



Principles for Suppliers

ARTICLE 1

INTRODUCTION

1. At mBank S.A. (the “Bank”), procurement processes are conducted using an IT application (the “Procurement System”) serviced by an operator indicated by us (the “Operator”) pursuant to the Operator’s rules (the “Rules”) on servicing the procurement platform and the Principles of Participation in Procurement Processes (the “Principles”) determined by the Bank.
2. In the Rules, the Operator specified the technical conditions of using the procurement platform and the rules of using the procurement platform by Suppliers, such as: registration conditions, conditions for obtaining the certified supplier status and conditions for making complaints and receiving technical support.
3. The Principles determined by the Bank are meant to: maximise the efficiency of the supplier selection process, standardise and clearly determine responsibilities, ensure transparency of negotiations, optimise the quality-price-ratio and eliminate suspicions of corruption.
4. The Rules are binding on all mBank Group Suppliers. mBank Group Suppliers:
 - 1) **Comply with the law.** Each Supplier pursues its activity in compliance with the applicable law.
 - 2) **Abide by labour rights.** They are committed to their employees’ health and safety. They do not use nor profit from forced labour and do not employ minors. Suppliers ensure that their employees work in conditions that are in line with occupational health and safety rules. They cannot force them to work nor tolerate forced labour. They also cannot employ children below the age of 16.
 - 3) **Abide by human rights.** They allow their employees freedom of association. Suppliers comply with legal provisions pertaining to human rights. Their employees can join trade unions.
 - 4) **Protect the environment.** Suppliers abide by environmental protection regulations and take steps to minimise their negative impact on the natural environment.
 - 5) **Do not engage in discrimination.** Suppliers do not discriminate against anybody based on their race, nationality, religious beliefs, disability, sexual orientation or worldview.
 - 6) **Comply with anti-corruption law.** Suppliers comply with anti-corruption law. They also ensure that no conflicts of interest arise within the scope of their operations.

ARTICLE 2

OBLIGATIONS OF SUPPLIERS

1. When entering a procurement process, each Supplier represents that:
 - 1) The person submitting a tender – within a given procurement process – is authorised to do so,
 - 2) The description of needs and requirements regarding a particular object of the contract (the “description”) is sufficient to submit a binding tender, at least during the period specified in the request for proposal,
 - 3) The Supplier:
 - a) is qualified to conduct the activity or actions determined by the object of the contract,
 - b) has the necessary knowledge and experience as well as the technical potential and has the human resources able to perform the contract,
 - c) is in an economic and financial condition ensuring completion of the contract on time and in accordance with the object of the contract,
 - d) is not subject to bankruptcy proceedings nor was it declared bankrupt, it is not subject to liquidation and its business is not subject to receivership or judicial management,
 - e) is not in arrears with taxes, fees and social and/or health insurance contributions or has been exempted from outstanding payments, or such payments have been postponed or divided into instalments, or the enforcement of the whole decision of a competent body has been suspended,
 - f) the members of the governing bodies or shareholders have not been sentenced for any crime committed in connection with the contract award procedure, for bribery, offences against business transactions or other offences committed to achieve a financial gain,
 - 4) The Supplier accepts the Rules and the Principles, and in particular that:
 - a) in justified cases, the Bank may change the content of its request for proposal before the deadline for submitting tenders,
 - b) information on such changes, modifications or additions is communicated to all potential Suppliers through updating the publication of the request for proposal (change in the request for proposal), and is applicable when submitting tenders,
 - c) should it be necessary to make changes to tenders, the deadline for submitting them is changed and the information on the new deadline is communicated to all possible Suppliers through updating the publication of the request for proposal (change in the request for proposal).

Article 3

RULES OF ETHICS

1. The Bank takes ethical and responsible actions in line, in particular, with the Universal Declaration of Human Rights, standards of the International Labour Organisation and guidelines of the OECD (in particular, the guidelines with regard to fighting corruption) (the “Guidelines”).
2. Every Supplier participating in a procurement process or performing contracts with the Bank is obliged to act in accordance with the Guidelines and ensure that its subcontractors and other persons through whom they perform a contract with the Bank also follow the Guidelines.

