

V. CORPORATE GOVERNANCE STATEMENT

1. Corporate governance principles

1.1. Corporate governance principles applicable to BOŚ S.A. and where they can be found

(This statement has been prepared in accordance with Art. 70.6.5 of the Minister of Finance's Regulation on current and periodic information to be published by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state, dated March 29th 2018).

In the first half of 2021, companies listed on the WSE were subject to the corporate governance principles set out in the Best Practice of GPW (WSE) Listed Companies 2016. With the beginning of July 2021, these were replaced with the reviewed corporate governance principles set out in the Best Practice of 2021.

In 2021, BOŚ S.A. applied the corporate governance principles set out in the Best Practice of GPW (WSE) Listed Companies 2016, attached as an appendix to Resolution 26/1413/2015 of the Supervisory Board of the Warsaw Stock Exchange (GPW) of October 13th 2015 and, from July 1st 2021 onward, the principles set out in the Best Practice of GPW (WSE) Listed Companies 2021, attached as an appendix to Resolution 13/1834/2021 of the Supervisory Board of the Warsaw Stock Exchange of March 29th 2021. Exceptions to the application of the principles are described in section 1.2.

The scope of application of the governance principles has been specified in Resolution 20/2016 of the Ordinary General Meeting of BOŚ S.A. of June 23rd 2016 on the scope of application by BOŚ S.A. of the governance principles set out in Best Practice of GPW (WSE) Listed Companies 2016. The information on the Bank's compliance with the recommendations and principles set out in the Best Practice for GPW (WSE) Listed Companies 2016 was published in the Current Report of June 24th 2016.

The WSE conducts periodic reviews of its corporate governance principles, amending them as necessary. The principles set out in the Best Practice for GPW (WSE) Listed Companies 2016 were in force until June 30th 2021. Following the review performed by the Corporate Governance Committee, new corporate governance principles were drawn up as the Best Practice for GPW (WSE) Listed Companies 2021, in force from July 1st 2021.

On June 23rd 2021, the Ordinary General Meeting of BOŚ S.A. adopted a resolution on the scope of application by BOŚ S.A. of the corporate governance principles set out in Best Practice for GPW (WSE) Listed Companies 2021. The information on the Bank's compliance with the recommendations and principles set out in the Best Practice for GPW (WSE) Listed Companies 2021 was published in Current Report of July 21st 2021.

The Best Practice for GPW (WSE) Listed Companies 2016 and Best Practice for GPW (WSE) Listed Companies 2021 along with the information on the Bank's compliance with the recommendations and principles contained therein are available in the 'Investor Relations' section, 'Corporate Governance' tab, on the Bank's website <https://www.bosbank.pl/informacje-korporacyjne/relacje-inwestorskie/lad-korporacyjny>. The section also contains Corporate Governance Statements of BOŚ S.A. concerning preceding years.

Moreover, in performance of Resolution 218/2014 of the Polish Financial Supervision Authority of July 22nd 2014, the Principles of Corporate Governance for Supervised Institutions were approved by the Bank's following governing bodies:

by the Management Board of BOŚ S.A. in Resolution 108/2018 of May 8th 2018 on adopting the Principles of Corporate Governance for Supervised Institutions, issued by the Polish Financial Supervision Authority;

by the Supervisory Board of BOŚ S.A. in Resolution 31/2018 of May 16th 2018 on the scope of application by the Supervisory Board of BOŚ S.A. of the Principles of Corporate Governance for Supervised Institutions, issued by the Polish Financial Supervision Authority;

by the General Meeting of BOŚ S.A. in Resolution 28/2018 of the Annual General Meeting of BOŚ S.A. of June 19th 2018 on adopting the Principles of Corporate Governance for Supervised Institutions issued by the Polish Financial Supervision Authority for application by BOŚ S.A.

The information on adopting by BOŚ S.A. the Principles of Corporate Governance for Supervised Institutions, issued by the Polish Financial Supervision Authority, is provided in the 'Investor Relations' section, 'Corporate Governance' tab, on the Bank's website.

1.2. Information on waiver of certain corporate governance principles set forth in the Best Practice for GWP (WSE) Listed Companies 2016, Best Practice for GWP (WSE) Listed Companies 2021 and Principles of Corporate Governance for Supervised Institutions issued by the PFSA.

BOŚ S.A. reported a waiver of the following corporate governance principles prescribed in Resolution 26/1413/2015 of the Warsaw Stock Exchange Supervisory Board of October 13th 2015:

- I.Z.1. A company should operate a corporate website and publish on it, in a legible form and in a separate section, in addition to information required under the legislation:
 - I. Z.1.15. information on the diversity policy applicable to the company's governing bodies and key managers; the description should cover the diversity policy elements such as gender, education, age, professional experience, and specify the goals of the diversity policy and the manner of its implementation in the reporting period; where the company has not drafted and implemented a diversity policy, it should explain the reasons for the decision on its website.

Bank's comments: Diversity principles applicable to employees (including key managers) are included in the Work Rules of BOŚ S.A., however, no such arrangements are in place with respect to the Bank's governing bodies.

Pursuant to item I.Z.1.15 of the Best Practice for GPW Listed Companies 2016, the reasons for waiver of principle I.Z.1.15 by BOŚ S.A. has been published in the 'Investor Relations' section, 'Corporate Governance' tab, on the Bank's website (www.bosbank.pl).

- IV.Z.2. If justified by the structure of shareholders, companies should provide publicly available real-time broadcasts of general meetings.

Bank's comments: Principle IV.Z.2 is not applied by the Bank due to its shareholding structure, and for technical and organisational reasons. In the Bank's opinion, the present rules on participation in general meetings enable shareholders to effectively exercise all their rights attached to shares and secure the interests of all shareholders.

With growing availability of this form of participation by shareholders in general meetings among listed companies, the Bank has undertaken steps with a view to applying this corporate governance principle.

The principles set out in the Best Practice for GPW (WSE) Listed Companies 2016 were in force until June 30th 2021. The WSE Corporate Governance Committee has redrafted the corporate governance principles and issued the Best Practice for GPW (WSE) Listed Companies 2021, effective from July 1st 2021. On July 21st 2021, the Bank published a report on the application of the principles set out in the Best Practice for GPW (WSE) Listed Companies 2021. The Bank updated information on the application of the principles set out in the Best Practice for GPW (WSE) Listed Companies 2021 during the year.

As at the end of 2021, the Bank reported waiver of the following eight principles included in the Best Practices for GPW (WSE) Listed Companies 2021:

- 1.4.1. The information on the ESG elements of the strategy should, among other things, explain how the decision-making processes of the company and its group members integrate climate change, including the resulting risks;

Bank's comments: The Bank's credit risk management policy prevents the Bank from effecting transactions with clients whose activity causes irreversible environmental damage, while it can be replaced with a more environmentally-friendly solution, unless the purpose of financing is to mitigate environmental hazard. Being fully aware of the need to account for environmental, social and corporate governance (ESG) factors in risk management and investment policies, the Bank also engages in initiatives supporting global climate change mitigation targets. Based on a sectoral approach, the Bank develops financing solutions for entities operating in industries seen by the Bank as having strong potential, in particular the green sector initiatives in support of the sustainable development. Specifically, the Bank has concentration limits, including industry limits, in place, applied when selecting the sectors to be financed and the scale of financing. The Bank co-finances projects improving the natural environment, in particular the projects supported under domestic and EU policies, including initiatives seeking to make the transition to a low-carbon economy. Moreover, the Bank has implemented the Environmental Risk Assessment Principles for Green Transactions Portfolio in BOŚ S.A., specifying, among other things, the criteria for including transactions in the Bank's green portfolio and for assessing the environmental risk materiality as part of ICAAP. Full alignment of the Bank's regulations with the climate risk guidelines, including pending EU legislation, should be achieved by end of 2021. The application of the principle also requires that the Bank analyse and update its risk-related policies - credit risk management policy and client credit risk assessment methodology, environmental risk assessment, and process rules analysis.

