



Policy

for the Assessment of Qualifications (Suitability), Appointment and Dismissal of Members of the Bank's Bodies at mBank S.A.

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History of changes to the document

Version	Effective as of	Changes
3.1	14.12.2023	<p>The amendments align the Policy with the updated Methodology for Assessing the Suitability of Members of the Bodies of Banks, Insurance Companies, Reinsurance Companies and Pension Funds and the KNF's expectations (CEDUR training), as well as taking into account the dynamics of the external environment:</p> <ul style="list-style-type: none"> • addition of an assessment of the suitability of the remuneration and nomination committee and the risk committee • addressing additional requirements for the member of the management board supervising management of material risk in the bank's activity • more detail specification of the requirements for the fulfilment of duties • revision and modification of time commitment requirements • addressing the participation of the bank's units responsible for areas that are subject to suitability assessments • adjustment of the technical aspects of the assessment process to current requirements.
3.2	12.12.2024	<p>Clarification of paragraphs related to:</p> <ul style="list-style-type: none"> • the training policy for members of the bank's bodies • the target date for achieving a gender balance in the composition of the bank's bodies
3.3	12.12.2025	<p>Adjustment to new draft provisions transposing the EU Directive on improving gender balance among directors of listed companies (Women on Boards), in to the Polish law:</p> <ul style="list-style-type: none"> • Completion and refinement of selection criteria for members of bank's bodies to be unambiguous and non-discriminative • Supplementation of the Diversity Policy in terms of: <ul style="list-style-type: none"> ○ A quantitative target regarding the share of the underrepresented gender in the bank's governing bodies and mechanisms supporting its fulfilment ○ Annual verification and reporting on the fulfilment of the quantitative target <p>Other changes concerning:</p> <ul style="list-style-type: none"> • Specification of the provisions governing the internal succession process for appointments to the Bank's Management Board, • Inclusion of provisions setting out the procedure to be followed in the event of a sudden or unexpected absence of a member of the Management Board • Generalization of provisions regarding the requirement to obtain the KNF's approval for the appointment of certain members of the bank's governing bodies

	<ul style="list-style-type: none"> • Alignment of appointment and dismissal rules for the Supervisory Board and Management Board members to ensure coherence • Clarification of the process for assessing the suitability of candidates, their appointment, and potential dismissal (changes in the Annex).
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Appendix: Process and Detailed Criteria of Performing the Suitability Assessment of Members of the Bank’s Bodies

1. Why we implement the Policy

1.1. Legal basis

The Policy was developed based on:

- 1) the Banking Law Act of 29 August 1997,
- 2) EBA Guideline of 22 November 2021 on internal governance under EU Directive 2019/2034
- 3) the Act of 11 May 2017 on statutory auditors, audit firms and public supervision,
- 4) the draft provisions transposing EU Directive (2022/2381 of the European Parliament and of EU Council of 23 November 2022 on improving the gender balance among directors of listed companies and related measures ('the Women on Boards Directive') into the Polish legal framework.
- 5) EBA Guideline of 8 January 2025 on the management of ESG risks
- 6) joint ESMA and EBA Guidelines of 2 July 2021 on the assessment of the suitability of members of the management body and key function holders,
- 7) EBA Guidelines of 14 June 2022 on policies and procedures in relation to compliance management and the role and responsibilities of the AML/CFT Compliance,
- 8) Regulation (EU) of the European Parliament and of the Council of 14 December 2022 on the operational digital resilience of the financial sector,
- 9) Recommendation Z of the Polish Financial Supervision Authority on the Principles of Internal Governance at Banks,
- 10) Methodology for Assessing the Suitability of Members of Bodies of Banks, Insurance Companies, Reinsurance Companies and Pension Funds

1.2. Principles for updating and reviewing the Policy

The Policy and its application are subject to a periodical review carried out by the Corporate Governance Department and approved by the Committee of the Supervisory Board which exercises responsibilities of the nomination committee as defined in the Banking Law and other regulations. The document is also subject to a periodical review carried out by the Internal Audit Department in line with the plan of scheduled audits.

