank has been also fully applying Principle 2.9; with the development of the rules for reporting on the gender pay gap ratio, the Bank has been applying Principle 1.4.2 since 11 March 2022. Following the publication of the information on management of sustainability aspects, including the roles and competences of the ESG Council and ESG Risk Committee, in the ESG tab on the Bank's website on 6 March 2023, the Bank also

applies Rule 1.4.1. The Bank published the updates on the status of Best Practice 2021 application as part of the relevant EIB reports.

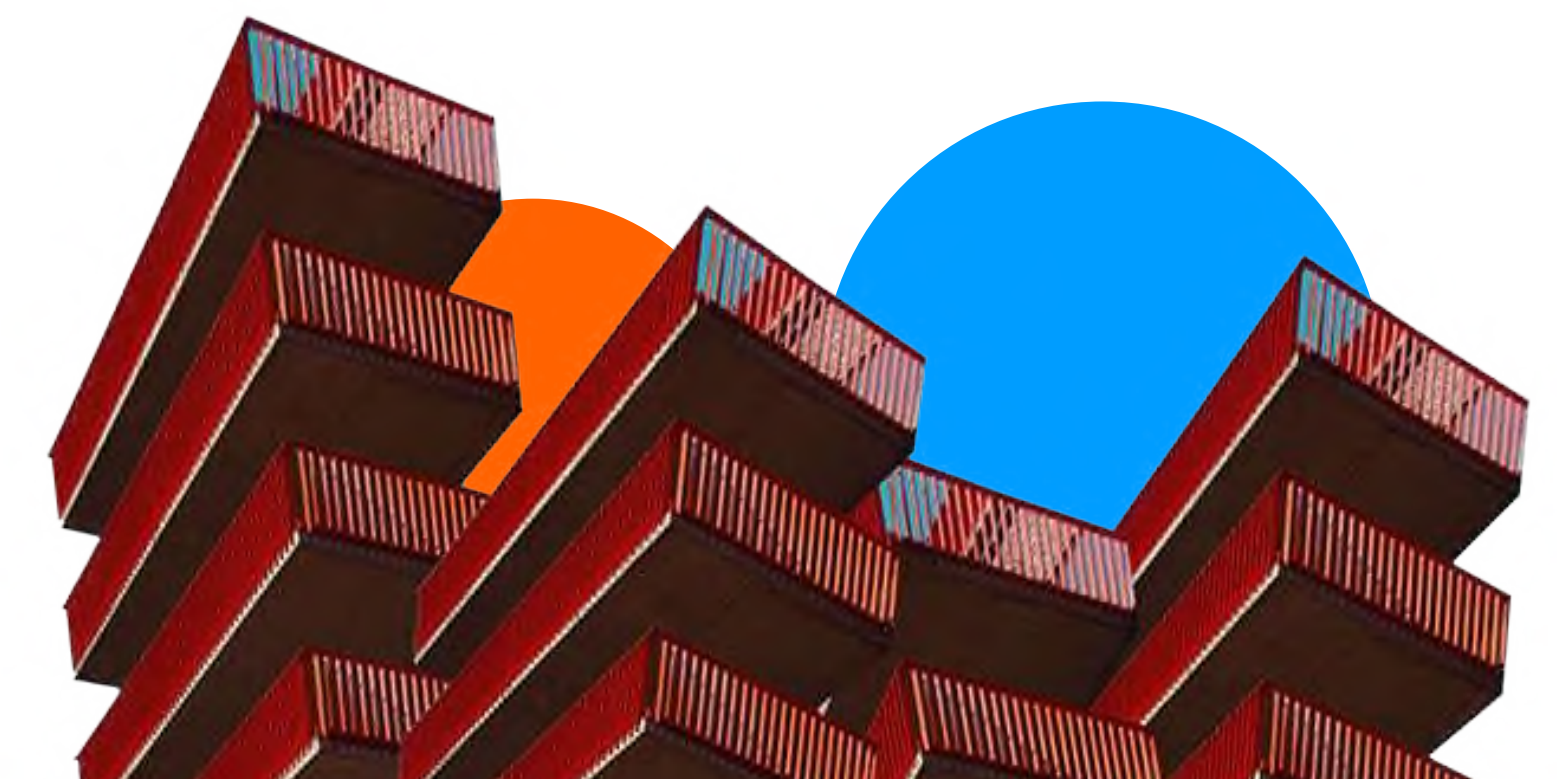
In 2023, the Bank reviewed how the corporate governance principles arising from Best Practice 2021 were applied in 2022; it was concluded that they had been applied within the above scope.

As far as the principles of corporate governance arising from the Best Practice 2021 are concerned, and in addition to the current report of 30 July 2021 filed in accordance with the comply or explain principle, the Bank also makes representations, in the form and within the timeframes required by law, on the application of the principles adopted and on the scope of their applicability and relevant procedure. By analogy to previous years, a corresponding representation is an element of the Report on the Bank Operations in 2022.

Irrespective of the principles arising from the Best Practice 2021, the Bank applies the *Principles of Corporate Governance for Supervised Institutions* published by the Polish Financial Supervision Authority. On 30 December 2014, the Bank Management Board presented a relevant Report on *Observance of Principles of Corporate Governance for Supervised Institutions* at ING Bank Śląski S.A. The Report is published on the Bank's website, along with an update on the Principles

application. The information on the application of the Principles of Corporate Governance for Supervised Institutions is also an element of the Report on the Bank Operations in 2022, and is subject to an assessment by the Supervisory Board which is presented to the General Meeting hereinafter in this annual report of the Supervisory Board.

At the same time, it should be stressed that the Bank abides by the principles of corporate governance in its operations, in particular by ensuring proper access to the Bank's information to shareholders, investors, the media and all stakeholders.











The Bank uses General Meetings to keep an open line of communication with shareholders by:

1. responding and providing explanations to shareholders' inquiries during the General Meeting by the members of the Bank's governing bodies,
2. broadcasting the General Meeting session via the Internet, and
3. enabling the media representatives to attend the General Meeting's sessions.

Since 2020, the Bank has held the General Meetings by means of electronic communication, i.e. through transmission of the General Meeting debates in real time, two-way real time communication enabling the shareholders to make statements during the debates of the General Meeting as well as to exercise their voting right in person or by a proxy.

Furthermore, the Bank publishes the information required by the principles of corporate governance adopted by it on the website: www.ing.pl.

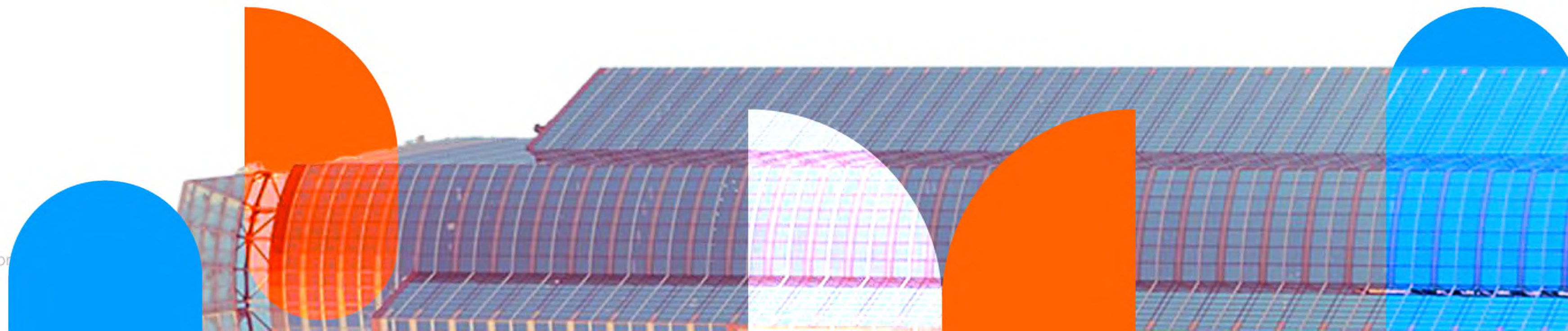
The Bank also uses the following channels to communicate with the stakeholders:

-  face-to-face, individual or group meetings with investors and analysts,
-  investor conferences,
-  press releases,
-  press conferences,
-  information on the media,
-  thematic conferences and seminars, and webinars.

Thanks to being digitally advanced, the Bank could communicate with stakeholders in a smooth and safe manner. In 2022, ING Bank Śląski S.A. communicated with stakeholders via remote tools, enabling them to participate in all major events and developments.

As part of its assessment, the Supervisory Board have concluded that the documents and information regarding the application of the corporate governance principles which are published by the Bank and posted, among other things, on a separate section of the website, are true, correct and consistent. Furthermore, the Supervisory Board have evaluated the explanations published by the company in regard to the application of the corporate governance principles, and confirmed that the comments regarding the scope of the principles application are exhaustive, and contain sufficient subject-related information concerning the application of the corporate governance principles.

Consequently, the Supervisory Board have assessed that the Bank has applied the corporate governance principles, and has properly fulfilled its disclosure duties as to their application, as laid down in the Exchange Rules and regulations on current and interim disclosures made by securities issuers.





Assessment of application by ING Bank Śląski S.A. of Principles of Corporate Governance for Supervised Institutions in 2022

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: the "CG Principles").

The CG Principles were adopted by ING Bank Śląski S.A. (the "Bank") in the scope as laid down in the Management Board Report of 30 December 2014, published on the Bank's website at: <https://en.ing.pl/company-profile/corporate-governance>

Beforehand, on 28 November 2014, the draft Management Board Report received positive advice of the Supervisory Board who also on the same day accepted the CG Principles applicable to the Supervisory Board operation and its members.

Following the amendments to the Bank Charter implemented by way of Resolution No. 26 of the Ordinary General Meeting of the Bank of 31 March 2015, the Bank has applied any and all rules set out in the CG Principles. Since 2020, the Bank has held the General Meetings by means of electronic communication, i.e. through transmission of the General Meeting debates in real time, two-way real time communication enabling the shareholders to make statements during the debates of the

General Meeting as well as to exercise their voting right in person or by a proxy. Therefore, since that time the Bank has also fully applied the principle arising from § 8.4 of the CG Principles.

Concurrently, 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 the 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: <https://en.ing.pl/company-profile/corporate-governance#governance=0>

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. Further, at the beginning of 2023, the Bank verified compliance with the CG Principles. During the verification exercise, validity of application of CG Principles as far as adopted by the Bank was confirmed with no instances of breach thereof in 2022 found.

The Bank governing bodies apply the CG Principles, particularly those referring to their affairs and mutual relations. The

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.

Hence, the Supervisory Board have assessed that in 2022 the Bank was applying the Principles of Corporate Governance for Supervised Institutions in a proper manner.





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of the rationality of ING Bank Śląski S.A.'s expenditure borne in connection with the policy concerning charitable and sponsorship initiatives in 2022



Charity and community activities

Based on the information provided by the Bank Management Board, the Supervisory Board conclude that in 2022 ING Bank Śląski S.A. was involved in the following charitable and social activities:

1. Assistance to Ukraine,
2. Climate education, financial education, business development, modern technology, sustainable development,
3. Support and education for children and teenagers,
4. Promotion of and education in Polish modern art.

The Bank carried out those actions on its own, in cooperation with social partners and courtesy of two corporate foundations: ING for Children Foundation and ING Polish Art Foundation. The activities were implemented as part of ING Bank Śląski S.A.'s ESG Strategy for 2022-2024. In 2022, due to the invasion of Ukraine and the huge need for providing immediate assistance to refugees, ING Bank Śląski S.A. undertook additional activities for refugees and the affected, with special support for children from Ukraine.



#Assistance to Ukraine

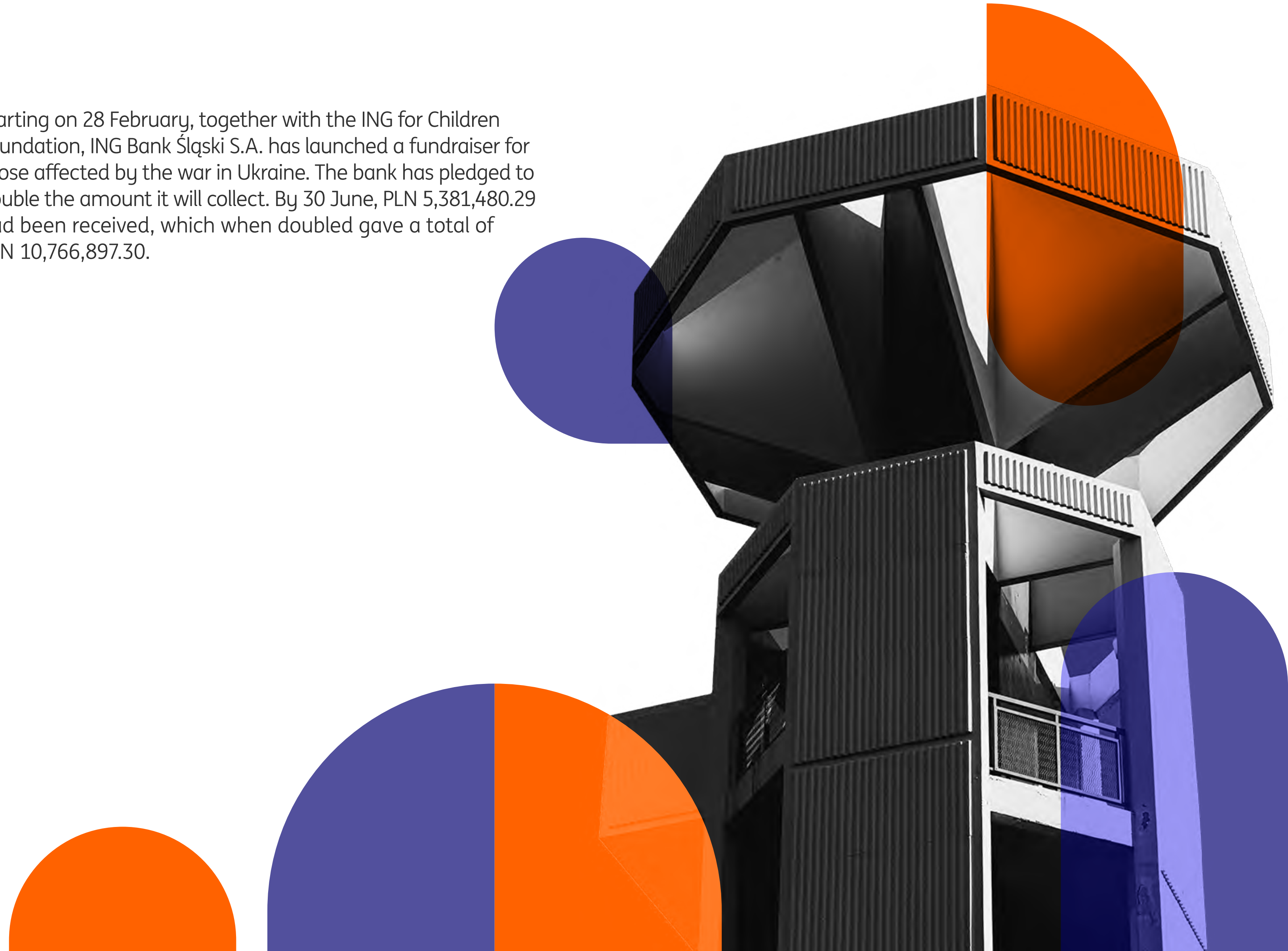
Action for war victims

Since the first days of the war, ING Bank Śląski S.A. and the ING for Children Foundation have been involved in various activities for Ukraine. They support charitable organisations and provide support to refugees in Poland.

ING Bank Śląski S.A. has implemented products and services for refugees from Ukraine and is also implementing the economic sanctions imposed on Russia. In response to the situation caused by the war in Ukraine, ING Bank Śląski S.A. has introduced an aid account that gives access to basic payment services. **Account for Refugees at ING.** Ukrainian customers can use a helpline operated in Ukrainian, both at meeting points and ING Express. The Bank has prepared comprehensive materials in Ukrainian available at www.ing.pl and has introduced simplified account opening procedures.











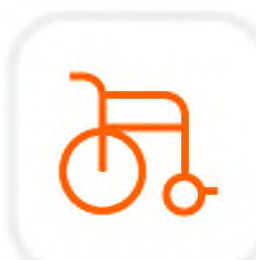





In the first days of the war, ING Bank Śląski S.A. donated PLN 1 million to organisations providing support and care for refugees in Poland. Donations were received by four organisations: The Foundation of the Institute of Mother and Child, the Polish Medical Mission, SOS Children's Villages, and the Association of Ukrainians in Poland. In addition, the Bank donated PLN 500,000 for structural solutions to support refugees in the first wave. The money was used to buy the necessities for the reception points where volunteers from the Bank often helped.

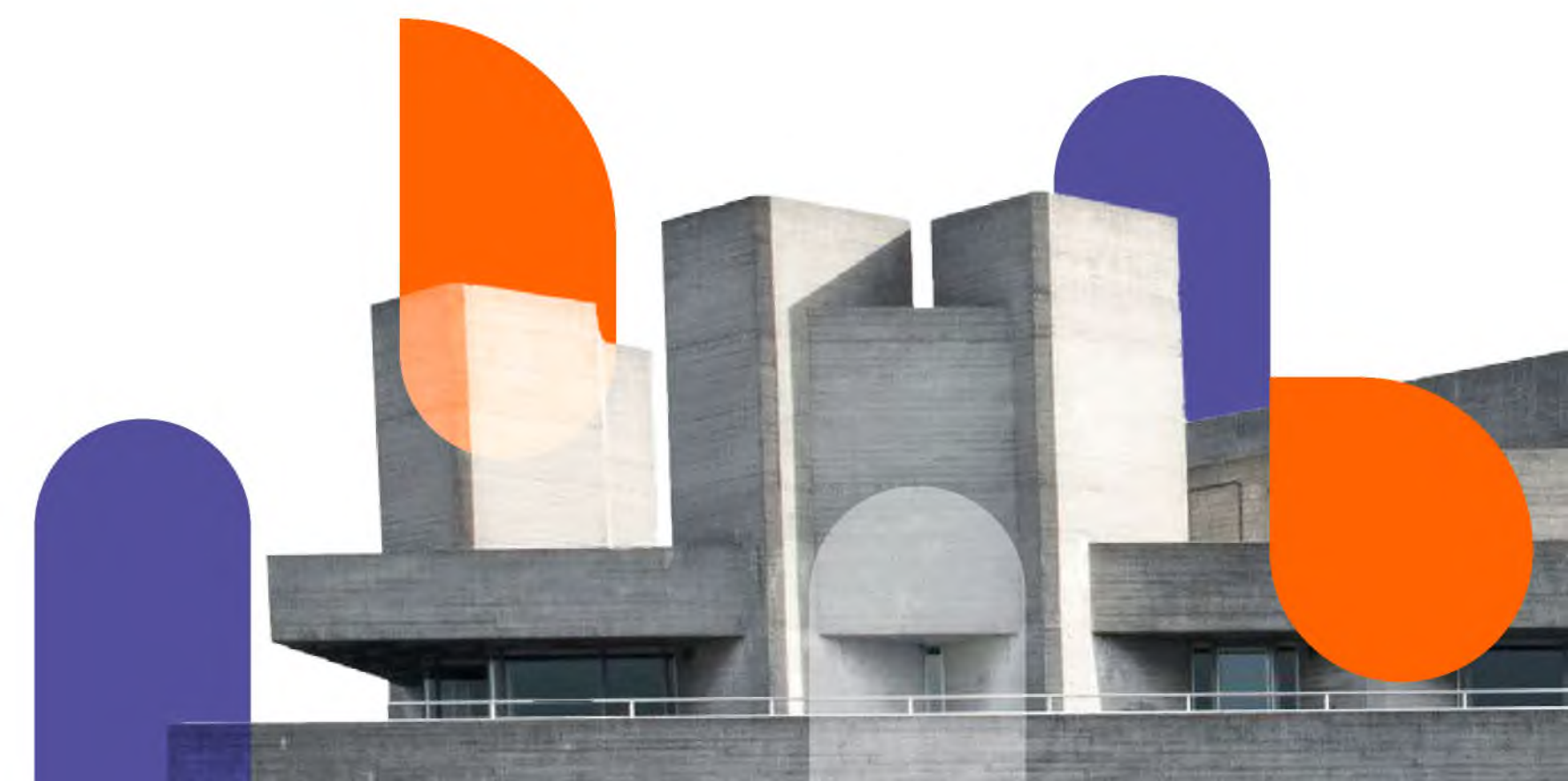
Starting on 28 February, together with the ING for Children Foundation, ING Bank Śląski S.A. has launched a fundraiser for those affected by the war in Ukraine. The bank has pledged to double the amount it will collect. By 30 June, PLN 5,381,480.29 had been received, which when doubled gave a total of PLN 10,766,897.30.





The money raised was given to organisations that help refugees, especially children. Support was given to:

-  **UNICEF Polska** humanitarian aid – PLN 3 million.
-  **Polish Humanitarian Action (PAH)** to support refugees – PLN 3 million.
-  **Teach for Poland** for long-term support for the education and integration of Ukrainian children in Poland – PLN 500,000.
-  **Stowarzyszenie Cyfrowy Dialog [Digital Dialogue Association]** for long-term support for education and integration of Ukrainian children in Poland – PLN 500,000.
-  **Polish Migration Forum** for psychological, legal, educational assistance and organisation of leisure activities – PLN 500,000.
-  **Fundacja Ocalenie [Rescue Foundation]** for psychological, legal, educational assistance and organisation of leisure activities – PLN 500,000.
-  **The Sława and Izek Wołosiański Humanosh Foundation** to help Ukrainian hospitals – PLN 1.5 million.
-  **Bytel Foundation, Myslowice** – helping to buy an ambulance for the hospital in Tłumacz – PLN 150,000.
-  **Nienieodpowiedzialni [Not Irresponsible] Foundation** to buy ambulance for medical services – PLN 150,000.
-  **Avalon Foundation** na wsparcie dzieci to support children with disabilities as part of its Centre for Refugees with Disabilities (CPUzN) – PLN 200,000.
-  **The Doctor Piotr Janaszek PAY IT FORWARD Foundation** for children with disabilities and their families affected by war – PLN 200,000.
-  **DOZ Foundation** dbam o zdrowie [I care about health] for the purchase of medicines and other products available in Polish pharmacies for children from Ukraine – PLN 400,000.
-  **Special Purpose School and Education Centre for Disabled Children and Teenagers in Dąbrowa Górnicza** to support blind children from Ukraine – PLN 20,000.
-  **Paediatrics Department of the Municipal Hospital in Ruda Śląska** for the purchase of hygiene and care products for young Ukrainian patients – PLN 20,000.
-  **Purchase of hygiene products for children** – for the reception desk in Warsaw – PLN 16,067.89
-  **Happy Kids Foundation** to organise professional care for children from Ukrainian orphanages in Poland – PLN 110,000.





The remaining amount was donated to the ongoing needs of Ukrainian children staying at the Foundation's Centre in Wisła.

ING Bank Śląski S.A. provided assistance to ING employees of Ukrainian origin through a financial benefit of PLN 1,000 / per person (family member) to bring the family from the war zones and to finance the purchase of necessary items (clothing, hygiene products, food). The bank also provided assistance in transporting the family member from the reception point to the place of residence in Poland, support in finding and renting a flat and covering the rental costs, as well as providing medical and legal care.

ING Bank Śląski S.A. employees who hosted refugees received, among other things, a benefit in the form of gift vouchers worth PLN 300 for each person hosted and PLN 500 for each school-age child, psychological support, extra days off to volunteer – to run official errands for guests.

In order to help better and more efficiently, our employees formed the 'I support guests from Ukraine' community for sharing information, exchanging best practices and proven ways to solve problems, as well as a platform for aid – shopping for Ukraine.

On 6 March, the ING for Children Foundation welcomed 22 children from the Children's Home in Zaporozhye to the foundation centre in Wisła and published a bibliotherapeutic book in Ukrainian entitled "Lucjan, the Lion One of Its Kind". (more in the ING for Children Foundation section).



Working with partners

for climate education, financial education, entrepreneurial development, modern technology and sustainable development

Save the World Eco-programme for primary school pupils

Save the World is an educational programme addressed to pupils at all levels of primary school, which combines broadening the ecological knowledge of children and young people with shaping their character and pro-social attitudes, as well as improving digital competence. The Save the World Programme organiser is the “ABCXXI – All of Poland Reads to Kids” Foundation, and the content partner is the WWF Poland Foundation. ING Bank Śląski S.A., together with Visa, participates in the Save the World Programme as a Strategic Partner. The programme is under the honorary patronage of the Ministry of Climate and Environment and the National Library.

The inauguration of the Save the World Programme took place in September 2021, and immediately afterwards a pilot of the Programme began in 60 schools and libraries. After its evaluation and the introduction of recommended changes, the first edition of the Save the World Programme was launched in October 2022 and joined by 363 establishments – primary schools, special centres and libraries from all over Poland. More than 30,000 pupils have participated in the activities conducted by approximately 600 Educators of the first edition of the Programme.

28 short stories for children and teenagers were written by Polish authors for the Save the World Programme. The stories have been published in three age-appropriate volumes for young readers: “Dragon's Breath” (for ages 7+), “Flying Saucer” (for ages 10+) and “Nets Phantom” (for ages 13+). In addition to the three-volume story series 'Save the World', the package of project materials for participating establishments included the book “You Too Can Save The World. Green Tales from Pietruszkowa Wola” by Justyna Bednarek, published by ING Bank Śląski S.A. and the ING for Children Foundation.

Online meetings with organisers and experts as well as lesson plans and tutorials on digital tools available at www.ocalimyswiat.pl also help to prepare, conduct and promote student projects. Activities within the framework of the Save the World Programme were complemented in autumn by a series of online lectures and presentations, including the lecture “With the Child into the World of Values” by Irena Koźmińska, President of the “ABCXXI – All of Poland Reads to Kids” Foundation (live FB), the presentation “Education for the Protection of Biodiversity and Climate” by dr inż. Julia Dobrzańska and Klara Rościszewska, Education Specialists from the WWF Poland Foundation (live FB), the webinar “Digital tools in creative teamwork” by Sylwia Żółkiewska, designer and educator (live Zoom). A Forum for the Save the World

Educators in the form of a closed group on Facebook has also been launched, and the Forum participants also receive regular news mailings.