- 1.4.2. The information on the ESG elements of the strategy should, among other things, present the equal pay index for employees, defined as the percentage difference between the average monthly pay (including bonuses, awards and other benefits) of women and men in the last year, and present information about actions taken to eliminate any pay gaps, including a presentation of related risks and the time horizon of the equality target

Bank's comments: The value of the equal pay index will be published when the Diversity Policy for the Management Board and the Supervisory Board is formally adopted by the Bank, which should take place by the end of June 2022.

- 2.1. Companies should have in place a diversity policy applicable to the management board and the supervisory board, approved by the supervisory board and the general meeting, respectively. The diversity policy specifies diversity goals and criteria, such as gender, education, expertise, age or professional experience, sets the deadlines and defines the monitoring procedures. With regard to gender diversity of governing bodies, the diversity requirement is met when participation of the minority group in each body is at least 30%.

Bank's comments: The Diversity Policy for the Management Board was adopted by the Bank on November 17th 2021, and the Diversity Policy for the Supervisory Board is expected to be adopted by the end of June 2022.

- 2.2. Decisions to elect members of the management board or the supervisory board of companies should ensure that the composition of those bodies is diverse by appointing persons ensuring diversity, among others in order to achieve the target minimum participation of the minority group of at least 30% according to the goals of the established diversity policy referred to in principle 2.1.

Bank's comments: The Diversity Policy for the Management Board was adopted by the Bank on November 17th 2021, and the Diversity Policy for the Supervisory Board is expected to be adopted by the end of June 2022.

- 2.11.1. In addition to its responsibilities laid down in the legislation, the supervisory board prepares and presents an annual report to the annual general meeting once per year. The report should contain at least the information about the members of the supervisory board and its committees, including indication of those supervisory board members who fulfil the criteria of being independent referred to in the Act of 11 May 2017 on Auditors, Audit Firms and Public Supervision and those supervisory board members who have no

actual and material relations with any shareholder who holds at least 5% of the total vote in the company, and information about the members of the supervisory board in the context of diversity;

Bank's comments: The diversity policy for the management board and the supervisory board is expected to be adopted by the Bank by the end of June 2022.

- 2.11.6. In addition to its responsibilities laid down in the legislation, the supervisory board prepares and presents an annual report to the annual general meeting once per year. The report referred to above shall include at least the information regarding the degree of implementation of the diversity policy for the management board and the supervisory board, including the achievement of goals referred to in principle 2.1.

Bank's comments: The diversity policy for the management board and the supervisory board should be adopted by the Bank by the end of June 2022.

- 4.8. Draft resolutions on matters placed on the agenda of a general meeting should be submitted by the shareholders no later than three days before the general meeting.

Bank's comments: The principle will be applied after the Rules of Procedure for General Meetings have been amended by the next General Meeting, to be held no later than the end of June 2022.

- 4.9.1. If a general meeting is to appoint a new member or members to the supervisory board, or to appoint the supervisory board for a new term of office: candidates for members of the supervisory board should be nominated with a notice necessary for shareholders present at the general meeting to make an informed decision and in any case no later than three days before the general meeting; the names of candidates and all related documents should be immediately published on the company's website.

Bank's comments: The principle will be applied after the Rules of Procedure for General Meetings have been amended by the next General Meeting, to be held no later than the end of June 2022.

In 2021, the Bank applied all of the Principles of Corporate Governance for Supervised Institutions, issued by the PFSA, with the exception of the following Art. 8.4: "A supervised institution, when justified by the number of shareholders, should strive for facilitating the participation of all shareholders in the meeting of the General Meeting of the supervised institution, among others, through ensuring the possibility of electronic active participation in the meetings of the General Meeting."

This principle have been applied since September 30th 2021, i.e. following the adoption by the Supervisory Board of Bank Ochrony Środowiska S.A. of the rules of participation in general meeting using means of electronic communication. During the Extraordinary General Meeting convened on December 8th 2021, the Bank enabled the shareholders to participate, speak and exercise their voting rights using means of electronic communication.

The Bank ensures a transparent information policy with respect to the General Meetings by recording their proceedings and publishing the audio recordings and, starting from June 23rd 2021, also video recordings, in the 'Investor Relations' section, 'General Meetings' tab on the Bank's website (<https://www.bosbank.pl/informacje-korporacyjne/relacje-inwestorskie/walne-zgromadzenia>).

2. Shareholding structure and rights attached to shares

2.1 Shareholders holding directly and indirectly 5% or more of total voting rights in the Bank.

The following shareholders held at least 5% of the share capital and total voting rights (as at December 8th 2021, the date of the Extraordinary General Meeting of BOŚ S.A.):

- National Fund for Environmental Protection and Water Management – holding 53,951,960 shares, which represent 58.05% of the share capital and total voting rights.
- Polish Enterprises Closed-End Investment Fund for Non-Public Assets Management - holding 8,000,000 shares, which represent 8.61% of the share capital and total voting rights.
- Directorate General of State Forests Management – holding 5,148,000 shares representing 5.54% of the share capital and total voting rights.

The total number of shares and voting rights in BOŚ S.A. is 92,947,671. All shares are ordinary bearer shares with a par value of PLN 10 per share.

2.2. Treasury shares

As at December 31st 2021, the Bank held 37,775 treasury shares, representing 0.04% of the share capital and 0.04% of total voting in the Bank.

In accordance with the Commercial Companies Code, the Bank may not exercise voting rights attached to the treasury shares.

2.3. Agreements concerning future changes in the shareholding structure

The Bank is not aware of any agreements concerning future changes in the shareholding structure.

2.4. Holders of special control rights attached to securities

All shares of the Bank are equal and each share entitles to one vote at the General Shareholders Meeting and the same dividend rights.

2.5. Limitations to exercising of voting rights and to transfer of ownership of shares

In accordance with the Bank's Articles of Association, in the event of pledging or granting the right to use a registered share, the pledgee and the pledger are not entitled to exercise the voting rights. At present, there are no registered shares in the Bank's share capital.

2.6. Rules of amending the Articles of Association of the Bank

Amendments to the Articles of Association of the Bank are made by the General Meeting of the Bank. A resolution on amendment of the Articles of Association is passed by three fourths of all votes.

2.7. Description of the manner of operation of the General Meeting and its basic scope of authorization and the rights of shareholders and the manner of exercising these rights

The method of convening, powers and operation of the General Meeting are provided for in the Articles of Association of the Bank. The following is the most relevant information about the powers of the General Meeting and how they are exercised.