2. Definitions and abbreviations

The following definitions and abbreviations have the following meaning:

- 1) **Bank** – mBank S.A. with its seat in Warsaw,
- 2) **Member of the Bank's Body** – Member of the Supervisory Board, Member of the Management Board of the Bank, Member of the Audit Committee,
- 3) **Member of the Supervisory Board** – Member of the Supervisory Board of mBank S.A.,
- 4) **Member of the Management Board** – Member of the Management Board of mBank S.A.,
- 5) **DHR** – Employee Relations and Organisation Culture Department,
- 6) **DLK** – Corporate Governance Department,
- 7) **Assessment form** - a form for the assessment of members and candidates for members of Bank Bodies developed by the Polish Financial Supervision Authority, which is an appendix to the Methodology for Assessing the Suitability

of Members of the Bodies of Banks, Insurance Companies, Reinsurance Companies and Pension Funds

- 8) **Group** – mBank S.A. Group,
- 9) **Candidate** – a person appointed for the first time,
- 10) **KNF** – Polish Financial Supervision Authority,
- 11) **Committee** – a committee of the Supervisory Board which exercises responsibilities of the nomination committee as defined in the Banking Law and other regulations,
- 12) **KRK** – the National Criminal Register,
- 13) **Methodology** – the Methodology for Assessing the Suitability of Members of Bodies, Insurance Companies, Reinsurance Companies and Pension Funds,
- 14) **Bank's Bodies** – the Supervisory Board (including specialized supervisory board committees), the Management Board of the Bank,
- 15) **Appointing Body** – a body competent for assessing, appointing and dismissing Candidates for Members of the Bank's Body and Members of the Bank's Body. In the case of Members of the Management Board of the Bank, it is the Supervisory Board, in the case of Members of the Supervisory Board, it is the Annual General Meeting, in the case of Members of the Audit Committee, it is the Supervisory Board,
- 16) **Policy** – this Policy for the Assessment of Qualifications (Suitability), Appointment and Dismissal of Members of the Bank's Bodies at mBank S.A.,
- 17) **UKNF** – the Office of the Polish Financial Supervision Authority,
- 18) **AGM** – the Annual General Meeting of mBank S.A.,
- 19) **Management Board, Management Board of the Bank** – the Management Board of mBank S.A.

3. Objectives and scope of the Policy

1. The objective of the Policy is to ensure that the composition of the Bank's Bodies is appropriate to the scale, complexity and risk profile of the bank and contributes to its proper and safe functioning. The Policy also seeks to ensure that the Members of the Bank's Bodies are suitable persons and that the Body as a whole consistently has the appropriate combined level of knowledge, skills and experience and collectively meets the other criteria set out in the Policy, taking into account the rules on diversity.
2. The Policy specifies in particular:
 - 1) rules for the appointment and dismissal of Members of the Supervisory Board and the Management Board, including succession rules,
 - 2) rules concerning diversity,
 - 3) individual and collective suitability assessment criteria,
 - 4) process and rules for conducting the initial, secondary and collective suitability assessment,
 - 5) rules for induction, training and development activities, and continuous learning of Members of the Bank's Body,
 - 6) units responsible for the relevant tasks.
3. Suitability is understood to mean that the qualifications held by Members of the Bank's Body are in line with the requirements described in the Policy.

4. It is the responsibility of the Appointing Body to ensure the proper selection, suitability assessment, appointment and dismissal of Members of the Bank's Bodies.
5. As a dominant entity in the Group, acting with a view to ensuring adequate governance in the entire Group and to exercise ownership supervision over subsidiaries, the Bank recommends that its supervised subsidiaries to implement the Policy taking into account the principle of proportionality (i.e., adequately to the profile and scale of the operations, the structure, size and profile of risk).

4. General principles for the selection of Members of the Bank's Body

1. The process of completing the composition of the Bank's Bodies is carried out in such a way that allows the Bank's Bodies to perform its functions in a professional and correct manner.
2. Members of the Supervisory Board and Management Board should have the knowledge, skills and professional experience essential for adequate performance of the tasks of the Bank's Body.
3. Members of the Supervisory Board and Management Board should guarantee correct performance of their tasks and duties owing, in particular, to their reputation, integrity, reliability ethical behaviour and independence of judgment ensuring effective assessment and verification of the decisions taken and implemented with regard to the management of the Bank and ability to perform their tasks and duties in a prudent and stable manner.
4. When nominating Candidates, one should be guided by the criterion of versatility and diversity, including diversity of gender, age or professional experience, taking into account the diversity policy, with respect for the principle of equal opportunities.
5. At every stage of the process of selecting a person for a specific position in the company's governing body, neutrally phrased and unambiguous selection criteria are applied in a non-discriminatory manner. These criteria take into account the qualifications of candidates, age, and the need to ensure gender balance. The selection criteria are defined before the process begins.
6. At least 50% of Members of the Bank's Body, including the Chairperson of the Supervisory Board and the President of the Management Board, must have Polish citizenship, reside permanently in Poland, speak Polish and have experience from the Polish market which could be used in exercising supervision over the activity of the Bank or managing the Bank.
7. The Candidates nominated to participate in the recruitment for the Bank's Body should, owing to their integrity, ethics, willingness to work, independence and character, be able to duly perform the duties of Members of the Body of a commercial bank operating domestically and abroad and safeguard the Bank's public image.

