

Policy for the assessment of the suitability of candidates for members of the Supervisory Board, members of the Supervisory Board and the Supervisory Board of Bank Ochrony Środowiska S.A.

Bank Ochrony Środowiska S.A. implements a Policy for the assessment of the suitability of candidates for members of the Supervisory Board, members of the Supervisory Board and the Supervisory Board of Bank Ochrony Środowiska S.A., pursuant to Art. 22aa of the Banking Law of August 29th 1997, and in accordance with the PFSA Recommendation on internal governance at banks and the Guidelines of the European Banking Authority and the European Securities and Markets Authority of March 21st 2018 on the assessment of the suitability of members of the management body and key function holders.

The General Meeting of Bank Ochrony Środowiska S.A. adopts, by way of a resolution, the Policy for the suitability assessment, taking into account in particular:

- the need to ensure sound and prudent risk management,
- special care to promote the long-term best interest of Bank Ochrony Środowiska S.A. and the interests of its shareholders,
- materiality of the impact on the Bank's best interest through proper selection of members of the Supervisory Board so as to ensure an appropriate composition of the Supervisory Board,
- ensuring the relevant training and induction for members of the Supervisory Board,
- the principles of diversity and non-discrimination towards these persons for any reason.

Definitions

Section 1

Whenever used in this document, the following terms or abbreviations have the meanings ascribed to them below:

- 1) **Bank or BOŚ S.A.** – Bank Ochrony Środowiska S.A. with its registered office in Warsaw,
- 2) **independence of a member of the Supervisory Board** – no relationships or links of any nature with the Bank or its Management Board that could influence the objective and balanced judgement of the member of the Supervisory Board of Bank Ochrony Środowiska S.A. and reduce the member's ability to take decisions independently,

- 3) **member of the Internal Audit Committee** – a member of the Supervisory Board of Bank Ochrony Środowiska S.A. appointed by the Supervisory Board to the Internal Audit Committee,
- 4) **member of the Supervisory Board** – a member of the Supervisory Board of Bank Ochrony Środowiska S.A. appointed by the General Meeting of Bank Ochrony Środowiska S.A.,
- 5) **HRD** – the HR Department,
- 6) **PFSA** – the Polish Financial Supervision Authority,
- 7) **Internal Audit Committee, IAC** – the Committee, composed of members of the Supervisory Board and appointed by a separate Resolution of the Supervisory Board, responsible for the supervision of financial reporting and other tasks provided for in the Act on Statutory Auditors, Audit Firms, and Public Oversight of May 11th 2017,
- 8) **Remuneration and Nomination Committee, RNC** – the Committee, composed of members of the Supervisory Board and appointed by a separate Resolution of the Supervisory Board, responsible for the proper conduct of the suitability assessment process at the Bank,
- 9) **competence** – knowledge (gained through education and training, while taking professional qualifications or degrees and otherwise in the course of a professional career), experience (gained while performing specific functions or holding specific posts) and skills necessary to perform the assigned function,
- 10) **independence of mind** – a standard of behaviour required of each member of the Supervisory Board, whether or not considered an independent member of the Supervisory Board, to ensure active involvement in the performance of their duties, taking their own reasonable, objective and independent decisions and forming their independent opinions in the performance of duties assigned to a member of the Supervisory Board,
- 11) **suitability assessment** – an assessment made pursuant to Art. 22aa of the Banking Law and in accordance with the EBA and ESMA Guidelines, as part of which it is determined whether an individual being assessed (a candidate for member of the Supervisory Board/Internal Audit Committee, a member of the Supervisory Board/Internal Audit Committee) or the Supervisory Board/Internal Audit Committee as a collective body has the relevant competence required for their function, offers assurance that their duties will be properly performed, by possessing good reputation, reliability and independence, having no conflicts of interest, and being able to commit sufficient time to carry out tasks assigned to their function, and whether the limit on the number of concurrent positions held by that individual as management or supervisory board member is adhered to,
- 12) **assessment body** – the General Meeting of Bank Ochrony Środowiska S.A. in relation to members of the Supervisory Board or the Supervisory Board of Bank

Ochrony Środowiska S.A. in relation to members of the Internal Audit Committee, as appropriate;