3. The Guidelines mean, in particular, the provisions of:
 - 1) the Universal Declaration of Human Rights,
 - 2) the Standards of the International Labour Organisation,
 - 3) the Guidelines of the OECD (in particular with regard to fighting corruption),
 - 4) the Rio Declaration on Environment and Development – Agenda 21,
 - 5) the United Nations Convention against Corruption,
 - 6) international trade sanctions and embargoes, including sanctions that may be applicable due to a resolution adopted pursuant to Chapter 7 of the Charter of the United Nations by the UN Security Council, or any sanctions imposed by the European Union,
 - 7) and of national legal regulations implementing the said provisions and provisions of the Rules, in particular those eliminating conflicts of interest.
4. At the Bank’s request, every Supplier participating in a procurement process or performing contracts with the Bank is obliged to immediately inform the Bank about the procedures it uses to comply with the Guidelines.
5. Every Supplier participating in a procurement process or performing contracts with the Bank is obliged to inform the Bank about every case of breaching the Guidelines and about the actions taken in order to restore compliance with the Guidelines.
6. If a breach of the Guidelines is identified, every Supplier taking part in a procurement process or performing contracts with the Bank is obliged to eliminate it immediately upon the Bank’s request. Should the said request be ineffective, the Bank may immediately terminate the contract with the Supplier.

The Bank informs the Supplier in writing about contract termination in the manner specified in the previous sentence.
7. Regardless of provisions of Article 3 (6), the Bank reserves the right to immediately terminate a contract with a Supplier if the Supplier grossly or persistently infringes the Guidelines. The Bank informs the Supplier in writing about contract termination in the manner specified in the previous sentence.

Article 4

EXCLUSIONS CONCERNING THE PARTICIPANTS OF PROCUREMENT PROCESSES

1. Persons that act on the part of the Supplier and have personal or financial connections with a subsidiary of mBank S.A. Group (“mBank Group Subsidiary”) for which the procurement process is being conducted cannot participate in the process. This applies in particular to persons who:
 - 1) are owners, partners in partnerships, hold shares (with the exception of listed companies), are members of bodies of limited companies,
 - 2) are in a legal or factual relationship with the mBank Group Subsidiary for which the procurement process is being conducted which may raise justified doubts as regards impartiality,
 - 3) are related by adoption, guardianship or custody to a member of the management or supervisory bodies of the mBank Group Subsidiary for which the procurement process is being conducted.

2. Persons acting on the part of the Supplier who are married to or are linear relatives, relatives by affinity in the same line, collateral relatives to the second degree to persons who have personal or financial connections with the mBank Group Subsidiary for which the procurement process is being conducted cannot participate in the process. This applies in particular to persons who:
 - 1) are owners or partners in such a partnership, hold shares (except for listed companies) or are members of bodies of limited companies,
 - 2) are in a legal or factual relationship with the mBank Group Subsidiary for which the procurement process is being conducted which may raise justified doubts as regards impartiality,
 - 3) are related by adoption, guardianship or custody to a member of the management or supervisory bodies of the mBank Group Subsidiary for which the procurement process is being conducted.
3. The restrictions on participation in procurement processes referred to in Article 4 (1) and (2) do not apply to the right to be part of the Procurement Team, to which each member of the management board or supervisory board of an mBank Group Subsidiary is entitled.

Article 5

SELECTION OF SUPPLIERS BASED ON THE SUBMITTED TENDERS

1. The Bank selects the most advantageous tender based on the criteria for assessing tenders specified in a request for proposal.

The tender which presents the best balance of price and other criteria relevant to the object of a contract or the tender with the lowest price is considered the most advantageous. The Bank immediately informs the participants of a procurement process about its outcome or about the closure of the procurement process without choosing a tender via the procurement platform.
2. A tender submitted during a procurement process is no longer binding when a different tender is selected or when the auction is closed without any tender being selected.
3. If the most advantageous tender cannot be selected because two or more tenders present the same balance of price and other tender evaluation criteria, the Bank selects the tender with the lowest price.
4. However, if the price is the only tender evaluation criterion in a procurement process, and the most advantageous tender cannot be selected as tenders with the same price have been submitted, the Bank requests the Suppliers who submitted those tenders to submit additional tenders within a deadline set by the Bank.
5. If the Supplier whose tender was chosen avoids concluding a contract, the Bank may choose the most advantageous of the other tenders without repeating their review and evaluation. The provisions of Article 5 (6) above apply accordingly.
6. The Bank announces that signature of a contract by the Ordering Party constitutes confirmation of tender acceptance. On the other hand, information from Bank employees, in particular information regarding the assessment of a Supplier's tender, qualification to the subsequent stage of negotiations or invitation to determine contract conditions is not tantamount to acceptance of the tender or promise to sign the contract; it shall therefore not impose any obligation on the Bank to conclude a contract with the Supplier.
7. The Bank reserves the right to:

- a) discretionally select a tender or a part of it,
- b) cancel a procurement process at any time without stating the reasons,
- c) refuse a tender without giving reasons,
- d) change the object of a contract,
- e) choose one or more Suppliers to perform the object of a contract,
- f) make a partial purchase from one or several selected Suppliers.