8. Prior to nominating a Candidate for a position in the Bank's Body, it is necessary to assess his or her business and personal links to the Bank and its competitors.
9. The appointment of a candidate to the Bank's Body takes place following a positive outcome of the suitability assessment process, subject to provisions requiring the approval of the KNF for certain functions.
10. In the case of reappointment of a Member to another term of office in the Bank's Body, a nomination is only possible upon consideration of the results of the assessment of that Member's activity.
11. The process of appointing and dismissing Members of the Bank's Bodies is operationally supported by DLK.

5. Diversity policy

1. This Policy is implemented at the Bank taking into account the principle of diversity of the composition of the Bank's Body.
2. The principle of diversity is applied to guarantee an adequate selection of Members of the Bank's Body in the manner engaging a broad set of qualities and competences to achieve a variety of views and experiences, knowledge and skills which are adequate to the position held and which guarantee that Members of the Bank's Body will individually and collectively issue independent opinions and sound decisions concerning the entire scope of the Bank's operations.
3. The principle of diversity applied when selecting Members of the Bank's Body is based on objective merit-based criteria concerning education, skills and professional experience as well as criteria ensuring the diversity of the composition of the Bank's Body with respect to gender and age.
4. Accordingly, the AGM and the Supervisory Board, when selecting the composition of the Supervisory Board and the Management Board, strive for gender balance by ensuring that the underrepresented gender accounts for at least 33% of the total number of positions in the Bank's Bodies, and that individuals of the underrepresented gender hold positions in each of the Bank's Bodies.
5. In cases where the selection process for a specific position involves choosing between candidates with equivalent qualifications, preference is given to the candidate belonging to the underrepresented gender, unless the selection of a candidate of the opposite gender is justified by other diversity-related principles set out in legal provisions, based on non-discriminatory criteria.
6. The procedure granting priority to the selection of a candidate belonging to the underrepresented gender does not apply when the quantitative gender representation targets set out for the Bank's Bodies in this Policy have already been achieved.

7. As part of the annual assessment of the suitability of Bank's Bodies, the Supervisory Board verifies the compliance of their composition with the criteria set out in the Policy and the intended targets.
8. The Supervisory Board prepares an annual report on the representation of each gender within Bank's Bodies and on the measures taken to ensure gender balance in these bodies. In the event that the provisions implementing Directive (EU) 2022/2381 of the European Parliament and of the Council of 23 November 2022 on improving the gender balance among directors of listed companies and related measures into the Polish legal framework assign this competence to the Management Board, the report referred to in the preceding sentence shall be prepared by the Management Board as part of the Bank's annual Management Board report and shall be subject to review and approval by the Supervisory Board. This arrangement shall remain in place until the responsibility for preparing the aforementioned reports is transferred to the Supervisory Board.
9. Where the diversity objectives or targets are not met, the Bank shall disclose the reasons for non-compliance and the measures to be taken to ensure the achievement of the diversity objectives and targets, in accordance with applicable regulations.

6. Appointment and dismissal of Members of the Supervisory Board, rules for succession

1. The number of Members of the Supervisory Board is determined by the AGM and cannot be smaller than five.
2. The procedure for the appointment and dismissal of Members of the Supervisory Board, the length and the rules for calculating the term of office are laid down in the By-Laws of the Bank. Members of the Supervisory Board are selected and dismissed taking into account the requirements set out in the regulations including the role of the KNF, as well as in this Policy.
3. The appointment of a Member of the Supervisory Board takes place in the following situations:
 - 1) expiry of the mandate of an existing Member of the Supervisory Board,
 - 2) increase in the number of Members of the Supervisory Board, in particular in case where the collective suitability assessment of the Supervisory Board shows that its composition should be expanded.
4. Candidates for Members of the Supervisory Board may be nominated by the shareholders, existing Members of the Supervisory Board, and the Committee. Candidates for Members of the Supervisory Board of a new term of office may also be nominated by shareholders at the AGM held to appoint the Supervisory Board of a new term of office.
5. In the event of a need to supplement the composition of the Supervisory Board, the Committee conducts a recruitment process, in particular:

- 1) defines the scope of responsibilities for the candidate to the Bank's Supervisory Board, as well as the required knowledge, competencies, and expected time commitment necessary to perform the function within the Supervisory Board,
 - 2) assesses the appropriate balance of knowledge, skills, personal competencies, and experience within the Supervisory Board, the assurance of proper performance of duties, and the compliance of the number of functions held with legal requirements,
taking into account the principles of diversity in the composition of the Bank's Bodies.
6. During the recruitment process, the Committee may seek support from an external firm, as well as support from DHR and DLK.
 7. The Supervisory Board should be composed of at least two Members who do not have any links to the Bank, its shareholders or employees, understood as links which could significantly impact on such a Member's ability to take impartial decisions (Independent Members).
 8. The criteria of independence of Members of the Supervisory Board arise from legal and regulatory requirements and the Best Practice for GPW Listed Companies adopted by the Bank.
 9. The term of office of a Member of the Supervisory Board should in principle end at the end of the AGM held after such Member of the Supervisory Board has reached 72 years of age.
 10. In order to mitigate the risk of several vacancies occurring in the Supervisory Board within a short timespan, without prejudice to the rights of shareholders to nominate and replace Members of the Supervisory Board, the Committee checks whether a given Member can be reappointed not later than six months before the term of office of Members of the Supervisory Board expires.
 11. When Members of the Supervisory Board resign, it is considered good practice to file a letter of resignation with a future execution date, sufficiently in advance for the Committee and the Appointing Body to perform its obligations. A letter of resignation of a Member of the Supervisory Board must be delivered in writing and addressed to the President of the Management Board and the Chairperson of the Supervisory Board.
 12. If a Member of the Supervisory Board vacates their position, in particular under sudden or unexpected circumstances, the Supervisory Board conducts a self assessment of its collective suitability as soon as possible, including an assessment of the vacancy's impact on further operation of the Supervisory Board and its committees, and, if necessary, takes actions to complete the composition of the Supervisory Board.

7. Appointment and dismissal of Members of the Management Board, rules for succession

1. The Management Board is composed of at least three Members. The length and the rules for calculating the term of office of the Management Board are laid down in the By-Laws of the Bank.
2. The Supervisory Board appoints and dismisses the President of the Management Board and Vice Presidents, taking into account the requirements set out in legal regulations, including the role of the KNF in this regard, as well as the provisions of this Policy.
3. The appointment of a member of the Management Board takes place in the following situations:
 - 1) upon the expiry of the mandate of the current member of the Management Board,
 - 2) when the number of positions on the Management Board is increased, in particular when the collective suitability assessment of the Management Board indicates the need to expand its composition.
4. Candidates for Members of the Management Board are recommended by the Committee.
5. Committee carries out a succession process for Members of the Management Board for the event of a vacancy on the Management Board according to the process described below.
6. The Committee, as part of the succession process, identifies and contributes to the selection of Candidates for vacant management body positions. The internal succession process is operationally supported by the DHR, among others including providing at least once a year a list of high-potential individuals for particular positions within Management Board (in accordance with applicable Policy for the Identification of Key Functions at mBank S.A., Succession Planning, Appointment and Dismissal of Key Function Holders and Assessment of their Suitability).
7. In the succession process, preference is given to individuals who identify with the Bank's culture and values and act in accordance with them.
8. In the event of a need to supplement the composition of the Management Board, the Committee sets the schedule and conducts a recruitment process, in particular:
 - 1) it defines the terms of reference for a Candidate to the Management Board of the Bank, as well as the requirements of knowledge and competence and the expected commitment in terms of time, required to perform the function on the Management Board,
 - 2) it checks the appropriate balance of knowledge, skills, personal competencies and experience within the Management Board, guarantee of due performance of duties, as well as the compliance of the number of functions held with applicable legal provisions.

having regard to the principles of diversity in the composition of the the Bank's Bodies.