- 13) **suitability assessment Policy, this Policy** – the Policy for the assessment of the suitability of candidates for members of the Supervisory Board, members of the Supervisory Board and the Supervisory Board of Bank Ochrony Środowiska S.A. as described herein,
- 14) **Banking Law** – the Polish Banking Law of August 29th 1997,
- 15) **Supervisory Board** – the Supervisory Board of Bank Ochrony Środowiska S.A., acting as the supervisory body, appointed by the General Meeting of Bank Ochrony Środowiska S.A.,
- 16) **PFSA Recommendation** – the recommendation adopted by Resolution No. 289/2020 of the Polish Financial Supervision Authority dated October 9th 2020 regarding the issuance of Recommendation Z on internal governance at banks,
- 17) **reputation** – maintenance of high standards of honesty and integrity, with such aspects taken into account as any evidence that the person has not been transparent, open and cooperative in their dealings with competent authorities, disqualification of the person as a company director, any bankruptcy, insolvency or liquidation proceedings, grant or refusal to grant discharge from liability to that person, or any measures imposed by a supervisory authority or other administrative sanctions,
- 18) **assurance** – the attribute of impeccable character, understood as good repute, personal qualities and integrity, including previous conduct, honesty and reliability of the person and the person's ability to perform their duties in a prudent and sound manner,
- 19) **GDPR** – Regulation (EU) 2016/679 of the European Parliament and of the Council of April 27th 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation),
- 20) **training** – an initiative or programme to enhance the skills, knowledge or competence of members of the Supervisory Board on a continuous or ad hoc basis,
- 21) **Act on Trading in Financial Instruments** – the Polish Act on Trading in Financial Instruments of July 29th 2005 with secondary legislation, including in particular the Regulation of the Minister of Finance of May 29th 2018 on specific technical and organisational requirements applicable to investment firms, banks referred to in Art. 70.2 of the Act on Trading in Financial Instruments, and custodian banks,
- 22) **General Meeting** – the General Meeting of Bank Ochrony Środowiska S.A.,
- 23) **EBA and ESMA Guidelines** – Guidelines of the European Banking Authority and the European Securities and Markets Authority GL/2017/12 of March 21st 2018 on

the assessment of the suitability of members of the management body and key function holders,

- 24) **Management Board** – the Management Board of Bank Ochrony Środowiska S.A. as the management body appointed by the Supervisory Board.

General

Section 2

1. The Bank has in place a reasonable suitability assessment Policy, ensuring that it remains consistent with the Bank's strategy and key values. The suitability assessment Policy takes into account the long-term best interest of the Bank, applicable laws and accepted practices in the appointment of members of the Supervisory Board of Bank Ochrony Środowiska S.A.
2. The suitability assessment Policy complies with the requirements set out in Art. 22aa of the Banking Law and in the EBA and ESMA Guidelines. The suitability assessment is carried out in accordance with applicable laws and the Bank's internal regulations.
3. The suitability assessment Policy sets out the rules and methodology for the assessment of members and candidates for members of the Supervisory Board within the meaning of the EBA and ESMA Guidelines in accordance with Art. 22aa of the Banking Law.
4. The suitability assessment Policy applies to candidates for members of the Supervisory Board, members of the Supervisory Board and the Supervisory Board as a collective body. The provisions of this Policy also apply to appointing members of the Internal Audit Committee.
5. The suitability assessment Policy contributes to effective supervision of the Bank by confirming that members of the Bank's Supervisory Board have the relevant competence, offer assurance that their duties will be properly performed, are independent and free from any conflicts of interest, are able to commit sufficient time to their tasks and hold a limited number of concurrent positions.
6. The suitability assessment is performed by the General Meeting or by the Supervisory Board, as appropriate, in accordance with this Policy. Also the Remuneration and Nomination Committee is involved in the process, presenting proposals of the suitability assessment to the General Meeting or the Supervisory Board, as appropriate.
7. The suitability assessment is carried out before a candidate becomes a member of the Supervisory Board. In exceptional cases (e.g. an unexpected need to replace a member of the Supervisory Board), an assessment of the suitability of a candidate is made promptly, and in any case not later than within four weeks from the date of assuming their function or position.