Article 6

ELECTRONIC AUCTION

1. In the case of a procurement process, the Bank, after having assessed tenders in order to choose the most advantageous one, may hold an electronic auction.
2. If the Bank decides to hold an electronic auction, it informs Suppliers of this fact and specifies, in particular:
 - 1) the requirements concerning the registration and identification of Suppliers, including technical requirements concerning the electronic equipment,
 - 2) which of the tender evaluation criteria will be applied in the electronic auction,
 - 3) its intent to choose the most advantageous tender in an electronic auction together with the address of the website on which the electronic auction will be held.
3. The only tender evaluation criteria in an electronic auction are the criteria specified in the request for proposal enabling automatic assessment of tenders without the Bank's intervention, selected from among the criteria which were used to evaluate tenders before the opening of the electronic auction.
4. The Bank invites, by electronic means, all the Suppliers whose tenders were not rejected to an electronic auction.
5. An invitation as referred to in Article 6 (1) should inform the Suppliers of the following:
 - 1) minimum required bid increments in the electronic auction;
 - 2) the date of the opening of the electronic auction;
 - 3) the date of and conditions for the closing of the electronic auction;
 - 4) the tender evaluation method to be used in the electronic auction.
7. The date of the opening of an electronic auction may not be scheduled sooner than 2 working days from the sending of the invitation referred to in Article 6 (1).
8. The tender evaluation method used in an electronic auction should include scoring of bids.
9. In an electronic auction, Suppliers use an online form that may be completed with the required data through direct connection with the website to offer their bids, revised downwards, which are then automatically evaluated and ranked.

10. Throughout an electronic auction, the Operator notifies each Supplier of the current ranking of their tender.
The identity of Suppliers may not be revealed until the closing of the electronic auction.
11. A Supplier's original tender becomes invalid to the extent covered by a more advantageous tender submitted by the Supplier in an electronic auction. The tender validity period is not suspended.
12. The Operator closes an electronic auction:
 - 1) on the date specified in the announcement of the invitation,
 - 2) if during the period specified in the invitation no new bid increments are reported.
13. Immediately after closing an electronic auction, the Bank announces the company name and the address of the Supplier whose tender was selected on the website specified in the announcement of the invitation.

Article 7

REJECTION OF A SUPPLIER'S TENDER

The Bank rejects the tender of a Supplier:

- 1) that within the last 3 years before the commencement of the contract awarding process caused damage to the Bank or continues to have court dispute with the Bank or a dispute before a different adjudicating authority,
- 2) that offered unrealistic conditions of performing the contract with regard to quality, deadline or price or when the subject matter of the contract evidently exceeds their organisational and performing capabilities,
- 3) that submitted a tender not complying with the requirements specified in the request for proposal,
- 4) that is subject to bankruptcy or winding-up proceedings or when according to the information available to the ordering party, the Supplier is in an economic situation that makes it impossible for it to duly perform the contract,
- 5) that submitted a tender after the lapse of the deadline or in a manner other than the manner described in the request for proposal,
- 6) that has been entered in the blacklist of Suppliers,
- 7) that is excluded due to the personal and capital connections specified in detail in Appendix No. 4 to the Instruction.

Article 8

USE OF THE PROCUREMENT PLATFORM

1. The Bank uses the procurement platform for the purposes of cooperating with Suppliers also at the stage of performance of contracts concluded with them.
2. The platform referred to in Article 8 (1) is used in particular for placing orders.

3. In order to make it possible for the Operator to provide the service of maintaining and servicing the procurement platform, when entering a procurement process, every Supplier consents to the Bank providing the Operator with the information contained in the tenders submitted as well as contracts and orders, in particular commercial conditions. The consent referred to in the previous sentence invalidates confidentiality clauses in contracts.
3. The Bank ensures that its agreement with the Operator provides for the obligation to keep confidential the information referred to in Article 8 (1).

The obligation to keep confidential the information referred to in the previous sentence does not apply to situations when such information:

- 1) has been disclosed in a way other than as a result of breaching the provisions of the contract with the Operator, in particular when the entity to which the information applies allowed for that information to be disclosed;
- 2) had already been in the receiving Party's possession before it was disclosed by the other Party;
- 3) has been independently developed by the receiving Party;
- 4) has to be disclosed to auditors or other entities obliged to maintain professional secrecy in order to comply with generally applicable laws;
- 5) is disclosed under generally applicable laws, in particular at the request of a competent court or administrative body.

Article 9

MISCELLANEOUS

The Operator's Rules and the generally applicable laws apply to matters not regulated in the Principles.