9. During the recruitment process, the Committee may seek support from an external firm, as well as support from DHR and DLK.
10. In order to mitigate the risk of several vacancies occurring in the Bank's Management Board within a short timespan, the Committee checks whether a given Member can be reappointed not later than six months before the term of office of Members of the Management Board expires.
11. When Members of the Management Board resign, it is considered good practice to file a letter of resignation with a future execution date, sufficiently in advance for the Committee and the Appointing Body to perform its obligations. A letter of resignation of a Member of the Management Board must be delivered in writing and addressed to the President of the Management Board and the Chairperson of the Supervisory Board.
12. If a Member of the Management Board vacates their position under sudden or unexpected circumstances, the Supervisory Board conducts an assessment of the Management Board's collective suitability as soon as possible, including an assessment of the vacancy's impact on further operation of the Management Board, and if necessary, takes appropriate actions in order to complete the composition of the Management Board.
13. In the event of a sudden or unexpected absence of the member of the Management Board the Supervisory Board shall be notified immediately. For a period up to three months, the substitution procedure set out in the Management Board Rules is applied as in the case of a planned absence, unless the Supervisory Board decides otherwise. In the event of a sudden or unexpected absence of the member of the Management Board exceeding three months, the Management Board requests for consent of the Supervisory Board for substitution procedure to be applied.
14. In the event of a sudden or unexpected absence of a Management Board member, the Supervisory Board may, for reasons it deems important, temporarily suspend the Management Board member. Prior to adopting a resolution, and after reviewing the materials related to the matter, the Committee provides a recommendation to the Supervisory Board regarding whether the condition of an important reason has been met.
15. In case other than a sudden or unexpected absence of a Management Board member the Supervisory Board may also dismiss or suspend a Management Board member from performing their duties for a period it deems appropriate, taking into account the applicable regulations as well as all circumstances of the case.
16. In the event of suspension of a Management Board member, the Commission shall recommend to the Supervisory Board the further course of action, which may include:
 - 1) delegating a member of the Supervisory Board to temporarily perform the duties of the suspended Management Board member for a period not exceeding three months; or

- 2) requesting the Management Board to propose a new division of competence among the Management Board members for the duration of the suspension; or
 - 3) appointing an additional member to the Management Board.
17. In the event of suspension of a Management Board member, the Supervisory Board may also adopt a resolution regarding:
- 1) Earlier termination of suspension period,
 - 2) Dismissal of a Management Board member,
 - 3) Extending a period of suspension for reasons it deems important.
18. In the situations described in items 14-16 and item 17 subpoints 2) and 3) above, the Committee shall conduct an individual suitability assessment of the Management Board members whose responsibilities would be subject to change, as well as a collective suitability assessment of the Management Board. The purpose of the assessment is to verify the assurance of continuity of management and the effectiveness of the Management Board. In case of negative outcome of the suitability assessment the Supervisory Board may apply measures described in item 16 or item 17 subpoint 2).

8. Rules and procedure for the suitability assessment

8.1. Rules for conducting the initial, secondary and collective suitability assessment

1. The **initial individual suitability assessment** of a Candidate for a Member of the Bank's Body is conducted each time:
 - 1) before appointing a person to a new position in the Bank's Body,
 - 2) before submitting a notification on the intent to acquire a qualified stake in an entity supervised by KNF or to become its parent entity (in case of planned changes in the composition of the Body),
 - 3) before temporarily delegating a Member of the Supervisory Board to the Management Board,
 - 4) before appointing a Member of the Supervisory Board as a member of the Audit Committee (in the scope of fulfilling the criteria specific to the Audit Committee), as well as Remuneration and Nomination Committee and Risk Committee
2. The **secondary individual suitability assessment** of a Member of the Bank's Body is conducted each time:
 - 1) periodically, at least once a year (periodical assessment should cover also the fulfilment of the criteria specific to the Audit Committee by a sufficient number of its members as well meeting criteria applicable to committees by the members of the Remuneration and Nomination Committee and the Risk Committee meet the criteria applicable to those committees),
 - 2) as part of an inspection/review of the corporate governance rules,
 - 3) before appointing a given person for another term of office,
 - 4) in the case of changes to the scope of duties or job requirements,
 - 5) if the Bank receives information about charges brought against a Member of the Bank's Body in criminal proceedings or proceedings relating to a fiscal offence or causing significant financial losses,