8. As soon as the Supervisory Board is appointed or its composition is changed, the Bank notifies the Polish Financial Supervision Authority of its composition or changed composition, and provides it with information based on the suitability assessment concerning compliance by the relevant members of the Supervisory Board with the requirements set out in Art. 22aa of the Banking Law.
9. At the PFSA's request, the Bank must provide additional information required to assess the suitability of individual members of the Supervisory Board and the Supervisory Board as a whole. If a member of the Supervisory Board is reappointed, such information will be limited to any changes in their former status.
10. This Policy is to be pursued in compliance with the rules and procedures for appointment and removal of members of the Supervisory Board, as laid down in the applicable Rules of Procedure for the General Meeting of Bank Ochrony Środowiska S.A. and other documents.
11. When deciding on the appointment of members of the Supervisory Board, the General Meeting will seek to ensure a diverse composition of the Supervisory Board by appointing persons ensuring such diversity.
12. Responsibility for ensuring proper selection and assessment of the suitability of members of the Supervisory Board rests with the General Meeting.
13. In the course of the suitability assessment, all the persons involved will comply with applicable laws, in particular those governing the processing and protection of personal data.

General principles of the suitability assessment Policy

Section 3

1. The suitability assessment includes a review of the competence, reputation, honesty and integrity of candidates for members of the Supervisory Board and members of the Supervisory Board, as well as ongoing monitoring of these attributes to identify situations where re-assessment should be performed, regardless of the assessment made for supervisory purposes by the PFSA.
2. An individual assessment of candidates for members of the Supervisory Board is focused on the characteristics and competence relevant to the proper performance of the Supervisory Board's tasks, and on whether the candidates' knowledge, skills and experience are adequate and offer assurance that their functions will be properly performed.
3. The purpose of an individual assessment is to determine whether the person being assessed has the qualifications (knowledge, skills and experience) required to perform supervisory functions and to determine whether any facts or circumstances that have occurred will have an impact on the Bank's reputation.
4. The suitability assessment performed at the Bank includes:
 - 1) initial assessment of the individual suitability made:

- a) before a person is appointed as a member of the Supervisory Board,
 - b) before temporary delegation of a member of the Supervisory Board to the Management Board of the Bank,
 - c) before appointment of a member of the Supervisory Board to the Internal Audit Committee;
- 2) re-assessment of the individual suitability made:
- a) periodically, at least once a year, covering also members of the Internal Audit Committee,
 - b) as part of a review of the corporate governance arrangements in place,
 - c) before the end of the Supervisory Board's term of office (regardless of whether or not a given person is to be reappointed for another term of office),
 - d) before reappointment to the Supervisory Board for a new term of office,
 - e) in the event of a change in the scope of a Supervisory Board member's responsibilities or requirements for a Supervisory Board member,
 - f) in the event of receiving information on any charges pressed against a Supervisory Board member for criminal or fiscal offences, or on causing any material damage to property,
 - g) if any new circumstances that may affect the suitability assessment, in particular with respect to identified cases of a potential conflict of interest, come to light,
 - h) where a person is entrusted with additional responsibilities/appointed to additional positions (assessment of how much time is committed by that person and whether or not a conflict of interest exists),
 - i) in the event of repeated or gross instances of negative re-assessment by the Supervisory Board of individual members of the Management Board or the Management Board as a whole with regard to the assurance of proper performance of duties in the context of their appointment or continued service on the Bank's Management Board,
 - j) if material breaches of duties of members of the Supervisory Board are identified, including in particular with respect to their reputation,
 - k) before a member of the Supervisory Board is to be removed;
- 3) assessment of the suitability of the Supervisory Board as a whole:
- a) before members of the Supervisory Board are appointed for a new term of office (regardless of whether or not the composition of the Supervisory Board has changed),
 - b) prior to submitting a notification of an intention to acquire a qualifying holding in a supervised entity or become its parent (if any changes to the composition of its governing bodies are planned to be made),
 - c) in the event of any change in the division of powers and responsibilities on the Supervisory Board (including with respect to membership of committees),

- d) prior to making any changes in the composition of the Supervisory Board, in particular the appointment, removal, resignation or suspension of its members (or immediately after, if for reasons beyond the Bank's control it was impossible to carry out an assessment earlier, for instance if a member of the Supervisory Board tendered their resignation with immediate effect),
- e) when there is a material change in the Bank's business model, risk appetite or risk strategy, or structure of individual companies or the Group,
- f) if any new circumstances that may affect the assessment of the suitability of the Supervisory Board as a whole come to light,
- g) as part of a review of the corporate governance arrangements in place,
- h) if there is a material change in the assessment of the suitability of individual members of the Supervisory Board,
- i) upon appointment of and each change in the composition of the Internal Audit Committee – to check whether a sufficient number of its members meet the independence criteria and have the necessary expertise and skills in accounting or financial auditing,
- j) each time following any change in the composition of the Internal Audit Committee – to check whether a sufficient number of its members meet the established criteria,

with the proviso that if more than one reasons for the assessment referred to in Sections 3.2 and 3.3 exist at the same time, the assessment is carried out only once.