In addition, students and Educators (teachers, librarians, instructors, etc.) have been provided with an attractive new online tool – a computer game called “EKOHAKATON – Flying Soucer”, which allows them to understand the ethical and ecological message of the Save the World Programme in a simple and fun form. The task of the game's protagonists is to take part in an ecohathon, a competition to create a prototype of an environmental game, and the young players – the students – are there to help them by making strategic decisions on their behalf concerning pro-social and pro-environmental choices, while learning the basics of programming.





Warsaw Institute of Banking Bakcyl Programme Cybersecurity

As part of the industry's financial education Bakcyl programme and the Cybersecurity programme for primary and secondary school students, lessons on finance and cybersecurity were taught by volunteer bank employees participating in the programme. For the new volunteers from ING, training sessions were conducted by WIB in October 2022 in which 9 employees participated. 2 volunteers of this group conducted a total of 5 lessons.

As part of the cooperation, a lesson for students was provided by a banking expert from ING Bank Śląski S.A. During a webinar entitled "What do I know about inflation and stability of the financial system?" addressed to the participants in the "Everyday Economics" programme, he introduced young people to such issues as: whether inflation is bad, what interest rates mean for us, how inflation affects Poles' savings and what the Monetary Policy Council does. The lesson will also serve as a tool for teachers.

The "Everyday Economics" programme is created by the Junior Achievement Foundation, the National Bank of Poland and the Warsaw Institute of Banking Foundation. It is addressed to vocational counsellors and school teachers who are required to implement an intracurricular system of vocational counselling, as well as to conduct financial education during weekly class meetings.



ING Group's global grant fund

ING Community Investment Global Fund

Zwolnieni z Teorii [Exempt from Theory] Generation Lockdown II programme

The Zwolnieni z Teorii Foundation implemented the 'Lockdown Generation II' project in the first half of 2022 (school year 2021/2022) from the ING Group Community Investment grant. This was a continuation of the first edition of this programme which was launched in the 2020/2021 school year, with the aim of supporting young people (15-24 years old) to acquire competences facilitating their entry into the labour market, through a community project.

For the majority of young people leaving secondary school, this is an opportunity to gain experience of group work and the competences of the future at the last compulsory stage of education. The aim of the Generation Lockdown programme is to support young people and teachers in organising a social project, integrating them into the labour market and involving as many schools as possible in bringing about educational change. The tool in these activities is the organisation and implementation of a social project by a team of young people. Participants develop the competences of the future, i.e. the ability to cooperate, creativity, critical thinking and communication. An important part of the programme

is learning how to write a CV and include so-called soft competences in it, describe experiences from a social project, as well as self-presentation thanks to e-learning training on the Zwolnieni z Teorii project platform.

The programme, which lasted nine months, involved 602 secondary schools and 750 teachers, and 5,096 young people completed their own social projects. As part of the programme, 2,508 students met potential employers including ING Bank Śląski S.A., 3,185 students confirmed that they felt better prepared to look for work, and at least 38 teenagers found a job or an internship after completing the programme. The participant survey found that 74% of participants felt better prepared to work together as a group, students who completed the community project enter the labour market 12 months earlier than their peers and 83% of students who completed the project were working at the age of 21 (compared to 65% of their peers who did not complete the social project).





Fundacja Rozwoju Społeczeństwa Wiedzy Think! [Think! Foundation] Financial Health Programme

The Financial Health Project is being implemented between February 2022 and January 2023, by the Think! Foundation in partnership with ING Bank Śląski S.A. It is a continuation of the project initiated in February 2021. The aim of the "Financial Health" project is to build knowledge and good habits related to taking care of personal finances and discovering one's potential related to personal development. The project is addressed to adults (18+), working or at risk of losing their job, of declining income, not working, who find themselves in a vulnerable situation in the face of a pandemic crisis. As part of the project, the educational portal ZdrowieFinansowe.pl was created, which is a repository of materials on finance, i.e. articles, guides, films, animations and infographics. The recipients of the programme were primarily people who were looking for information and ready-to-use tools to better manage their financial challenges.

In 2022, the Think! Foundation carried out activities aimed to increase knowledge and skills and promote best practices as regards managing a household budget, coping with situations of income fluctuation and taking conscious care of finances. And also the skills to talk to their partner and children about household finances. Communication activities took place through social channels (FB and Instagram). In 2022, the Foundation published a report based on the research "Economic education of girls and boys in Polish homes – do mothers and fathers educate in the same way?" – The project included a qualitative and quantitative study on children's economic education, analysed by gender. Four webinars were held as part of the project: With a plan at hand, How to feel safe with so much going on around you (40 participants), A good start to well-being, How to take care of yourself on your own terms (56 participants), Creatively about strengths (32 participants). "Take care of your finances" series video materials were produced. The series were hosted by journalist Iwona Kutyna and tackled with the topics of financial well-being, how to effectively reduce expenses, what to do in the case of a sudden decrease in income, how not to get carried away by panic and growing fears about the future, do you need an extra job, 10 ways to build financial security, discussions about finances and how to build good financial habits.



Climate education

You Too Can Save The World Green Tales from Pietruszkowa Wola

The book, written by Justyna Bednarek and illustrated by Joanna Czaplewska and published jointly by the Bank and the ING for Children Foundation, is distributed free of charge to schools, libraries and community organisations throughout Poland. The 9 stories deal with topics such as plastics, consumerism and the treatment of animals. Each chapter ends with best practices for ecologists: how to give a second life to objects, the power of helping and sharing, and that the best gifts cannot be bought. For printing the book, we used paper made from cellulose that comes from trees grown in sustainable forestry areas. The ink used for printing contains no harmful substances and comes from renewable raw materials. The publication is accompanied by free lesson plans available on the foundation's website.

Read more about book-related activities in the ING for Children Foundation chapter.





Support and education of children and teenagers

Zwolnieni z Teorii [Exempt from Theory] Social Projects Olympics

In 2022, ING Bank Śląski S.A. continued, together with the ING for Children Foundation, the implementation of the ING Challenge – A Step Ahead, in cooperation with the Zwolnieni z Teorii Foundation. Once again, as part of the largest Social Projects Olympiad in Poland, secondary school students organised their own social projects – responding to the needs of e.g. the community, cultural, technological and environmental projects.

During the 2021/2022 school year, teams of young people undertook 48 projects as part of the ING Challenge – A Step Ahead. These were aimed at children or young people. By participating in the projects, young recipients were able to develop their passions, gain new knowledge or learn about their capabilities – in short, they were able to take a Step Ahead. ING Bank Śląski S.A. provided expert materials in the form of videos (on such topics as teamwork and communication) and, together with Zwolnieni z Teorii, conducted two webinars for participants in the A Step Ahead programme – a webinar opening the programme with information on its progress and a short business communication savoir-vivre training, and a webinar with an expert from the ING for Children Foundation, on conducting voluntary activities for children and young people.

In implementing their projects, the 33 youth teams also

benefited from the support of 30 expert mentors from the Bank and the Foundation. The mentors, employees from different areas of the Bank's business, shared their knowledge and experience with young people and supported the participants in their community projects throughout the programme through discussions at online meetings and ongoing contact.

A total of 235 people took part in our challenge, reaching almost 950,000 beneficiaries with their projects as part of A Step Ahead. Additionally, as part of the competition, the three winning teams were given the opportunity to consult their projects with representatives of the Management Board and Managing Directors.

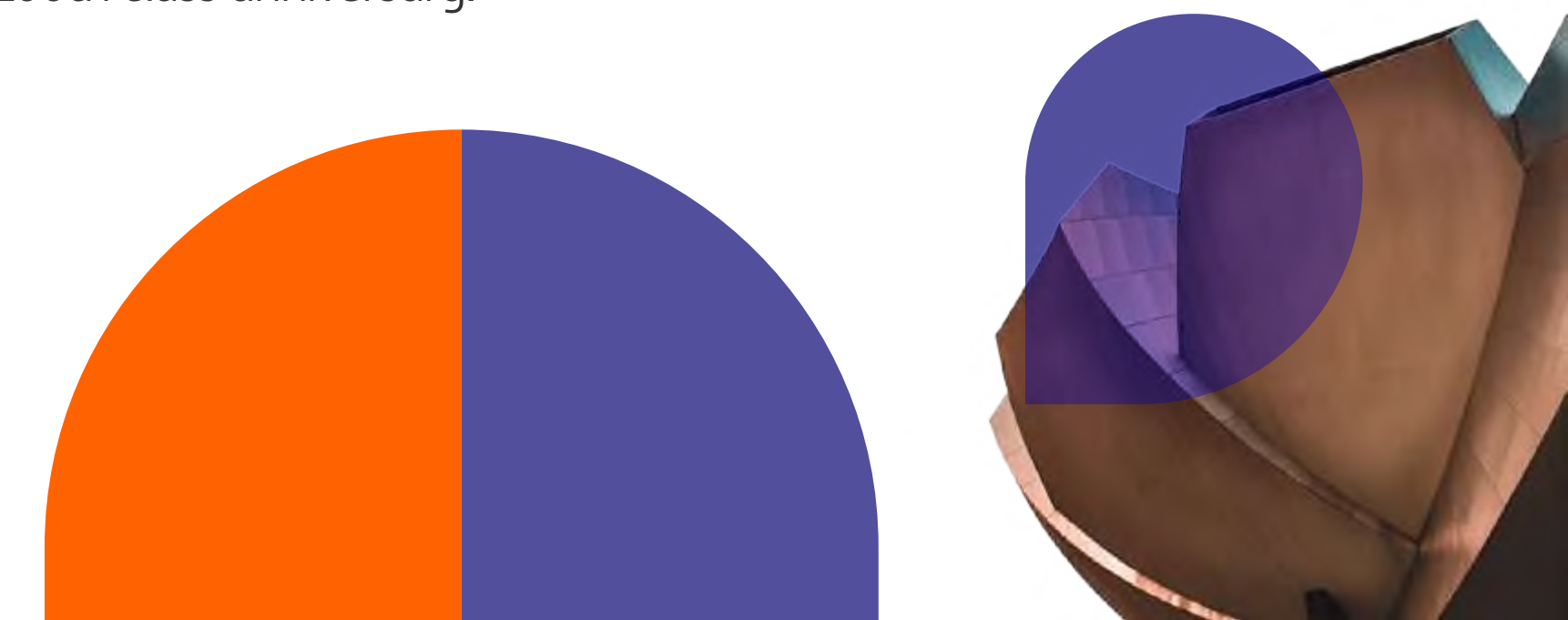
The final gala was also attended by representatives of both the Bank and the Foundation. There were as many as 14 finalists among the completed projects in the challenge A Step Ahead – Silver Wolf (2 projects) and Bronze Wolf (12 projects) awards. The BO Warto team, in cooperation with the ING Mentors, came to the final of the Pitch Contest and presented themselves on stage during the official part of the Final.

ING CoderDojo

In 2022, ING CoderDojo continued online classes for children (for children of both ING employees and non ING employees) in two groups: robotics and Minecraft. ING mentors led classes for children and young people in advanced groups, which focused on

programming puzzle and arcade games on the Arcade platform. The Ninjas programmed “older” games such as Snake (a snake that eats fruit and grows – making it difficult to move on the board so that it does not bite itself), Jumping Jack (a character that jumps through holes in the ceiling, who additionally has to watch out for moving holes in the floor – so that he does not fall to a lower floor), Sokoban (placing boxes in a warehouse on selected fields in the fewest number of moves), and, in recent months, card games – the classic 'war' and 'UNO' – which took participants a long time to play, but were ultimately very rewarding.

A group of young Python developers, continued to implement the 'Dice' application for Android and Windows, based on the Kivy framework. The application, with the initial functionality of a simple board game cube, was enriched by further elements over a series of activities to eventually offer three graphic variants of the basic cube, a variant with two cubes, cubes for Super Farmer, for storytelling "Story Cubes", for the game "Treasure Hunt" or "Monopoly Empire". All in a nice animated graphic design, with sound effects in several variants, a speech synthesiser that reads the results, personalised transition effects, convenient controls and a menu that saves the settings In April, the group celebrated its 100th class anniversary.





Lesław Paga Foundation Academy for Capital Market Leaders/Business Women Leaders Academy

In 2022, ING Bank Śląski S.A. was a partner of the 17th edition of the Capital Market Leaders Academy. It is an extensive training programme on financial market knowledge for university students and graduates up to the age of 27 interested in the financial market. A lecture on how banks operate in an inflationary environment from a capital markets perspective was given by bank representatives from the Retail Clients Division. The aim of the 17th edition was for the participants of the programme to develop ideas for educational activities for their younger colleagues on safe and informed management of personal finances. The programme ran from January to December.

The Bank was also a strategic partner of the 5th edition of the Business Women Leaders Academy. This is a programme for building the personal maturity of young women by combining marketing, communication and image-building activities with personal and professional development. Its objective is to educate young women up to the age of 27, develop their professional and social competencies, develop their potential stemming from their gender, knowledge and attitudes that will guide them in their adult life. Activities carried out over a period of 12 months included development and content workshops, as well as the preparation of a diversity & inclusion report created by the participants, alumnae and programme partners. A part of the programme was also a meeting of the participants with Joanna

Erdman, the Bank's CRO, and the Bank's ESG experts from the Centre of Expertise ESG Innovation; 16 participants took part in a workshop on, among other things, the principles of planning and implementing project processes, transforming leadership models, involving different stakeholders and supporting the diverse competencies of project teams.

Not Irresponsible Solidarity with Ukraine

In 2022, ING Bank Śląski S.A. joined the humanitarian action organised by the Not Irresponsible Foundation "Solidarity with Ukraine". As part of this cooperation, ING Bank Śląski S.A. subsidised the purchase of two ambulances with equipment and medical supplies in the amount of PLN 150,000. The funds came from a collection, organised jointly with the ING for Children Foundation #Pomoc Ukrainie. In addition, the Bank made a donation to support the organisation of a charity concert in December - "With Hope For Peace", the total proceeds of which were donated to equip two ambulances belonging to the Foundation with the necessary medical equipment to rescue injured victims of the war in Ukraine.

Responsible Business Forum

ING Bank Śląski S.A. continued its partnership in the Responsible Business Forum as an institution that is committed to social responsibility and sustainable development as well as diversity and inclusion initiatives as a signatory of the Diversity Charter. The annual report of the Responsible Business Forum featured 10 best

practices in the area of sustainable development from ING Bank Śląski S.A. The annually published report "Responsible Business in Poland. Best practices" is the largest review of CSR and sustainable development initiatives in Poland. Practices of ING Bank Śląski S.A. highlighted in the report: Human Rights - #Diverse Community, Labour Practices - Hybrid Work Model Programme - Replenish Your Powers, Wellbeing, Active Break, Environment - Film Series #ING for Climate - Ecologically and Economically at ING, Green Statement 2021, Mr. and Mrs. Drops and Mr. Confused, Consumer Issues - Campaign - What's Economic is Ecological, Community Involvement and Development - Project #Financial Health / Lockdown Generations, Book "You Too Can Save The World. Green Tales from Pietruszkowa Wola". The 20th edition presented 1,677 actions taken by 283 companies. The report was announced on 25 May, during the 9th CSR Fair in Warsaw, in which the Bank and its two corporate foundations participated. Meetings organised at the Bank's and Foundation's stand included experts from Centre of Expertise ESG Innovation with the topic of the ING grant fund, from the ING Polish Art Foundation, from HR on the Diversity at ING, and from the ING for Children Foundation on bibliotherapy, climate education and children's financial education.





Ethics Standard in Poland – Equal Opportunities in Business

United Nations Global Compact Network Poland (UNGCP) Climate Positive

As part of the continued cooperation with the UN Global Compact in 2022, ING Bank Śląski S.A. was a partner of the “Ethics Standard in Poland – Equal Business Opportunities” programme and the Climate Positive programme, which included, among others, initiatives related to the European Green Deal, green finance, promotion of clean energy technologies (e.g. hydrogen), energy efficiency and electrification of transport. Representatives of ING Bank Śląski S.A. regularly and actively participated in the work of the Steering Committee of the programme. In 2022, ING economists – wrote the article “The role of ESG factors in the supply chains of Polish companies” in the collective publication coordinated by the GCNP – Green Finance in Poland 2022, while an expert from the Centre of Expertise ESG Innovation was the author of the article “Sustainable finance and reduction of transport emissions. Best practices” as part of the publication “Sustainable transport – the road to climate neutrality”.





Other initiatives

ING Charity Football Tournament

On 17 September 2022, the ING Charity Football Tournament took place on the playing fields of Chorzow's MORIS. It was attended by 26 ING teams and 240 footballers – both boys and girls. Teams composed of employees of the Bank and ING BSK companies from all over the country took part in the competition. In the sporting rivalry, 253 goals were scored.

The aim of the tournament – in addition to integration and the promotion of self-organised teams – is to support charities that are dedicated to sporting activation of people with disabilities.

In 2022, donations (PLN 10,000 each) for activities to activate children and adults with disabilities were granted to: Avalon Foundation, Dr. P. Janaszek's Pass It On Foundation, Stowarzyszenie Amp Futbol Polska [Amp Football Poland Association].

Charitable donations

In 2022, ING Bank Śląski S.A. made charitable donations of a financial and in-kind nature. The Bank made 26 financial charitable donations. The donations were made on the basis of *ING Bank Śląski S.A.'s Donations Policy*, dated 1 June 2021. The Policy defines, among other things, the areas of the bank's involvement in charitable activities.

The Bank's chosen areas for community investment are:

1. activities for children and young people, including holidays for children and young people,
2. science, education and upbringing – especially in the area of financial and climate education,
3. health protection and prevention,
4. environmental protection, combating climate change,
5. financial assistance in special circumstances, where an employee or his/her family member (members) suffered damage.

The Policy defines the roles of the Donations Committee, the Management Board Bureau, the Management Board – in the donation process, the due-diligence requirements and the decision-making process. Each time a charitable donation is made, the Centre of Expertise – Compliance and the Donations Committee (made up of 5 representatives of the Bank), and depending on the amount, two members of the Management Board or the Bank Management Board are involved.

Objectives supported by the Bank through donations, in selected areas of community investment in 2022:

1. support and assistance to Ukraine – 6 donations worth PLN 1,017,000,
2. activities for children and young people, including holidays for children and young people – the Bank made 6 donations worth PLN 65,000,
3. science, education and upbringing – especially in the area of financial and climate education – the Bank made 4 donations totalling PLN 724,101.25 (of which PLN 667,601.25 came from the ING Group Grant),
4. health care and prevention – the Bank made 8 donations totalling PLN 183,200,
5. financial assistance in special circumstances, where an employee or his/her family member (members) suffered damage – the Bank made 2 donations totalling PLN 200,000.





In connection with the war in Ukraine, ING Bank Śląski S.A. made donations to the Foundation of the Mother and Child Institute, the Polish Medical Mission, SOS Children's Villages, the Association of Ukrainians in Poland, Polish Humanitarian Action and the Not Irresponsible Foundation in the amount of PLN 1 million.

Among activities supporting science, education and upbringing, especially in the area of financial and climate education, there were donations to the Zwolnieni z Teorii Foundation, the "THINK"! Foundation and the Warsaw Banking Institute for the Bakcyl and Cybersecurity programmes. In the area of health care, donations were awarded to foundations which for years have been engaged in socially valuable activity to improve health, e.g. to the Professor Zbigniew Religa Foundation for the Development of Cardiac Surgery in Zabrze and the Polish Foundation of Gastroenterology.

ING Bank Śląski S.A. continued to support regional and local charities, including but not limited to, the Dr Piotr Janaszek PAY IT FORWARD Foundation, Zachodniopomorskie Hospicjum dla Dzieci i Dorosłych [the Western Pomeranian Hospice for Children and Adults] Foundation in Szczecin and Domowe Hospicjum dla Dzieci [Home Hospice for Children] in Opole.

In total, ING Bank Śląski S.A. made charitable donations in 2022 for a total value of PLN 2,189,301.25.

The Bank also made donations to the activities of two its own foundations:

1. for the ING for Children Foundation in the amount of PLN 9,678,073.74 (including the amount of PLN 5,381,480.29, which results from the doubling of the #Assistance to Ukraine collection),
2. for the ING Polish Art Foundation in the amount of PLN 1,250,000.

In 2022, the bank also made in-kind donations of decommissioned IT equipment (in good state of repair) and office furniture, mostly to schools, welfare institutions and charity organisations. The IT equipment donated to foundations, associations and care institutions was worth PLN 174,865.99. The Bank donated 160 PCs, 230 monitors, 260 laptops and 40 printers. In-kind donations were made following the *Procedure for the sale/ donation/ reprocessing of assets at ING Bank Śląski S.A.*



Fundacja ING Dzieciom

ING for Children Foundation is one of the oldest corporate foundations in Poland. It carries out its mission – We help children to be a step ahead – in three areas: supporting development, caring for health and levelling opportunities. Each of these includes a number of original programmes (e.g. Smile Camps, Bibliotherapy, Orange Power, Good Idea or My Environment) and those implemented in partnership with local and national organisations (e.g. Zwolnieni z Teorii [Theory-Free]). The Foundation develops the ING Volunteer Programme, engages ING employees in various environmental and educational projects for the benefit of local communities. It helps children affected by social and economic problems and supports physical activity for children with disabilities. It helps young people to discover the world and their own capabilities, and in 2022 it actively joined in helping children harmed by the war in Ukraine.

In 2022, the Foundation conducted its activities in accordance with the *ING for Children Foundation Strategy for 2022-2024*, adopted and approved by the Management Board and the ING for Children Foundation Board. As a public benefit organisation,

the Foundation carries out its tasks in accordance with the *Act on Public Benefit and Voluntary Activities* and within the scope defined in the *Charter of the ING for Children Foundation*.

In 2022, funds for the implementation of the Foundation's activities came from:

- donations from the founder (ING Bank Śląski S.A.) in the amount of PLN 9,678,073.74 (including the amount of PLN 5,381,480.29, which results from the doubling of the #Assistance to Ukraine collection),
- from donations by ING employees and customers and contributions to the charity collection #Assistance to Ukraine – aid efforts for refugee children from Ukraine in the amount of PLN 5,398,295.38,
- donations from subsidiaries (ING Lease Polska and ING Commercial Finance) totalling PLN 65,587.00,
- receipts of PLN 30,884.40 from 1% of income tax,
- Payroll programme (monthly donation from ING employees deducted from salary) of PLN 11,102.00,
- from donations made by ING employees and customers for aid activities for Polish children in the amount of PLN 114,669.18,
- from the support of the Starosty of Cieszyn – remuneration for the stay of children from Ukraine in our centre in the amount of PLN 348,950.00.

The ING for Children Foundation's total cash income for 2022 was PLN 15,647,561.70.

#Assistance to Ukraine

In solidarity with Ukraine and moved by the fate of its people, the ING for Children Foundation, together with ING Bank Śląski S.A., launched the #Assistance to Ukraine collection in February, which raised PLN 5,381,480.29. As a result of the doubling of contributions by the Bank, the total amount of the collection was PLN 10,766,897.30. The money raised was given to organisations that help refugees, especially children. For more on the #Assistance to Ukraine collection, see Assistance to Ukraine.

At the beginning of March 2022, a group of 22 children from an orphanage in Zaporozhye were relocated to the Foundation's centre in Wisła. 2 in-kind collections for the children were organised among ING employees, mainly clothing, hygiene products and school supplies. From mid-March 2022, the children were provided with school and pre-school education in Wisła, support from a psychologist and translator, legal and medical assistance and support from ING volunteers. Among other things, the children have been to a summer camp in Międzyzdroje, to the Królowa Luiza mine in Zabrze, and have taken part in many meetings and workshops, e.g. at the Centre for Ecological Education in Wisła or in a bibliotherapy workshop with an employee of the Honorary Consulate of Ukraine in Katowice. The children remain under the care of the ING for Children Foundation all the time.





In addition, in order to support refugee children from Ukraine, the Foundation prepared a Ukrainian edition of the book “Lucjan, the Lion One of Its Kind”. The book was donated to organisations supporting children including the Rescue Foundation, the Copernicus Science Centre, the Zustricz Foundation, the Happy Kids Foundation, the Ukraine Foundation and the Universal Reading Foundation [Fundacji Powszechnego Czytania]. More than 2,600 copies were distributed to libraries, hospitals and social welfare centres across Poland, as well as to children who took part in workshops organised by the organisations that received donations.

Actions around the book “You Too Can Save The World. Green Tales from Pietruszkowa Wola”.

In 2022, the ING for Children Foundation continued to donate the book “You Too Can Save The World. Green Tales from Pietruszkowa Wola” (by Justyna Bednarek, illustrated by Joanna Czaplewska) to public libraries and primary schools in Poland. Almost 7,500 copies were successfully sent out. Distribution will be continued in 2023. The book has also been published as an audiobook. It is available on the ING for Children Foundation website and on Spotify – on the ING Bank Śląski Podcasts channel.

The Foundation promoted reading and its book at several events in 2022. It joined the Megabit Bomb Festival in Krakow, which featured a workshop on making paper from scraps – attended by more than 80 children from Krakow's primary schools. There was also a family workshop, where children, together with their parents and carers, learnt how to upcycle paper at home. The workshop was organised at Studio Litograf in Krakow.

On the occasion of the UN World Urban Forum, a unique place was created in Katowice – Kato Urban Corner, where from June to October animators explained and showed visitors the ideas of the 17 Sustainable Development Goals. Over four months, 58 events took place and more than 2,000 visitors were welcomed. The Kato Urban Corner hosted several author meetings with writers describing the climate crisis, including Justyna Bednarek, author of the book “You Too Can Save The World. Green Tales from Pietruszkowa Wola”. Younger and older visitors could also avail themselves of the eco-library sponsored by the ING for Children Foundation. Additionally, the Foundation supported the “You Don't Use? Exchange!” action [Nie używasz? Wymień się!]. As part of the action 10 kindergartens in Katowice were equipped with exchanger racks built by children during workshops at the Kato Urban Corner.

The ING for Children Foundation was a partner of the Intergenerational Children's Literature Festival Fathers and Children in Katowice [Międzypokoleniowy Festiwal Literatury Dziecięcej Ojciec i Dzieci w Katowicach], where ecology was the main theme. On the first day of the festival, a conference was held with representatives of non-governmental organisations that make a significant contribution to the development of climate education. The Foundation was represented by its CEO, Joanna Dymna-Oszek. More than 70 educators from Silesia took part in the event. For three days, children and their caregivers participated in numerous attractions, workshops and meetings with authors, including a field game led by Justyna Bednarek and an open-air art workshop with Joanna Czaplewska, author of “Green Tales”.

Voluntary service

Until the end of March 2022, for the sake of the health of both ING volunteers and children, all projects were implemented in an e-volunteering formula. From April 2022, the ING volunteers and the youngest children could meet face-to-face again. Nevertheless, e-volunteering is still often chosen by them.