- The General Meeting can be convened as the Annual or Extraordinary General Meeting.
- The Annual General Meeting is convened by the Management Board of the Bank within six months after the end of each financial year.
- The Supervisory Board has the right to convene the Annual General Meeting if the Management Board has failed to convene it within the time limit required by law.
- The agenda of the Annual General Meeting includes in particular:
 - consideration and approval of the statement of the Management Board on activity of the Bank and the financial statements for the previous financial year,
 - passing of a resolution on profit distribution or loss coverage,
 - discharging of members of governing bodies of the Bank on performance of their duties.
- The Extraordinary General Meeting can be convened as necessary by the Management Board on its own initiative or on request of the Supervisory Board or on request of shareholders representing at least one twentieth part of the share capital.
- The Supervisory Board has the right to convene the Extraordinary General Meeting if it finds such decision advisable.
- An Extraordinary General Meeting can be convened by shareholders representing at least one half of the share capital of the Bank or at least one half of all of its votes. Shareholders elect the chairperson of the Meeting.
- Convening of an Extraordinary General Meeting, as well as inclusion of specific items in the agenda of the nearest General Meeting can be demanded by shareholders representing at least one twentieth of the share capital of the Bank. Such demand must be submitted to the Management Board in writing or in electronic format. A request to add specific items to the agenda of the nearest General Meeting should be submitted no later than 21 days before the scheduled date of the General Meeting.
- A request to convene the General Meeting and to add specific items to its agenda, made by authorized entities, should be justified.
- Withdrawal from consideration of an item included in the agenda on request of shareholders or its removal from the agenda requires a resolution of the General Meeting, passed by the majority of 3/4 of all votes, upon the consent of all voters present during the General Meeting.

Competences of the General Meeting include in particular:

- consideration and approval of the statement of the Management Board on activity of the Bank and the financial statements of the Bank,
- consideration and approval of the statement of the Management Board on activity of the BOŚ Group and the consolidated financial statements of the of the BOŚ Group,
- passing of the resolution on profit distribution or loss coverage,
- consideration and approval of the report on activity of the Supervisory Board,
- discharging of members of governing bodies of the Bank of their duties,
- appointing and dismissal of members of the Management Board,
- passing of the policy of assessment of adequacy of candidates for members of the Supervisory Board and members of the Supervisory Board, as well as assessment of adequacy of candidates for members of the Supervisory Board and members of the Supervisory Board,

- amending of the Articles of Association of the Bank
- authorization of the Supervisory Board to approve the uniform text of the amended Articles of Association or to introduce significant editorial amendments as specified in the resolution of the General Meeting,
- passing of resolutions to raise or decrease the share capital,
- passing of resolutions to issue exchangeable bonds or bonds with pre-emptive right,
- decisions to establish or release funds, referred to in Art. 36.1 of the Bank's Articles of Association,
- passing of resolutions on combination, disposal or liquidation of the Bank,
- appointment of liquidators and determination of their remuneration,
- establishment of rules for determining remuneration of members of the Supervisory Board and the Management Board,
- determination of the Supervisory Board Members' remuneration;
- passing of resolutions concerning other matters as presented by the Management Board and the Supervisory Board or shareholders in accordance with the Code of Commercial Companies, the Banking Law Act and the Articles of Association of the Bank.

Participation in the General Meeting, validity of the General Meeting, mode of passing resolutions and voting:

- Shareholders may participate in a General Meeting in person or through the agency of their authorized plenipotentiaries.
- Powers of attorney for participation in the General Meeting should be issued in writing or in electronic format and attached to the minutes of the General Meeting.
- Electronic format of a power of attorney granted is considered to be a statement of the shareholder, contained in an integral text document, which allows for identification of the author of such statement.
- A shareholder may not, through a proxy or in person, vote on resolutions concerning their liability to the Company of any kind, including discharge from duties to the Company and any litigations between such shareholder and the Bank. However, such shareholder, acting as a proxy of another person, may vote on passing of resolutions that are of concern to them.
- Subject to cases referred to in the Code of Commercial Companies or the Articles of Association of the Bank, a General Meeting is valid regardless of the number of shares represented.
- Resolutions are passed by the ordinary majority of votes, unless provisions of the Code of Commercial Companies or the Articles of Association of the Bank provide for more strict voting rules.
- Voting during a General Meeting is open.
- A secret voting is ordered for elections and requests for dismissal of members of the Bank's governing bodies or liquidators, for charging them with liability, as well as in personal matters. Moreover, a secret voting is obligatory if demanded even by one of the shareholders present or represented during the General Meeting.
- The General Meeting may pass a resolution on revoking of secrecy of voting in matters relating to appointment of any committee by the General meeting.
- A shareholder may participate in the General Meeting at the venue of the General Meeting or using electronic means of communication.
- The rules of participation, technical requirements and the Bank's and the shareholder's liability in the event that a shareholder participates in the General Meeting by means of electronic communication are specified in the Rules of Participation in the General Meeting by Means of Electronic Communication. The Rules are available on the Bank's website in the "Investor Relations" section under "Corporate Documents"(<https://www.bosbank.pl/informacje-korporacyjne/relacje-inwestorskie/dokumenty-korporacyjne>).

A General Meeting is opened by the chairman or vice chairman of the Supervisory board, or another member of the Supervisory Board. If these persons are not present, the General Meeting is opened by the President of the Management Board or any other person appointed by the Management Board. The General Meeting elects the



chairman of the Meeting from among persons authorized to participate in the General Meeting. Minutes of the General Meeting are prepared in accordance with provisions of the Code of Commercial Companies.

Cancellation or change of date of the General Meeting take place in the same manner as its convening.

3. Governing bodies

3.1. General Meeting of the Bank

Description of the mode of action of the General Meeting of the Bank and its basic scope of authorization and rights of shareholders and the manner of exercising of these rights has been provided in clause 2.7.

3.2. Supervisory Board of the Bank

Supervisory Board

As at December 31st 2020, the composition of the Supervisory Board was as follows:

- Wojciech Wardacki, Chairman of the Supervisory Board
- Ireneusz Purgacz, Deputy Chairman of the Supervisory Board
- Mr Paweł Sałek, Secretary of the Supervisory Board

Members

- Leszek Banaszak
- Robert Czarnecki
- Janina Goss
- Marcin Jastrzębski
- Marzena Koczut (from December 21st 2020 delegated to temporarily perform the duties of Member of the Management Board – for a period not longer than until March 21st 2021)
- Emil Ślązak
- Piotr Wróbel.

As at December 31st 2021, the composition of the Supervisory Board was as follows:

- Emil Ślązak, Chairman of the Supervisory Board
- Ireneusz Purgacz, Deputy Chairman of the Supervisory Board
- Paweł Sałek, Secretary of the Supervisory Board

Members

- Leszek Banaszak
- Robert Czarnecki
- Zbigniew Dynak
- Janina Goss
- Marcin Jastrzębski
- Andrzej Matysiak
- Piotr Wróbel.

During the year, the following changes took place in the composition of the Supervisory Board:

- On February 10th 2021, Marzena Koczut, following her appointment as Vice President of the Management Board, tendered her resignation as member of the Supervisory Board;
- On June 23rd 2021, the Annual General Meeting of the Bank: removed Wojciech Wardacki from the Supervisory Board, appointed Zbigniew Dynak Andrzej Matysiak to the Supervisory Board;
- At the meeting held on July 13th 2021, the Supervisory Board elected Emil Ślązak as Chairman of the Supervisory Board.

