



# POLICY OF APPOINTING AND RECALLING MEMBERS OF THE SUPERVISORY BOARD OF ING BANK ŚLĄSKI S.A.

ING Bank Śląski S.A. Ordinary General Meeting Resolution No. 28 of 15 April 2021

## CHAPTER 1. GENERAL PROVISIONS

### § 1

1. This ING Bank Śląski S.A. Supervisory Board Members Appointing and Recalling Policy (hereinafter referred to as the “Policy”) has been developed, upon taking account of the provisions of the Banking Law Act and of Recommendation Z concerning corporate governance rules at banks.
2. Thanks to the principles defined in the Policy, it contributes to the effective supervision and management of the Bank.

## CHAPTER 2. APPOINTMENT OF THE SUPERVISORY BOARD MEMBERS AND SUITABILITY ASSESSMENT

### § 2

#### General principles regarding appointment

1. A Supervisory Board Member shall be appointed when:
  - a) the mandate of an existing Supervisory Board Member expires,
  - b) the number of the Supervisory Board Members is increased within the limits set out in the *ING Bank Śląski S.A. Charter*, particularly when the result of the collective suitability assessment of the Supervisory Board shows that the Supervisory Board should be expanded.
2. 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, 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.
3. The number of the Supervisory Board Members is determined by the General Meeting; it may not be higher than 11 Members and it may not be lower than five Members.
4. Subject to Section 6, there should be at least two Supervisory Board Members who are free from any ties with the Bank, its shareholders or employees, where ties are understood as ties that may have a material impact on the ability of such a Member to take impartial decisions (Independent Members).
5. The independence criteria of the Independent Members arise from the legal provisions and the *Best Practice of GPW Listed Companies* adopted by the Bank; they are defined in detail in the *Bylaws of the ING Bank Śląski S.A. Supervisory Board*.
6. The independence criteria should be met by:
  - a) the majority of the Audit Committee Members, including its chairperson; at least one of the Independent Members on the Audit Committee should also have qualifications in accounting or financial auditing,
  - b) the majority of the Remuneration and Nomination Committee and of the Risk Committee Members, including their respective chairpersons.
7. The Members of the Supervisory Board shall be appointed for a joint term of office which shall begin on the appointment date and shall last for the next four full financial years.
8. At least a half of the Supervisory Board Members, including its Chairperson, should be the citizens of the Republic of Poland.



### § 3

#### Process of nominating candidates

1. Each shareholder shall have the right to nominate a candidate for the Supervisory Board Member. The nominees shall be proposed with justification and a brief CV covering in particular their education and professional history.
2. A nominee shall give consent to being a candidate for the Supervisory Board and shall declare whether or not s/he meets the criteria adopted by the Bank so that s/he can be considered an independent member of the Supervisory Board. S/he shall also submit other statements as required under the generally applicable laws, including information and statements required to assess suitability in accordance with this Policy. The candidate should provide information and statements as required for the purpose of suitability assessment as soon as s/he has been nominated; the information and statements shall be provided in the form compliant with the *Methodology of the suitability assessment of members of governing bodies at entities supervised by the Polish Financial Supervision Authority* (hereinafter: "PFSA Methodology").
3. The detailed procedure for the appointment of Supervisory Board Members has been described in the *Bylaws of the ING Bank Śląski S.A. General Meeting*.

### § 4

#### Candidate screening process and suitability assessment

1. When assessing suitability and appointing members of the Supervisory Board, one should consider the need to fulfil legal and statutory requirements concerning the composition of the Supervisory Board, including in particular those described in § 2 Sections 2-8, and the ability for the Supervisory Board to appoint statutory committees from among the Supervisory Board Members.
2. The Bank put in place processes to ensure a composition of the Supervisory 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.
3. In order to ensure high quality of task performance by the Supervisory Board by selecting competent people, one shall apply, first and foremost, objective fact-based criteria and account for benefits deriving from diversity.
4. 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.
5. Subject to Section 14, the suitability assessment of the Supervisory Board Members is performed by the General Meeting. The Remuneration and Nomination Committee shall provide support during the suitability assessment process; the Committee shall prepare the relevant recommendations for the General Meeting based on this Policy and the regulations adopted by the Management Board and by the Supervisory Board concerning the internal suitability assessment process at the Bank.
6. The suitability assessment shall include the individual (primary and secondary) assessment and the collective assessment of the Supervisory Board Members as a whole. The individual suitability assessment shall include the following criteria:
  - 1) knowledge, professional experience, skills and competence,
  - 2) guarantee of due performance of duties entrusted, i.e. criminal record, reputation, integrity and ethics, financial situation, independent judgement, including conflict of interest.