Since 2006, the employees of ING Bank Śląski S.A. have participated in the Good Idea volunteering competition. In 2022, 143 ING volunteers carried out 28 projects for a total of PLN 161,895.00. The projects, whose beneficiaries were local communities, schools and NGOs, involved 1,015 children. The activities carried out by volunteers were a response to actual needs of a given group of children. The projects included sports, art, renovation and construction or educational projects. Almost half of them included elements of financial education. In 2022, the next edition of the 'Good Idea' competition was announced and decided. Funding was awarded to 32 projects for a total of PLN 186,759.00. In addition, the Management Board of the Foundation decided to provide support of PLN 1,000 to projects that did not win the competition. This support is to keep the relationship and good rapport with the beneficiaries and the kids under their care. The funds are to be used for the meetings with the youngest children.

In 2022, the first edition of the “My Environment” programme, created by the Foundation and the Bank, was resolved, in which ING volunteers could win a grant for environmental activities with a social partner of their choice. Funding and substantive support were awarded to 33 projects that were



implemented across Poland. ING volunteers together with their beneficiaries (local schools, kindergartens and NGOs) engaged the youngest children in landscaping or conducted environmental education classes. Projects totalling PLN 392,287.00 involved 285 volunteers who reached 4,784 children with their activities. The call for applications for the second edition of the "My Environment" programme was announced in December 2022. The competition winner will be chosen in the first quarter of 2023.

In addition to the "Good Idea" and "My Environment" competitions, ING volunteers were involved in many other meetings with children. In spring 2022, 7 ING volunteers were involved in regular e-tutoring at an orphanage in Katowice. There were also one-off meetings of ING e-volunteers with children and young people from all over Poland, during which they talked mainly about their passions and travels. Cooperation with the Polish Migration Forum Foundation also continued. 8 ING volunteers (both in the form of e-volunteering and face-to-face meetings) supported foreign children and other carers in learning the Polish language, finding their way in a new reality – learning about Polish culture.

ING volunteers in 2022 were also actively involved in organising free time for the children from Zaporozhye who were under the care of the Foundation. 50 ING volunteers visited the children at the Foundation's centre in Wisla. Each visit was a unique meeting, full of attractions and sports activities.

ING employees interested in future competences had the opportunity to get involved in the "Kindergartens of Tomorrow –

Equal Opportunities" Programme. Materials were prepared for ING volunteers to help them learn more about the STEAM method and lesson plans for the youngest children. 9 ING volunteers implemented activities for 164 children in 5 institutions.

ING volunteers were also present at the Orange Power events, which were implemented in 6 facilities in Poland. 39 ING volunteers helped to organise the sporting events, but above all they accompanied children and young people in their sporting struggles. Almost 600 children took part in the Orange Power events.

In 2022, the volunteers of ING Bank Śląski S.A. were also involved in a new series of 'Pianissimo' concerts organised by the Polish National Radio Symphony Orchestra in Katowice. These were sensory concerts with a unique idea – to enable people with high sensory sensitivity to participate in musical events. The task of the volunteers was to support the listeners if needed. Also volunteers had the opportunity to listen to a concert and have a look into every recess of the unique building that is the NOSPR in Katowice. The "Pianissimo" concerts were supported by 33 ING volunteers. The concerts were attended by 733 listeners of all ages. ING volunteers were also invited by the Katowice NOSPR to help organise the Accessibility Day. 3 ING volunteers assisted with the concert organised that day.

In 2022, ING Bank Śląski S.A. volunteers actively supported the ING for Children Foundation with events and activities. They were involved in: Children's Day at the headquarters in Katowice and Warsaw, the Fathers and Kids Festival in Katowice, Kato Urban Corner and the Megabit Bomb in Krakow. A total of 37 volunteers made the implementation of activities for the youngest more efficient.

In 2022, the ING for Children Foundation organised 10 training sessions for volunteers in which 414 ING employees participated. The trainings focused on financial education, environmental education and effective community project writing. The trainings were organised before the announcement of the "Good Idea" and "My Environment" competitions and after the final decision thereon was taken, in order to better prepare those willing to submit an application and then to implement the activities. In addition to substantive training, we also organised a meeting during which volunteer leaders shared their experiences from their voluntary activities.





On the International Volunteers' Day, celebrated on 5 December, a message with good wishes was sent to employees from Joanna Erdman, Vice-President of the Management Board of ING Bank Śląski S.A., patron of the ING Volunteering programme. The ING for Children Foundation appreciated the commitment of ING volunteers and prepared for them invitations to Christmas and New Year concerts at the Polish National Radio Symphony Orchestra in Katowice.

“Kindergartens of Tomorrow – Equal Opportunities” Programme

A programme of practical knowledge on the best educational techniques, based on the competences of the future and the fun of learning, carried out in collaboration with the Digital Dialogue Association and KidsView. The keyword of the programme is STEAM, an educational method that engages children and allows for their multidirectional development. An important element of the programme was the ING volunteering. Almost 164 children participated in workshops delivered by volunteers who used STEAM materials specially developed for them. More than 300 kindergartens from all over Poland participated in the programme.

Orange Power

Orange Power is a programme that the Foundation implements thanks to the funds gained for every kilometre run or marched by ING employees in the Run Warsaw mass run and the accompanying event I march, I support. In 2021, ING employees gained in the programme the amount of PLN 63,900, which in 2022 was used to finance sports activities for children with

disabilities. This year's edition brought together almost 600 children from 6 institutions around sporting events. These were: General Secondary School Complex with Integration and Special Needs Classes No. 5 in Sosnowiec, Complex of Special Schools in Bielsk Podlaski, Fundacja Dzieciom "Zdążyć z Pomocą" (Klub Myszki Norki w Warszawie) / Foundation for Children "In Time to Help" (Norka Mouse Club in Warsaw), Stowarzyszenie na Rzecz Dzieci z Porażeniem Mózgowym „Blżej nas" (Association for Children with Cerebral Palsy, "Closer to Us") in Tychy, the HUman Rights Ambassadors Complex of Special Schools No. 14 in Gorzów Wielkopolski and Active Rehabilitation Foundation – Silesia Region. The programme's ambassador is the Paralympic sprint champion Alicja Jeromin, whose attitude shows that sport is not exclusive and is for everyone.

Run Warsaw and I march, I support

In October 2022, the Orange Team ran and marched again for the ING for Children Foundation. In doing so, it will support the next edition of the Orange Force programme in 2023 with PLN 104,600.

Oncology collections for children

In 2022, the Foundation continued its programme of oncology collections for children among ING employees. 15 collections were published in which PLN 32,242.88 was collected among ING employees. The Foundation contributed PLN 10,000 to each collection, which gave the total of PLN 150,000 in 2022.





Participation in conferences

The Foundation actively participates in conferences and external events where it shares its best practices and actions for children. In May, it was present at the 9th CSR Fair in Warsaw, where, at a joint stand with ING Bank Śląski S.A. and the ING Polish Art Foundation, it addressed topics including climate and financial education and bibliotherapy. During the fair, the "Responsible Business in Poland. Best practices" Report was announced. It honoured 10 ING practices, including the book "You Too Can Save The World. Green Tales from Pietruszkowa Wola". In addition, the Foundation participated in the Conference City-Water-Quality of Life – Wrocław (panel "Environmental education – how do we do it at ING"), the Open Eyes Economy Summit Congress – Kraków (panel "Business for education or education for business? The (un)discovered potential to counteract social exclusion"), Coalition of Pro Bono Leaders – Warsaw (panel: Employee voluntary activity – cooperation for Ukraine) and at the Corporate Foundations Forum (Donors Forum) – Warsaw.

Other internal initiatives involving ING employees

For the second time, ING employees took part in their deceased colleague memorial and took the opportunity to contribute to a charity event at the launch of ING Today. Funds from these actions, amounting to PLN 39,875, were donated to the GAJUSZ Foundation in Łódź for the OKNO [WINDOW] programme, which supports therapy for children after cancer treatment.

As part of the Orange Schoolbag campaign, ING employees helped to complete almost 100 school kits for Ukrainian

children who went to Polish schools from September. In addition, a collection was launched to purchase additional school supplies. All the school kits went to organisations and institutions supporting refugee children from Ukraine. These were: In Corpore Foundation in Katowice, Siemianowice Association for Ukraine and the Association of Ukrainians in Poland (Warsaw and branches).

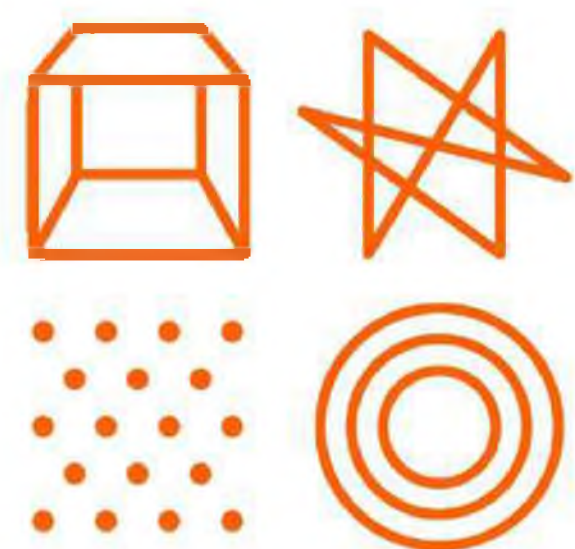
In September and October 2022, an internal Action-Auction for Ukrainian children was held at ING. Over the course of 6 weeks, PLN 13,377 was raised from 95 auctions. The funds were earmarked for an intercultural programme called "Together for a Better Future", implemented by the Copernicus Science Centre (CSC). In total, the ING for Children Foundation donated PLN 30,000 to the CSC – the remaining funds came from ongoing donations made to help Ukraine.

At the end of November, the Foundation together with the Bank organised an internal Christmas campaign among ING employees – Letter to Santa Claus. It was possible to fulfil the dreams of 268 children from 9 institutions and homes in Poland. These were: children from the Children's Home in Zaporozhye (staying under the care of the ING for Children Foundation in Wisła), children from Ukraine staying with families of ING employees, a family from Ukraine in Oleśnica, Charity Orphanage in Piekary Śląskie, OASIS Day Care Centre in Radzionków, Educational Care Facility No. 9 in Sosnowiec, and three Family Children's Homes in Warsaw – A House at Koszykowa Street, A Fairy-Tale Manor House and A Happy House. In addition, employees could pay money to the Foundation's account to purchase additional parcels – the amount of PLN 8,264.70 was collected. The funds

were used to purchase missing gifts and support the organisation of Christmas for children from the Foundation for Children "In Time to Help" – Norka Mouse Club in Warsaw and from the "Safe Haven" Specialist Support Centre for Victims of Family Violence in Świętochłowice.

Friend of the Blind

In December 2022, the ING for Children Foundation received the Badge of the Polish Association of the Blind awarded by the Special School and Educational Centre for Children and Young People with Disabilities in Dąbrowa Górnicza.



**Fundacja
Sztuki
Polskiej
ING**

The ING Polish Art Foundation was established to support Polish artists and showcase current phenomena in art. The foundation builds a collection of contemporary art and carries out artistic and educational projects. Last year, the Foundation continued its educational project The Artist – The Professional, cooperated in the creation of an exhibition presenting the youngest generation of artists at Zachęta Gallery in Warsaw – "Anxiety comes at dusk", and inaugurated the Podgląd / Preview gallery – the smallest gallery in Warsaw. At the same time, the statutory activities related to developing the collection and promoting the artists associated with it were continued. Last year, 14 new works of art by 5 artists (of which 3 female and 2 male) were added to the art collection. In 2022, the Foundation implemented its projects in accordance with the action plan adopted and approved by the Management Board and the Foundation Board. The founders of the Foundation's activities in

2022 were ING Bank Śląski S.A. and ING Hubs, fitting in with the ING Group's global programme of patronage of the arts, which plays an important role in creating the organisation's culture.

Collection

The Foundation's collection includes works created after 1990 by Polish living artists. Now, the collection comprises over 260 works, of which 89 paintings, 71 photographs, 42 works on paper, 37 objects (sculptures, ceramics, textiles, etc.), 8 videos and 16 installations – both by recognised artists as well as artists of the younger generation, born in the 1980s and 1990s. The collection includes works by 43 female and 73 male artists. In recent years, the foundation was actively working to have a more equal gender representation in its collection. The foundation's collection remains one of few corporate collections in Poland. In 2022, the collection included photographs by Maria Loboda, paintings by Karol Radziszewski and Cyryl Polaczek, sculptures by Zuza Golińska and an object (flag) and photograph by Yulia Krivich. The Foundation's collection shows, among other things, the involvement of contemporary art in current global issues such as climate or human rights. Zuza Golińska addresses issues of climate crisis and catastrophe; the sculptures purchased to the collection were made from steel recovered from the Gdansk shipyard. Yulia Krivich is an artist from Ukraine, but has lived in Poland for many years. Her campaigns join art with activism and are aimed at supporting her country and its people, including those who have come to Poland.

Works from the collection can be found every day in the Founders' offices mainly in the bank's headquarters in Warsaw and Katowice, as well as the offices of ING Lease, ING Commercial Finance, ING Wealth Management and ING Hubs.

The Foundation's collection can be also viewed online. You can see images of works from the collection on the foundation's [website](#) under a Creative Commons 3.0 licence (Attribution, Non-commercial Use, No Derivative Works). The images can be download in high resolution.

Exhibitions

In 2022, the Foundation co-organised the exhibition "Anxiety Comes at Dusk" (16 July – 16 October) curated by Magdalena Komornicka at Zachęta – National Gallery of Art in Warsaw. This was the first generational review in a long time, presenting the work of nearly 90 artists born in the 1980s and 1990s, allowing many young artists to show their work to a wider audience in such an important cultural venue. The exhibition also included 12 works from the Foundation's collection – by Agata Ingarden, Stach Szumski, Hanna Krzysztofiak, Mikołaj Sobczak, Martyna Czech, Zuzanna Bartoszek, Tomasz Kręcicki, Karolina Jabłońska and Ali Savashevich.



The Foundation has also launched its own unusual exhibition space – a gallery of one work – Preview, located in the shop window of the bank's headquarters at Puławska 2. Thanks to its location, access to the work on display is available to all passers-by, 24 hours a day. The following works were presented in 2022: *Untitled* by Janek Simon and *Noblesse Oblige* by Slavs and Tatars.

In addition, as part of a programme of lending works from the collection, works were exhibited at the following events:

1. Bielsko BWA Gallery, "POTENCY – Humoral theory: quattrostagioni", 4.03-9.05.2022
2. Art Transformation in Szczecin, "First place in the table?", 25.03-29.07.2022
3. MCSW Power Plant, Radom, "WomanArt. Power", 10.05 – 25.09.2022
4. ZAK Zentrum für Aktuelle Kunst at Spandau Citadel, Ausnahmezustand, 25.08-1.01.2023
5. Zachęta – National Gallery of Art in Warsaw, Mariola Przyjemka, "Construction, Consumption and Melancholy", 23.08.2022 – 08.01.2023

Foundation Award

Since 2017, works by artists of both genders or an artistic group presented during Warsaw Gallery Weekend have been

added to the foundation's collection by way of a competition. From 29 September to 30 September 2022, the jury (consisting of: Fanny Hauser – art curator, Ludwig Forum in Aachen, Osman Djajadisastra – collector of contemporary art, Hanna Wróblewska – president of the Zachęta Society for the Encouragement of Fine Arts, Anna Golka, Kamila Bondar – members of the Management Board of the ING Polish Art Foundation) visited 30 exhibitions by artists of both genders exhibiting as part of Warsaw Gallery Weekend. Detailed rules of the competition are set out in the regulations available on the website, and jury deliberations are minuted.

The ING Polish Art Foundation's Grand Prize was awarded to Karol Radziszewski

The jury decided to purchase the painting "Harnasie". A Special Prize was also awarded to Karolina Grzywnowicz for her exhibition at the Jednostka gallery.

Artist: The Professional

In 2022, the Artist: The Professional project, addressed to students and novice artists, took place for the sixth time. The aim of the project is to prepare for the difficult moment of graduation and the professionalisation of artistic activity, to level the playing field and support in professional development. Being in the professional art world requires not only talent and hard work, but also knowledge about how it operates. During the classes, you can learn about the tools and practices which can help you to be a professional artist. Lectures, workshops and portfolio consultations will be conducted by people working as curators, artists and activists, exhibition producers

and art market specialists. They will talk about, among other things, how to introduce yourself properly to art curators and gallerists, how and where to organise your first exhibitions, where to get insurance and how to take care of your rights.

In 2020, the project was moved online due to pandemic constraints and it was also continued in the same formula in 2022.

The 2022 edition includes: 9 lectures in Polish, a special lecture for people from Ukraine (in Ukrainian and Russian), 205 portfolio consultations, Summer School on the Vistula River as part of the FLOW project, stays in W788 residence (3 winners). All lectures were translated into Polish sign language and were recorded with translation. The recordings from this edition, as from the previous ones, together with additional supplementary materials, have found their way to a new location on the Foundation's [website \(https://ingart.pl/en/main\)](https://ingart.pl/en/main) – KNOWLEDGE HUB.





The 2022 edition in figures:

917
women

193
men

33
non-binary persons
(in total: 1143)

16
provinces

11
teenagers

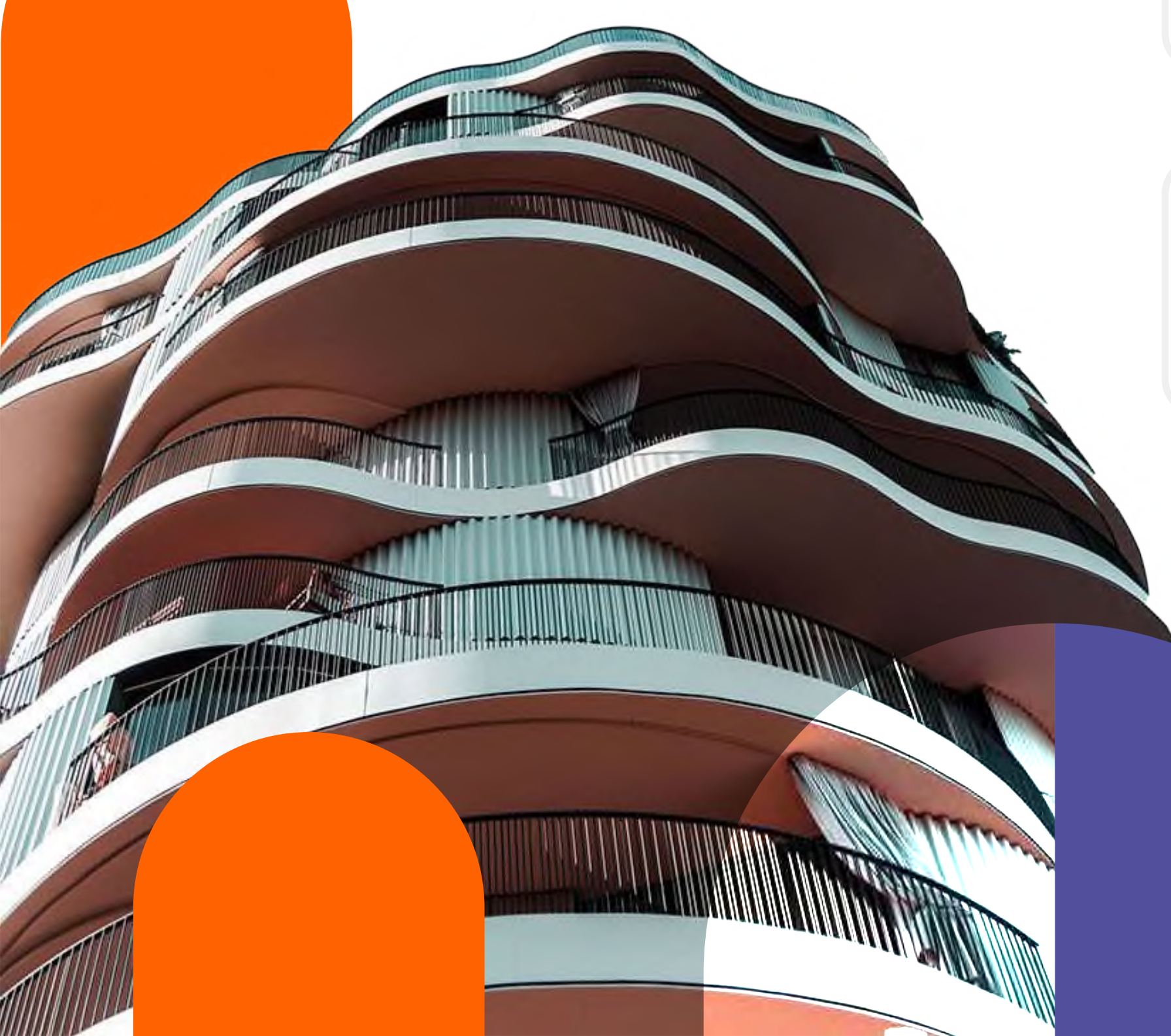
42
people over the
age of 50

92%
rated good
and very good

98%
would
recommend the
lectures to other
interested parties

85%
think that the
knowledge
transferred
should be in
the university
curriculum

Information about the operations of the ING for Children Foundation and ING Polish Art Foundation is available in the *Management Board Report on Operations of ING Bank Śląski S.A. Group for 2021*, including the *Report on Operations of ING Bank Śląski S.A.* Additionally, the ING for Children Foundation and ING Polish Art Foundation publish all information on their websites. Information about current events is published on Facebook profiles of both Foundations which are open to the public, on the intranet and in *Baśka* magazine. It is also published as press releases.











Sponsorship activities

In 2022, ING Bank Śląski S.A. continued to be involved in sponsorship activities targeted at entrepreneurs and young people, green activities as well as the activities for SME and mid-corporate owners and managers.

ING Bank Śląski S.A. pursues its business strategy in a responsible and sustainable manner. The bank is aware that the decisions and actions we take today shape the world we will leave for our next generations. It wants to have a positive impact on it and use its capabilities for a good cause. People have always been at the heart of the bank's activities. Now it includes also the challenges of the climate crisis. The bank's strategy is supported by its Green Statement.

The most important sponsored events were:

-  **Forbes Diamonds,**
-  **European Economic Congress in Katowice,**
-  **Open Eyes Economy in Cracow,**
-  **Run Warsaw event,**
-  **Fest Festival,**
-  **Festival of the Future.**



This year, for the first time, ING Bank Śląski S.A. became a Strategic Partner of the **'Forbes Diamonds'** ranking. Forbes Diamonds is a list of companies whose value increased most rapidly in the last three years. As many as 6,636 companies with a positive credibility rating, high current liquidity and no arrears in payments to their counterparties qualified for this year's ranking. The list included companies with 15 per cent or more growth in value. The awarded companies were divided into three categories according to sales revenue: small companies with revenue from PLN 5 million to PLN 50 million, mid-sized companies with revenue from PLN 50 million to PLN 250 million and big corporates with sales revenue above PLN 250 million.



ING Bank Śląski S.A. is always close to its customers, and many of them were included in the Forbes Diamonds ranking. For nearly six months, together with Forbes, we communicated the lessons learnt from the ranking and congratulated the winners. Between April and July, 10 regional galas were held in the largest cities in Poland, in which we took an active part. ING Bank Śląski S.A. as the bank for the enterprising has been supporting the **European Economic Congress** in Katowice for many years – this time as the Main Sponsor and the Main Sponsor of the Online Broadcast. This year's 14th edition of the congress took place on 25 April 2022 at the International Congress Centre in Katowice. ING experts

participated in discussions about the global geopolitics, including the framework for the social and economic development of Poland, Europe and the world, as well as green megatrends, advanced technologies and new competences.



ING Bank Śląski S.A. has supported the **Open Eyes Economy Summit** from the very beginning. The congress took place on 22 and 23 November 2022, at the ICE Congress Centre in Krakow and on a special streaming platform live.oees.pl. The hybrid form of this congress has probably already stayed with us for good and all. During the 7th edition of the international congress on the economics of value, experts from various backgrounds, industries and companies, including ING Bank Śląski S.A., shared their knowledge and experience.

Participants discussed the economic credibility of the state and companies and their impact on the economy. There was no shortage of topics in areas such as human rights, employee experience or climate challenges. In addition to economic issues, the congress was also devoted to aspects related to the conflict in Ukraine.

The OEES stands for two days of intensive sessions and discussions on social value-based economics. The congress brings together representatives from politics, business, public administration, NGOs, science, media and culture.



ING Bank Śląski S.A. became a partner of this year's edition of **FEST Festival**, which took place from 10 August 2022 to 13 August 2022 in the Silesian Park in Chorzów. The Fest Festival is not only a celebration of music, but also of ecology. In a dedicated zone, ING Bank Śląski S.A. inspired young people to zero waste solutions and talk about ecology.

Thanks to the initiatives taken by the bank and the organiser, this year the event was not only musical and magical, but also ecological:

- Reusable mugs to reduce litter at the festival – 13 mug designs, inspired by festival stages – 180,000 mugs with the ING logo were produced.
- Eco-friendly seating mats – sewn from ING advertising materials and distributed to festival participants – 1,000 mats were distributed.
- Fest limited edition of 7 card designs for convenient cashless payment and as a festival souvenir – 1,868 cards were ordered.
- A competition for creative green initiatives with up to 100 festival passes to be won – over 8,000 entries in My ING and 250 on Facebook.
- FEST TALK Zone – in a place for workshops and panel discussions, ING hosted a series of inspiring meetings about ecology.

- ING Zone – while relaxing, festival-goers could participate in upcycling workshops and increase their knowledge of zero waste. More than 230 people took part in upcycling workshops, during which more than 240 gadgets (shopping bags, spectacle cases or phone covers) were sewn.

ING Bank Śląski S.A. is true to its green statement and wants to support initiatives that care for the environment. The bank wants to inspire the implementation of zero waste solutions and conversations about ecology.

ING Bank Śląski S.A. became the General Partner of the **Run Warsaw** and Marching and Cheering events, which took place on 2 October 2022 in Warsaw. The Orange Team ran for the 10th time for the ING for Children Foundation. Run Warsaw is an event that has been on the running calendar of most Poles for years. It has become a running tradition and a proof that people in the cities still do sport. The eleventh edition of the iconic Run Warsaw event is a project that shows running as part of city life, a tool for promoting social actions and a way to spend free time together.

After a two-year break, the Orange Team once again showed its strength with nearly 4,000 people. The ten-kilometre distance was covered by 529 people, and more than 3,000 people marched and cheered together with their families.