- 6) if new circumstances which may affect the assessment emerge, in particular with regard to identified cases of a potential conflict of interest,
- 7) if a given person is assigned additional duties/assumes additional positions (assessment of time consumption and conflicts of interest),
- 8) in the case of regular or flagrant cases of negative secondary individual or collective assessment of the Management Board – assessment of the guarantee given by Members of the Supervisory Board if such persons are appointed to/remain in the Management Board,
- 9) if a significant breach of duty on the part of Members of the Management Board or the Supervisory Board is identified,
- 10) before planned dismissal of a Member of the Bank's Body,
- 11) where there are reasonable grounds to suspect that money laundering or terrorist financing has been committed or attempted or there is an increased risk thereof in connection with the Bank. In particular, this pertains to situations where information available suggests that the Bank:
 - i. has not implemented appropriate control mechanisms to monitor and mitigate money laundering or terrorist financing risks and risk of non-compliance with international sanctions (e.g., identified by supervisory findings),
 - ii. has breached its obligations to prevent money laundering and terrorism financing and to comply with international sanctions in jurisdictions in which it conducts operations, which resulted in supervisory sanctions,
 - iii. has changed its business activity or business model thereby significantly increasing its exposure to money laundering or terrorist financing risk or to risk of non-compliance with international sanctions.

3. The **collective suitability assessment** of the Bank's Body is conducted each time:

- 1) before making any changes to the composition of the Bank's Body, in particular resulting from appointment, dismissal, resignation or suspension of Members of the Body (or directly after making such changes if, for reasons beyond the Bank's control, it was not possible to conduct the suitability assessment earlier),
- 2) before appointing members of the Bank's Body for a new term of office (regardless of whether its composition has changed or not),
- 3) before submitting a notification on the intent to acquire a qualified stake in a supervised entity or to become its parent entity (in case of planned changes in the composition of the Body),
- 4) in the case of changes in the division of duties within the Bank's Body (including the participation in committees),
- 5) in the case of a significant change in the Bank's business model, readiness to take risk, risk strategy or structure at Bank or Group level, including situations where additional activities are authorised,
- 6) as part of an inspection/review of the corporate governance rules,
- 7) if new circumstances which may affect the collective suitability assessment of the Bank's Body emerge,

- 8) in the case of a significant change in the suitability assessment of individual Members of the Bank's Body,
 - 9) in the case of appointment and each change in the composition of the Audit Committee (in terms of whether a sufficient number of members meet the assessment criteria of the Audit Committee), as well as change in Remuneration and Nomination Committee and Risk Committee.
 - 10) when abstaining from appointing a Candidate as a Member of the Bank's Body (taking into account inability to appoint a Candidate as a Member of the Bank's Body immediately),
 - 11) where there are reasonable grounds to suspect that money laundering or terrorist financing has been committed or attempted or there is an increased risk thereof in connection with the Bank. In particular, this pertains to situations where information available suggests that the Bank:
 - i. has not implemented appropriate control mechanisms to monitor and mitigate money laundering or terrorist financing risks or risk of non-compliance with international sanctions (e.g., identified by supervisory findings),
 - ii. has breached its obligations to prevent money laundering and terrorism financing and to comply with international sanctions in jurisdictions in which it conducts operations, which resulted in supervisory sanctions,
 - iii. has changed its business activity or business model thereby significantly increasing its exposure to money laundering or terrorist financing risk or to risk of non-compliance with international sanctions.
4. Where there is a matter which causes concern about the suitability of a member of the Bank's Body, the Bank undertakes an assessment of how this concern affects that person's suitability, taking into account also the existence of reasonable grounds to suspect that money laundering or terrorist financing has been committed or attempted or that the risk thereof could be increased.
 5. Where events which require a suitability assessment are identified, the Bank assesses the credibility and reliability of any facts and information (e.g., the source, the plausibility, any conflicts of interest of the source giving the information) that triggered the assessment and the seriousness of any allegations of or actual wrongdoing of one or more Members of the Bank's Body.
 6. If more than one of the criteria triggering the suitability assessment process occur simultaneously, i.e., the time lag between such criteria does not exceed three months, the Bank may carry out the assessment once.
 7. Subject to the provisions on the appointment or assignment of a Member of the Bank's Body with the approval of KNF, the Appointing Body carries out a suitability assessment before the position is filled. Where a complete suitability assessment carried out prior to the appointment of a Member of the Body would interfere with the proper functioning of the Body, the (individual and collective) assessment may be carried out after the appointment to the Body but without undue delay and in compliance with the deadlines set out in the applicable regulations.