5. The General Meeting of the Bank assesses the suitability of each candidate for member and member of the Supervisory Board as well as the Supervisory Board as the Bank's collective body based on the criteria set out in this Policy, making a note of the assessment and its results in the General Meeting's resolution, subject to Section 3.6.
6. The suitability of candidates for members of the Internal Audit Committee is assessed by the Supervisory Board in accordance with the rules laid down in this Policy.

Initial assessment and re-assessment of individual suitability

Section 4

1. To enable the performance of an initial assessment or re-assessment of the individual suitability, a candidate for member of the Supervisory Board/ a member of the Supervisory Board must submit to the Remuneration and Nomination Committee:
 - 1) a completed Form of a candidate for member of the Supervisory Board, attached as Appendix 2 to this Policy, together with correctly completed questionnaires, attached as Appendices 1–10 to the Form,

- 2) a completed Form of a member of the Supervisory Board, attached as Appendix 3 to this Policy, together with correctly completed questionnaires, attached as Appendices 1–8 to the Form, as appropriate.
2. The documents referred to in Section 4.1 set out the detailed criteria for the initial assessment and re-assessment of the individual suitability and the assessment of the Supervisory Board as a collective body.
3. Where a specific event triggers the need for re-assessment of the suitability, the Remuneration and Nomination Committee and the General Meeting or the Supervisory Board, as appropriate, focuses on the assessment of such trigger situation or event, i.e. if certain aspects remain unchanged they may be disregarded in the assessment.
4. To enable the performance of an initial assessment of the individual suitability, a candidate for member of the Internal Audit Committee must submit to the Remuneration and Nomination Committee:
 - 1) a completed Form of a candidate for member of the Internal Audit Committee, attached as Appendix 4 to this Policy,
 - 2) a representation by a candidate for member of the Internal Audit Committee concerning their knowledge and experience in the activities referred to in Art. 70.2 of the Act on Trading in Financial Instruments, attached as Appendix 5 to this Policy.

Section 5

1. A re-assessment of the individual suitability covers the period for which the Supervisory Board's report is prepared. Such report is to be submitted for approval by the General Meeting and covers all members of the Supervisory Board who held office in that period.
2. In particular, a re-assessment of the individual suitability must cover changes in the qualifications and other data relative to the previous periods under assessment.
3. Each member of the Supervisory Board and the Internal Audit Committee must, by March 31st of each year, provide the Remuneration and Nomination Committee with information on any changes relative to the documents, representations and information submitted upon their appointment as member of the Supervisory Board/ Internal Audit Committee, using the Form referred to in Appendix 3 or 4 to this Policy. The RNC verifies the information received and presents a proposal of the assessment of the suitability of a member of the Supervisory Board/ Internal Audit Committee by submitting it at the next General Meeting or Supervisory Board meeting, subject to Section 5.5 and 4.3. This will apply accordingly where the suitability assessment is carried out in cases specified in Section 3.4.
4. If the assessment performed by the General Meeting identifies any gaps in the knowledge, skills or experience of members of the Supervisory Board that are easy

to fill, appropriate remedial measures will be taken to fill those gaps within the time limit set by the General Meeting.

5. However, any stain on their reputation, honesty or integrity will disqualify them as members of the Supervisory Board. If an assessment of the individual suitability is negative, in particular due to any issues affecting a person's reputation, honesty or integrity, the Remuneration and Nomination Committee will, having first obtained the Supervisory Board's opinion, propose to the General Meeting/ Supervisory Board that such member of the Supervisory Board be removed from office.