Festival of the Future

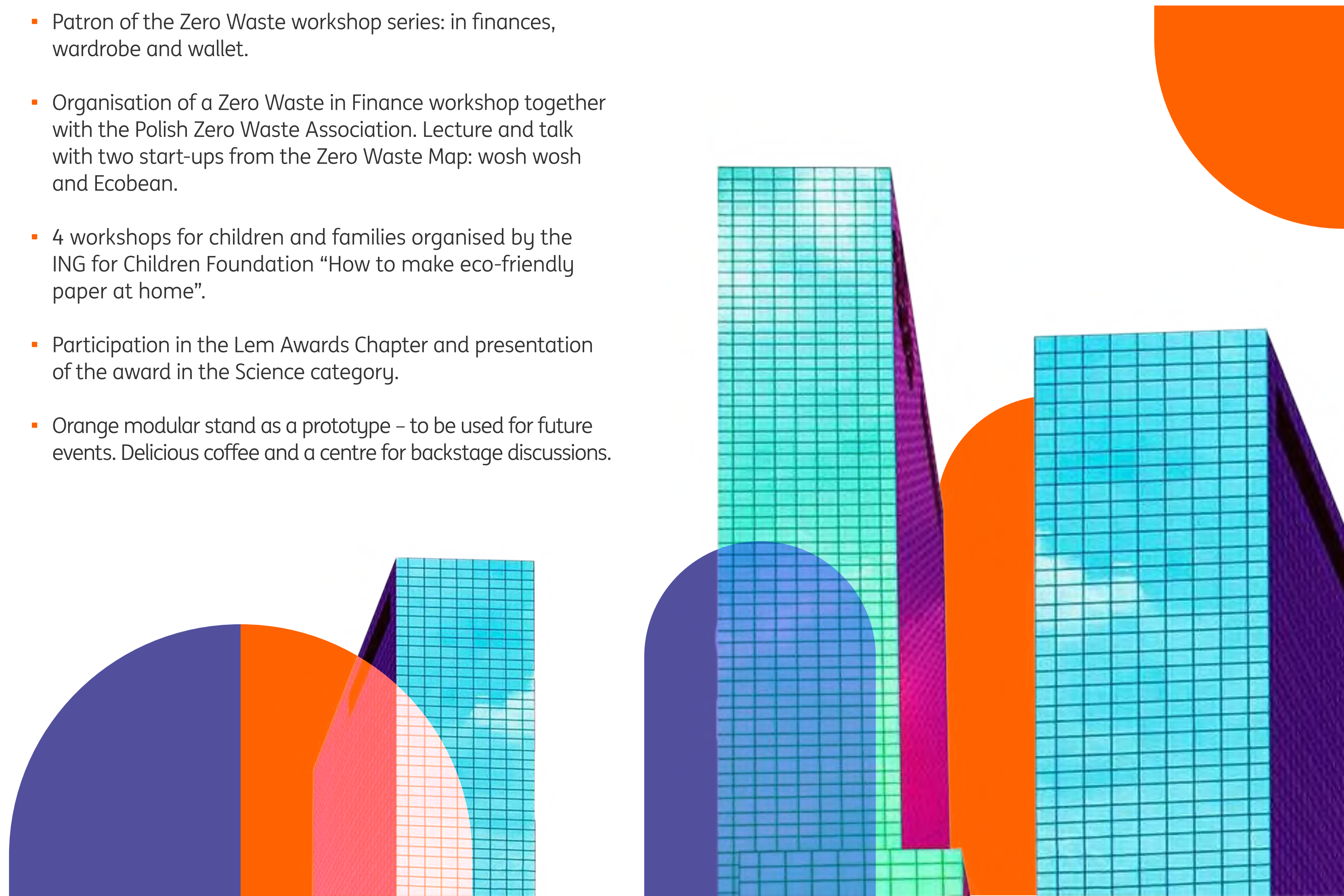
ING Bank Śląski S.A. became a partner of the second edition of the Festival of the Future, which took place from 5 September to 12 September 2022 in Krakow. This event was organised by the City of Kraków, KBF and Instytut Polska Przyszłości im. Stanisława Lema [the Stanisław Lem Institute for the Poland of the Future]. Its tagline was: “climate and the role of technology, science and culture in carrying out climate change”. Festiwal Przyszłości Bomba Megabitowa [the Megabit Bomb Festival of the Future] is an event combining culture, technology and science.

An important element of this year's Megabit Bomb Festival of the Future was the Climate Roundtables with government and business representatives, as well as activists involved in pro-social and pro-environmental activities. ING was an active participant in the Roundtables, working out recommendations together with the guests in two areas: energy and CSR.

ING Bank Śląski S.A.'s involvement in the Festival of the Future included active participation in the main and accompanying events:

- Moderation and presentation of the recommendations of the Business and Responsibility Roundtable
- Panel discussion “Eco-innovations that change the world”, promotion of winning solutions of the ING Grant Programme, announcement of the second edition

- Patron of the Zero Waste workshop series: in finances, wardrobe and wallet.
- Organisation of a Zero Waste in Finance workshop together with the Polish Zero Waste Association. Lecture and talk with two start-ups from the Zero Waste Map: wosh wosh and Ecobean.
- 4 workshops for children and families organised by the ING for Children Foundation “How to make eco-friendly paper at home”.
- Participation in the Lem Awards Chapter and presentation of the award in the Science category.
- Orange modular stand as a prototype – to be used for future events. Delicious coffee and a centre for backstage discussions.





The Bank has an ING Bank Śląski S.A. Sponsorship Policy that defines conduct, rules and procedures that clearly define how each sponsorship activity in the bank should be handled and reported. This policy applies to all sponsorship activities regardless of their size.

ING Bank Śląski S.A. conducted community service, charitable and sponsoring activities in the top priority areas, as per the ESG Strategy of ING Bank Śląski S.A. for 2022-2024.

The Bank clearly communicated all sponsorship activities in the media thus building a positive image of the ING brand. Through sponsorship activities, the bank built its eco-brand. Moreover, it established and maintained good relations with business customers by which the bank fulfilled the strategic objectives of sponsorship. In 2022, ING Bank Śląski S.A. spent approximately PLN 2,300,000 gross on all sponsorship activities.

Keeping in mind the above information we may conclude that the 2022 ING Bank Śląski S.A.'s sponsorship policy was conducted in a well-thought-out and rational manner, and that the expenses incurred by the Bank for this purpose are fully justified.

The Bank also communicated its charitable actions in a transparent manner by publishing information on the current events and annual summaries in the annual report and the Integrated Report of ING Bank Śląski S.A. Multiple communication tools were used to provide internal and external stakeholders with information in an accessible form.

The bank has *ING Bank Śląski S.A. Donations Policy* which applies to all charitable financial donations. The Centre of Expertise – Compliance and the Donations Committee are involved in the donation process. Whereas *the Procedure for the sale/ donation/ reprocessing of assets of ING Bank Śląski S.A.* regulates the in-kind donations. These regulations ensure a process-oriented approach to donations and their effective use within charitable and social activities.

In 2022, ING Bank Śląski S.A. took the first place in the general classification of the Ranking of Responsible Companies. Thus, it is the leader of the companies that are most advanced in applying CSR best practices. ING Bank Śląski S.A. was awarded the Gold Leaf for the third time for its sustainable development activities. 10 CSR best practices of the Bank were included in the Responsible Business Forum report. The "Responsible Business in Poland 2021. Best practices" is the largest CSR review in Poland.



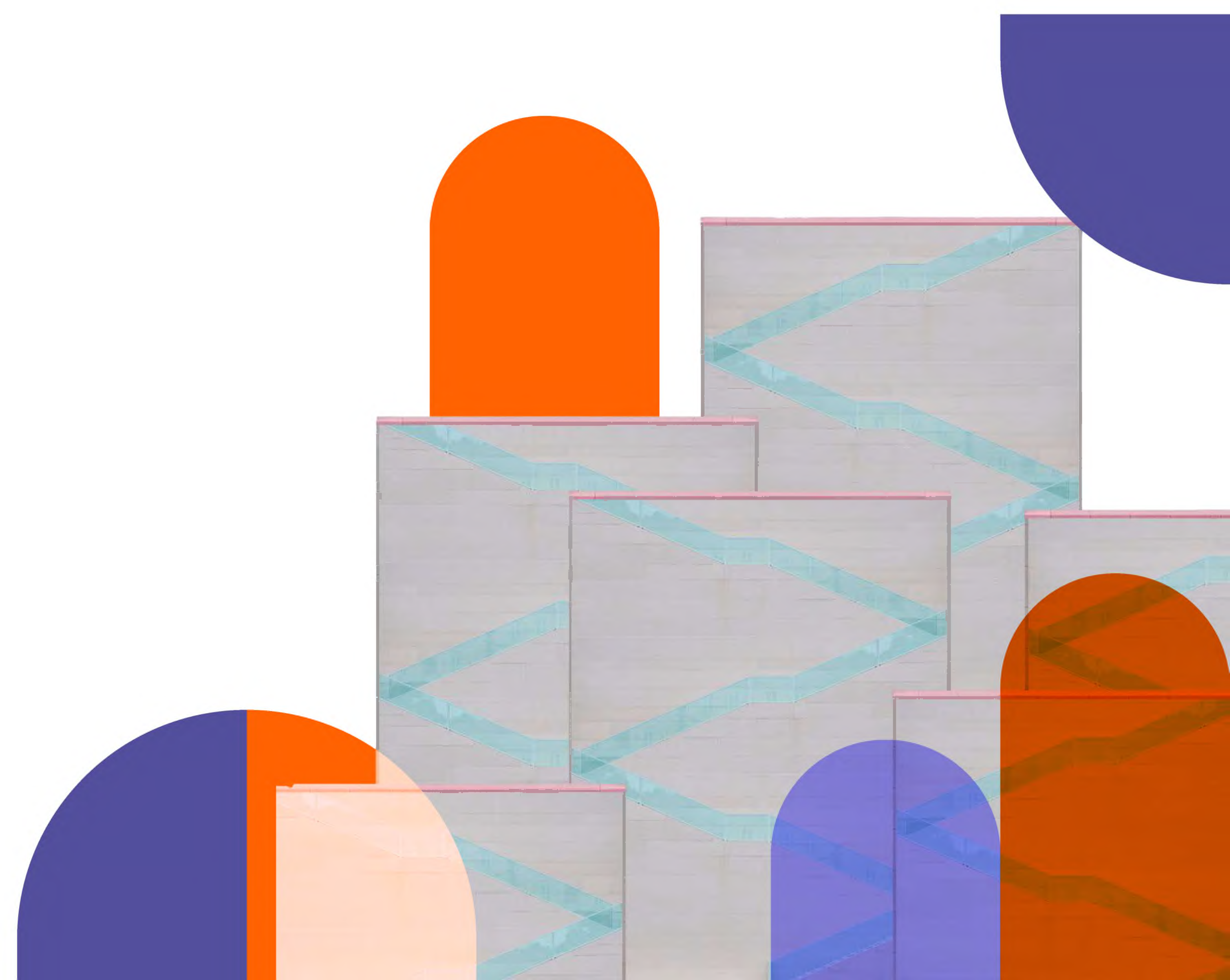


Assessment summary

The above information allows us to conclude that ING Bank Śląski S.A.'s charitable and social activities policy was conducted in a rational manner keeping in mind social needs, and that the expenses incurred by the Bank for this purpose are assessed by the Board as reasonable and rational.

The Bank operates a transparent and effective information policy; details of social, charitable and sponsorship activities launched by the Bank are published in the Management Board's annual report. Thus, the Bank satisfies recommendation 1.5. of the Code of Best Practice for WSE Listed Companies.

The Supervisory Board of ING Bank Śląski S.A. would like to express its appreciation to the Management Board of ING Bank Śląski S.A. and ING Employees and thank them for all their help and support for the victims, refugees and especially children from Ukraine. The Board appreciates not only the significant financial assistance and various support activities, but above all the personal commitment of ING Employees.





Operations of the Supervisory Board and its committees

Assessment of financial statements and profit distribution

Assessment of Bank's situation

Assessment of application of Principles of Corporate Governance

Assessment of the charity and sponsorship initiatives expenditure

Implementation of the diversity policy

Update

on the implementation status of the diversity policy for the ING Bank Śląski S.A. Management Board and Supervisory Board in 2022



The basis for presenting information on the implementation of the diversity policy with regard to the Management Board and Supervisory Board of ING Bank Śląski S.A. in 2022 is Guideline 2.11.6 of the 2021 Best Practice for GPW Listed Companies.

Since September 2018, ING Bank Śląski S.A. has had a *Diversity Policy for ING Bank Śląski S.A. Management Board and Supervisory Board Members in place* ("Policy"). Following the positive recommendation of the Remuneration and Nomination Committee of the Supervisory Board of ING Bank Śląski S.A., the *Policy* was implemented by Resolution of the Supervisory Board of the Bank No. 60/X/2018 of 20 September 2018. The *Policy* was updated by Resolution of the Supervisory Board of ING Bank Śląski S.A. No. 57/VIII/2019 of 6 June 2019.

Objective of diversity policy

1. The *Policy* seeks to:

- reach a wide scope of powers when appointing Supervisory Board and Management Board Members to have diverse points of view and experience and to enable issue of independent opinions and reasonable decisions within a given body,
- ensure high quality of tasks performed by the managing bodies by way of selecting competent persons to hold the positions at the Supervisory Board and Management Board, first of all applying therefor objective business-related criteria and taking into account benefits stemming from diversity.

2. As regards business-related criteria, the strategy of diversity ensures selection of persons with diverse knowledge, skills and experience, suitable for positions held by them and duties entrusted to them, who complement each other at the level of all the Management Board and Supervisory Board Members. The criteria are verified in the suitability assessment process described in 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.* Moreover, apart from knowledge, competences and professional experience, the *Policy* covers gender – and age-related differences, and applies them to arrive at the best outcome.
3. When taking a decision to appoint members of the managing bodies, the Bank takes into consideration the fact that more diverse governing bodies are conducive to constructive challenge and discussion based on various viewpoints. The *Policy* assumes aiming at ensuring representation of both genders in the processes of selection and succession plans. At the same time, the *Policy* stipulates that the Bank will not appoint members to bodies for the sole purpose of increasing the diversity to the detriment of the functioning and suitability of the body as a whole or the suitability of individual members.





How to achieve the Diversity Policy objective

1. In order to implement the *Policy*, the Remuneration and Nomination Committee of the Supervisory Board sets a target value for the representation of the underrepresented gender in the Bank Management Board and Supervisory Board and adopts a plan to achieve the target value.
2. This value shall be determined in accordance with the duration of the term of office of the Bank Supervisory Board and the Management Board, i.e. once every four consecutive full financial years counted from the beginning of the term of office of the given body. It shall be verified annually on the basis of reports developed by the HR units and presented to the Committee no later than by 30 June of each calendar year. Should the target value not be reached, the Bank shall document the reasons for this, the measures to be taken and the timing of such measures to ensure that the target value is reached.
3. In 2020, the target value for the diversity ratio in the Bank's bodies has been set at 30% women to 70% men (with a deviation of +/- 2%). This value is tested separately for the Bank Management Board and Supervisory Board. Verification of talent and updating of the successor base, while keeping in mind the objectives of the *Policy*, were the measures identified by the Committee in order to achieve the target.

Information on the implementation of the Diversity Policy in 2022

1. In accordance with the provisions of the *Policy*, the HR units presented information to the Remuneration and Nomination Committee at their meeting on 9 June 2022 on the determination of the status of gender representation in the Management Board and Supervisory Board of ING Bank Śląski S.A. According to the data presented, the diversity indicator understood as the number and percentage of women on the body was:

Composition of the Management Board

Number of members	Number of women	% share of women
8	4	50%

Composition of the Supervisory Board

Number of members	Number of women	% share of women
7	3	43%

In addition, as part of the information provided, the Remuneration and Nomination Committee was made aware of benchmarking studies on diversity indicators for ING Bank N.V. and the largest banks in Poland. Furthermore, the Committee was provided with EBA report on the benchmarking of diversity practices no. EBA/REP/2020/05.





2. Policy implementation in the Bank Management Board:

- There were no changes in the composition of the Bank Management Board during 2022 that would affect the diversity indicator.

Matrix by gender as at 31 December 2022

Number of Members	Number of women	% share of women
8	4	50%

Matrix by age at 31 December 2022

Number of Members	Age		
	below 30 years	from 30 to 50	over 50
8	0 (0%)	3 (37.5%)	5 (62.5%)

- Bank Management Board Members are appointed and recalled, considering the requirements of the *Banking Law Act*. The President of the Management Board and the Vice-President supervising the management of the risk material to the Bank's business are appointed upon the approval of the Polish Financial Supervision Authority.

The Supervisory Board appoints the members of the Bank Management Board from among candidates selected on the basis of succession plans and, if necessary, from among external candidates who have passed the suitability assessment procedure and received a positive recommendation of the Remuneration and Nomination Committee. The process related to succession planning and the selection of suitable candidates is described in detail in the ING Bank Śląski S.A. *Management Board Members Appointing, Onboarding and Recalling Policy*.

- The Bank put in place processes to ensure a composition of the Bank Management Board that allows getting access to a broad scope of competences when appointing its members in order to acquire various perspectives and experience and to enable issuing independent opinions and reasonable decisions within the authority. In order to ensure high quality of task performance by the Bank Management Board by selecting competent people, one shall apply, first and foremost, objective factbased criteria and account for benefits deriving from diversity.
- Job profiles have been developed for the positions in the Bank Management Board, specifying the responsibilities as well as the requirements in terms of knowledge and competence and the expected involvement in terms of time commitment required to perform the function. The current composition of the Bank Management Board represents a wide range of knowledge, competencies and experience verified in accordance with 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. The adequacy of persons occupying positions in the Bank Management Board is reviewed periodically as part of the assessment of the primary and secondary individual adequacy and the collective adequacy of the Bank Management Board as a body.

Highly qualified individuals are appointed to the Bank Management Board. All members demonstrate adequate experience and knowledge to manage the bank in the areas reporting to them.

Matrix by education as of 31 December 2022

Education				
economics	finance and statistics	banking and finance	foreign trade	engineering
3	1	1	2	1

- The education of the Bank Management Board Members is supplemented by additional qualifications and certificates obtained through additional courses of study, post-graduate studies and specialised training, mainly in business management, but also qualifications such as the licence of chartered accountant. Each Member of the Bank Management Board has extensive professional experience.



3. Implementation of the Policy in the Supervisory Board:

- During 2022, there were changes in the composition of the Supervisory Board which did not affect the diversity indicator.

Matrix by gender as at 31 December 2022

Number of Members	Number of women	% share of women
7	3	43%

Matrix by age at 31 December 2022

Number of Members	Age		
	30 or younger	from 30 to 50	over 50
7	0 (0%)	2 (28.6%)	5 (71.4%)

- Members of the Supervisory Board shall be appointed by the General Meeting during a secret voting, upon considering the requirements set out in the Banking Law Act and in the Policy of appointing and recalling Members of the Supervisory Board of ING Bank Śląski S.A., including the scope of the fulfilment of requirements in accordance with the description of responsibilities and skills related to the function of a Supervisory Board Member.

- Job profiles have been developed for the functions in the Bank Supervisory Board, specifying the responsibilities as well as the requirements in terms of knowledge and competence and the expected involvement in terms of time commitment required to perform the function. The current composition of the Bank Supervisory Board represents a wide range of knowledge, competencies and experience verified in accordance with 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. The adequacy of persons performing functions on the Supervisory Board is reviewed periodically as part of the assessment of the primary and secondary individual adequacy and the collective adequacy of the Supervisory Board as a body.

Highly qualified individuals are appointed to the Bank Supervisory Board. All members have appropriate experience and knowledge to properly supervise the Bank.

Matrix by education as of 31 December 2022

Education		
economics	banking and finance	legal
5	1	1

- The education of the Supervisory Board Members is supplemented by additional qualifications and certificates obtained through additional courses of study, post-graduate studies and specialised training, mainly in management, accounting, law, information technology, but also qualifications and licences of, for instance, an attorney-at-law, certified accountant or certified auditor. Each Member of the Supervisory Board has extensive professional experience.
- An additional criterion differentiating the composition of the Supervisory Board is the nationality of the Board members. In the composition of the Supervisory Board, 2 persons have a nationality other than Polish.

Matrix by nationality as at 31 December 2022

Polish	Other
5	2

The Supervisory Board assess that in 2022 the Bank has properly implemented the assumptions of the adopted diversity policy.

Report on remuneration of the Supervisory Board and Management Board Members of ING Bank Śląski S.A. for the year 2022

This report was drafted pursuant to the Act of 29 July 2005 on Public Offering and on the Terms of Introducing Financial Instruments into Organized Trading and on Public Companies (Journal of Laws of 2022, item 2554 of 09.12.2022) which introduced the duty to prepare annual reports on the remuneration of the Management Board and of the Supervisory Board, and to have that report assessed by the statutory auditor. The structure and the scope of the report derive explicitly from Article 90g(2) of the said Act.

The Supervisory Board presented the first report on the remuneration of the Members of the governing bodies to the Ordinary General Meeting of ING Bank Śląski S.A. on 15 April 2021. The report covered remunerations for the years 2019 and 2020. With Resolution No. 6, the Ordinary General Meeting gave positive opinion on the report on the remunerations of the Supervisory Board and the Management Board of ING Bank Śląski S.A. (the "Bank").

In the following year, in accordance with Resolution No. 6 of the Ordinary General Meeting of ING Bank Śląski S.A. of 7 April 2022 on the opinion to the Supervisory Board report on the remuneration of Supervisory Board Members, the General Meeting issued a positive opinion to the report on the remuneration of the Supervisory Board and the Management Board of ING Bank Śląski S.A. for 2021, as presented by the Supervisory Board.

I. INTRODUCTION

As required under the Act of 16 October 2019 Amending the Act on Public Offering and on the Terms of Introducing Financial Instruments into Organized Trading and on Public Companies and Certain Other Acts, the Bank introduced the *ING Bank Śląski S.A. Supervisory Board and Management Board Members Remuneration Policy*. The Policy was adopted by way of Resolution No. 29 of the Ordinary General Meeting of ING Bank Śląski S.A. of 2 April 2020.

As a result of the annual review of the internal regulations, the Supervisory Board of ING Bank Śląski S.A. approved, pursuant to Resolution no. 105/XXI/2020 of 20 November 2020, changes to the *Executive Remuneration Bylaw for Members of the Management Board of ING Bank Śląski S.A.*, effective as of 1 January 2021. Respective amendments were introduced to the *ING Bank Śląski S.A. Supervisory Board and Management Board Members Remuneration Policy*. The most important change assumed the extension of the deferral period of variable remuneration of Members of the Management Board to 5 years (excluding the President of the Management Board, to whom the deferral period of 6 years applies).

The most recent changes to the Policy were adopted by way of Resolution No. 32 of Ordinary General Meeting of ING Bank Śląski S.A. of 7 April 2022. The amendments concerned the level of remuneration of the Supervisory Board Members, changes to the incentive programme applicable to the Management Board Members and specifying in more detail the provisions, whereby the total remuneration of the Management Board Members is linked to the remuneration of other employees.

As regards the remuneration of other employees, the *ING Bank Śląski S.A. Group Employees Remuneration Policy* has been in effect since 1 January 2017. The document sets out the key assumptions of the remuneration policy applied in order to attract and retain employees by ensuring a salaries level that is competitive on the market, and it defines the remuneration components. Detailed principles arising from the *Policy* are specified in greater detail by:



- 1) *Variable Remuneration Policy for Identified Staff*¹ of ING Bank Śląski S.A.,
- 2) *ING Bank Śląski S.A. Employees Remuneration Bylaw*, including enclosures thereto:
 - a) *ING Bank Śląski S.A. Employee Evaluation Bylaw (Step Up)*, and
 - b) *ING Bank Śląski S.A. Identified Staff Evaluation Bylaw*.

II. TOTAL REMUNERATION OF THE BANK GOVERNING BODIES' MEMBERS

Pursuant to Article 90g Section 2 Item 1 of the Act, we disclose the amount of the total remuneration sub-divided into components referred to in Article 90d Section 3 Item 1, and the proportions of those remuneration components. At the same time, we account for the provisions of Section 5, whereby where the remuneration of the management board and of the supervisory board members includes cash payments or non-monetary benefits awarded to close ones of those persons, the report on remuneration should include information on the value of those benefits.

1. Structure of the Supervisory Board Members' remuneration

Due to the supervisory function of the Supervisory Board, the Supervisory Board Members are only awarded **fixed remuneration** that is not conditional on the Bank's performance. The fixed remuneration of the Supervisory Board Members consists of:

- a) base remuneration which amounts to PLN 13,300 (in words: thirteen thousand three hundred PLN ^{00/100}) gross a month, and
- b) a monthly allowance for each additional function held by the Supervisory Board Members on the Supervisory Board or its committees, which is set as a percentage of the base salary and which is as follows:
 - Chairperson of the Supervisory Board – 100%,
 - Deputy Chairperson of the Supervisory Board and Members who are Chairpersons of the Supervisory Board Committees – 25%,
 - Members other than Chairpersons of the Supervisory Board Committees – 15%.

The remuneration of a Supervisory Board Member is paid regardless of the frequency of the Supervisory Board meetings and it is paid on the last business day of any given month.

Members of the Supervisory Board who also hold other functions in ING Bank N.V. perform their tasks on the Supervisory Board without payment.

2. Structure of the Management Board Members' remuneration

The total remuneration is set out in the *Executive Remuneration Bylaw for Members of the Management Board of ING Bank Śląski S.A.* It consists of fixed remuneration and variable remuneration, or the annual bonus. Fixed remuneration is composed of:

- a) the **base remuneration** which is determined in conjunction with a benchmark according to a selected job valuation methodology, based on a role description in reference to the knowledge, challenges, issues and responsibilities in a given position, as well as the professional experience.

¹Identified Staff – persons employed at the Bank, identified as having material impact on the risk profile of ING Bank Śląski S.A. on the basis of the criteria indicated in the Enclosure 1 to the *Variable Remuneration Policy for Identified Staff of ING Bank Śląski S.A.* according to the provisions of the Regulation of the Minister for the Development and Finance and the RTS Regulation.



The terms of remuneration of the Management Board Members are determined upon taking into account the market data, including the median for comparable positions at comparable organisations, and upon accounting for the Bank's operations and its financial situation.