- 3) devoting the time required to perform the tasks at the position,
- 4) combining functions.
7. The collective suitability assessment should ensure that the Supervisory Board are able to understand the Bank's business activity and the risks relating thereto.
8. The suitability assessment shall account for competences required to perform tasks of the individual Supervisory Board committees.
9. When performing a detailed assessment of the above criteria, the Bank shall consider the PFSA Methodology.
10. The individual assessment is performed at least:
  - 1) when there are material changes on the Supervisory Board, including:
    - a) when appointing new Members of the Supervisory Board,
    - b) when re-appointing Members of the Supervisory Board (for a new term of office),
  - 2) on a periodic basis – at least once a year,
  - 3) in other cases that have a material impact on the suitability of a Supervisory Board Member, or of the Supervisory Board as a whole.
11. If there are more than one premise for the assessment existing at the same time, the assessment may be performed once.
12. The collective assessment of the Supervisory Board shall be performed whenever there are reasons for performing an individual assessment, when there are material changes on the Supervisory Board and in any other case that has a significant impact on the collective suitability of the Supervisory Board.
13. If the collective suitability assessment of the Bank Management Board, performed in accordance with the Bank's internal regulations in that area, is negative, the General Meeting should consider re-assessment of the Supervisory Board's individual and collective suitability for the performance of duties related to ensuring an adequate composition of the Bank Management Board. The Management Board shall provide information on the outcome of such an assessment to the General Meeting.
14. In the event of changes to the responsibilities of a Supervisory Board Member, particularly due to a change in the composition of the Supervisory Board committees, the suitability assessment shall be performed by the Supervisory Board as an authority that has competence to establish committees. If, as a result of such an assessment, the Supervisory Board finds it necessary to change its composition, §5 Section 3 shall apply as appropriate.
15. If re-assessment is triggered by specific circumstances, the re-assessment may be limited to examining whether or not the assessed person still fulfils the suitability criterion in view of a given situation.
16. The individual assessment of a candidate for the Supervisory Board Member and the re-assessment of a Supervisory Board Member shall be performed at the following stages:
  - 1) giving an instruction to commence an assessment,
  - 2) determining the scope of the assessment (in the case of a re-assessment),
  - 3) preparing the documents and providing them to the candidate,
  - 4) completing the documents by the candidate/ Supervisory Board member,
  - 5) verifying the documents and performing a preliminary assessment,
  - 6) preparation of the recommendations by the Remuneration and Nomination Committee,
  - 7) an assessment of the candidate by the General Meeting and a decision on his/ her appointment or recall, if any, in the event of a re-assessment.



An external entity is engaged for the purpose of a suitability assessment of Members of, or candidates for Members, of the Supervisory Board as support for the Remuneration and Nomination Committee during the preliminary assessment process.