Individual suitability assessment criteria

Section 6

1. An initial assessment and re-assessment of the individual suitability includes an examination of candidates for members of the Supervisory Board and members of the Supervisory Board taking into account the following criteria:
 - 1) competence, including the knowledge, experience and skills necessary to perform the assigned function,
 - 2) assurance that the assigned duties will be properly performed, including good reputation and reliability,
 - 3) independence of a member of the Supervisory Board and absence of any conflicts of interest,
 - 4) independence of mind and ability to commit sufficient time to perform the function of a member of the Supervisory Board (including adherence to the limit on the number of concurrent positions held by the individual as a management or supervisory board member).
2. The following aspects are taken into account when assessing the suitability to serve as members of the Internal Audit Committee:
 - 1) composition (at least three members) and independence of IAC members (the majority of members of the IAC, including its chair, should be independent),
 - 2) ensuring that at least one IAC member has the knowledge and skills in:
 - accounting or financial auditing, and the banking sector,
 - the activities referred to in Art. 70.2 of the Act on Trading in Financial Instruments,
 - 3) fulfilment by IAC members of the obligations laid down in the Act on Statutory Auditors, Audit Firms and Public Oversight of May 11th 2017.
3. To determine whether or not a member of the Supervisory Board who is a member of the Internal Audit Committee meets the independence criteria, such member must, within the time limit specified in Section 5.3, submit to the Remuneration and Nomination Committee a Form attached as Appendix 4 to this Policy. Based that Form, the Remuneration and Nomination Committee will present to the Supervisory Board its proposed assessment of the suitability of members of the Internal Audit Committee.

4. A failure by a member of the Internal Audit Committee to submit the Form referred to in Section 6.3 or to meet any independence criteria will constitute grounds for removal of such member from the Internal Audit Committee.

Powers and responsibilities

Section 7

1. Each candidate for member of the Supervisory Board / member of the Supervisory Board should hold a university degree in a field related to the financial market sector, in particular banking and finance, economics, law, accounting, audit, administration, financial regulation, information technology and quantitative methods. Persons whose educational background does not directly correspond to the position held should complete appropriate postgraduate and/or specialist courses or gain relevant professional experience.
2. It is also possible to acquire appropriate knowledge, skills and experience in the effective exercise of supervisory functions while holding relevant academic or administrative posts or through the management, supervision or control of financial institutions or other businesses.
3. When assessing the level of knowledge, skills and experience of a candidate for member of the Supervisory Board/ a member of the Supervisory Board, the assessment body takes into account their theoretical and practical experience with regard to:
 - a) banking and financial markets,
 - b) legal requirements and regulatory framework,
 - c) strategic planning, understanding and implementation of business strategies,
 - d) risk management,
 - e) accounting and audit,
 - f) assessing the effectiveness of the institution's procedures for effective management, supervision and control,
 - g) interpreting financial information of the Bank, identifying the key issues based on that information as well as appropriate controls and measures,
 - h) knowledge of the Polish language as an important tool for effective and independent performance of duties, including in particular the ability to independently review information which may have a material impact on the prudent and sound management of the Bank.

Assurance of proper performance of duties

Section 8

1. A candidate for member of the Supervisory Board/ a member of the Supervisory Board is deemed to be a person of good repute, honesty and integrity unless there are objective and demonstrable grounds to the contrary.

2. When examining whether an individual offers assurance that their duties will be properly performed (including by possessing good reputation, honesty and integrity), the Remuneration and Nomination Committee takes into account at least the factors indicated in the Forms submitted pursuant to Section 4.1, 4.4 and 6.3.
3. When assessing their good repute, honesty and integrity, the Remuneration and Nomination Committee may look into:
 - 1) relevant criminal and administrative records, taking into account the type of conviction or charges, the role of the person concerned, the penalty imposed, the stage of the legal process and corrective actions taken, as well as the accompanying circumstances, including any mitigating factors, the gravity of the offence, administrative or supervisory measures, the passage of time since the offence was committed, demeanour of a member of the Supervisory Board / a candidate for member of the Supervisory Board since the offence was committed or the action was taken, as well as the link between the offence or the action and the person's role,
 - 2) evidence showing that the person being assessed has not been transparent, open or cooperative in their dealings with the PFSA, an inspector, a qualified auditor or judicial authorities;
 - 3) refusal to grant, revocation, withdrawal or invalidation of any registration, permit, membership or licence to conduct trading, business or professional activities,
 - 4) reasons for any termination of their employment relationship or a similar legal relationship as well as an employer's demand to step down from their position,
 - 5) exclusion by a competent authority from acting in the capacity of a member of the Supervisory Board,
 - 6) other evidence suggesting that the person fails to comply with high standards of conduct.
4. An assessment of the reputation will also take into account the current and past financial situation of the person being assessed due to its potential impact on their reputation, honesty and integrity, considering in particular:
 - 1) whether that person is a defaulting debtor,
 - 2) the financial and business performance of entities owned or managed by the person being assessed, or entities in which that person held or holds a significant interest or on which they had or have significant influence, taking into account in particular any insolvency and liquidation proceedings as well as whether and how the person being assessed contributed to the situation which led to the initiation of such proceedings,
 - 3) whether the person has declared consumer bankruptcy.
5. The assessment of whether members of the Internal Audit Committee fulfil their obligations will take into account in particular the fulfilment of the obligations laid down in the Act on Statutory Auditors, Audit Firms and Public Oversight of May 11th 2017.