The base salary of the Members of the Management Board for a given month is paid in arrears on the last business day of the month,

b) **fringe benefits**, which comprise:

- life insurance,
- contributions to the investment fund,
- medical care,
- a company car,
- benefits related to termination of the employment contract,
- in justified cases the Supervisory Board may, upon the Remuneration and Nomination Committee's recommendation, decide to cover, temporarily, additional costs related to a long-term foreign contract of a Management Board Member, such as the costs of accommodation or education of the Management Board Member's children.

c) **variable remuneration**, or the annual bonus. The criteria for the award of variable remuneration are in line with the long-term business strategy, the values and risk appetite of the Bank; they promote and support the effective risk management board process, and support long-term interests of the Bank and its clients. The bonus is deferred for five years from the date on which the Supervisory Board determined the variable remuneration (in case of the President of the Management Board, the deferral period is six years). Where a Management Board Member is awarded variable remuneration below the amounts defined by the Supervisory Board in the *Executive Remuneration Bylaw for Members of the Management Board*, the deferral is not applied. Where a Management Board Member is awarded a particularly high variable remuneration defined in the said *Bylaw*, no more than 60% of the awarded variable remuneration is deferred.

The annual non-deferred and deferred annual bonus is sub-divided into two parts (rounded up to the integer number of financial instruments):

- at least 50% in the shares of ING Bank Śląski S.A. or other financial instruments which entitle the holders to receive funds in an amount conditional on the value of the ING Bank Śląski S.A. shares, and
- the remaining portion is paid out in cash.

With Resolution No. 29 of 7 April 2022, the Ordinary General Meeting of the Bank decided to establish an incentive programme at the Bank addressed at people having material impact on the risk profile of the Bank. As part of the Programme, own shares will be awarded free of charge as a component of variable remuneration for Identified Staff within the meaning of the Regulation of the Minister for Finance, Development Funds and Regional Policy of 8 June 2021 on risk management system and internal control system, and remuneration policy at banks (Journal of Laws of 2021, item 1045).

The new programme replaced the existing solution, under which a portion of variable remuneration was paid out in the financial instrument, or phantom equity. The new programme entered into force as of 1 July 2022, and the persons covered by that solution (including but not limited to the Management Board Members) received the relevant amendment agreements to their contracts of employment. The variable portion of remuneration for the period from 1 January 2022 until 30 June 2022 will be paid out



in phantom equity, on terms and conditions set out in the existing programme, and in own shares on terms and conditions set out under the new programme, in proportion to the effective term of the existing- and the new programme during the period from 1 July 2022 and 31 December 2022. The period from 1 January 2023 and 31 December 2023 will be the first full period for which the variable portion of remuneration will be paid out on own shares.

In order for the Programme to work, it is necessary to obtain an adequate number of own shares from the market. According to the Programme assumptions, the Ordinary General Meeting of the Bank authorised the Bank Management Board to acquire own shares.

Where it is actually impracticable to purchase the shares on the market or where it is impossible without excessive difficulties or within the assumed time sheet, in order to continue to effect the Bank's obligations under the Programme, the Bank Management Board may decide, upon consent of the Supervisory Board, to replace the own shares with any other financial instruments whose value is conditional on the value of the Bank shares, or the Bank Management Board may decide to effect the Bank's obligations under the Programme in any other way to achieve its objectives.

The rights to phantom equity awarded before the initial date of the new programme will be exercised according to the existing rules. Most significantly, the deferred portions of the remuneration awarded in phantom equity will not be converted to own shares.

Variable remuneration for a given year is determined by the Supervisory Board in the year following the year subject to assessment. Only the non-deferred portion in the form of cash is paid out, not later than within seven business days following the approval of the annual financial statements of the Bank by the General Meeting of ING Bank Śląski S.A.

A holding period applies to a bonus awarded in financial instruments, during which a Management Board Member may not exercise the rights relating to the awarded instruments. The period is one year from the financial instruments' award date.

The Bank Management Board Members receive information on the number of financial instruments awarded as part of their deferred and non-deferred bonus not later than by 30 April of the following year. The own shares awarded to the Bank Management Board Members are recorded in their securities accounts not later than on the last day of the holding period. If the conclusion of the agreement on the acquisition of own shares falls during the closed period, the agreement will be concluded after the end of that period.

A Management Board Member who does not have the right to acquire the deferred Annual Bonus will not acquire the right to that part of the bonus until the end of a given deferral period.

3. A breakdown of total remuneration for the year 2022 by components is presented in Enclosure 1 herewith. The base salary and other benefits constituting the components of the fixed remuneration were paid in 2022. Variable remuneration determined for 2022, however, will be paid in the following years:
 - the non-deferred portion in cash – in 2023,
 - the non-deferred portion in the form of financial instruments – in 2024,
 - deferred parts in cash – in the years 2024-2028 (2029 – in the case of the President of the Management Board),
 - deferred parts in the form of financial instruments – in the years 2025-2029 (2030 – in the case of the President of the Management Board).



III. COMPLIANCE WITH THE REMUNERATION POLICY

Pursuant to Article 90g Section 2 Item 2 of the Act, we explain how the total remuneration complies with the adopted remuneration policy and how it helps achieve the long-term performance of the company

1. Compliance with the ING Bank Śląski S.A. Group Remuneration Policy

- 1) The *Remuneration Policy at ING Bank Śląski S.A. Group* relies on performance management. It supports the process of attracting, motivating and retaining talented employees, and is conducive to their development, while treating all employees in a fair manner. The remuneration policy:
 - a) supports the implementation of the business strategy, as well as the long-term interests of the Bank and its clients,
 - b) supports the correct and effective risk management in order to maintain and protect a safe capital base of the Bank and it does not encourage taking excessive risks beyond the risk appetite approved by the Supervisory Board of ING Bank Śląski S.A.,
 - c) is gender-neutral which means that it does not create conditions for unjustified privilege of either gender in terms of pay conditions.
- 2) The Bank identifies social- and environmental risks diagnosed as part of the sustainability strategy. The remuneration policy is aligned with the strategy adopted at the Bank for a given period and it supports corporate social responsibility which is reflected by the goals set for the employees for a given year. At the same time, the Policy does not promote actions that are against sustainable growth.
- 3) The purpose of the remuneration policy is to ensure that the conflicts of interest relating to remuneration are identified and mitigated properly. The process for awarding variable remuneration involves adequate risk-mitigating actions, that is a multi-level decision-making process as well as clear and transparent rules of performance assessment; those rules are communicated to all employees.
- 4) ING Bank Śląski S.A. does not provide for any form of remuneration that might be perceived by the employees as an incentive to favour their own interests or the Bank's interests to the detriment of the clients. The principles of remunerating persons who act on the Bank's behalf do not encourage people to take excessive risks of improper product sale.
- 5) The variable remuneration remains at an adequate proportion to the fixed remuneration. Its level vis-à-vis fixed remuneration should be high enough to encourage people to care about the long-term and stable development of the Bank. It is agreed that the fixed remuneration to variable remuneration ratio shall be 1 to no more than 1, which means that variable remuneration may not be greater than the fixed remuneration.
- 6) As regards the fixed remuneration of the Bank Supervisory Board and Management Board Members, a rule was adopted to tie those salaries to the average remuneration of other Bank employees. The monthly fixed remuneration for:
 - a) Supervisory Board Members represents no more than 10-fold average base remuneration of an employee of ING Bank Śląski S.A.
 - b) Management Board Members represents no more than 40-fold average base remuneration of an employee of ING Bank Śląski S.A.
- 7) The remuneration system is open and transparent, and its rules are communicated to all employees of the Bank.



- 8) In an effort to ensure a competitive level of remuneration, it follows the market median. The Bank reviews the remuneration levels on an annual basis. The analysis focuses on market data – pay reports as well as economic information.
 - 9) The Supervisory Board of ING Bank Śląski S.A. approves the Remuneration Policy and oversees compliance therewith, based on the recommendations of the Remuneration and Nomination Committee of the ING Bank Śląski S.A. Supervisory Board. The review results, along with the recommendation of adequate measures in the remuneration area, are presented to the Management Board by the HR units. Based on the review results, Management Board accept the directions and changes, if any, to the remuneration policy for a given calendar year, and presents the Policy to the Remuneration and Nomination Committee for recommendation and to the Supervisory Board for approval.
 - 10) Each year, the Supervisory Board draw up a report on the implementation of the remuneration policy. The General Meeting assess, based on the report, whether or not the Policy is conducive to the development and safety of the Bank's operations.
 - 11) The Risk Committee verify whether or not the elements of the remuneration system account for the risk, capital and liquidity. A representative of the Risk Committee takes part in the meetings of the Remuneration and Nomination Committee and vice versa.
 - 12) The General Meeting assess each year whether or not the Remuneration Policy is conducive to the development and safety of ING Bank Śląski S.A. operations.
 - 13) The remuneration policy is subject to an annual independent internal audit.
 - 14) The control functions and the CFO Division units take an active part and cooperate during the review of the Bank's remuneration policy with a view to ensuring its alignment with the strategy and the risk management framework; they also assess the correctness of the capital base and the fulfilment of conditions necessary to activate the bonus pool.
2. Supporting the implementation of the strategy
- 1) The *Supervisory Board and Management Board Members Remuneration Policy* is aligned with the values and long-term interests of ING Bank Śląski S.A., and – as such – it is conducive to the effective management of the Bank's risks and to the company's stability. Furthermore, the Policy supports sustainable growth of the bank, which is understood as actions taken in areas that are meaningful for the society and for the economy, as well as responsibility for and care of the results of those actions, and which is part and parcel of the business strategy. The means to achieve those goals include the following in particular:
 - a) introducing variable remuneration components for the Management Board Members the final amount of which is conditional on the Bank's performance,
 - b) making the payment of the variable remuneration components to the Management Board Members dependent on the Bank's fulfillment of certain capital requirements, and
 - c) inclusion of criteria arising from the adopted Sustainable Growth Strategy in the non-financial targets which are set by the Supervisory Board for the Management Board Members each year.
 - 2) The *Procedure concerning Risk Requirements for Management Board Members Who Are Risk Takers* has been in effect since 2019 to ensure the long-term stability of ING Bank Śląski S.A. and further reinforcement of relations between minimum standards in the risk management area and individual remuneration.

The risk requirements apply to Management Board Members who are Risk Takers, notably:



- a) President of the Management Board – CEO Division,
- b) Vice-President of the Bank Management Board – Retail Clients Division,
- c) Vice-President of the Bank Management Board – Business Clients Division,
- d) Vice-President of the Bank Management Board – Wholesale Banking Division,
- e) Vice-President of the Management Board – CFO Division,
- f) Vice-President of the Management Board – CIO Division,
- g) Vice-President of the Management Board – COO Division.

The procedure allows the Management Board Member in charge of the risk area to make a decision to apply the variable remuneration adjustment ratio. As required, each Management Board Member who is a Risk Taker receives a written notice specifying the risk requirements for a given calendar year. An assessment of the risk requirement fulfilment is performed upon the end of the year; the result of that assessment may lower the variable remuneration of the employee if the risk requirements are not met.

- 3) Furthermore, the Management Board Members are required not to apply their own hedging strategies or insurance concerning remuneration and liability that would neutralise the measures taken by the Bank as part of implementing the policy of variable remuneration components, save for mandatory insurance arising from special provisions.

IV. PERFORMANCE CRITERIA

Pursuant to Article 90g Section 2 Item 3 of the Act, we provide information on the manner of applying performance criteria

Performance criteria are applied at several levels at ING Bank Śląski S.A.:

1. Performance included in the targets agreed with the employee for a given year

The targets of the Management Board Members may be non-financial or financial. They are determined in three categories of equal weight:

- **Job**, where goals as set regarding e.g. financial performance of the Bank, financial performance of the business line, risk and compliance, operational excellence, clients and their satisfaction, delivery of the strategic projects, motivation and engagement of employees,
- **Orange Code**, under which the individual goals are set regarding the way that the targets are achieved,
- **Stretch Ambition**, which are individually defined goals beyond job expectations the effect of which is e.g. a new quality for the client.

The targets of the Management Board Members who hold control functions arise from their functions and are not tied with results obtained in the areas they control. Upon the end of the assessment period, the Supervisory Board will evaluate the performance of the individual Management Board Members. The evaluation of the task performance is the basis for determining the individual level of variable remuneration.

2. Risk requirements set in regard to Management Board Members other than Members holding control functions

The Management Board Member in charge of the risk area sets individual Risk Requirements for Management Board Members other than those holding control functions. They ensure focusing on the long-term stability of ING Bank Śląski S.A. and further reinforcement of relations between minimum standards in the risk management area and individual



remuneration of the Management Board Members whose activities have a material impact on the Bank's risk profile. On the basis of the assessment of risk requirements fulfilment, the Management Board Member in charge of the risk area makes a decision on the risk ratio corresponding to the level of adjustment of variable remuneration for a given Management Board Member.

3. Bank's results that are the basis for the decision to disburse the bonus pool

The annual bonus disbursement is conditional on the Bank's achieving at least 80% of the profit before tax in a given financial year subject to the assessment, as assumed in the plan for that year. The Bank's result taken into consideration accounts for the Bank's risk costs and the costs of liquidity risk in a long-term perspective, adjusted for the costs of free capital.

In addition, pursuant to the *Capital Management Policy at ING Bank Śląski S.A.*, ING Bank Śląski S.A. tests capital to ensure that the entire bonus pool for all employees does not restrain the Bank's ability to maintain an adequate capital base. Should it be the case, a decision may be taken not to disburse the bonus pool.

4. Performance subject to assessment in the long-term perspective

In order to adjust the variable remuneration to the additional risks that were identified or that materialised after the remuneration was awarded, the Bank will defer the variable remuneration of the Management Board Members in accordance with the table below. It is also a rule that at least 50% of the variable remuneration of the President of the Management Board is deferred.

	VARIABLE REMUNERATION AMOUNT	DEFERRAL METHOD
(1)	it does not exceed EUR 10,000* and it does not exceed 10% of the total annual remuneration of a Management Board Member	no deferral
(2)	above the threshold set out in item (1) up to EUR 0.5 million*	40% subject to deferral
(3)	in excess of EUR 0.5 million*	60% subject to deferral

* The amounts in EUR are converted according to the average EUR/PLN exchange rate announced by the National Bank of Poland effective on the last business day of the year for which the annual bonus is determined.

The deferral period is five years from the moment the variable remuneration was determined by the Management Board of ING Bank Śląski S.A. or by the Supervisory Board. The deferred variable remuneration is awarded each year over a period of five years in five equal instalments, unless the reasons for its decrease or non-payment have occurred. The deferral period for the President of the Management Board is six years, and the deferred variable remuneration is divided into six equal parts.

5. Ex-post performance verification

The Supervisory Board may decide to reduce, or not to pay, variable remuneration subject to deferral on the basis of:

- a) verification of performance assessment and/ or
- b) ex-post risk adjustment and capital test.



Verification of performance assessment helps determine whether or not there were any reasons to change the results for the assessment period, given the effects of the work of a given Management Board Member.

Based on the ex-post risk adjustment, the Bank has the right to either reduce or not to pay variable remuneration under the following circumstances:

- a) the occurrence of events that result in the Bank's breach, or threaten the Bank's breach, of the standards set out in Article 142 Section 1 of the Banking Law so that it is necessary to implement the Recovery Plan,
- b) the disbursement of variable remuneration on the basis of data that proved to be false,
- c) if the Management Board Member in question fails to fulfil the relevant standards concerning competence and reputation,
- d) if there is a conflict of interest in relation to the disbursement of a part of variable remuneration in phantom equity of ING Bank Śląski S.A. due to failure to comply with rules concerning the use of inside information and other actions that may influence the price of the ING Bank Śląski S.A. shares in a short-term perspective.

V. CHANGES TO EMPLOYEES' REMUNERATION OVER A COURSE OF 5 YEARS

Pursuant to Article 90g Section 2 Item 4 of the Act, we provide information on the change, on an annual basis, of remuneration, company's results and average remuneration of employees of that company other than Members of the management board or of the supervisory board, over at least five most recent financial years, as a total, in a manner that allows comparisons

A breakdown concerning the change of remuneration, the company's results and average remuneration of employees other than Members of the management board or of the supervisory board is presented in Enclosure 2 herewith.

VI. REMUNERATION FROM GROUP MEMBERS

Pursuant to Article 90g Section 2 Item 5 of the Act, we present the level of remuneration from Members of the same group of companies within the meaning of the Accounting Act of 29 December 1994 (Journal of Laws of 2023, Items 120 of 16.01.2023)

As a rule, the Management Board Members who also hold other functions in the subsidiaries of the ING Bank Śląski S.A. Group perform their tasks in those companies without remuneration. The following subsidiaries are Members of the ING Bank Śląski S.A. Group:

- ING Investment Holding (Polska) S.A.,
- ING Commercial Finance Polska S.A.,
- ING Lease (Polska) Sp. z o.o.,
- ING Usługi dla Biznesu S.A.,
- Nowe Usługi S.A.,
- ING Bank Hipoteczny S.A.,
- SAIO S.A.

and corporate foundations:

- ING for Children Foundation, and
- ING Polish Art Foundation.



Likewise, Members of the Supervisory Board who also hold other functions in ING Bank N.V. perform their tasks on the Supervisory Board without payment. Members of the Supervisory Board waive their right to remuneration in writing.

VII. AWARD OF REMUNERATION IN FINANCIAL INSTRUMENTS

Pursuant to Article 90g Section 2 Item 6 of the Act, we present the number of financial instruments awarded or offered, as well as the main terms and conditions of exercising the rights to those instruments, including the exercise price and date, and changes thereto

Terms and conditions of awarding a part of variable remuneration in financial instruments

The non-deferred and deferred variable remuneration is sub-divided into two parts (rounded up to the integer number of financial instruments):

- a) at least 50% is awarded in financial instruments on the terms and conditions set out in the Policy, with the proviso that own shares are the basic financial instruments,
- b) the remaining portion is paid out in cash to a Management Board Member's bank account designated for the purpose of remuneration payment, not later than within seven business days following the approval of the annual financial statements of the Bank by the General Meetings of ING Bank Śląski S.A.

A holding period applies to variable remuneration awarded in the form of financial instruments. The period is one year from the financial instruments' award date.

The Bank applies the rules of variable remuneration deferral. Where the base value of the annual bonus is lower than, or equal to, EUR 10,000 in gross terms, Management Board Members will acquire the right to the bonus in the amount equal to the base value.

Upon the end of the assessment period, the number of financial instruments to be awarded for a given period is determined according to the following formula:

$$n = z/c$$

where:

n – means the number of the financial instruments; if the number of Financial Instruments so determined is not an integer number, it is rounded up to the nearest integer number

z – means the base value of a Participant's annual bonus (deferred and/or non-deferred) to be disbursed in financial instruments

c – means the median price of the Bank's shares using the closing rate at Giełda Papierów Wartościowych w Warszawie S.A. (the Warsaw Stock Exchange) from the period started on 10 January and ended on 20 February in the year following the Assessment Period

however, in the case of:

- 1) the non-deferred part – the calculation is unconditional,
- 2) the deferred part – the calculation is preliminary and it represents the maximum number of financial instruments to which a Participant might be entitled. The number of financial instruments awarded may be reduced if the annual bonus base value is lowered.

As for variable remuneration for 2022, participants will be awarded phantom equity for the period from 1 January until 30 June 2022 and, ultimately, they will be awarded ordinary shares for the



period from 1 July until 31 December 2022 (provided the relevant permission of the Polish Financial Supervision Authority has been obtained).

Should there materialise legal events that would result in permanent inability to pay out the annual bonus in financial instruments, including the exclusion of the Bank shares from the stock exchange trade, or consolidation of ING Bank Śląski S.A. with another entity, the Supervisory Board will determine new rules of the annual bonus award and payment so as to achieve an economic- and incentive goal that is as close as possible to the goal that would have been achieved had such legal events not materialised.

In such a case, participants will be awarded phantom equity instead of own shares, at a 1:1 ratio. Where own shares are replaced with phantom equity, the own shares will be awarded to the eligible persons at a number proportional to the number of own shares to which they are entitled. Such a number of own shares to which a programme participant is entitled under a given tranche will be rounded down to the nearest integer number.

Phantom equity entitles the holder to receive monies the amount of which results from multiplying the number of phantom equity and the price of own shares. The following formula is applied to that effect:

$$w = l * c$$

where:

- w** means the monies due to a Management Board Member
- l** means the number of phantom equity for which the Holding Period expired
- c** means the median price of the Bank's shares using the closing rate at the Giełda Papierów Wartościowych S.A. (Warsaw Stock Exchange) from the period started on 10 January and ended on 20 February in the disbursement year

Enclosure 3 herewith presents the number of awarded or offered financial instruments.

VIII. RETURN OF VARIABLE REMUNERATION COMPONENTS

Pursuant to Article 90g Section 2 Item 7 of the Act, we provide information on the use of the possibility to demand the return of the variable remuneration components

1. The remuneration policy does not envisage a mechanism for the return of the variable remuneration components. In accordance with the effective regulations, there is a mechanism in place so that the deferred bonus is not paid out at all or it is paid out at a lower amount.
2. The Bank uses to that effect advanced measurement methods to estimate the capital base. It also applies the stress-testing policy which ensures an adequate risk management and a proper assessment of current and future capital requirements. The information on that measurement is communicated to the Committee and to the Supervisory Board by the Finance Division of ING Bank Śląski S.A.
3. Upon the end of each calendar year during the deferral period, the Supervisory Board verifies, based on the Remuneration and Nomination Committee's recommendation, the assessment of target completion during the assessment period. Such a verification is conducted by 30 April. The Supervisory Board may decide to reduce, or not to pay, the annual bonus during a given bonus award period if:



- 1) there are circumstances justifying an adjustment (as described in Section IV item 5 hereof)
- 2) the Management Board Member fails to submit a written statement to confirm that s/he does not apply hedging strategies or insurance
- 3) there are other material circumstances that would make the annual bonus payment unacceptable under the principles of common sense and fairness.

IX. EXCEPTIONS

Pursuant to Article 90g Section 2 Item 8 of the Act, we provide information concerning exceptions to the procedure for implementing the remuneration policy and exceptions applied in accordance with Article 90f, including an explanation of the premises and the mode, and indication of elements to which exceptions were applied.

During the period covered by this report, there were no deviations from the remuneration policy or implementation procedure.



Enclosure 1

Management Board

Remuneration due and awarded to the members of the Management Board of ING Bank Śląski S.A. for 2022

Name and last name	Period from – to	Base salary	Cash benefits ¹	In kind benefits ²	Fixed Remuneration	Upfront variable remuneration - cash	Upfront variable remuneration - phantom shares ³		Upfront variable remuneration - own shares ³		Deferred variable remuneration - cash	Deferred variable remuneration - phantom shares ³		Deferred variable remuneration - own shares ³		Variable remuneration granted for the year 2022 ⁴	Variable to fixed remuneration ratio	Total variable remuneration - deferred cash as at 31.12.2022 ⁵
							value	number	value	number		value	number	value	number			
Brunon Bartkiewicz <i>Member of the Supervisory Board of ING Bank Hipoteczny S.A.</i>	01.01.2022 - 31.12.2022	2 685 000	463 341	16 808	3 165 149	483 179	236 603	1 378	246 905	1 438	483 179	236 603	1 378	246 733	1 437	1 933 200	61%	2 262 607
Joanna Erdman <i>Member of the Supervisory Board of ING Bank Hipoteczny S.A., ING Commercial Finance S.A. and ING Lease (Polska) Sp. z o.o.</i>	01.01.2022 - 31.12.2022	1 440 600	216 090	38 895	1 695 585	311 013	152 470	888	158 994	926	207 342	101 475	591	105 939	617	1 037 232	61%	817 233
Marcin Giżycki <i>Deputy Chair of the Supervisory Board of ING Bank Hipoteczny S.A.</i>	01.01.2022 - 31.12.2022	1 417 200	212 580	61 234	1 691 014	331 525	162 428	946	169 468	987	221 017	108 171	630	112 807	657	1 105 416	65%	867 005
Bożena Graczyk <i>Chair of the Supervisory Board of ING Bank Hipoteczny S.A., Member of of the Supervisory Board of ING Commercial Finance S.A. and ING Lease (Polska) Sp. z o.o., Member of the Audit and Risk Committee of the Supervisory Board of ING Bank Hipoteczny S.A.</i>	01.01.2022 - 31.12.2022	1 410 000	246 080	16 685	1 672 764	355 221	173 932	1 013	181 659	1 058	236 814	115 898	675	120 877	704	1 184 400	71%	890 734
Ewa Łuniewska <i>Chair of the Supervisory Board of ING Commercial Finance S.A. and ING Lease (Polska) Sp. z o.o.</i>	01.01.2022 - 31.12.2022	1 198 170	179 726	52 378	1 430 274	280 323	130 664	761	149 894	873	186 882	87 052	507	99 758	581	934 573	65%	354 400
Michał Mrozek	01.01.2022 - 31.12.2022	1 345 500	201 825	37 096	1 584 421	314 762	154 187	898	160 883	937	209 841	102 677	598	107 141	624	1 049 490	66%	505 690
Ślawomir Soszyński	01.01.2022 - 31.12.2022	1 198 500	198 939	16 682	1 414 121	258 760	126 715	738	132 381	771	172 506	84 476	492	88 082	513	862 920	61%	533 375
Alicja Żyła	01.01.2022 - 31.12.2022	1 098 000	164 700	42 709	1 305 409	256 829	122 937	716	134 269	782	171 219	81 729	476	89 456	521	856 440	66%	221 773
Total		11 792 970	1 883 280	282 487	13 958 736	2 591 611	1 259 935	7 338	1 334 452	7 772	1 888 800	918 080	5 347	970 792	5 654	8 963 671		6 452 817

¹Cash benefits include contributions to the investment fund (15% of the monthly base salary net of the Management Member and equivalent of the life insurance premium in case resignation from the life insurance in-kind benefit)

²In-kind benefits include medical care (incl. family members), life insurance, usage of the company car for private purposes and other benefits granted by the Supervisory Board

³In case of variable remuneration for 2022 phantom shares are granted for the period 1 January to 30 June 2022 and in a basic financial instrument being an own share for the period from 1 July to 31 December 2022 (subject to obtaining the appropriate permission from the Polish Financial Supervision Authority). Details of the change related to the financial instrument awarded as part of the variable remuneration are included in the Report.

⁴Variable remuneration for the year 2022, determined by the Supervisory Board on the basis of the assessment of individual targets accomplishment is subject to payment as from the year 2023 according to the deferral scheme described in the Report.