17. If the assessment result is positive, the Remuneration and Nomination Committee shall recommend the appointment of the candidate to the Supervisory Board. The General Meeting shall assess the candidate, by way of a resolution, and depending on the assessment result, the General Meeting shall take a decision on the candidate's appointment to the Supervisory Board.
18. Where it is identified that a candidate for the Supervisory Board lacks some specialist knowledge or there are other reservations that may be overcome within a short period of time, the Remuneration and Nomination Committee may recommend that a candidate be appointed to the Supervisory Board on the condition that the person supplements that knowledge within designated time, not longer than 3 months, or that the reservations are eliminated within time designated by the General Meeting. If the General Meeting decides to appoint a candidate for a position on the Supervisory Board provided that remedial measures are taken, the General Meeting shall approve the manner and the deadline for the completion of remedial measures. Upon completion of remedial measures, the candidate shall present a document to prove that the reservations have been eliminated.
19. If the result of the assessment made by the Remuneration and Nomination Committee is negative and the conditions referred to in Section 18 have not materialised, the Committee shall issue negative recommendation regarding the appointment of the candidate for a position on the Supervisory Board.
20. Where the General Meeting decides not to appoint a candidate for the position on the Supervisory Board, then, depending on the results of the Supervisory Board's collective assessment, the General Meeting shall analyse the measures required to ensure continuity of the Supervisory Board's operations and take adequate actions to implement them, such as resolving to take a break in the General Meeting's debates in order to report on and assess the suitability of new candidates, or recommend that the Management Board convene another General Meeting.
21. In the case of candidates for Supervisory Board Members, the suitability assessment shall be performed before their appointment. Should it be impossible, in exceptional cases, the suitability assessment should be performed without undue delay, not later than within 4 weeks from the moment the person assumes the position.
22. In the case of a re-assessment of a Supervisory Board Member, Sections 17 to 19 shall apply accordingly; however:
  - a) the recommendation of the Remuneration and Nomination Committee may cover:
    - i. keeping the Supervisory Board member on his/ her position,
    - ii. keeping the Supervisory Board member on his/ her position provided he/ she completes remedial measures within the designated deadline,
    - iii. recalling a Supervisory Board member.
  - b) if such a need arises from the suitability assessment, the General Meeting shall make a decision on recalling a Supervisory Board Member, or the General Meeting shall approve the manner of and the deadline for the implementation of remedial measures. Where a Supervisory Board member is recalled, Section 20 is applied accordingly.
23. As part of the collective suitability assessment of the Supervisory Board where:
  - a) the assessment result is positive, the Remuneration and Nomination Committee shall recommend a positive result of the collective suitability assessment of the Supervisory Board and that the Supervisory Board be kept as it is,
  - b) the assessment result is negative, the Remuneration and Nomination Committee shall recommend that remedial measures be taken and set the deadline for their implementation.



24. The General Meeting shall perform an assessment of the collective suitability of the Supervisory Board in the form of a resolution; depending on the results of that assessment, the General Meeting shall decide on the implementation of remedial measures. If the General Meeting decides that remedial measures should be implemented, the General Meeting shall approve the manner and the deadline for the completion of remedial measures.
25. Detailed principles concerning the internal process of the suitability assessment are set out in the regulations of the Bank Management Board and Supervisory Board.

### **CHAPTER 3. RECALLING SUPERVISORY BOARD MEMBERS, LIMITING THE RISK OF VACANCIES AND FILLING VACANCIES ON THE SUPERVISORY BOARD**

#### **§ 5**

General principles concerning the recall of a Supervisory Board Member and the procedure for filling vacancies on the Supervisory Board

1. A Supervisory Board Member shall in particular be recalled if the outcome of the re-assessment of the Supervisory Board Member's individual suitability is negative.
2. Where the Supervisory Board Member is recalled, the shareholders should promptly put forward a new candidate to hold a function on the Supervisory Board, unless the collective suitability assessment of the Supervisory Board shows that the Supervisory Board may operate with a lower number of members, provided that the minimum number of the Supervisory Board members as indicated in §2 Section 3 is met.
3. If there is a sudden vacancy on the Supervisory Board, the Remuneration and Nomination Committee shall conduct a collective suitability assessment of the Supervisory Board. Upon reviewing the assessment results, the Chairperson of the Supervisory Board may decide to notify the Management Board of the need to convene an Extraordinary General Meeting in order to fill the vacancy on the Supervisory Board, or to fill the vacancy on the Supervisory Board during the nearest General Meeting.
4. Notwithstanding the provisions of Section 3, if – as a result of the expiry of a Supervisory Board Member's mandate – the number of the Supervisory Board Members is lower than five, the Chairperson of the Supervisory Board shall notify the Bank Management Board of the need to convene the Extraordinary General Meeting immediately to fill the vacancies on the Supervisory Board so that it meets at least the statutory minimum.
5. A Supervisory Board Member should not resign from that function during the term of office if such resignation could have a negative impact on the Supervisory Board's ability to operate, and in particular on the Board's ability to pass resolutions.

### **CHAPTER 4. FINAL PROVISIONS**

#### **§ 6**

Establishment of and amendments to the Policy

1. The draft Policy has been adopted by Management Board and approved by the Supervisory Board following recommendation of the Remuneration and Nomination Committee.
2. The Policy shall be approved by way of a General Meeting resolution.
3. The Policy shall be amended according to the same procedure that was followed when the Policy was first adopted.
4. As for any matters not regulated herein, the applicable commonly binding laws and internal regulations of the Bank shall apply, including but not limited to: the *ING Bank Śląski S.A. Charter*,



*the Bylaws of the ING Bank Śląski S.A. General Meeting and the Bylaws of the ING Bank Śląski S.A. Supervisory Board.*