Independence of a member of the Supervisory Board and absence of conflicts of interest

Section 9

1. When appointing the Supervisory Board, the General Meeting ensures that a sufficient number of members of the Supervisory Board are independent, taking into account the principle of proportionality and the independence requirements set out in the Act on Statutory Auditors, Audit Firms and Public Oversight, as well as the EBA and ESMA Guidelines.
2. A member of the Supervisory Board is deemed to be independent when there are no relationships or links of any nature with the Bank or its Management Board that could influence the objective and balanced judgement of the member of the Supervisory Board and reduce the member's ability to take decisions independently.
3. To determine whether or not a candidate for member of the Supervisory Board/Internal Audit Committee and/or a member of the Supervisory Board/Internal Audit Committee meets the independence criteria, such candidate or member must submit the relevant questionnaire referred to in Section 4.1, 4.4 and 6.3.

Independence of mind and ability to commit sufficient time to perform the function of a member of the Supervisory Board

Section 10

1. Candidates for members of the Supervisory Board /members of the Supervisory Board are required to actively engage in their duties, take their own, reasonable, objective and independent decisions and form independent opinions while performing their functions and duties, and – if necessary – constructively criticise decisions taken by the Management Board.
2. When assessing the independence of mind, the Remuneration and Nomination Committee takes into account the previous and current behaviour of individual members of the Supervisory Board and assesses whether all members of the Supervisory Board:
 - 1) have the necessary behavioural skills, including:
 - a) courage, conviction and strength to effectively assess and challenge decisions, opinions and positions proposed by other members of the Supervisory Board,
 - b) ability to ask relevant questions to members of the Management Board,
 - c) ability to resist 'groupthink',
 - 2) are free from any conflicts of interest.
3. Each candidate for member of the Supervisory Board /member of the Supervisory Board should commit sufficient time to performing their duties, including

understanding of the nature of the Bank's business, the related key risks and impacts and the risk strategy, and should be able to perform their duties in periods of particularly increased activity.

4. An assessment of the sufficient time commitment of a candidate for member of the Supervisory Board takes into account the time requirements for (candidates for) members of the Supervisory Board of Bank Ochrony Środowiska S.A. set out in Appendix 1 to this Policy.
5. In addition to the questionnaire referred to above, a re-assessment of the sufficient time commitment of a member of the Supervisory Board takes account of the member's preparation for and participation in meetings of the Supervisory Board and its committees.
6. Members of the Supervisory Board may concurrently hold a limited number of functions in accordance with the rules stipulated in the Banking Law and conduct other time-consuming professional activities to a limited extent only.

Collective suitability assessment

Section 11

1. The purpose of the collective suitability assessment is to ensure that the Supervisory Board as a whole has at all times adequate knowledge, skills and experience to understand the Bank's activities, including the key risks involved, and in particular that the Supervisory Board:
 - 1) has, as a whole, the competence relevant to the Bank's business in order to properly assess the composition of the Management Board, including candidates for members of the Management Board,
 - 2) is able to take appropriate supervisory decisions regarding the Bank's business model, risk appetite, strategy and markets on which the Bank operates,
 - 3) has appropriate knowledge of the fields relevant to the operation of the banking sector; when selecting members of the Supervisory Board, it should be ensured that the Supervisory Board is composed of a sufficient number of members having expertise in each of the fields, allowing them to discuss the decisions made, and that the composition of the Supervisory Board is such as to allow the appointment of the Internal Audit Committee from among its members,
 - 4) has the knowledge of the fields for which members of the Supervisory Board are responsible, as well as the skills required to effectively manage and control the Bank.
2. The collective assessment also covers the Internal Audit Committee in order to check whether the IAC as a whole has at all times adequate knowledge, skills and experience within the scope specified in Section 6.2.
3. If it is determined that the Supervisory Board is not suitable as a whole, or if there are doubts as to the suitability of the Internal Audit Committee, the General Meeting

or the Supervisory Board, as appropriate, will specify the necessary remedial measures in the grounds for its resolution and will set a time limit for remedying those shortcomings.