Variable remuneration paid in 2022 for previous years amounted to: Brunon Bartkiewicz - PLN 1,4 million, Joanna Erdman - PLN 1,1 million, Marcin Giżycki - PLN 1,2 million, Bożena Graczyk - PLN 1,1 million, Ewa Łuniewska - PLN 0,3 million, Michał Mrozek - PLN 0,5 million, Ślawomir Soszyński - PLN 0,6 million, Alicja Żyła - PLN 0,08 million

⁵The amount of deferred remuneration includes the deferred parts of the remuneration from 2017-2022, which are subject to payment after 31 December 2022

Supervisory Board

Remuneration due and awarded to members of the Supervisory Board of ING Bank Śląski S.A. for 2022			
Name and last name	Period from - to	Fixed remuneration	Other benefits ¹
Aleksander Galos <i>Independent member</i>	01.01.2022 - 31.12.2022	397 188	4 249,67
Dorota Dobija <i>Independent member</i>	01.01.2022 - 31.12.2022	241 428	2 323,00
Monika Marcinkowska <i>Independent member</i>	01.01.2022 - 31.12.2022	218 064	-
Małgorzata Kołakowska <i>Member having ties with ING Group</i>	01.01.2022 - 31.12.2022	-	-
Michał Szczurek <i>Member having ties with ING Group</i>	01.01.2022 - 31.12.2022	-	-
Remco Nieland <i>Member having ties with ING Group</i>	01.01.2022 - 07.04.2022	-	-
Stephen Creese <i>Member having ties with ING Group</i>	01.01.2022 - 31.12.2022	-	-
Aris Bogdaneris <i>Member having ties with ING Group</i>	07.04.2022 - 31.12.2022	-	-
Razem		856 680	6 573

¹Reimbursement of ZUS contributions due to exceeding the annual basis for retirement and disability contributions based on the decision of the Social Insurance Institution

Enclosure 2

Changes in the salaries of employees over the period of 5 years											
Bank performance and remuneration data	2017	2018		2019		2020		2021		2022	
	amount	amount	change	amount	change	amount	change	amount	change	amount	change
Gross profit (in mln PLN) - solo ING Bank Śląski S.A.	1 859	2 010	8%	2 217	10%	1 883	-15%	2 971	58%	2 605	-12%
Gross profit (in mln PLN) - total Grupa kapitałowa ING Banku Śląskiego S.A.	1 882	2 031	8%	2 258	11%	1 912	-15%	3 015	58%	2 633	-13%
Gross profit (in mln PLN) - solo ING Bank Śląski S.A.	1 403	1 524	9%	1 659	9%	1 338	-19%	2 308	73%	1 944	-16%
Gross profit (in mln PLN) - total Grupa kapitałowa ING Banku Śląskiego S.A.	1 403	1 524	9%	1 659	9%	1 338	-19%	2 308	73%	1 944	-16%
CI ¹ - solo ING Bank Śląski S.A.	51,3%	51,0%	-1%	50,2%	-2%	52,1%	4%	50,3%	-3%	55,3%	10%
CI ¹ - total Capital Group of ING Bank Śląski S.A.	51,7%	51,6%	0%	50,6%	-2%	52,1%	3%	50,9%	-2%	55,5%	9%
ROE ² - solo ING Bank Śląski S.A.	12,7%	12,5%	-1%	11,7%	-6%	7,7%	-34%	13,8%	79%	20,1%	46%
ROE ² - total Capital Group of ING Bank Śląski S.A.	12,7%	12,5%	-1%	11,6%	-7%	7,6%	-34%	13,6%	79%	19,7%	45%
Average annual monthly base salary of employees of ING Bank Śląski S.A. who are not members of the management board or the supervisory board	6 990	7 565	8%	7 882	4%	8 409	7%	8 677	3%	10 018	15%
Average monthly base and variable remuneration granted for a given year to the Management Board members of ING Bank Śląski S.A. for the period of performing the function / without additional benefits/											
Bartkiewicz Brunon (from 19.04.2016)	353 296	277 803	-21%	377 494	36%	343 580	-9%	398 050	16%	384 850	-3%
Boleslawski Michał (until 31.12.2020)	188 460	187 135	-1%	212 026	13%	190 361	-10%	-	-	-	-
Boda Mirosław (until 31.05.2017)	172 051	-	-	-	-	-	-	-	-	-	-
Kesler Justyna (until 31.12.2018)	174 717	159 708	-9%	-	-	-	-	-	-	-	-
Erdman Joanna (from 01.04.2013)	181 276	181 700	0%	202 320	11%	184 336	-9%	211 312	15%	206 486	-2%
Giżycki Marcin (from 01.08.2016)	150 461	149 372	-1%	191 568	28%	190 423	-1%	218 988	15%	210 218	-4%
Roesink Patrick (from 01.07.2015 until 31.03.2020)	125 587	117 888	-6%	131 558	12%	127 838	-3%	-	-	-	-
Graczyk Bożena (from 01.06.2017)	185 613	184 498	-1%	205 370	11%	186 296	-9%	217 800	17%	216 200	-1%
Tassan-Bassut Lorenzo (from 01.01.2019 until 31.01.2021)	-	-	-	130 159	-	127 964	-2%	152 703	19%	-	-
Soszyński Sławomir (from 01.09.2019)	-	-	-	162 000	-	147 600	-9%	173 371	17%	171 785	-1%
Mrozek Michał (from 01.07.2020)	-	-	-	-	-	164 000	0%	195 050	19%	199 583	2%
Łuniewska Ewa (from 01.01.2021)	-	-	-	-	-	-	-	149 178	-	177 729	19%
Żyła Alicja (from 01.09.2021)	-	-	-	-	-	-	-	140 913	-	162 870	16%
Average monthly remuneration of Supervisory Board members ING Bank Śląski S.A. for the period of performing the function											
Antoni Reczek (from 10.04.2014 until 29.11.2021) <i>Independent member</i>	26 555	27 120	2%	28 560	5%	29 040	2%	28 908	0%	-	-
Aleksander Galos (from 10.04.2014) ³ <i>Independent member</i>	16 385	19 610	20%	21 420	9%	21 780	2%	22 612	4%	33 099	46%
Aleksander Kutela (from 10.04.2014 to 29.11.2021) <i>Independent member</i>	14 523	17 077	18%	18 445	8%	18 755	2%	18 670	0%	-	-
Dorota Dobija (from 29.11.2021) <i>Independent member</i>	-	-	-	-	-	-	-	18 755	-	20 119	7%
Monika Marcinkowska (from 29.11.2021) <i>Independent member</i>	-	-	-	-	-	-	-	16 940	-	18 172	7%
Roland Boekhout (until 15.03.2017) <i>Member having ties with ING Group</i>	-	-	-	-	-	-	-	-	-	-	-
Christopher Steane (from 31.03.2016 until 05.04.2018) <i>Member having ties with ING Group</i>	-	-	-	-	-	-	-	-	-	-	-
Michał Szczurek (from 05.04.2018) <i>Member having ties with ING Group</i>	-	-	-	-	-	-	-	-	-	-	-
Ad Kas (until 02.04.2020) <i>Member having ties with ING Group</i>	-	-	-	-	-	-	-	-	-	-	-
Norman Tambach (until 02.04.2020) <i>Member having ties with ING Group</i>	-	-	-	-	-	-	-	-	-	-	-
Susan Poot (from 01.05.2020 until 30.09.2021) <i>Member having ties with ING Group</i>	-	-	-	-	-	-	-	-	-	-	-
Remco Nieland (from 01.05.2020 until 07.04.2022) <i>Member having ties with ING Group</i>	-	-	-	-	-	-	-	-	-	-	-

¹ CI/ - (Eng. Cost to Income ratio) cost share ratio calculated as the relation of operating costs to the result on basic activity; in 2022 there was a change in calculation methodology thus the correction of index for previous years

² ROE - (ang. Return On Equity) return on equity calculated as the ratio of net profit attributable to shareholders of ING Bank Śląski S.A. from 4 consecutive quarters to the average level of equity for 5 consecutive quarters

³ increase in remuneration due to a significant change in Supervisory Board functions' combination, e.g. assuming the role of the Chairman of the Supervisory Board of ING Bank Śląski S.A.

Note: There is a presentation discrepancy in relation to the individualized data presented in the Annual Report, namely this statement takes into account the variable remuneration awarded for a given financial year without any other benefits, while the Annual Report includes:

- in the part concerning remuneration due for a given year - the amount of a provision for variable remuneration for the Bank's Management Board for a given year,
- in the part concerning remuneration paid in a given year - variable remuneration paid in a given financial year for previous years.

The Annual Report also includes data on the value of other benefits.

Enclosure 3

Number of granted or determined financial instruments					
Name and last name	Number of phantom shares - 01.01.2022 (deferred rights) ¹	Number of phantom shares vested based on the assessment verification and ex post risk adjustment for previous years, i.e. 2017-2019 and 2021 (non-deferred part)	Number of financial instruments ² granted for the year 2022		Number of financial instruments subject to vesting after 31 December 2022 ³
			Number of upfront financial instruments	Number of deferred financial instruments	
Brunon Bartkiewicz <i>Member of the Supervisory Board of ING Bank Hipoteczny S.A.</i>	10 967	2 748	2 816	2 815	13 850
Joanna Erdman <i>Member of the Supervisory Board of ING Bank Hipoteczny S.A., ING Commercial Finance S.A. and ING Lease (Polska) Sp. z o.o.</i>	5 076	2 213	1 814	1 208	5 885
Marcin Giżycki <i>Deputy Chair of the Supervisory Board of ING Bank Hipoteczny S.A.</i>	5 292	2 263	1 933	1 287	6 249
Bożena Graczyk <i>Chair of the Supervisory Board of ING Bank Hipoteczny S.A., Member of the Supervisory Board of ING Commercial Finance S.A. and ING Lease (Polska) Sp. z o.o., Member of the Audit and Risk Committee of the Supervisory Board of ING Bank Hipoteczny S.A.</i>	5 319	2 256	2 071	1 379	6 513
Ewa Łuniewska <i>Chair of the Supervisory Board of ING Commercial Finance S.A. and ING Lease (Polska) Sp. z o.o.</i>	1 520	912	1 634	1 088	3 330
Michał Mrozek	2 433	1 193	1 835	1 222	4 297
Sławomir Soszyński	2 775	1 126	1 509	1 005	4 163
Alicja Żyta	460	276	1 498	997	2 679
Razem	29 662	11 649	15 110	11 001	46 966

¹The number of phantom shares includes deferred and non-deferred phantom shares determined as part of variable remuneration for 2021

²Financial instruments constitute phantom shares for the period 01/01/2022 - 30/06/2022 and ultimately own shares of ING Bank Śląski S.A. for the period 01/07/2022-31/12/2022. Details on the change in the financial instrument awarded as variable compensation are included in the Report.

³Number of upfront and deferred financial instruments determined as part of variable remuneration for 2022.

TRANSLATORS' EXPLANATORY NOTE

The English content of this report is a free translation of the registered auditor's report of the below-mentioned Polish Company.

In the event of any discrepancies in interpreting the terminology, the Polish language version is binding.

Independent registered auditor's report on the assurance engagement in relation to the assessment of the Remuneration Report

To the General Shareholders' Meeting, the Supervisory Board and the Management Board of ING Bank Śląski S.A.

Introduction

Management Board of ING Bank Śląski S.A. (the "Bank") engaged us to conduct a reasonable assurance engagement for the verification of completeness and compliance with applicable requirements of the attached Remuneration Report for the year ended 31 December 2022 (the "Remuneration Report").

Description of the subject matter and applicable criteria

The Remuneration Report was prepared by the Supervisory Board to comply with the requirements in Art. 90g paragraph 1 of the Act of 29 July, 2005 on public offering, conditions for introducing financial instruments to an organized trading system and on public companies (Journal of Laws of 2022, item 2554, as amended - hereinafter the "Public Offering Act"). The applicable requirements regarding the Remuneration Report are contained in the Public Offering Act.

The requirements referred to in the preceding sentence determine the basis for preparation of the Remuneration Report (hereinafter the "Basis for Preparation") and, in our view, constitute appropriate criteria to form the reasonable assurance conclusion.

According to the requirements of Art. 90g paragraph 10 of the Public Offering Act, the Remuneration Report is subject to assessment by a registered auditor in terms of it including the information required under Art. 90g paragraph 1-5 and 8 of the Public Offering Act. This report fulfills this requirement.

By the registered auditor's assessment referred to above, we mean the assessment whether, in all material respects, the scope of information presented in the Remuneration Report is complete and has been disclosed with the level of detail required by the Public Offering Act. Additionally, our assessment includes verification that the information presented in the Remuneration Report is consistent, in all material respects, with the actual state of affairs, does not ignore significant facts and does not contain material distortions.

Responsibility of the Supervisory Board

The Supervisory Board is responsible for the preparation and completeness of the Remuneration Report. The Supervisory Board is responsible for the selection and application of the appropriate methods for preparation of financial data and non-financial information as well as for the design, implementation and maintenance of systems and processes of internal control and accounting records, that are necessary to enable preparation of a Remuneration Report that is free of material misstatements and complies with the applicable requirements.

PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp. k., ul. Polna 11, 00-633 Warszawa, Polska; T: +48 (22) 746 4000, F: +48 (22) 742 4040, www.pwc.com

PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp. k. wpisana jest do Krajowego Rejestru Sądowego prowadzonego przez Sąd Rejonowy dla m. st. Warszawy, pod numerem KRS 0000750050, NIP 526-021-02-28. Siedzibą Spółki jest Warszawa, ul. Polna 11.



Our responsibility

Our responsibility was to assess the completeness and compliance with the applicable requirements of the information contained in the attached Remuneration Report and to express, based on the evidence obtained, an independent conclusion from the assurance service performed, providing reasonable assurance.

We conducted our engagement in accordance with National Standard on Assurance Engagements 3000 (Revised), Assurance Engagements other than Audits and Reviews of Historical Financial Information, in the wording of the International Standard on Assurance Engagements 3000 (Revised) ("ISAE 3000 (R)"). This standard requires that we comply with ethical requirements, plan and perform procedures to obtain reasonable assurance whether the Remuneration Report is prepared, in all material aspects, in accordance with the applicable requirements.

Reasonable assurance is a high level of assurance, but it does not guarantee that the service performed in accordance with ISAE 3000 (R) will always detect the existing material misstatement.

Quality control requirements

We apply the provisions of the National Standard on Quality Control 1 in the wording of the International Standard on Quality Control (PL) 1 - "Quality management for companies performing audits or reviews of financial statements or commissioning other assurance or related services" developed by the International Standards Board on Auditing and Assurance Services and adopted by a resolution of the Council of the Polish Audit Oversight Agency. This standard requires us to design, implement and operate a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We comply with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Summary of the work performed

Our planned and performed procedures were aimed at obtaining reasonable assurance whether the Remuneration Report was prepared, in all material aspects, in accordance with the applicable requirements, is complete and free from material misstatements and omissions. Our procedures included, in particular:

- analysis of the Remuneration Report and comparing the information contained therein with the applicable requirements;
- analysis of the resolutions of the General Shareholders' Meeting of the Bank regarding the remuneration policy for members of the Management Board and the Supervisory Board as well as any supplementary resolutions of the Supervisory Board and other documents regulating the remuneration policy subject to the disclosure requirement in the Remuneration Report;
- understanding the procedures adopted by the Supervisory Board to meet requirements of the preparation of the Remuneration Report, including understanding the relevant internal control procedures to the extent necessary to assess the risk of material misstatement or the omission of significant information;
- identifying, by comparing with corporate documents, a list of persons for whom there is a requirement to include information in the Remuneration Report and verifying, through inquiries of



persons responsible for preparing the report, and, where we consider it appropriate, also directly with persons subject to the requirement provide information on, whether all information covered by the criteria for the preparation of the Remuneration Report are disclosed in the Remuneration Report;

- where we consider it appropriate to assess the compliance of the Remuneration Report with applicable regulations, reconciliation of the financial data regarding remuneration presented in the Remuneration Report to the Bank accounting books and other relevant source documents;
- where we consider it appropriate to assess the completeness of the Remuneration Report with the applicable regulations, reconcile with the relevant source documents whether the non-financial information required for disclosure in the Remuneration is accurate and does not omit material facts.

The Remuneration Report was not subject to audit as defined in National Standards on Auditing. In the course of performing the assurance procedures, we have not conducted an audit or review of the historical financial information used in the process of preparation of the Remuneration Report and therefore we do not accept any responsibility for the issuance or update of any reports or opinions on historical financial information of the Bank.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion expressed below.

Conclusion (assessment)

In our opinion, the Remuneration Report is complete and complies, in all material aspects, with the applicable requirements contained in the Basis for Preparation.

Restrictions of use

This report has been prepared by PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp. k. for the General Shareholders' Meeting, the Supervisory Board and the Management Board of the Bank and is intended solely to fulfil the purpose described in the section "Description of the subject matter and applicable criteria". It should not be used for any other purpose.

In connection with this report, PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp. k. does not accept any liability resulting from contractual and non-contractual relationships (including for negligence) with entities other than the Bank. The above does not relieve us of liability where such release is excluded by law.

The Management Board of the Bank is responsible for publishing the Remuneration Report on the Bank website and for providing access to it free of charge for at least 10 years from the date of the general meeting at which the resolution evaluating the Remuneration Report was adopted, and for the reliability of information on the Bank website. The scope of our work does not include an assessment of these matters. Accordingly, we are not responsible for any changes that may have been made to the information which is the subject of our assessment or for differences, if any, between the information covered by our report and the information provided on the Bank website.



Acting on behalf of PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k., a company entered on the list of entities authorised to audit financial statements under number 144:

Konrad Hołyst

Statutory Auditor
License no 13709

Warsaw, 17 March 2023

Enclosure with the Resolution of the Supervisory Board
of 17 March 2023

**Report on the evaluation of the remuneration policy
at ING Bank Śląski S.A. for 2022**

The remuneration policy at ING Bank Śląski S.A. is evaluated on the basis of Article 28.3 of the *Principles of Corporate Governance for Supervised Institutions*.

At ING Bank Śląski S.A., the main principles of the remuneration policy form the *Employee Remuneration Policy of ING Bank Śląski S.A. Group* that has been in force since 2017. The document lays down the key assumptions for shaping the remuneration policy so as to attract and retain employees by ensuring the remuneration that is competitive versus the market. It also defines individual remuneration components.

The principles arising from the Policy are further specified in other regulations in place at ING Bank Śląski S.A., which relate to remuneration policy, namely:

1. Variable Remuneration Policy for Identified Staff of ING Bank Śląski S.A.
2. ING Bank Śląski S.A. Supervisory Board and Management Board Members Remuneration Policy
3. Executive Remuneration Bylaw for Members of the Management Board of ING Bank Śląski S.A.
4. General Conditions of Remunerating the Employees of ING Bank Śląski S.A. with enclosures:
 - 1) General Conditions of ING Bank Śląski S.A. Employee Evaluation (Step Up),
 - 2) General Conditions of ING Bank Śląski S.A. Identified Staff Evaluation.

I. RULES OF SHAPING THE REMUNERATION POLICY AT ING BANK ŚLĄSKI S.A.

1. The remuneration policy is based on performance management, and it:
 - 1) supports delivery of the business strategy and long-term interests of the Bank and its clients,
 - 2) supports proper and effective risk management in order to maintain and protect the sound capital base of the Bank; the Policy does not promote excessive risk taking beyond the risk appetite approved by the Supervisory Board of ING Bank Śląski S.A.,
 - 3) it is gender neutral, which means that it does not create conditions for any gender to be favoured in an unjustified manner with regard to employment, career development, promotions, as well as awarding and paying remuneration.
2. The remuneration policy is consistent with the sustainability strategy adopted for a given period by the Bank and it also supports the corporate social responsibility, which is reflected in the individual objectives set for staff for a given year. At the same time, the Policy does not support the activities which are not compatible with the sustainable growth.
3. The remuneration policy is designed to ensure that remuneration-related conflicts of interest are identified and adequately limited. The elements of the variable remuneration award process include appropriate risk mitigating measures, i.e. a multi-level approval process, as well as clear and transparent principles of objective setting and performance evaluation, which are communicated to all employees.



4. ING Bank Śląski S.A. does not provide for any form of remuneration that could be an incentive for employees to favour their own interests or interests of the Bank, while at the same time acting to the detriment of clients.
5. The principles of remunerating persons acting on behalf of the Bank do not constitute an incentive to take excessive risk of mis-selling.
6. The remuneration depends on the scope of tasks and the level of responsibility, as provided for in the job description, which is valued in accordance with the Hay Group methodology.
7. The Bank reviews the level of remuneration every year. Market data – payroll reports and business and economic information – are analysed. The decision on the amount of the employee's salary rise is taken, first and foremost, based on the place of his or her base remuneration in the salary brackets within a given pay grade and the annual performance outcome.
8. The remuneration system is overt and transparent, and its principles are communicated to all Bank employees.
9. For the remuneration of the Supervisory Board and Management Board Members, the policy agrees with the values and long-term interest of ING Bank Śląski S.A., and thus contributes to effective risk management at the Bank and stable standing of the company. Furthermore, the policy supports sustainable growth of the bank, which is understood as actions taken in areas that are meaningful for the society and for the economy, as well as responsibility for and care of the results of those actions, and which is part and parcel of the business strategy. The said objectives are accomplished notably by:
 - 1) introduction of variable remuneration components for Management Board Members, whose final amount depends on results of the Bank,
 - 2) tying the remuneration of the Members of the Management Board and the Supervisory Board to average remuneration of other Bank employees,
 - 3) making the pay-out of variable remuneration components to Management Board Members conditional on the satisfaction of specific capital requirements by the Bank,
 - 4) inclusion in the non-financial objectives set annually by the Supervisory Board for Management Board Members of the criteria arising from the adopted Sustainability Strategy.

Details of remuneration of ING Bank Śląski S.A. Supervisory Board and Management Board Members can be found in the Report compiled as per Article 90g of the Act on Public Offering and Terms and Conditions of Introduction of Financial Instruments into the Organised Trading and on Public Companies.

II. REMUNERATION COMPONENTS

1. The total remuneration is divided into fixed and variable remuneration.
2. Fixed remuneration is such a large part of the total remuneration that it allows one to pursue a fully flexible policy of variable remuneration components, including the option of reducing or not granting any variable remuneration at all.
3. Variable remuneration encompasses any and all forms of remuneration and other benefits provided in return for achieved results.

Variable remuneration encompasses the annual bonus which is set per employee, based on the evaluation of balanced and risk-matching results, considering the quantitative and qualitative criteria. As part of variable remuneration, employees may also receive an additional individual



pecuniary award aimed at recognising and rewarding employees showing above-average performance and special potential.

4. Separate rules of variable remuneration, laid down in the *Variable Remuneration Policy for Identified Staff of ING Bank Śląski S.A.*, apply to the group of employees holding positions having material impact on the risk profile of the Bank. The Policy defines the components of variable remuneration that may be awarded to Identified Staff and the principles of that remuneration pay-out.

The most important ones include:

- 1) financial and non-financial criteria as well as risk-adjusted criteria are used to assess individual performance; non-financial criteria should account for at least 50% of all goals, save for the persons responsible for control functions,
 - 2) financial criteria are not used for the persons responsible for control functions. The objectives for these persons derive from their functions and are not linked to performance in the areas they control,
 - 3) a deferral of a part of variable remuneration, which is settled in five instalments during the period of work performance verification, to assess the impact of employee actions on the long-term results of the Bank,
 - 4) the award of part of the variable remuneration (at least 50%) in financial instruments, with the treasury stock (previously a phantom stock) becoming the primary instrument as of 1 July 2022,
 - 5) with a view to ensuring long-term stability of ING Bank Śląski S.A. and tying further the risk management minimum standards to individual remuneration, since 2019 the Bank has had the *Procedure regarding risk requirements for Identified Staff in the Risk Taker's role*. The Procedure enables the Management Board Member responsible for the risk area to take a decision to apply a risk modifier for variable remuneration. Following the requirements, all Identified Staff in the Risk Taker's role at the Bank receive written information providing for the specific risk requirements for a given calendar year. After the end of the year, satisfaction of risk requirements is assessed and the assessment result may reduce the variable remuneration of the employee, should the risk requirements not be satisfied.
5. Fringe benefits under the Bank's remuneration policy include a package of benefits and wellbeing activities centred around four pillars: Health, Activity, Energy and Finance.

III. SUPERVISION OVER REMUNERATION POLICY

1. Compliance with the remuneration policy at the Bank is supervised by the following bodies:
 - 1) General Meeting
 - a) evaluate annually whether or not the established remuneration policy is conducive to the development and safety of the Bank's business,
 - b) pass amendments to the ING Bank Śląski S.A. Supervisory Board and Management Board Members Remuneration Policy,
 - c) provide opinion on the remuneration of the Members of the Management Board and the Supervisory Board.
 - 2) ING Bank Śląski S.A. Supervisory Board
 - a) approve the ING Bank Śląski S.A. Group Remuneration Policy and the Variable Remuneration Policy for Identified Staff of ING Bank Śląski S.A.,



- b) supervise compliance with the aforesaid Policies,
 - c) develop and submit to the General Meeting the report on the evaluation of the remuneration policy at the Bank and the report on the remuneration of Supervisory Board and Management Board Members.
- 3) ING Bank Śląski S.A. Supervisory Board Remuneration and Nomination Committee – monitor the implementation of the Policy.
 - 4) Control functions actively participate and cooperate in the review of the Bank's remuneration policy to ensure its coherence with the risk management strategy and framework. Control functions also assess correctness of the capital base and fulfilment of conditions necessary for the bonus pool disbursement.
2. The Polish Financial Supervision Authority supervise the compliance of the Bank's activity with the regulations concerning the variable remuneration components policy.

IV. REPORT ON THE EVALUATION OF THE REMUNERATION POLICY AT THE BANK IN 2022

1. The remuneration policy at the Bank complies with the Bank's strategy, values and risk appetite, as well as it supports the long-term interests of the Bank and its clients. Furthermore, it promotes and supports the process of effective risk management in order to maintain and protect the sound capital base of the Bank. It does not promote excessive risk-taking behaviour that is beyond the risk propensity accepted by the Supervisory Board of the Bank and it is based on performance management, combining individual goals with the long-term business strategy and ensuring sustainable growth.
2. Wage increases

In 2022, ING Bank Śląski S.A. continued its existing remuneration policy, which is designed to effectively support strategic objectives and systematically align salaries with market levels, taking into account the challenges posed by the current market and economic situation caused by the war in Ukraine, the economic crisis and rising inflation.