As at December 31st 2021, the following members of the Supervisory Board:

- met the independence criteria: Emil Ślężak, Ireneusz Purgacz, Paweł Sałek, Leszek Banaszak, Zbigniew Dynak, Janina Goss, Marcin Jastrzębski;
- did not meet the independence criteria: Robert Czarnecki, Andrzej Matysiak, Piotr Wróbel.

Rules of operation of the Supervisory Board of the Bank

In accordance with provisions of the Articles of Association of the Bank, the Supervisory Board consists of natural persons elected by the General Meeting for a joint term of office, with no less than 5 and no more than 11 members. The joint term of office of the Supervisory Board is three years. The number of terms of office is not limited. The Supervisory Board elects a chairman, a vice-chairman and a secretary from among its members.

Mandates of members of the Supervisory Board expire as of the date of the General Meeting approving the report on activity and the financial statements for the last full financial year of performing functions as a member of the Supervisory Board. Mandates of members of the Supervisory Board also expire due to their death, resignation or dismissal from the Board. Supervisory Board members can be dismissed prior to the end of their term of office and other persons can be elected in their place. In the case of dismissal, resignation or death of a member of the Supervisory Board during their term of office, until the vacancy has been filled, the Board may continue to work, provided that it comprises of no less than 5 persons.

The Supervisory Board exerts continuous supervision of all fields of operation of the Bank. The Supervisory Board performs its duties collectively, however, it may delegate its members to perform specific supervisory duties independently.

In its activity - to the extent applicable to the supervisory body - the Supervisory Board complies with standards based on:

- corporate governance rules, specified in the “Good Practices of Companies Listed on the WSE”, issued by the Supervisory Board of the Warsaw Stock Exchange,
- the “Principles of Corporate Governance for Supervised Institutions”, issued by the Polish Financial Supervision Authority.

The Supervisory Board performs regular assessments of application by the Bank of the “Principles of Corporate Governance for Supervised Institutions”, including compliance with the independence criteria by its members, and the results of such assessments are made available on the Web page of the Bank and delivered to other governing bodies of the Bank.

Competences of Supervisory Board include in particular:

- approving the business strategy of BOŚ S.A. and the Bank’s annual budgets,
- approving the general acceptable risk level specified by the Management Board of the Bank and strategies for management of the Bank and risk management approved by the Management Board of the Bank,
- approving the policy for estimation of internal capital and capital management,
- approving the remuneration policy,
- approving the compliance policy of the Bank,
- approving the information policy of the Bank, including disclosures,
- approving resolutions of the Management Board concerning the Bank’s organizational structure, provided that the competences to create and liquidate organizational units of the Bank are within the scope of competences of the Management Board,
- notifying the Polish Financial Supervision Authority of the composition of the Management Board and of any change in its composition as soon as the Management Board is appointed or its composition is changed, of the Management Board members' compliance with the requirements referred to in Art. 22aa of the Banking Law, as well as of approval and change of the internal division of powers within the Management Board, notifying the Polish Financial Supervision Authority of placing on the Board's agenda an item concerning dismissal of the President of the Management Board or the member of the Management Board

who supervises the management of risks significant for the Bank's business, or assigning another member of the Management Board to take over the responsibility,

- assessing the Directors' Report on the operations of the Bank and the financial statements for the previous financial year with regard to their compliance with the books, documents and facts, and assessment of the Management Board's requests concerning profit distribution or loss coverage, as well as submission to the General Meeting of an annual written report on results of the assessment,
- assessing the Directors' Report on the operations of the BOŚ Group and the financial consolidated statements of the BOŚ Group for the previous financial year with regard to their compliance with the books, documents and facts, as well as submission to the General Meeting of an annual written report on results of the assessment,
- defining the terms and conditions of employment, including the terms of other legal relations than employment, for members of the Bank's Management Board, based on the rules of remuneration for members of the Management Board determined by the General Meeting, and entering into management services contracts with members of the Management Board on behalf of the Bank. The Supervisory Board may authorise the Chairperson of the Supervisory Board to enter into such contracts,
- approving rules for granting credits, cash loans, bank guarantees or sureties to members of the Bank's governing bodies and persons holding managerial positions at the Bank, as well as other persons listed in art. 79 of the Banking Law Act,
- passing resolutions concerning consent for granting credits, cash loans, bank guarantees or sureties to members of the Bank's governing bodies and other persons listed in art. 79a of the Banking Law Act,
- approving requests of the Management Board of the Bank concerning acquisition of stocks and shares in companies of nominal value exceeding in total with stocks and shares in these companies already owned by the Bank the equivalent of 5% of the share capital of the Bank, excluding shares of companies admitted to public trading,
- selecting and appointing the independent auditor to conduct an audit of the financial statements and other experts,
- supervising implementation at the Bank of a management system comprising a risk management system and an internal control system, and assessing the adequacy and effectiveness of such systems,
- assessing periodic information on the level of banking risk and the quality of managing the risk,
- assessing periodic information on irregularities found and conclusions based on internal audits conducted, as well as activities conducted for the purpose of their elimination or implementation,
- approving the procedure for establishing and terminating the employment relationship with the person in charge of the internal audit function and the person in charge of the compliance function, as well as approving the amount of remuneration of such persons,
- adopting a policy of evaluating the suitability of candidates for members of the Management Board, members of the Management Board, and the Management Board as a whole, and conducting qualification procedures for members of the Management Board,
- approving the internal division of powers within the Management Board;
- approving the rules of procedure of the internal audit unit (internal audit card) and approving the internal audit plan;
- approving the rules of procedure of the compliance unit and its annual action plans.

The powers and responsibilities of the Supervisory Board also include:

- drawing up an annual report on the activities of the Supervisory Board, together with a brief assessment of the Bank's situation on a consolidated basis, including an evaluation of the internal control systems, risk management and the compliance and internal audit functions – to be submitted to the General Meeting for approval,
- considering and evaluating information received from the Management Board on all material matters relating to the Bank's business,
- as part of the oversight over the Bank's internal control system and risk management system, and of the financial reporting process, in particular:
 - appointing the Internal Audit Committee and the Risk Committee, adopting by-laws defining the organization and tasks of these Committees and determining their composition,