4. No identified failure to offer assurance that the function will be performed properly may be remedied.
5. If the collective suitability is assessed negatively, the General Meeting or the Supervisory Board, as appropriate, may in particular issue recommendations for training, modification of procedures, taking measures to minimise conflicts of interest, appointment of additional members with specific competence, as well as making appropriate changes in the composition of the Supervisory Board/Internal Audit Committee.

Suitability assessment at Bank Ochrony Środowiska

Section 12

1. The suitability of members of the Supervisory Board, candidates for members of the Supervisory Board and the Supervisory Board of Bank Ochrony Środowiska S.A. and its Internal Audit Committee is assessed in accordance with a detailed procedure based on the criteria set out in Sections 6–10, documents and representations submitted as well as information provided, as referred to in Appendices 2–4 to this Policy.
2. The General Meeting or the Remuneration and Nomination Committee may recommend that the suitability assessment process be joined by an independent third party which, at the Bank's request and expense, will provide an assessment centre, present an expert report on professional experience (confirmation of the person's achievements and their employment record) and/or the professional and private reputation of the candidate for member of the Supervisory Board and/or member of the Supervisory Board of the Bank.
3. Assessment of the suitability of individual members of the Supervisory Board/Internal Audit Committee or candidates for these positions should take into account the nature, scale and complexity of the Bank's business, as well as the responsibilities related to the functions.
4. The Remuneration and Nomination Committee reviews the received documents, representations and information referred to in Section 12.1 and, based on these, presents a proposed assessment of the individual suitability of a candidate for member of the Supervisory Board/member of the Supervisory Board, candidate for member of the Internal Audit Committee/ member of the Internal Audit Committee, collective assessment of the Supervisory Board as the Bank's collective body, as well as assessment of the collective suitability of the Internal Audit Committee. The Chair of the Committee or another designated person submits to the General Meeting or the Supervisory Board, as appropriate, its proposed assessment in order to perform the suitability assessment.

5. The General Meeting and the Supervisory Board assess the suitability of, respectively, members of the Supervisory Board and members of the Internal Audit Committee by passing a relevant resolution.
6. The suitability assessment may be:
 - 1) positive,
 - 2) positive with a recommendation,
 - 3) negative.
7. When issuing a positive assessment with a recommendation, the assessment body specifies what remedial measures are to be taken and the deadline for their implementation. Appropriate remedial measures may include in particular: taking measures to minimise conflicts of interest, provision of training for individual members or for the Supervisory Board/Internal Audit Committee as a whole to ensure the individual and collective suitability of the Supervisory Board/Internal Audit Committee.
8. If an initial assessment of the individual suitability of a candidate for member of the Supervisory Board prior to their appointment to the Supervisory Board is negative, in particular due to any issues affecting the candidate's reputation, honesty or integrity, such candidate will not be appointed.
9. A positive assessment of the candidate's suitability allows such candidate to serve as a member of the Supervisory Board, subject to Section 13.
10. In the case of first appointment to the Supervisory Board, a shareholder who has proposed the candidate or (failing such shareholder) the candidate themselves should submit to the RNC, to the extent covered by the consent referred to in Section 12.13, representations, information and documents required to assess the candidate's suitability based on the criteria laid down in this Policy, in accordance with Appendix 2 to this Policy.
11. When assessing the suitability of a candidate for member and a member of the Supervisory Board/Internal Audit Committee, one should also assess whether the Supervisory Board/Internal Audit Committee has adequate qualifications as a whole. The absence of qualifications of the Supervisory Board/Internal Audit Committee as a whole does not always mean that particular members of those bodies do not have adequate qualifications.
12. Persons who are subject to the suitability assessment at Bank Ochrony Środowiska are required to notify the RNC of any changes affecting their suitability, as referred to in this Policy.
13. Upon submission of the completed Forms and documents referred to in Appendices 2–4 to this Policy, a candidate for member of the Supervisory Board / member of the Supervisory Board will be asked to consent in writing to the processing by the Bank of their personal data falling within the scope of the information/documents necessary to perform the suitability assessment in accordance with this Policy and pursuant to Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (GDPR). Such consent is given voluntarily and may be