8.2. Individual and collective suitability assessment criteria

1. **Individual suitability assessment criteria** include:
 - 1) knowledge, professional experience, skills and competences,
 - 2) guarantee of proper performance of entrusted duties, i.e., clear criminal record, reputation, integrity, reliability, ethical behaviour, financial standing, and independence of judgement, including conflicts of interest,
 - 3) time spent on performing duties connected with the position,
 - 4) holding several positions and functions.
2. **Collective suitability assessment** checks if the Bank's Body, as a whole, has sufficient knowledge in the fields for which its Members are collectively responsible, a broad range of knowledge, skills and experience to understand the Bank's activities and main risks, as well as competences allowing efficient management and control of the Bank, including in the following scope:
 - 1) the Bank's activity and main risks arising from it,
 - 2) each material activity of the Bank,
 - 3) relevant areas of the banking sector operations, financial and capital markets, solvency and models, and sustainable development including risk factors related to environmental, social and corporate governance,
 - 4) financial accounting and reporting,
 - 5) risk management, compliance with the law, and internal audit,
 - 6) IT and security,
 - 7) local, regional and global markets,
 - 8) legal and regulatory environment,
 - 9) organisation and HR management,
 - 10) strategic planning,
 - 11) management of domestic (international) groups, and the risks connected with the structure of the Group,
 - 12) money laundering or terrorist financing risks associated with the Bank's activities and business model, including knowledge of the national legal and regulatory framework against money laundering and terrorist financing.
3. When assessing the **collective suitability**, it is considered whether the Bank's Body through its decisions has demonstrated a sufficient understanding of money laundering or terrorist financing risks and how these affect the Bank's activities, and has appropriately managed these risks, including corrective measures where necessary.
4. In the case of the Bank's Management Board it is considered whether or not the Management Board acted in the best interest of the Bank including in relation to the fight against money laundering and terrorist financing.
5. When assessing the collective suitability of the Management Board Members, it is considered whether there are reasonable grounds to suspect that money laundering, terrorist financing or other financial crimes have been committed or attempted, or whether there is an increased risk thereof. In particular, this pertains to situations where the internal or external audit findings or supervisory findings suggest that the internal control system is inadequate in preventing money laundering and terrorism financing.

8.3. Process and tools used to assess suitability

1. The Supervisory Board approves the minimum requirements for the Members of the Supervisory Board performing specific functions on the Supervisory Board and its committees, and for the Members of the Management Board and the Management Board as a whole, taking into account the legal and regulatory requirements and the provisions of the Policy.
2. The Committee periodically reviews the minimum requirements for the Members of the Bodies and for the Bodies as a whole at least once a year and makes recommendations to the Supervisory Board in this respect.
3. The assessment is carried out using the assessment form,
4. The process involves participation of the bank's units responsible for areas that are subject to suitability assessments. DLK is responsible for the organisation of the assessment process .
5. The detailed criteria for assessing the suitability of Members of the Bank's Body and the suitability assessment process are set out in Appendix to the Policy.

8.4. Documentation and information obligations

1. After each initial assessment and appointment of a Candidate as a Member of the Bank's Body, secondary assessment of a Member of the Bank's Body and collective suitability assessment of the Bank's Body, DLK documents the suitability assessment.
2. Suitability assessment documentation includes:
 - 1) filled in assessment forms together with documents supporting the information contained in the forms,
 - 2) decision of the Committee which includes a recommendation on the suitability assessment of a Candidate, a Member of the Bank's Body, or the Bank's Body, and actions to be taken in connection with the assessment,
 - 3) resolution of the Appointing Body which includes the suitability assessment of a Candidate, a Member of the Bank's Body, or the Bank's Body, and actions taken in connection with the assessment,
 - 4) written justification or an annotation to the voting protocol concerning a vote cast by a Member of the Appointing Body against the Committee's recommendation, unless the voting takes place in secret ballot, 5) documentation of remedial measures if any such measures are taken.
3. DLK ensures access to the suitability assessment documentation at any time.
4. Following the suitability assessment process, the Bank provides KNF with information on the outcome of the assessment, in accordance with the procedure described in Appendix to the Policy.
5. The Bank grants shareholders access to information on the fulfilment of the suitability criteria by Members of the Supervisory Board and by the Supervisory Board as a whole before they are appointed as Members of the Supervisory Board.

6. DLK keeps the record of all professional and political functions fulfilled by Members of the Bank's Bodies outside the Bank. Such records are updated on the basis of:
 - 1) each initial or secondary individual assessment,
 - 2) prompt notification by a Member of the Bank's Body of the intention to take up a new function.
 - 3) receipt by the DLK otherwise of information about such changes.
7. Should a change take place with respect to a position which may impair the ability of the Member of the Bank's Body to invest sufficient time to fulfil their function, the suitability assessment is performed with respect to meeting the time investment criterion.