- approving the Bank's internal regulations, concerning in particular: the operation of the Bank's internal control system and the risk management system, and management of individual types of banking risk,
- considering and evaluating periodic reports presenting the results of internal audits,
- considering and evaluating periodic information on effectiveness of the internal control and risk management systems,
- considering and evaluating periodic reports on compliance risk management,
- considering and evaluating annual reports of the head of the internal audit function on the effectiveness of the internal control system, the risk management system, the compliance function and the internal audit function,
- evaluating the adequacy and effectiveness of whistleblowing procedures,
- considering and evaluating information presented by the auditor on the course and results of the audit of full-year financial statements of the Bank and its Group,
- appointing the Remuneration and Nomination Committee, adopting rules of procedure defining the organisation and tasks of the Committee and determining its composition,
- appointing the Ecology Committee, adopting rules of procedure defining the organisation and tasks of the Committee and determining its composition,
- appointing the Strategy and Development Committee, adopting rules of procedure defining the organisation and tasks of the Committee and determining its composition,
- considering the Management Board's proposals concerning the Bank's intention to enter into a material contract/transaction with a related party, except for typical transactions executed on arm's-length terms in the ordinary course of business with a subsidiary in which the Bank holds a majority interest,
- supervising compliance by the Bank with its obligations related to the performance of the activities referred to in Art. 70.2 of the Act on Trading in Financial Instruments,
- giving consent for the members of the Management Board to serve on bodies of entities outside the Group,
- exercising supervision over the implementation of internal governance in the Bank and assessing, at least once a year, its adequacy and effectiveness, in particular taking into account any changes in internal and external factors affecting the Bank,
- giving consent to the conclusion by the Bank of contracts for the provision of legal services, marketing services, public relations and social communication services, as well as management consulting services if the total consideration for the services to be provided under a single contract exceeds PLN 250,000 net a year, or where an amendment to such a contract is to increase the consideration above the amount, or where the contract does not provide for the maximum amount of consideration,
- giving consent for the Bank to enter into an agreement:
 - for donation or any other agreement of similar effect with a value exceeding PLN 20,000 or 0.1% of the total assets within the meaning of the Accounting Act of September 29th 1994, as determined on the basis of the most recent approved financial statements,
 - for release from debt or any other agreement of similar effect, with a value exceeding PLN 50,000 or 0.1% of the total assets within the meaning of the Accounting Act of September 29th 1994, as determined on the basis of the most recent approved financial statements,
- approving the policy for identifying key functions at the Bank and appointing and removing persons discharging those functions,
- approving Code of Ethics that defines norms and ethical standards of conduct of members of the Bank's governing bodies and employees, as well as other persons through whom the Bank conducts its business,
- approving the policy for managing conflicts of interest,
- approving the Bank's remuneration rules and supervising their application; also evaluating, at least once a year, their impact on the Bank's management,
- approving the principles of risk culture for the Bank as a whole,
- approving the 'New Product Approval Policy',
- preparing the annual plan of work of the Supervisory Board,

Meetings of the Supervisory Board are convened by the chairman as necessary, at least once every quarter. At least seven days prior to the date of a Supervisory Board meeting, members are notified of the time, place and

agenda of the meeting in writing and receive materials to be discussed during the meeting. A request for convening the Supervisory Board meeting can be submitted to the chairman by any member of the Supervisory Board, as well as the Management Board of the Bank. In such case, the Chairman of the Board convenes a meeting within two weeks from receipt of the request. The Chairman of the Supervisory Board - on a justified request of a Supervisory Board member, the president of the Management Board or the Management Board of the Bank, as well as on their own initiative - may convene a Board meeting urgently, specifying the time, place and agenda of the meeting.

The Supervisory Board considers matters included in the agenda and makes decisions by passing resolutions. Resolutions of the Supervisory Board may be passed, if at least one half of all members are present, including the chairman or the deputy chairman, and all of its members have been invited.

Resolutions of the Supervisory Board on appointment and dismissal of the Management Board members are passed by 2/3 of all votes. Other resolutions of the Supervisory Board - unless the legal provisions in force state otherwise - are passed by an ordinary majority of votes. In the event of equal split of votes, the Chairman's vote prevails.

Members of the Supervisory Board may participate in adopting resolutions by casting their votes in writing through another member of the Board or by means of direct remote communication. Matters placed on the agenda during the Supervisory Board meeting may not be voted on in writing through another member of the Supervisory Board.

In exceptional situations, the Supervisory Board may adopt resolutions outside of meetings, in writing (by circulation) or using means of direct remote communication, in particular electronic mail. A resolution is valid if all members of the Supervisory Board have been notified of the content of the draft resolution and at least a half of all members, including the chairman or the deputy chairman, have voted.

The Supervisory Board may adopt resolutions by written ballot or by means of remote communication also in matters with respect to which the Articles of Association of the Bank prescribe voting by secret ballot, provided that no member of the Supervisory Board raises an objection.

The first meeting of the Supervisory Board in a new term of office is convened by the president of the Management Board of the Bank. The objective of the first meeting of the Supervisory Board in a new term of office is to set up the Board.

The detailed powers, rules of operation and tasks of the Supervisory Board are laid down in Art. 17–Art. 20 of the Bank's Articles of Association and in the Regulations of the Supervisory Board (the documents are available on the Bank's website www.bosbank.pl in the 'Investor Relations' section).

From among its members the Supervisory Board of the Bank appoints the Internal Audit Committee, the Remuneration and Nomination Committee, the Ecology Committee, the Risk Committee, and the Strategy and Development Committee. The Board members may also form other committees.

The Internal Audit Committee

Duties:

The Internal Audit Committee (IAC) is appointed by resolution of the Supervisory Board to support its activities by directly supervising the Bank's management system, in particular, the internal control system, as well as the financial reporting and financial auditing processes.

The IAC's primary duties include:

- Monitoring of:
 - financial reporting process,
 - effectiveness of internal control and risk management systems, and of internal audit, including with respect to financial reporting,

- performance of financial audits, in particular of audits conducted by the audit firm, taking into consideration all recommendations and findings of the Audit Oversight Commission, related to the audit carried out at the audit firm;
- Checking and monitoring independence of the statutory auditor and audit firm, in particular, if any services other than audit are provided by the audit firm to the Bank;
- Reporting outcomes of the audit to the Supervisory Board and explaining how the audit contributed to reliability of financial reporting of the Bank and what role the Committee played in the audit process;
- Assessing independence of the auditor and approving the provision of permitted non-audit services by the auditor;
- Developing a policy for selection of an audit firm to perform audits;
- Developing a policy for provision of permitted non-audit services by the audit firm, its affiliates and members of its network;
- Establishing the Bank's audit firm selection procedure;
- Giving recommendations to ensure reliability of the Bank's financial reporting process;
- Presenting to the Supervisory Board the recommendation referred to in Article 16.2 of Regulation No. 537/2014, in accordance with the policies referred to in items 5 and 6 of the Rules;
- Exercising supervision over the activities of the internal audit unit, in particular over the proper location of the internal audit unit within the Bank's organisational structure, ensuring independence of its operation, in accordance with the supervisory regulations.
- Details concerning the IAC's responsibilities, powers and organisational structure are set forth in the rules of procedure entitled 'Organisation and Tasks of the Internal Audit Committee', adopted by Supervisory Board Resolution 71/2020 of November 25th 2020.

In the reporting period, the Committee performed the tasks prescribed for the Committee, among others, in the following documents:

- Act on Statutory Auditors, Audit Firms and Public Oversight of May 11th 2017;
- Articles of Association of Bank Ochrony Środowiska S.A.;
- Resolutions of the Bank's Supervisory Board.

Moreover, in 2021, the Internal Audit Committee followed the guidelines contained in:

- Recommendation H and Recommendation L of the Polish Financial Supervision Authority;
- Regulation of the Minister of Development and Finance of June 8th 2021 on risk management and internal control systems, and on remuneration policy;
- Regulation (EU) No. 537/2014 of the European Parliament and of the Council of April 16th 2014 on specific requirements regarding statutory audit of public-interest entities;
- Best Practice for GPW (WSE) Listed Companies 2021;
- Principles of Corporate Governance for Supervised Institutions endorsed in Resolution 218/2014 of the Polish Financial Supervision Authority of July 22nd 2014;
- PFSA's recommendations and guidelines on the operation of audit committees;
- Best practices for public-interest entities regarding appointment, composition and operation of audit committees and the methodology for assessing the suitability of members of the governing bodies of supervised entities, issued by the Polish Financial Supervision Authority;
- Commission Delegated Regulation (EU) 2017/565 of April 25th 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive;
- Act on Trading in Financial Instruments of July 29th 2005 (consolidated text: Dz.U. of 2017, item 1768, as amended) 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 (Dz.U. of 2018, item 1111).