The annual review of the remuneration of ING Bank Śląski S.A. employees was carried out as standard. The Remuneration and Nomination Committee received information on the level of market remuneration compared to the salaries of ING Bank Śląski S.A. employees, which was prepared on the basis of the Hay Group reports. Keeping in mind the remuneration review, the Bank Management Board decided to launch an increase action starting from April 2022.

The increases were both automatic and discretionary. The total increase budget was 9 per cent of the basic salary fund. The main objectives of the increase action included: an increase in the minimum salary to PLN 4,500 gross (for full-time employees) and the introduction of one basic salary table instead of the previous two.

By doing this, we have moved away from the previous policy, which was based on wages by region compared to the market levels. This change was due to the fact that the pandemic period has significantly changed the work model. Now the Bank operates based on a hybrid model and work can be provided from different locations, regardless of where the stationary office is. The new basic salary table increased the minimum and maximum salary amounts in almost every pay grade, and the table covered staff employed all over Poland.

During the year, we carried out a process of adjusting salaries to market levels for employees in the IT area and highly qualified key employees. We implemented the remuneration changes for these groups of employees at the end of 3Q2022 and beginning of 4Q2022.



3. Annual bonus for the employees

2022 was another year of functioning of the annual Step Up goals settlement system, which combines job performance assessment, creation of a solid corporate culture and our ambitions. The job performance assessment is directly translated into the bonus pay-out for employees. In keeping with the General Conditions of ING Bank Śląski S.A. Employee Evaluation (Step Up), the Bank Management Board, in consultation with the Supervisory Board, determined the amount of the employee variable remuneration pool. On the basis of the established amount, the Management Board, acting in agreement with the Supervisory Board, decided to apply a bonus potential adjustment factor, which in effect resulted in a 10% increase in the bonus amount. The application of the adjustment factor was mainly due to the bank's very good financial performance. In February 2022, we paid out bonus to Bank employees from the specific provision.

4. Annual bonus for Identified Staff

In March 2022, the bonus for Identified Staff was settled in accordance with the *Variable Remuneration Policy for Identified Staff of ING Bank Śląski S.A.*:

- 1) variable remuneration for 2021 was set and the non-deferred portion of the bonus was awarded,
- 2) following a positive verification of the assessment with consideration of ex-post risk and capital test, the Bank awarded the relevant portions of deferred variable remuneration for 2017, 2018 and 2019.

The terms and conditions of variable remuneration disbursement were satisfied. The Remuneration and Nomination Committee gave positive advice and, in consequence, the nondeferred 2021 bonus and the deferred bonuses for 2017, 2018 and 2019 were paid out to the persons, whose positions have impact on the Bank's risk profile. Similarly to other employees, a bonus potential adjustment ratio was also applied to the variable remuneration for Identified Staff.

5. Modification of the incentive scheme for Identified Staff

Pursuant to Resolution No. 29 of the Bank's Annual General Meeting of 7 April 2022, an incentive programme was established at the Bank which was addressed to Risk Takers employed by the Bank and by companies in the Bank's Capital Group that are subject to mandatory consolidation, excluding ING Bank Hipoteczny S.A.

The new programme replaced the previous solution, which provided for the payment of part of the variable remuneration in a financial instrument being a phantom stock. The programme was effective as of 1 July 2022, and the individuals covered by this arrangement received relevant addenda to their contracts of employment. For the period from 1 January 2022 to 30 June 2022, the variable part of the remuneration will be paid in phantom stock under the terms of the existing scheme and in treasury stock under the terms of the new scheme, in proportion to the duration of the existing and new scheme for the period from 1 July 2022 to 31 December 2022. The first full assessment period for which the variable part of the remuneration will be paid on a treasury stock basis will be the period from 1 January 2023 to 31 December 2023.

The operation of the Programme will be conditional on the acquisition of an adequate number of treasury stock from the market. Should for any reason the purchase of shares from the market be in fact impracticable or not possible without undue difficulty or within the assumed time schedule, for the purpose of further fulfilment of the Bank's obligations under the Programme, the Bank Management Board, with the consent of the Supervisory Board, may decide to replace the Bank's treasury stock with another financial instrument, the value of which depends on the



value of the Bank's shares, or to carry out the Bank's obligations under the Programme in another manner that fulfils its objectives.

The rights to phantom stock granted prior to the start date of the new programme will be exercised under the existing rules. In particular, the deferred parts of the remuneration granted in phantom stock will not be convertible into treasury stock.

6. Hybrid working model

As of March 2022, we have permanently introduced a hybrid working model at the Bank, which involves alternating the performance of work tasks from the office and from home. In December 2022, as in the previous year, we paid our employees a financial benefit related to this working model in the form of an adaptation allowance of PLN 1,500 gross. The amount of the allowance was paid to all eligible employees in the same amount, regardless whether they work full or part time. Compared to last year, we decided to increase the amount of the allowance by PLN 300 gross. The allowance partially compensates employees for expenses incurred in connection with remote working. Once again, we supported each employee in organising their home office, as the allowance was also paid to employees who do not work remotely on a daily basis due to the nature of their duties. The allowance was paid to all employees employed under an employment contract as at 31 December 2022. The following persons were excluded from the pay-out: persons on maternity leaves, parental leaves, childcare leaves and unpaid leaves (including sabbatical), as well as persons with whom we terminated cooperation. Persons returning to work after a long-term absence and persons employed in 2023 will receive the compensation calculated proportionally, as of the month of their return to work or employment. Verification of the entitled persons and pay-out of the compensation will take place after the end of the given quarter.

7. Fringe Benefits

We build our fringe benefits offer around four pillars (Health, Energy, Activity and Finance), which define a holistic approach to the package offered to employees to complement fixed and variable remuneration.

In 2022, we focused on communicating and educating employees about our benefit and wellbeing offer, given that the Bank offers a very wide range of products which are not used by the employees. To this end, we organised a series of meetings with employees in the form of workshops, during which we talked about our offer and obtained feedback on expectations. A total of around 1,400 employees from different areas of the Bank took part in 37 meetings. The effectiveness of the meetings was a decisive factor in taking a decision to continue the series in the following year as well. Furthermore, in order to improve the transparency and accessibility of knowledge about the offer, we redesigned our intranet site to enable employees to access the information they need intuitively. The website is based on information grouped according to defined pillars.

1) Health

The Health pillar objectives are:

- ensuring that every employee has access to a high standard of medical services (with a dental package and reimbursement programme offer),
- making health prevention programmes available to employees, including the offer of a comprehensive preventive health review, flu vaccinations and an oncology prevention programme with the unique opportunity to take part in the We Test Genes campaign.

In 2022, under the Health pillar:



- we introduced an equal preventive health review standard for all employees and encouraged employees to avail themselves of the offer. Our target for 2022 was to achieve 1,200 employees taking part in the preventive health review. We exceeded the target by 47%, as almost 1,800 people took advantage of the review,
- we launched a subsidised HPV vaccination campaign for children aged 9-18 years. 180 children have already been vaccinated as part of this campaign and the campaign will stay with us for longer,
- as part of its Oncology Prevention Programme, the Bank cooperates with renowned diagnostic and therapeutic centres in Poland. This year, for the third time, we offered employees a subsidised genetic test to assess their risk of cancer in the "We Test Genes at ING" programme. In total, more than 1,600 people benefited from the tests,
- The Bank fully covered the cost of the increase in the price of medical packages for employees requested by the provider. Initially 59% was requested, but in the negotiation process the increase was finally reduced to 47.5% and split into 2 stages: from December 2022 (33%) and from April 2023 (14.5%).

2) Energy

Our objective within the Energy pillar is to provide psychological support to employees. Our flagship products include additional paid days off (for special occasions, rest, volunteering or caring for loved ones), a dedicated offer for employees' children, psychological care and support in difficult life situations.

The benefits package includes a number of additional days off well beyond the statutory framework in the form of additional days off to celebrate the birth of a child or a wedding (in excess of the legal limit). A unique product in the range of days off is the Family Day Off, which employees can use in full or hourly depending on their needs.

We also support parents by offering:

- additional paid maternity leave of 10 days,
- additional paid paternity leave of 5 days,
- 2 days of childcare for children up to the age of 18.

We dedicate a separate package of additional days off to disability-related life situations, namely:

- 5 days of leave a year for parents of a child with a certificate of disability,
- 2 days off for employees caring for family members with disabilities,
- 3 days off for employees with a recognised mild disability.

Employees are also entitled to:

- days off as a reward - up to 5 days per calendar year,
- a day off for shift working employees (i.e. working at night, on Sundays and public holidays),
- sabbatical understood as an extended break from work for recuperation or further training,
- an additional day off in respect of an anniversary.

In 2022, we focused on mental health due to the circumstances that, in our view, determined the activities related to the need for psychological support for employees (the post-pandemic period and the war in Ukraine). As part of these activities, we undertook the following activities:



- psychological support - we organised a series of webinars and meetings with psychology experts who explained how our mind works during a crisis and how anxiety and anger arise and affect us. We also organised individual consultations for managers and teams based on reported difficulties and demand,
- Mental Health Platform - we have provided our employees with a dedicated platform to support their mental health. It allows the use of psychological and educational materials such as webinars and podcasts but also provides unlimited chats with psychologists, therapists and coaches. Every employee can also use the online therapy provided through the platform completely free of charge,
- we continued the Orange Helpline - a dedicated anonymous helpline where ING employees and their loved ones could talk to certified psychologists about their wellbeing, concerns or problems.

In addition, in 2022 we organised special events dedicated to employees' children:

- Children's Day at our offices in Katowice and Warsaw, during which children of employees from all over Poland had the opportunity to take part in numerous workshops, attractions and competitions. We were also not short of gifts for every visitor.
- On Saint Nicholas' Day all parents had their cafeteria account topped-up with PLN 50 per child in December.

3) Activity

Within the Activity pillar, our aim is to encourage employees to be physically active. Our flagship products include:

- the Run Warsaw event for employees and their families, which has been realised since 2017, with almost 4,000 participants in 2022,
- The implemented in 2021 ING Active platform, which enables participation in sports challenges. Thanks to active promotion and organisation of regular sports challenges, we ended 2022 with 1,200 active users. This represents an increase of 48%,
- Mocodajnia [Power Kitchen] - located in our head office in Katowice. It is a creative meeting room where organised activities are tailored to the needs of our employees, such as the prevention of spinal disorders, reduction of stress levels and muscle tension.

The new products implemented in 2022 were:

- Sports budget - the purpose of its implementation is to support employees' sporting passions, promote a healthy lifestyle and physical activity, and to promote and consolidate ING's image as an employer that cares about promoting sporting activities among employees. Employees can apply for reimbursement of costs incurred in connection with participation fees, participation in sports leagues and renting facilities for training purposes,
- Football Tournament, which saw 26 teams comprising 240 footballers of both genders and 253 goals scored. The whole event was of a charity nature.

4) Finances

Our objective within the Finance pillar is financial security for employees and financial education. The flagship products in this pillar are:

- Employee Pension Scheme, whereby the bank allows employees to accumulate additional funds for retirement and the bank funds the basic contribution,



- Group life insurance with two insurance companies. The actual benefit is the possibility for employees to avail themselves from an employer-sponsored insurance option,
- A cafeteria programme that has been in place at the bank since 2017. Employees have access to sports cards and a flexible benefits offer. The cafeteria is open to all employees and the number of points awarded is based on the employee's salary level.

In 2022, we carried out a number of educational activities and offered to support employees with financial allowance payments. As part of these activities:

- we have launched the Investing Academy, a training series on investing for people who have a basic knowledge of finance and want to expand it,
- we once again paid our employees an adaptation allowance related to the implementation of the hybrid model,
- we paid our employees a shield allowance of PLN 2,000 gross. The allowance is intended to partially compensate for the charges incurred during the winter heating period, especially during the period when we decided to temporarily close the offices in Warsaw and Katowice. The allowance was paid in the same amount to all employees.

8. Equal pay for women and men

In 2022, the gender pay ratio at ING Bank Śląski S.A. was 96%.

As for 2021, the ratio was calculated for the total salaries (hourly rate) of employees in employment as at 31 December 2022, in accordance with the method of reporting to the Stock Exchange. The method applied was an average of remuneration, weighted with the number of men and women in individual employee pay grades. Other assumptions applied in the calculation include: converting remuneration of part-time employees to remuneration of full-time employees, adjustment of remuneration of employees, who were not employed for the entire 2022 to the total remuneration for the whole year.

The change in the pay gap from 99% in 2021 to 96% last year was mainly influenced by changes in the workforce structure, particularly transfers of employees between grades (promotions) and an increase in the number of new hires in 2022 who were not entitled to payment of the 2021 bonus in 2022.

9. Review and update of regulations

As part of the review of remuneration regulations, amendments were proposed to the *Variable Remuneration Policy for Identified Staff of ING Bank Śląski S.A.* resulting from the implementation of two recommendations of the Polish Financial Supervision Authority according to the post-inspection report of 22 February 2022 (DIB-DIBZPK.7110.42.2021.13). The changes referred to:

- 1) clarifying the financial targets for Identified Staff in terms of risk cost, cost of capital and liquidity risk,
- 2) changes to the thresholds relating to the annual bonus deferral rule for Identified Staff.

10. Remuneration and Nomination Committee meetings

In 2022, the Remuneration and Nomination Committee of ING Bank Śląski S.A. held 7 regular meetings and 2 by way of circulation.

11. Inspections and audits

From 22 July to 27 July 2022, the Internal Audit Department conducted the Audit of the process of remuneration of persons, who have material impact on the risk profile of ING Bank Śląski S.A.



The audit sought to assess the design and operating effectiveness of key internal controls in the process of remuneration of persons, who have material impact on the risk profile at the Bank.

The audit confirmed that the process of determining and paying the remuneration of the Bank's employees (Risk Takers included) is governed by internal remuneration policies, which are continuously updated, supervised and monitored by the Supervisory Board supported by the Remuneration and Nomination Committee. The audit did not identify any material risks in the audited areas and thus confirmed the adequacy and effectiveness of the control mechanisms for the Identified Staff remuneration process.

In 2022, we finalised the actions resulting from the thematic inspection conducted at the Bank by the Polish Financial Supervision Authority between 11 October 2021 and 18 November 2021. The inspection was part of the Commission's banking supervision.

The inspection referred to the internal control system, including the applicable principles of remuneration for the Supervisory Board and Management Board Members, as well as persons, whose professional activities are considered to have a material impact on the Bank's risk profile. With regard to the remuneration policy, the Polish Financial Supervision Authority recommended:

- 1) the inclusion of the risk cost and liquidity risk over the long term in the Bank's results adopted for the determination of variable remuneration components, as required by the provisions of § 27 of the *Regulation of the Minister of Finance, Funds and Regional Policy on the risk management system and the internal control system*,
- 2) the analysis and update - taking into account the results of this analysis, including the actual level of remuneration of the individuals covered by the variable remuneration policy - the so-called particularly large amount of variable remuneration conditioning the deferral of no less than 60% of the variable remuneration, taking into account the requirements of the provision of § 25 (3) (8) of the *Regulation of the Minister of Finance, Funds and Regional Policy on the risk management system and the internal control system*.

The Commission's recommendations have been implemented in the form of updated provisions in internal regulations.

The Supervisory Board are of the view that in 2022 the Bank respected the principles of its remuneration policy.



Update on amendments to the ING Bank Śląski S.A. Supervisory Board Bylaw

This update is presented to the General Meeting as part of agenda item 7 of the ING Bank Śląski S.A. General Meeting: *Presenting the update on amendments to the Supervisory Board Bylaw*, to be held on 26 April 2023.

The duty to update the General Meeting on amendments to the *Bank Supervisory Board Bylaw* derives from recommendation no. 9 set out in Recommendation Z of the Polish Financial Supervision Authority (hereinafter: the PFSA) on corporate governance principles at banks, which has been in effect since 1 January 2022.

Most significantly, pursuant to recommendation no. 9, where the *Supervisory Board Bylaw* is enacted by the Supervisory Board rather than by the General Meeting, the General Meeting shall be updated on the Bylaw enacted or approve it, depending on the solution adopted at the bank.

ING Bank Śląski S.A. has adopted a solution, whereby the Supervisory Board enact their own Bylaw (§24.4 of the *ING Bank Śląski S.A. Charter*). Therefore, the relevant information on the applicable *Supervisory Board Bylaw* and amendments thereto will be presented to the General Meeting.

In 2022, the Supervisory Board Bylaw was updated twice:

On 7 April 2022, the *Supervisory Board Bylaw* was updated following amendments to para. 21 and para. 24.1 of the *ING Bank Śląski S.A. Charter*, made by way of Bank Ordinary General Meeting Resolution No. 26 of 7 April 2022 and entailing inter alia liquidation of the role of the Secretary to the Supervisory Board. The amendments adopted with Supervisory Board Resolution No. 58/VII/2022 of 7 April 2022 concerned deleting the role of the Secretary and enabling the Board – in the event of appointment of two Deputy Chairs – to designate one of them as Deputy Chair I. The amendments took effect as of the registration date of the amendments to the *Bank Charter* with the National Court Register, on 16 May 2022.

Next, in order to bring the provisions of the Supervisory Board Bylaw into line with the amended provisions of the Commercial Companies and Partnerships Code which took effect on 13 October 2022, on 23 September 2022, the Supervisory Board Bylaw was amended once more. The following amendments adopted with Supervisory Board Resolution No. 84/XIII/2022 of 23 September 2022 took effect on 13 October 2022:

- clarification of provisions on delegating Board Members to autonomous performance of specific supervisory activities,
- indication that the Board can request information, documents and clarifications from persons performing activities for the Bank on the basis other than the contract of employment; the information held by the body or an obligated person on subsidiaries or related companies can be requested as well,
- clarification of the delivery time for the information requested by the Board (immediately, within two weeks at the latest, as a rule),



- clarification of duties of Board Members as to loyalty and keeping the Company secrets. At the same time, it is stated that a Board Member does not violate the duty of due diligence when acting with justified business risk (the so-called business judgement rule),
- reference to the duty of the committees to advise the Board at least once a quarter of the supervisory activities taken and their results,
- clarification of the frequency of Board meetings (at least once a quarter),
- introduction of the annual report of the Supervisory Board as a document covering some of the current Board assessments and reports and the new elements introduced with the provisions of the Commercial Companies and Partnerships Code,
- extension of the duty to disclose conflict of interests and abstain from voting for the cases relating to spouses, relatives and in-laws up to the second degree and the persons to whom Board Members are personally related,
- clarification of the accountability of the Chair of the Board as to proper organisation of works of the Board and summoning their meetings,
- clarification of principles for summoning the Board meetings, including the wording of the invitations,
- option to hold meetings when not formally summoned, provided all Board Members consent thereto and do not object to inclusion of individual matters in the meeting agenda,
- the duty to ensure participation of the statutory auditor at the meeting of the Board covering the assessment of financial statements and Management Board report on operations of the Bank and its Group in the accounting year, the Management Board motion on Bank profit distribution or loss coverage and development of the annual report of the Supervisory Board,
- option to pass resolutions on the matters not covered by the meeting agenda, provided no Supervisory Board Member attending the meeting objects thereto,
- clarification of the content of the minutes,
- regulation of the option to appoint an advisor to the Supervisory Board, as set out in the new provisions of the Commercial Companies and Partnerships Code, and
- editorial and organisational changes.

To fulfil the duty envisaged under Recommendation No. 9, the current version of the *ING Bank Śląski S.A. Supervisory Board Bylaw* has been enclosed herewith for the General Meeting. The current version of the *Bylaw* can be also found on the ING Bank Śląski S.A.'s website, tab: Company profile, Legal documents.





ING Bank Śląski S.A.

ING BANK ŚLĄSKI S.A. SUPERVISORY BOARD BYLAW

I. General Provisions.

§ 1

The Supervisory Board of ING Bank Śląski S.A. (hereinafter referred to as the “**Supervisory Board**”) acts pursuant to the Banking Law, Commercial Companies Code, Bank Charter and this Bylaw.

§ 2

1. The Supervisory Board supervises all areas of the Bank operation on a continuous basis.
2. The authority of the Supervisory Board is provided for by the Banking Law, Commercial Companies Code as well as other legal regulations and provisions of Bank Charter.

II. Supervisory Board Composition, Mandate and Term.

§ 3

1. The Supervisory Board is composed of Members elected by the General Shareholders Meeting by secret ballot.
2. The number of the Supervisory Board Members is determined by the General Shareholders Meeting; however it should be at least five (5) and not more than eleven (11). At least half of the Supervisory Board Members, including the Supervisory Board Chair, should be the citizens of the Republic of Poland.
3. The Supervisory Board Members should have specialist knowledge of and experience in each material area of operations pursued by the Bank and understand the nature and risk of Bank’s operations inside out.
4. At least two Members of the Supervisory Board should be free from any relations with the Bank, its shareholders or employees, if those relations could significantly affect the ability of the said Member to take impartial decisions (“**Independent Members**”).
5. The Independent Members should meet the following criteria in particular:
 - 1) they are not or have not been over last 5 years from the appointment date, Members of the senior management, and they are not or they have not been Members of the Bank Management Board or of the management board or other managing body of a related unit of the Bank,
 - 2) they are not or have not been over last 3 years from the appointment date, employees



- or persons employed under a different agreement of a similar nature at the Bank or its related unit,
- 3) they do not exercise control as defined in the Accounting Act or do not represent persons or entities that exercise control over the Bank,
 - 4) they do not receive or have not received any additional considerable remuneration from the Bank or its related unit, except for remuneration they received as Members of the Supervisory Board or other supervisory or control body, including the Audit Committee,
 - 5) they do not maintain or did not maintain during last year from the appointment date any material business relations with the Bank or its related unit, directly or as an owner, partner, shareholder, Member of the supervisory board or other supervisory or control body, or a senior management Member such as a Member of the management board or other managing body of the entity that maintains such relations,
 - 6) they are not or have not been over last 3 years from the appointment date:
 - a) owners, partners (including general partners) or shareholders of the existing or former auditing firm performing the audit of the Bank's financial statements or of its related unit, or
 - b) Members of the supervisory board or other supervisory or control body of the existing or former auditing firm performing the audit of the Bank's financial statements, or
 - c) employees or senior management, including members of the management board or other management body of the existing or former auditing firm performing the audit of the Bank's financial statements or of its related unit, or
 - d) other natural persons whose services were used or that were supervised by the existing, or former auditing firm or statutory auditor acting on its behalf,
 - 7) they are not members of the management board or other managing body of the unit where the Management Board Member is a member of the supervisory board or other supervisory or control body,
 - 8) they have not been Supervisory Board Members for more than 12 years,
 - 9) they are not spouses, persons remaining in cohabitation, direct relatives or kinsmen and secondary relatives or kinsmen up to the fourth degree – of the Bank Management Board Member or persons referred to in items 1-8,
 - 10) they are not persons related due to adoption, custody or guardianship with the Bank Management Board Member or persons referred to in items 1-8,



- 11) they are not actually or materially connected with the shareholder having at least 5% of the total number of votes at the General Meeting of the Bank.
6. The persons being candidates for the Supervisory Board Member should submit a statement, determining whether the candidate meets the criteria for being the Independent Member as indicated in section 5, and also whether there exist the circumstances causing the candidate to be dependent.
 7. The Supervisory Board Member is required to inform the Bank immediately, however not later than before the following meeting of the Supervisory Board, about each a change to the status laid down in section 5 as well as about any new circumstances possible to affect the independence assessment.
 8. Each Supervisory Board Member is required to submit at least once a year the statement referred to in section 6. The statement is made at the beginning of the calendar year.
 9. The statements referred to in sections 6 and 8 shall be verified by the Bank, in particular during the suitability assessment of the candidate or suitability re-assessment of the Supervisory Board Member.
 10. The Supervisory Board appoint a Supervisory Board Chair and one or two Deputy Chairs from among Members.
 11. The Supervisory Board Chair shall be selected in particular on the basis of experience and team management skills, upon accounting for the independence criterion.
 12. Should two Deputy Chairs be selected, the Supervisory Board shall entrust the role of Deputy Chair I to one of them.
 13. The Supervisory Board Chair should not combine this function with chairing the Audit Committee of the Supervisory Board.
 14. In the absence of or if there is an impediment to performing the function of the Supervisory Board Chair, the Chair's rights and obligations are performed by the Deputy Chair. If two Deputy Chairs were elected, Deputy Chair I and in their absence the other Deputy Chair shall perform the rights and obligations of the Board Chair in the circumstances described in the foregoing sentence.

§ 4

1. Supervisory Board Members are appointed for a joint term of office which shall commence upon the appointment date and last for the four subsequent full accounting years.
2. Mandates of the Supervisory Board Members expire as of the day of the General Shareholders Meeting approving the financial statements for the last full year of their office.



3. The mandates of the Supervisory Board Members expire before the end of the term:
 - 1) in case of resignation of the Supervisory Board Member from his/her office, as of the day of notifying the Bank thereof or as of the day specified in the resignation letter, which shall however not be earlier than the notification day,
 - 2) in case of recalling the Supervisory Board Member by the General Shareholders Meeting, as of the day of adopting an appropriate resolution,
 - 3) in case of death of the Supervisory Board Member.
4. If, due to the expiry of a mandate, the number of the Supervisory Board Members decreases below 5 Members, the Supervisory Board Chair shall notify the Bank Management Board about the urgent need to convene the Extraordinary Shareholders Meeting in order to supplement the Supervisory Board composition to at least the statutory minimum.
5. The Supervisory Board Member should not resign from this function during the term of office, under the circumstances when the resignation could be to detriment of the Supervisory Board's functioning and, in particular, in the aspect of passing resolutions.

III. Supervisory Board Members.

§ 5

1. Subject to section 2 herein, the Supervisory Board Members may perform their duties exclusively in person.
2. The Supervisory Board Members may participate in adopting Supervisory Board resolutions by casting their votes in writing through the agency of another Supervisory Board Member. Casting the votes in writing cannot refer to the issues added to the agenda during the Supervisory Board meeting.
3. The Supervisory Board Member should perform his/her function in an active manner, showing the necessary level of commitment and devoting the time as required to perform the tasks properly, notably by active participation in meetings and other works of the Supervisory Board and its Committees. In his/her actions, each Supervisory Board Member shall consider interest of the Bank and the independence of opinions and judgements.
4. In case the Supervisory Board Member cannot attend the meeting, s/he is obliged to inform the Supervisory Board Chair thereof, stating reasons for his/her absence.
5. The Supervisory Board Member is obliged to inform the Supervisory Board Chair about any obstacles to execute his/her mandate that may last for more than 6 months. If the impediment referred to hereinabove relates to the Supervisory Board Chair, the Chair notifies the Deputy Chair accordingly.