withdrawn at any time. Detailed information on how and to what extent the personal data of a member of the Supervisory Board / a candidate for member of the Supervisory Board will be processed is each time provided by the Bank to such member or candidate in a separate communication, in accordance with the GDPR, together with a clause containing consent to its processing.

14. Any failure to provide the Bank with the relevant data will be an impediment to the assessment of the suitability of a candidate for member of the Supervisory Board/Internal Audit Committee, a member of the Supervisory Board/Internal Audit Committee and, consequently, to their appointment or service as a member of the Supervisory Board/Internal Audit Committee.

Suitability assessment and HR processes at Bank Ochrony Środowiska

Section 13

1. The suitability assessment is one of multiple elements making up the process of appointing candidates for members of the Supervisory Board/Internal Audit Committee. A positive outcome of the suitability assessment is not tantamount to a positive decision on appointment of a particular person as member of the Supervisory Board/Internal Audit Committee, nor is it a promise of appointment to the office.
2. The process and the outcome of such assessment will be documented in a manner presenting in particular the circumstances and criteria which were taken into account and disregarded in the suitability assessment, including the outcome of the assessment in the light of the presented circumstances and criteria.

Section 14

1. If a vacancy arises on the Supervisory Board, for instance in the case of dismissal, resignation or death of a member of the Supervisory Board during their term of office, the Supervisory Board may continue its work notwithstanding, provided that it comprises no less than five persons.
2. If the mandate of the Chair, Deputy Chair or Secretary of the Supervisory Board expires, the Supervisory Board will fill those vacancies at its next meeting.
3. Members of the Supervisory Board are appointed and removed in compliance with this Policy, subject to Section 2.10.

Powers and responsibilities

Section 15

1. The General Meeting:
 - 1) adopts the suitability assessment Policy,

- 2) assesses the individual suitability of candidates for members of the Supervisory Board, members of the Supervisory Board and the Supervisory Board as a whole,
2. The Supervisory Board:
 - 1) issues opinions on the draft suitability assessment Policy and draft amendments to this Policy,
 - 2) assesses the individual suitability of candidates for members of the Internal Audit Committee and the Internal Audit Committee as a whole.
3. The Remuneration and Nomination Committee:
 - 1) reviews documents required to perform the suitability assessment,
 - 2) submits to the General Meeting or the Supervisory Board, as appropriate, a report on the analysis of the collected documentation and credibility review performed in order to assess the suitability of a candidate for member or a member of the Supervisory Board/ Internal Audit Committee,
 - 3) presents a proposed initial assessment of the individual suitability of candidates for members of the Supervisory Board/ Internal Audit Committee and re-assessment of the individual suitability of members of the Supervisory Board/ Internal Audit Committee, and also presents a proposal of the collective suitability assessment of the Supervisory Board/ Internal Audit Committee as a whole, and submits those assessments to the General Meeting or the Supervisory Board, as appropriate;
 - 4) provides feedback to individuals subject to the suitability assessment procedure.
4. The Management Board implements the Policy for the assessment of the suitability of candidates for members of the Supervisory Board, members of the Supervisory Board and the Supervisory Board of Bank Ochrony Środowiska S.A., to the extent specified in Section 15.5.
5. HR Department:
 - 1) prepares a draft suitability assessment Policy and proposals of its updates,
 - 2) provides necessary training to members of the Supervisory Board/ Internal Audit Committee,
 - 3) ensures that the Policy for the assessment of the suitability of candidates for members of the Supervisory Board, members of the Supervisory Board and the Supervisory Board of Bank Ochrony Środowiska S.A. is publicly available,
 - 4) maintains and updates records of all external functions in business and non-business entities, as well as political functions performed by members of the Supervisory Board.

Final provisions

Section 16

Any matters not provided for in this Policy are governed by the laws of general application, including without limitation the Banking Law, Recommendation Z, as well as the EBA and ESMA Guidelines.