IAC's composition and suitability assessment of candidates:

- Members of the Internal Audit Committee are appointed from among the members of the Supervisory Board. Pursuant to the IAC's rules of procedure endorsed in Resolution 71/2020 of the Supervisory Board of BOŚ S.A. (as amended),
- the IAS is composed of at least three members of the Supervisory Board of BOŚ S.A., including the Chairperson and Deputy Chairperson.
- The IAC's members are appointed and their suitability is assessed pursuant to the provisions of the 'Policy for assessing 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.' (hereinafter referred to as the 'Suitability Assessment Policy'), endorsed in Resolution 27/2020 of the Ordinary General Meeting of BOŚ S.A. of June 17th 2020.

The following issues are taken into account when assessing the suitability to serve as members of the Internal Audit Committee:

- Composition (at least 3 members) and independence of the IAC's members (majority of the IAC's members, including the IAC's chairperson, should be independent),
- Ensuring that at least one IAC's member has knowledge and skills concerning: accounting or financial auditing, and the banking sector, performance of the activities referred to in Art. 70.2 of the Act on Trading in Financial Instruments;
- Fulfilment by the IAC's members of the obligations laid down in the Act on Statutory Auditors, Audit Firms and Public Oversight of May 11th 2017;

Suitability assessment of candidates for the members of the Internal Audit Committee is performed in line with the 'Suitability Assessment Methodology Applicable to Members of Governing Bodies of Entities Supervised by the Polish Financial Supervision Authority', issued in January 2020 by the Polish Financial Supervision Authority.

In the reporting period, the Supervisory Board performed individual suitability assessment of candidates for and members of the IAC and collective suitability assessment of the IAC, based on recommendations of the Remuneration and Nomination Committee (RNC). Based on the submitted statements and self-evaluation forms, the RNC reviewed the IAC's candidates' and members' knowledge and skills concerning accounting, financial auditing and the sector in which BOŚ S.A. operates, and assessed their compliance with the independence criteria.

The Supervisory Board of BOŚ S.A., taking into consideration the recommendation of the Remuneration and Nomination Committee of the Supervisory Board of BOŚ S.A. in the matter of collective suitability assessment, concluded that the individual competences of the individual members of IAC whose composition was approved in Resolution 69/2021 of the Supervisory Board of BOŚ S.A. of July 13th 2021, are complementary enough to ensure adequate collective suitability as regards:

- Maintaining an appropriate level of independence;
- possessing knowledge and skills concerning: accounting or financial auditing, and the banking sector, performance of the activities referred to in Art. 70.2 of the Act on Trading in Financial Instruments;
- Fulfilment of the obligations laid down in the Act on Statutory Auditors, Audit Firms and Public Oversight of May 11th 2017.

Re-assessment of the individual suitability of the IAC's candidates was conducted on the basis of the statements submitted by them as required under the Act on Statutory Auditors, Audit Firms and Public Supervision of May 11th 2017, in line with the procedure set out in the Suitability Assessment Policy (...).

During the reporting period, the composition of the Internal Audit Committee was as follows:

IAC's composition from January 1st 2021 to July 13th 2021.

- Wojciech Wardacki - Chairman of the Committee (until June 23rd 2021);
- Emil Ślęzak – Deputy Chairman of the Committee;
- Leszek Banaszak – Member of the Committee;

- Ireneusz Purgacz – Member of the Committee.

IAC's composition from July 13th 2021 to December 31st 2021.

- Zbigniew Dynak - Chairman of the Committee;
- Emil Ślężak – Deputy Chairman of the Committee;
- Leszek Banaszak – Member of the Committee;
- Ireneusz Purgacz – Member of the Committee.

Organisation of the IAC's work

The Internal Audit Committee performs its statutory duties in line with its annual work plan which is monitored on an ongoing basis and updated as necessary, at IAC's meetings, in accordance with the adopted meeting agenda. In 2021, meetings of the Internal Audit Committee were convened on a regular basis. During 15 meetings held throughout 2021, the IAC considered motions submitted by the Bank's business units and made relevant decisions, in compliance with applicable procedures for conducting meetings and voting.

The Risk Committee

The Risk Committee supports the Supervisory Board in its risk oversight functions. The Committee performs the tasks provided for in the Banking Law Act of August 29th 1997 (Dz.U.2019.2357, consolidated text of December 5th 2019), in the Bank's Articles of Association and in resolutions of the Bank's Supervisory Board.

The Risk Committee's primary tasks include, in particular:

- Issuing comprehensive opinions on the Bank's current and future willingness to accept risk, including:
 - receiving periodic reports/ information from the Bank's Management Board on key events relevant for Bank's risk level and on material changes in the risk management process and system,
 - receiving periodic reports/information from the Bank's Management Board on the Bank's risk level, increased exposure to specific risks, risk identification and monitoring methods, risk mitigation measures in place;
- Issuing opinions on the Bank's business risk management strategy developed by the Management Board and the Management Board's updates on the strategy implementation;
- Supporting the Bank's Supervisory Board in exercising supervision over the implementation of the business risk management strategy by senior management staff;
- Reviewing the prices of assets and liabilities offered to clients for their alignment with the Bank's business model and risk strategy, and where the prices fail to properly account for the risks stemming from the Bank's business model and risk strategy - recommending measures to be undertaken by the Management Board to ensure that the prices of assets and liabilities adequately reflect the risks involved.

In 2021, the Risk Committee consisted of the following members:

- From January 1st 2021 to July 13th 2021:
Emil Ślężak – Chairman of the Committee;
Leszek Banaszak – Deputy Chairman of the Committee;
Marzena Koczut – Member of the Committee;
Wojciech Wardacki - Member of the Committee.
- From July 13th 2021 to December 31st 2021:
Emil Ślężak – Chairman of the Committee;
Leszek Banaszak – Deputy Chairman of the Committee;
Andrzej Matysiak - Member of the Committee.

The Risk Committee held 11 meetings in 2021.

Remuneration and Nomination Committee

The Remuneration and Nomination Committee (RNC) has been appointed from among members of the Supervisory Board to perform the tasks laid down, among others, in the following documents:

- Art. 22aa of the Banking Law Act – the tasks concerning the suitability assessment of candidates and members of the Bank's Supervisory Board and Management Board, as applicable;
- Art. 9ca. of the Banking Law Act and the Regulation of the Minister of Development and Finance of June 8th 2021 on banks' risk management and internal control systems, and on remuneration policy – the tasks concerning the remuneration policy;
- Regulation of the Minister of Finance of May 7th 2018 on the detailed scope of tasks of nomination committees in significant banks,

including in particular:

- the tasks concerning the suitability assessment of candidates for the members and members of the Supervisory Board and of the Supervisory Board:
 - issuing opinions on the draft suitability assessment policy and amendments thereto;
 - furnishing the General Meeting with reports from the documentation and credibility review performed in order to assess the suitability of a candidate for a member or a member of the Bank's Supervisory Board;
 - furnishing the General Meeting or the Supervisory Board, as applicable, with proposed individual suitability assessments of candidates for members or members of the Supervisory Board/Internal Audit Committee and proposed collective suitability assessment of the Supervisory Board/Internal Audit Committee;
 - providing feedback to persons subject to suitability assessment procedure;
- the tasks concerning the suitability assessment of candidates for members and members of the Management Board and of the Management Board:
 - issuing opinions on the draft suitability assessment policy and amendments thereto;
 - furnishing the Supervisory Board with reports from the documentation and credibility review performed in order to assess the suitability of a candidate for a member or a member of the Bank's Management Board;
 - recommending candidates to the Bank's Management Board, taking into account the knowledge, skills and experience of the Management Board as a whole, and the diversity of the Management Board's composition;
 - furnishing the Supervisory Board with proposed individual suitability assessments of candidates for members or members of the Management Board and proposed collective suitability assessment of the Management Board;
 - defining the scope of responsibilities for a candidate for the Management Board, the scope of required knowledge and skills, and expected time commitment, necessary to perform the function;
 - performing periodic, at least annual, evaluation of the knowledge, skills and experience of the Management Board as a whole and of its individual members; reporting the evaluation results to the Management Board;
 - providing feedback on the individual suitability assessment to persons subject to such assessment;
- the tasks concerning the suitability assessment of candidates for key functions at the Bank or persons holding such key functions:
 - issuing opinions on the draft suitability assessment policy and amendments thereto;
 - performing periodic reviews of the suitability assessment policy and presenting recommendations to the Board in this regard;
- the tasks concerning the diversity policy applicable to the members of the Bank's Management Board - setting the gender representation target for the gender underrepresented in the Bank's Management Board, and drafting the Management Board diversity policy with a view to achieving the set representation target;
- the tasks concerning the remuneration policy - issuing opinions and ongoing monitoring of the Bank's remuneration policy, supporting the Bank's governing bodies in designing and implementing the remuneration policy through:

- o giving opinions on the list of persons holding key managerial positions in the Bank and on annual list updates;
- o designing remuneration packages for the members of the Management Board, including variable remuneration amounts and components, factors affecting variable remuneration, and performance evaluation criteria; recommending the same to the Supervisory Board;
- o giving recommendations to the Supervisory Board on awarding, reducing, withholding, or refusing to pay variable remuneration of the members of the Management Board;
- o giving opinions on the amounts of variable remuneration for persons holding managerial positions in the Bank, involved in risk management and compliance;
- o giving opinions on and monitoring of variable remuneration for persons holding managerial positions, in charge of first and second line of defence in risk management, other than those specified in item d;
- o giving opinions on the remuneration policy of the Group and on assessment of the materiality of the subsidiaries' impact on the risk profile of the Bank;
- o performing, at least annual, periodic evaluation of the size structure, composition and efficiency of the Management Board and recommending changes in this respect to the Supervisory Board.

In 2021, the Remuneration and Nomination Committee consisted of the following members:

- Ireneusz Purgacz – Chairman of the Committee;
- Piotr Wróbel – Deputy Chairman of the Committee;
- Robert Czarnecki – Member of the Committee;
- Janina Goss – Member of the Committee.

Meetings of the RNC are convened as necessary, but not less frequently than twice a year. In the reporting period, the RNC held 12 meetings. In addition, on two occasions the RNC made decisions without convening the meeting (by circulation).

Environmental Protection Committee

The Environmental Protection Committee (EPC) is an advisory body appointed by the Bank's Supervisory Board. The EPC supports the Supervisory Board in pursuing environmental initiatives of BOŚ. The tasks of the EPC include giving opinions and recommendations for the Supervisory Board (on a regular basis) and presenting quarterly reports on the Bank's environmental activities, initiatives and types of environmental projects financed by the Bank. The EPC facilitates the Bank's cooperation with the National and Provincial Funds for Environmental Protection and Water Management and with public administration bodies, including the Ministry of Climate and Environment.

In 2021, the EPC consisted of the following members:

- From January 1st 2021 to July 13th 2021:
Paweł Sałek – Chairman of the EPC;
Janina Goss – Member of the EPC;
Marcin Jastrzębski – Member of the EPC;
- From July 13th 2021 to December 15th 2021:
Paweł Sałek – Chairman of the EPC;
Andrzej Matysiak - Member of the Committee.
Marcin Jastrzębski – Member of the EPC;
- From December 15th 2021 to December 31st 2021:
Andrzej Matysiak - Chairman of the EPC;
Paweł Sałek - Deputy Chairman of the EPC;
Marcin Jastrzębski – Member of the EPC.

Meetings of the Ecology Committee are convened by the Chairman when and as needed. The EPC held six meetings in 2021. During the meetings, the EPC members discussed recommendations for the Supervisory Board

made in (quarterly) reports on the Bank's environmental activities, which included, among others, information on the sales and balance of green loans and on environmental projects. Every quarter, the EPC presented information on the cooperation with the National and Provincial Funds for Environmental Protection and Water Management.

The EPC also discussed other significant issues affecting the Bank's operations. In particular (in October 2021), it gave its opinion on: ESG Report, ESG Strategy, Climate Policy and Environmental Policy. The documents were adopted by the Supervisory Board, taking into account the EPC's recommendations.

Strategy and Development Committee

The Strategy and Development Committee (SDC) supports the Supervisory Board in designing the Bank's growth policies. The SDC performs the following tasks:

- monitors the preparation of Bank's strategy in line with the schedule;
- monitors the implementation of the Bank's business strategy;
- presents to the Supervisory Board its position regarding the desired changes in further strategic growth directions for the Bank and the Group;
- presents its opinions concerning information submitted to the Supervisory Board on: the Bank's and the Group's business strategy under preparation, implementation of the adopted strategic objectives, as part of the annual reporting process, reasons for updating the Bank's business strategy;
- performs other tasks supporting the oversight of implementation of the Bank's business strategy, as requested by the Supervisory Board.

In 2021, the Committee consisted of the following members:

- Marcin Jastrzębski – Chairman of the Committee,
- Robert Czarnecki – Deputy Chairman of the Committee,
- Piotr Wróbel – Member of the Committee,
- Zbigniew Dynak - Member of the Committee (from June 23rd 2021)

In 2021, 12 meetings of the Bank's Strategy and Development Committee were held.

3.3. Management Board of the Bank

Management Board

As at December 31st 2020, the composition of the Management Board was as follows:

- Wojciech Hann, Vice President of the Management Board, responsible for activities of the Management Board
- Arkadiusz Garbarczyk, Vice President of the Management Board, First Deputy President of the Management Board
- Jerzy Zań, Vice President of the Management Board.
- Marzena Koczut – Member of the Supervisory Board delegated to temporarily perform the duties of Member of the Management Board.

As at December 31st 2021, the composition of the Management Board was as follows:

- Wojciech Hann, President of the Management Board
- Arkadiusz Garbarczyk, Vice President of the Management Board, First Deputy President of the Management Board
- Robert Kasprzak, Vice President of the Management Board
- Marzena Koczut, Vice President of the Management Board
- Jerzy Zań, Vice President of the Management Board.

During the year, the following changes took place in the composition of the Management Board:

- on February 10th 2021, the Supervisory Board appointed Marzena Koczut as Vice President of the Management Board,
- on February 15th 2021, the Supervisory Board appointed Robert Kasprzak as Vice President of the Management Board,
- on March 3rd 2021, considering approval granted by the Polish Financial Supervision Authority, the Supervisory Board appointed Wojciech Hann as President of the Management Board.