The notification should be made in writing or via means of electronic communication.

6. In the case of impediment referred to in section 5 , should a person concerned not submit his/her resignation, the Supervisory Board Chair may apply § 4 section 4 hereof. If the impediment to executing the mandate relates to the Supervisory Board Chair, the Deputy Chair shall be vested with the said right.
7. In the event referred to in section 6, the Supervisory Board Chair or the Deputy Chair respectively notifies the Chair of the Remuneration and Nomination Committee about the ensuing situation in order to verify whether the suitability of the Supervisory Board needs to be assessed.

§ 6

1. The Supervisory Board performs their functions collectively. The Supervisory Board may delegate their Members to perform certain supervisory activities autonomously, however, it shall define the principles for such supervision.
2. Delegated Supervisory Board Members should advise the Supervisory Board of their supervisory activities and their outcome at least once a quarter in the financial year.
3. Under their supervisory functions, the Supervisory Board shall have the right to control the entire scope of the Bank activities, and in particular to:
 - 1) check books, records and documentation,
 - 2) audit the Bank assets and carry out financial control,
 - 3) request that the Bank Management Board, holders of commercial powers of attorney and persons employed under a contract of employment or regularly performing for the Bank certain activities under a contract of mandate, a contract for specific work or other contract of similar nature develop or deliver thereto any information, documents, reports or clarifications concerning the Bank, and its operations or assets in particular; the request may also pertain to the information, report or clarification held by the body or obligated person for the subsidiaries or related companies,
 - 4) participate in the meetings of the Bank Management Board.
4. The information, documents, reports or clarifications referred to under section 3.3) shall be delivered to the Supervisory Board immediately, but not later than within two weeks from the date of request notification to the body or the obligated person, unless otherwise stated in the request.
5. The scope and mode of control and supervisory activities performed personally by the Supervisory Board Member shall be determined every time by the Supervisory Board or by the Supervisory Board



Chair authorised by the Supervisory Board.

6. The Member of the Supervisory Board may be delegated temporarily to perform the functions of a Bank Management Board Member who is unable to perform his/her duties.

§ 7

1. When performing their duties, a Member of the Supervisory Board should exercise due diligence connected with the professional nature of their business and should remain loyal towards the Bank. A Supervisory Board Member will not violate the duty of due diligence connected with the professional nature of their business when acting in a loyal manner towards the Bank and with justified business risk (the so-called business judgement rule), including based on the information, analyses and opinions which should be accounted for in given circumstances while performing due assessment.
2. The Member of the Supervisory Board is obliged to keep secret all information obtained while performing his/her supervisory duties, also after expiry of his/her mandate.
3. The obligation to keep the information secret refers especially - pursuant to relevant legal regulations - to the State-, banking- and trade secrets, as well as to reports and information that the Bank, as the issuer of publicly traded securities, is obliged to disclose to the Polish Financial Supervision Authority and Securities and Stock Exchange Commission, Stock Exchange and news agency before making them public.
4. The Supervisory Board Member is also obliged not to disclose the subject and course of the Supervisory Board meetings, as well as resolutions and results of voting of the Supervisory Board; moreover, s/he is obliged to protect documents given to him/ her and being the subject of the Supervisory Board's works from the access of unauthorised persons.

§ 8

1. When performing an activity not related to his/ her function on the Supervisory Board, the Supervisory Board Member should refrain from taking up professional activity or non-professional activity, including non-profit activities, that could lead to a conflict of interest, otherwise adversely impact his/her reputation of the Member of the Supervisory Body of the Bank or if the time devoted to such activity would prevent proper performance of duties at the Bank.
2. Immediately after taking up the mandate, each Supervisory Board Member is obliged to place a written declaration to the Supervisory Board on:
 - 1) business activity carried out by him/her in person outside the enterprise of the Bank with the indication whether the said activity is competitive for the Bank, i.e. is even partially convergent



with the Bank's business,

- 2) being involved in a competitive company as a partner to a civil partnership or partnership or to any company or a member of another competitive legal entity,
- 3) performing a function of a management or supervisory board member, other than set forth in item 2, of any company or other entity carrying out business activity, and about holding functions in other entities,
- 4) holding shares or stakes in any company, if the said shares or stakes authorise the Supervisory Board Member to execute at least 5% of votes at a general shareholders (partners) meeting,
- 5) volume of Bank's shares held or rights to those shares (options),
- 6) personal, business and organizational connections with the shareholder having at least 5% of the Bank's shares.

Personal connections are understood as of family character (1st degree next of kin relationship or family connection) with the shareholder or member of its bodies if the shareholder is a body corporate.

Business connections are understood as any business relations.

Organisational connections are understood as relations resulting from the employment contract or similar legal relation.

3. The declaration referred to in the foregoing section, made by the candidate for the Supervisory Board Member, shall be deemed as the declaration made by the Supervisory Board Member.
4. The Supervisory Board Member is obliged to communicate forthwith each change that took place during his/her term, in the scope set forth in section 2.
5. The Supervisory Board Member may be additionally obliged to submit other declarations, if the obligation of their submission results from the regulations in force or the Bank's internal regulations.

§ 9

1. Pursuant to § 7 hereof, subject to § 20 section 1 item 2 hereof, the Supervisory Board Members should be moderate in contacts with mass media and prudent in relation to any external entrepreneurs, body corporates, individuals and organisational units, including in particular the Bank customers.
2. At the nearest Supervisory Board meeting, the Supervisory Board Members should inform the Supervisory Board about any activities and events stipulated in the foregoing that have taken place between the Supervisory Board meetings, and at the Supervisory Board Chair's request, they should present a written report.



§ 10

The Supervisory Board Members shall be responsible for any damage to the Company resulting from the activities contrary to the law or provisions of the Charter.

IV. Committees of the Supervisory Board.

§ 11

1. In order to support the Supervisory Board in performing its functions, the Supervisory Board shall appoint out of members the Audit Committee, the Remuneration and Nomination Committee and the Risk Committee. If necessary, the Supervisory Board may also establish other Committees. The Committees perform consulting and advisory functions for the Supervisory Board and also deliver on other tasks under the law, instructions and recommendations of the regulator. When establishing a Committee, the Supervisory Board determines the tasks and rules of operation thereof.
2. The Members of the Supervisory Board may be at the same time Members of more than one Committee, with the proviso that Committee compositions should not be identical.
3. The Supervisory Board shall select Committee Members, including the Chair, at their first meeting in the new term of office. When selecting Members, the Supervisory Board factors in that all the Committee Members may rotate vis-à-vis the previous term of office. The Supervisory Board may rotate Committee Members during the term of office as well. Committee Members should be so selected as to cater to the need of adequate combination of knowledge, competence and experience in the area of a given Committee in order to ensure the broadest possible understanding of analysed matters, their objective assessment and taking of adequate decisions.
4. The Committees should cooperate with one another, whenever required.
5. Chairs of the Committees organise the works of the Committees and manage them; they represent the Committees in relations with other Committees and corporate bodies of the Bank and exercise other activities as set out in Committees Bylaws.
6. The Committees advise the Supervisory Board of their supervisory activities and their outcome at least once a quarter in the financial year. The principles of information delivery to the Board have been defined in the Committee Bylaws.

§ 12

1. The mission of the Audit Committee is to support the Supervisory Board in monitoring and supervising financial reporting, the internal and external audit and management system in the



Bank and its related companies, especially the adequacy and effectiveness of the internal control system and risk management system, and the relationships between the Bank and the entity auditing the Bank's financial reports.

2. The Audit Committee is composed of at least three Supervisory Board Members. The majority of the Audit Committee Members, including the Chair, should meet the independence criteria of the Independent Members of the Supervisory Board. The Committee may choose for assistance some experts not being Members of the Supervisory Board.
3. The detailed scope of operation and functioning of the Audit Committee is determined by the Bylaw passed by the Supervisory Board.

§ 13

1. The mission of the Remuneration and Nomination Committee is to support the Supervisory Board in monitoring and supervising the human resources and payroll area of the Bank, selection of Management Board Members, the diversity policy, the assessment of suitability of Management Board Members, the succession plans, employee rotation processes, Bank employees satisfaction survey and remuneration and bonus policy.
2. The Remuneration and Nomination Committee is composed of at least three Members of the Supervisory Board. The majority of the Remuneration and Nomination Committee Members, including the Chair, should meet the independence criteria of the Independent Members of the Supervisory Board. The Committee may choose for assistance some experts not being Members of the Supervisory Board.
3. The detailed scope of operation and functioning of the Remuneration and Nomination Committee is determined by the Bylaw passed by the Supervisory Board.

§ 14

1. The mission of the Risk Committee is to support the Supervisory Board in monitoring and supervising the risk management process, including the management of the operational risk, credit risk and market risk, as well as the process of internal capital quantification and the review of strategy and procedures of internal capital quantification and ongoing internal capital maintenance, capital management and capital planning, as well as the model risk.
2. The Risk Committee is composed of at least three Members of the Supervisory Board. The majority of Committee Members, including the Chair, should meet the independence criteria for the Supervisory Board Members. The Committee may choose for assistance some experts not being Members of the Supervisory Board.



3. The detailed scope of operation and functioning of the Risk Committee is determined by the Bylaw passed by the Supervisory Board.

V. Organisation of the Supervisory Board Work.

1. Preliminary Provisions.

§ 15

1. Subject to the provisions §17, the Supervisory Board shall pass resolutions during meetings.
2. The Supervisory Board shall hold the meetings at least five times a year, and at least once a quarter.

§ 16

1. The Supervisory Board's decisions, excluding the matters of routine, shall be made in the form of resolutions.
2. The Supervisory Board resolutions may cover in particular:
 - 1) formulating conclusions and recommendations stemming from the performed supervisory and control activities,
 - 2) granting permits and approvals,
 - 3) approval of strategies, policies and other documents,
 - 4) providing opinions,
 - 5) reports, assessments and information submitted by the Supervisory Board to the General Meeting, including in particular:
 - a) the annual report of the Supervisory Board for the previous financial year, providing at least for the following:
 - the results of the evaluation of the financial statements and the Management Board's reports on the operations of the Bank and its Group in the financial year, as well as the Management Board's motion regarding the distribution of the Bank's profit or loss coverage,
 - the evaluation of the Bank's standing on a consolidated basis, including the assessment of adequacy and effectiveness of the internal control system, risk management system, compliance and the internal audit function,
 - the assessment of performance by the Management Board of disclosure duties towards the Supervisory Board,
 - the total remuneration due from the Bank for all the research and analyses commissioned by the Supervisory Board in the financial year, in the manner set out



- in § 39,
- the summary of the operations of the Supervisory Board and its committees in the financial year along with information on the composition of the Board and its Committees,
 - the assessment of the Bank's application of the principles of corporate governance and of the Bank's compliance with disclosure duties as to their application, as laid down in the WSE Rules and regulations on current and interim information provided by securities issuers,
 - the assessment of legitimacy of the Bank's expenditure borne in connection with the policy concerning charitable and sponsorship initiatives,
 - the update on the implementation status of the diversity policy for the Bank Management Board and Supervisory Board,
- b) remuneration report for the ING Bank Śląski S.A. Supervisory Board and Management Board Members,
- c) the report on the evaluation of the payroll policy at the Bank,
- 6) other matters within the Supervisory Board authority.
3. The Supervisory Board resolutions are valid only if all the Members of the Supervisory Board have been invited to the meeting, and more than a half of them, including the Supervisory Board Chair or at least one Deputy Chair, are present at the meeting.
4. The Supervisory Board adopt resolutions by absolute majority of votes. The requirement of the absolute majority of votes is fulfilled when the number of votes in favour of a given resolution exceeds half of all the valid votes. When the number of votes in favour of a given resolution is equal to the sum of votes against and abstained votes - then, the vote of the Supervisory Board Chair is decisive.
5. In the case of conflict between the Bank's interests and the interests of a Supervisory Board Member, their spouse, relatives and in-laws up to the second degree and the persons to whom Board Members are personally related, and in particular in the situations referred to in §8 section 1, a Supervisory Board Member should disclose such a conflict to other Board Members and should refrain from participation in resolution of such cases. S/he may further request that the foregoing be recorded in the minutes.

§ 17

1. The resolutions of the Supervisory Board may be passed in writing, without summoning a meeting. A draft resolution should be submitted to all the Supervisory Board Members so that they could get



acquainted with it and to declare in writing the acceptance or rejection thereof. The Supervisory Chair may set a deadline for submitting declarations on accepting or rejecting the draft resolution.

2. The resolutions may also be passed through means of distance communication, including but not limited to outside of the meeting. In that case, the provision of §29.4 shall apply accordingly. All the Supervisory Board Members should be notified about the contents of the draft resolution as well as about the date of passing the same.
3. The resolutions passed pursuant to sections 1 and 2 herein are signed by the Supervisory Board Members who were taking part in adopting the said resolutions.
4. Information on the resolutions passed outside the meeting as provided for in sections 1 and 2, including their number, a voting list of the Supervisory Board Members and voting results, a resolution date, subject matter of individual resolutions and any dissenting opinions is recorded in the minutes of the subsequent Supervisory Board meeting.

§ 18

1. The resolutions of the Supervisory Board are adopted in an open voting. For the matters laid down in the law, the Supervisory Board Chair orders the secret ballot. Amendments to the draft resolutions may be made during the meeting. Have any amendments been proposed, there should be a double voting: the former refers to the said amendments, and the latter to the amended draft resolution. Results of the voting are announced by the Supervisory Board Chair. Each Member of the Supervisory Board present at the meeting is entitled to have his/her remarks or dissenting opinion included in the minutes prior to their validation, notably if s/he recognises that the decision of the Supervisory Board contradicts interest of the Bank. The remarks not included and dissenting opinions are minuted along with the reasons for their non-inclusion.
2. The resolutions of the Supervisory Board are signed by all Members of the Supervisory Board present at the meeting.
3. The resolutions of the Supervisory Board bear subsequent numbers, number of the minutes, and the date and procedure of their adoption.

§ 19

1. While performing their control and supervisory functions, the Supervisory Board may also issue recommendations.
2. The recommendations are made pursuant to the provisions hereof, stipulating the procedure of passing the Supervisory Board resolutions.



2. Duties of the Supervisory Board Chair.

§ 20

1. The Supervisory Board Chair:
 - 1) manages the work of the Supervisory Board,
 - 2) represents the Supervisory Board outside the Bank and before other Bank bodies, including individual Members of the Bank Management Board,
 - 3) initiates the adoption of a resolution pursuant to § 17 hereof,
 - 4) sets in the motion initiatives, proposals and documents to be discussed by the Supervisory Board,
 - 5) interprets the provisions hereof,
 - 6) determines the organisation and principles of office support for the Supervisory Board and supervises, with the support of the Deputy Chairs, execution of the same,
 - 7) takes up other actions resulting hereof.
2. The Supervisory Board Chair is required to properly organise the works of the Board, and to summon the meetings of the Board in particular.

3. Preparation of Meetings.

§ 21

Within their powers and duties, the Supervisory Board take up actions at their own initiative or at the initiative of individual Members of the Supervisory Board, or on the grounds of motions and proposals presented by the Bank Management Board or any other authorised persons or bodies.

§ 22

An issue is submitted to the meeting upon being included in the agenda of the meeting.

§ 23

1. Prior to including a given issue in the agenda, the Supervisory Board Chair examines whether it comes within the Supervisory Board's competencies and whether the mover is authorised to make such a motion, and whether the issue is duly prepared in the factual aspect.
2. The Supervisory Board Chair rejects or returns to the mover an issue that does not meet formal submission conditions or is unduly prepared in the factual aspect, indicating the way or scope of necessary supplements.



3. While including a given issue in the agenda of the meeting, the Supervisory Board Chair may designate its reporter out of the Supervisory Board Members.
4. If necessary, the Supervisory Board Chair may order the work, research, opinions or expertise so that the Supervisory Board could review and resolve an issue. The provisions of §39 shall apply to the situation where the Supervisory Board intend to commission third parties to perform such works.

§ 24

1. The Supervisory Board Chair summons the meetings of the Board with the use of invitations in which s/he sets the date, hour and venue of the meeting as well as the proposed meeting agenda and the manner of use of means of distance communication during the meeting..
2. If necessary, the Supervisory Board Chair orders to provide the Supervisory Board Members with copies of materials submitted to the meeting as well as opinions and expertise, if any.
3. If necessary, the Supervisory Board Chair invites to the meeting the persons mentioned in § 28, as well as advisors and experts.
4. The Supervisory Board Chair informs the President of the Bank Management Board about the date and venue of the Supervisory Board meeting.

§ 25

The invitation to the Supervisory Board meeting shall be sent to all Supervisory Board Members and other persons invited at least a week before the date of the meeting. The Chair may shorten this period in justified cases.

4. Supervisory Board Meetings.

§ 26

The first meeting of a newly appointed Supervisory Board is summoned and opened by the President of the Management Board or the eldest newly elected Member of the Supervisory Board.

§ 27

1. The meetings of the Supervisory Board are summoned by the Supervisory Board Chair or by the Deputy Chair in the absence of the former, in accordance with the accepted plan or depending on needs.
2. The Supervisory Board may hold meetings also when not formally summoned, provided all the Supervisory Board Members consent thereto or do not raise objection against inclusion of individual



matters in the meeting agenda.

3. The Management Board or a Member of the Supervisory Board may request that a Supervisory Board be summoned and suggest the meeting agenda. The Supervisory Board Chair summons the meeting with the meeting agenda as requested; the meeting is to be held within two weeks from the receipt date of the request at the latest.
4. Should the Supervisory Board Chair not summon the meeting of the Supervisory Board pursuant to the provision of section 3 herein, the requesting party has the right to summon the said meeting on his/her own.
5. Where the number of the Management Board Members drops below the minimum statutory level as a result of the expiry of the mandate, the Supervisory Board meeting shall be summoned immediately.

§ 28

1. The Supervisory Board meetings may be attended, without the right to participate in voting, by Members of the Bank Management Board, and other Bank employees relevant for an issue discussed and invited by the Supervisory Board Chair, as well as other persons.
2. Irrespective of the right, as referred to in section 1, the persons managing the Internal Audit Department Director and the Centre of Expertise – Compliance or their deputies participate, without a voting right, at the Supervisory Board meetings.
3. The Supervisory Board notify the key statutory auditor who audited the financial statements of the Bank – against an at least one-week notice – of the date of the meeting during which the financial statements and the reports of the Management Board on Operations of the Bank and its Group in the financial year and the Management Board motion on Bank's profit distribution or loss coverage are to be discussed and the annual report of the Supervisory Board is to be developed. The Bank ensures participation of the key statutory auditor or another representatives of the audit firm at the Supervisory Board meeting to enable them to present the audit report to and respond to questions of the Supervisory Board.

§ 29

1. The meetings of the Supervisory Board are held in the seat of the Bank.
2. The meeting can be held at the place other than the one mentioned in section 1, if so stated in the meeting invitation.
3. Supervisory Board meetings can be attended also using means of distance communication.



4. The use of means of distance communication can take the form of use of means of telephone, audio-visual and electronic communication. The applied means should ensure identification of the person attending the meeting as well as ensure for that person to exercise his/her rights, and to speak and vote during the meeting in particular.

§ 30

1. The Supervisory Board meetings are chaired by the Supervisory Board Chair, and in case of his/her absence by the Deputy Chair.
2. The Supervisory Board Chair presents the suggested agenda and orders voting over the same agenda.
3. During the meeting, the Supervisory Board may also pass resolutions on the matters not covered by the meeting agenda, provided no attending Supervisory Board Member objects thereto.
4. The Supervisory Board inform the Polish Financial Supervision Authority of including in the Supervisory Board meeting agenda the items on recalling the President of the Management Board or on recalling the Management Board Member in charge of management of the risk material to Bank business or on entrusting their duties to other Management Board Member along with the rationale behind the proposed decision.
5. Upon the meeting agenda being accepted, the Supervisory Board Chair opens and chairs the discussion on individual items of the agenda.
6. Speakers take floor according to the sequence of their request.
7. The Supervisory Board Chair gives floor in formal issues off the sequence of the request.
8. Formal issues are motions referring to the way of chairing the meeting and voting, and especially to:
 - 1) changing the sequence of items in the agenda,
 - 2) deleting an item from the agenda,
 - 3) breaking off the discussion and closing the list of persons taking the floor,
 - 4) ordering a break that is not in the agenda,
 - 5) voting without a previous discussion,
 - 6) deferring or closing the meeting.
9. The Supervisory Board Chair orders an open voting on motions referring to formal issues. Such motions are accepted with the ordinary majority of votes.



§ 31

1. All the documents submitted to the Supervisory Board meeting should be prepared in Polish and translated into English.
2. The Supervisory Board meetings are held in Polish or in English, upon consent of all the Supervisory Board Members present at the meeting.
3. The Supervisory Board Member who does not speak the Polish language in which the meeting is held may use the assistance of a translator and if necessary - of a sworn translator. The Supervisory Board Member intending to make use of the above right should notify the Supervisory Board Chair about this fact immediately upon receiving an invitation to the meeting.

§ 32

1. The Supervisory Board Chair postpones the meeting of the Supervisory Board if s/he perceives any irregularities in summoning the meeting (save for §27 section 2), or if - despite the fact that the meeting was summoned properly - there are not enough Members of the Supervisory Board present at the meeting to make the resolutions of the Supervisory Board valid.
2. The Supervisory Board Chair may postpone the meeting of the Supervisory Board or discussion on a given issue coming from the agenda if it is necessary to obtain additional information, explanations or expert's investigation, as well as when a given issue may be reviewed only in the presence of the Members or representatives of the Bank Management Board.

§ 33

1. The meetings of the Supervisory Board are minuted. The minutes are prepared in Polish and English.
2. The minutes of the meeting should include a subsequent number of minutes, date and venue of the meeting, names and surnames of the Supervisory Board Members present and voting, agenda, course of the discussion, texts of resolutions or a list of noted updates and the results of voting over individual resolutions. The minutes should include dissenting opinions expressed in the course of the meeting along with the potential rationale and remarks not included along with the reasons for their non-inclusion.
3. In the course of the meeting the motions, declarations, amendments and corrections to the motions and declarations, as well as dissenting opinions expressed by the Supervisory Board Members may be included in a written enclosure to the minutes signed by the submitting person.
4. The texts of motions, documents submitted and reports, information, drafts, and other materials considered by the Supervisory Board shall be enclosed to the minutes.



5. The minutes are approved at the next Supervisory Board meeting and presented to be signed by all the Supervisory Board Members present at the meeting covered by the minutes.
6. The minutes signed with no reservations by all the Supervisory Board Members, mentioned in section 5 herein, are deemed approved.
7. The approved minutes from the Supervisory Board meetings are kept along with enclosures are stored in the Bank Management Board Bureau, hereinafter referred to as the "Bureau".

§ 34

At the request or with the consent of at least half of the Supervisory Board Members present at the meeting, the Supervisory Board Chair may order recording the whole or a part of the Supervisory Board meeting with sound recording equipment. Relevant records shall be stored in the seat of the Bureau.

§ 35

The Members of the Supervisory Board may review the minutes and request copies of the minutes certified by the Chair or Deputy Chair of the Supervisory Board.

5. Implementation of Supervisory Board Resolutions and Recommendations.

§ 36

1. The Supervisory Board Chair requests the execution of resolutions and recommendations of the Supervisory Board, and - unless the resolution or recommendation provides for that - defines the way and term of such an execution.
2. The Chair supervises, with the assistance of the Bureau, the execution of resolutions and recommendations.

6. Submissions.

§ 37

1. Motions, documents and other materials addressed to the Supervisory Board by the Bank Management Board are to be delivered at least a week before the planned date of the Supervisory Board meeting. In justified cases, the Supervisory Board Chair may agree to shorten the deadline for delivering the materials.
2. Notifications are to be delivered by registered mail, or by courier to address indicated by a Member of the Supervisory Board or electronically to the address of electronic mail indicated therefor by the Supervisory Board Member.



3. Any communication from the Supervisory Board to the Bank Management Board, its individual Members and Bank employees is delivered in the way described in section 2 herein to the address of the Bank Management Board via the President of the Bank Management Board.
4. The Supervisory Board Chair, at the request of a Supervisory Board Member or the President of the Bank Management Board, may request the above documents to be delivered in another way.

V. Office Support for the Supervisory Board.

§ 38

1. The Bureau performs technical and organisational tasks connected with the Supervisory Board's operation.
2. The Bureau prepares in particular the technical aspects of the Supervisory Board meetings by delivering notifications, invitations, documents and other materials connected with the Supervisory Board works to the Members of the Supervisory Board and other persons invited.
3. A detailed range of activities of the Bureau, connected with the Supervisory Board service, is determined by the Supervisory Board Chair.

§ 39

1. Upon obtaining advice from the Risk Committee, the Supervisory Board may pass a resolution on examining – at the Bank's expense – a certain matter concerning the operations or assets of the Bank by a selected advisor. The advisor to the Supervisory Board can be also selected in order to develop certain analyses or letters of advice.
2. The Supervisory Board is to represent the Bank in the agreement between the Bank and the Advisor to the Supervisory Board.
3. The Management Board ensures for the Advisor to the Supervisory Board access to documents and provides him/her with requested information.
4. The Supervisory Board may decide to provide the shareholders with results of works of the Advisor to the Supervisory Board, unless the foregoing could be detrimental to the Bank, a related company or a subsidiary, notably through disclosure of technical, trade or company organisation secrets.
5. Should a decision be taken to provide the shareholders with results of works of the Advisor to the Supervisory Board, the Management Board should provide the same in the manner used to announce the fact of convening the general meeting, within two weeks from adoption of the Supervisory Board resolution.



§ 40

1. The Bureau keeps and archives the documentation of the Supervisory Board works, observing the confidentiality clause hereof.
2. The way of keeping and archiving such documentation is determined by the relevant regulations in force at the Bank.

VI. Final Provisions.

§ 41

1. Costs of the Supervisory Board operation are covered by the Bank in accordance with the budget defined in the Mid-term Plan (MTP).
2. The Bank Management Board ensures the administrative and technical support for the Supervisory Board by organising the Bureau and providing it with relevant work conditions.

§ 42

1. This Bylaw shall be approved by the Supervisory Board.
2. This Bylaw shall be subject to review and assessment by the Supervisory Board in terms of its adequacy at least once a year. Should the necessity to introduce amendments to the Bylaw arise, the Supervisory Board Chair shall submit a relevant motion to that effect.
3. The General Meeting is provided with updates on the passed Bylaw and amendments thereto.