9. Induction, training and development activities

1. Induction of Members of the Bank's Bodies aims at guaranteeing the suitability of Members of the Bank's Body and helping them understand the Bank's governance, including its organisation and organisational structure, relevant laws, regulations and administrative provisions binding on the Bank, business model, risk profile and the rules of supervision over the Bank's operations, as well as their roles in the organisation to enable them to effectively discharge duties entrusted to them.
2. All newly appointed Members of the Bank's Bodies receive key information concerning the position held, including, among others, the information on the Bank's organisation and structure, the Supervisory Board and Supervisory Board's committees, and the Management Board of the Bank, not later than within one month from the date of appointment, and their induction takes place no later than within six months from the date on which they took office.
3. The induction materials include the following documents in their current wording:
 - 1) By-Laws of the Bank,
 - 2) Rules of the Management Board;
 - 3) Rules of the Supervisory Board;
 - 4) Rules of all committees of the Supervisory Board;
 - 5) the Policy with Appendices.
4. The Compliance Department informs every new Member of the Body of the compliance requirements immediately after taking office.

10. Training and development activities (continuous learning)

10.1. Training policy

1. The bank ensures that the members of the bank's Supervisory Board and management board have the opportunity to update and enhance the knowledge and skills necessary for the effective performance of their duties.

2. The training policy takes into account in particular the need to understand the impact of environmental, social and corporate governance risk factors, as well as risks arising from the use of information and communication technology (ICT).

10.2. Actions addressed to Members of the Supervisory Board

1. To ensure continuous development of knowledge, skills and competences of Members of the Supervisory Board, the Members of the Supervisory Board are introduced, at meetings of the Supervisory Board, to information on issues that are important to the Supervisory Board, among others, information on amendments to regulatory requirements, areas of operations that are new to the Bank and their impact on the Bank's activity, strategic objectives and the risks inherent in the Bank's activities.
2. The Bank provides Supervisory Board Members with quarterly briefings on current legal matters, with particular focus on ongoing court proceedings.
3. Where it is necessary to ensure correct discharge of entrusted tasks or where competence gaps with respect to individual or collective suitability have been identified, decisions about training and development activities are taken so as to enable Members of the Supervisory Board to acquire expected competences. Any Member of the Supervisory Board reports individual training needs to the Chairperson of the Supervisory Board.
4. The organisation of development activities of Members of the Supervisory Board is a responsibility of DHR in consultation with the Chairperson of the Supervisory Board.

10.3. Actions addressed to Members of the Management Board

1. The Bank carries out specialist development activities for Members of the Management Board of the Bank, which include the following, among others:
 - 1) the quarterly macroeconomic briefing provided by the Chief Economist;
 - 2) joint learning as a part of regular meetings of the Management Board and committee meetings attended by Members of the Management Board;
 - 3) mandatory online compliance training covering in particular personal data protection, anti-fraud and corruption, prevention and management of conflicts of interest, prohibition of market manipulation (MAR Regulation), prevention of tax offences and prevention of money laundering and terrorist financing;
 - 4) Regular briefings on current legal matters, with particular focus on ongoing court proceedings.
2. Members of the Management Board may also participate in development activities according to surveys of needs and an individual manager diagnosis.
3. Every Member of the Management Board may also report individual training needs.
4. Where it is necessary to ensure correct discharge of entrusted tasks or where competence gaps with respect to individual or collective suitability have been

identified, decisions about training and development activities are taken so as to enable Members of the Management Board to acquire expected competences.

5. Needs surveys and the organisation of development activities of Members of the Supervisory Board are a responsibility of DHR.

11. Final provisions

1. The Policy is adopted by the Supervisory Board on the basis of a recommendation of the Committee. The Policy is approved by way of a resolution of the AGM.
2. Amendments to the Policy must be introduced under the same procedure as the procedure for its implementation, with the proviso that the AGM may authorise the Supervisory Board to introduce amendments to the Policy in the time period following an AGM and before the date of a subsequent AGM.
3. The generally applicable laws and the Bank's internal regulations, in particular, the By-Laws of the Bank, the Rules of the AGM, the Rules of the Supervisory Board and the Rules of the Management Board apply to matters not governed by this Policy.