The rules of operation, powers and tasks of the Management Board are laid down in §§ 21 - 23 of the Articles of Association and in the Rules of Procedure of the Management Board (the documents are available on the Bank's website www.bosbank.pl in the "Investor Relations" section).

Pursuant to the Articles of Association of BOŚ S.A., members of the Management Board are appointed by the Supervisory Board for a joint three-year term of office. The number of the terms of office is unlimited. The Supervisory Board appoints and removes from office the President, Vice Presidents and Members of the Management Board. The President of the Management Board has the right to request appointment and removal of Management Board members. Resolutions of the Supervisory Board on appointment and removal of the Management Board members are passed by 2/3 of all votes.

Two members of the Management Board, including the President, are appointed subject to approval by the Polish Financial Supervision Authority. The request for approval is submitted by the Supervisory Board. In addition to the President, a member of the Management Board who has obtained the consent of the Polish Financial Supervision Authority acts as Vice President – First Deputy President of the Bank's Management Board and supervises the management of risks material to the business of the Bank.

Mandates of members of the Management Board expire on or before the date of the General Meeting, which approves the Directors' Report and the financial statements for the last full financial year in which the members held the office. Mandates of the Management Board members also expire in the event of their death, resignation or removal from the Management Board.

The Management Board makes decisions on any matters not reserved for the other governing bodies of the Bank. The collegial powers of the Management Board are stipulated in the Bank's Articles of Association, the Banking Law, the Commercial Companies Code and other internal and external regulations governing the Bank's activities, including in particular resolutions and recommendations of the Polish Financial Supervision Authority.

In particular, the Management Board of the Bank:

- represents the Bank before courts, public administration bodies and third parties,
- adopts the Bank's business strategies and annual budgets,
- passes resolutions on the Bank's organisational structure and on the establishment and liquidation of the Bank's organisational units,
- passes resolutions on acquisition and disposal of property or an interest in property,
- passes resolutions on convening the General Meeting of the Bank and drafts internal regulations, the issuance of which falls within the competence of the General Meeting and the Supervisory Board,
- makes decisions on matters concerning incurring liabilities or disposing of assets where their aggregate value with respect to one entity exceeds 5% of the Bank's own funds approval, with the proviso that the Supervisory Board is authorised to approve the Management Board's requests concerning acquisition of company shares with a par value exceeding – in combination with shares already held by the Bank in a given company – the equivalent of 5% of the Bank's share capital, excluding shares of companies admitted to public trading,
- adopts the Bank's information policy,
- adopts the Bank management strategy and the risk management strategy,
- defines the acceptable overall risk level,
- manages special funds,
- adopts the procedure for the appointment and removal of the person managing the internal audit function and the person managing the compliance function, and determines the amount of remuneration for such persons,
- adopts the remuneration policy,
- adopts the policy for identifying key functions at the Bank and for appointing and dismissing persons who hold such functions, including the assessment of the suitability of candidates and persons holding positions in key functions at the Bank,
- adopts the compliance policy of the Bank,
- adopts the policy for calculating internal capital and for capital management purposes;
- adopts the rules of procedure for the internal audit function (Internal Audit Charter) and issues an opinion on the internal audit plan;
- approves the rules of procedure for the compliance function and its annual operation plans.
- determines the internal division of powers within the Management Board of the Bank,
- adopts the Rules of Procedure of the Management Board, determining in particular the matters that require adopting resolutions collectively as well as procedural and formal matters related to holding meetings, and the detailed procedure for adopting resolutions.

The collegial powers of the Management Board also include, in particular:

- passing resolutions on matters that affect:
 - financial results of the Bank, including in particular financial planning (budgeting), defining the business strategy for the Bank, and setting interest rates on cash deposits and credit products of the Bank,
 - development of the Bank's relationship with the external environment, including in particular matters related to the setting of rules of appointment and removal of attorneys-in-fact and commercial proxies, defining the rules for the Bank's conduct vis-a-vis clients and in the interbank and financial markets, including definition of templates of rules for clients,
 - definition and division of powers at the Bank, including in particular matters related to the determination of credit risk assessment rules and rules of making lending decisions at the Bank,
- lending decisions in accordance with applicable internal rules,
- consideration of periodic reports on the implementation of the Bank's tasks and its economic, financial, organisational and HR situation,
- decisions and resolutions on other matters provided for in the Bank's Articles of Association or the Rules of Procedure for the Management Board or submitted by members of the Management Board.

The President of the Management Board performs the tasks set out in the Bank's Articles of Association and other internal regulations, including: the Rules of Procedure of the Management Board, the Organizational Rules of the Bank, and the resolution on the internal division of powers in the Management Board of the Bank.

In particular, the President of the Management Board:

- coordinates all activities of the Bank,
- issues internal orders,
- directs the work of the Management Board of the Bank, convenes Board meetings, approves the agenda and chairs the meetings, and ensures that decisions of the Management Board are made properly, in accordance with the rules and regulations in force,
- make HR decisions to the extent specified in the Bank's Articles of Association and other internal regulations,
- issues organizational rules for the Bank and its organizational units,
- manages the internal control process at the Bank,

In the event of expiry of the mandate of the President of the Management Board due to death, resignation or removal from the Management Board, until appointment of a new president, the person responsible for managerial functions and managing of overall operations of the Bank is the Vice-President, First Deputy of the President of the Management Board, appointed with the consent of the Polish Financial Supervision Authority.

Members of the Management Board exercise supervision over the business areas reporting to them. In their supervisory capacity, the members of the Management Board in particular:

- inspire the activities of the supervised organisational units of the Head Office, in accordance with their respective tasks and the Bank's development directions set out in the business strategies and budgets,
- monitor the course of work and the correctness of activities undertaken in the Head Office units supervised by them, the progress of such work and activities as well as their final implementation and compliance with the law and internal regulations,
- approve and refer for consideration by the Management Board or for decision by the President of the Management Board materials prepared by the supervised organisational units of the Head Office,
- verify the adequacy of the existing internal rules and organisational structures for the current tasks of the supervised organisational units of the Head Office,
- supervise the implementation of internal control tasks in the areas of the Bank's business under their supervision, in order to ensure effective and secure development of the Bank,
- monitor the risks in the business areas under their supervision,
- issue circular letters, which are implementing regulations for the President's resolutions and orders,
- issue instructions on how to deal with a matter to the Head Office's organisational units under their supervision,
- in accordance with the Order of the President of the Management Board concerning the rules of hiring of employees for the Bank within the framework of remuneration budgets set by the Management Board and in compliance with the established pay spine – make decisions on employment and remuneration, changes in the terms and conditions of employment and on the termination of employment contracts with employees at the Head Office supervised by the Management Board pursuant to the Organisational Rules of the Bank,
- ensure that the Bank fulfils its obligations in connection with the performance of the activities referred to in Art. 70.2 of the Act on Trading in Financial Instruments, make assessments and periodic reviews of the strategy, arrangements and procedures introduced in order to fulfil those obligations, and indicate the Management Board member in charge of that area,
- are responsible for the day-to-day operation of the procedures for reporting breaches of the law, regulations applicable at the Bank and market standards, and indicate the Management Board member responsible for this area, to whom such breaches are to be reported.

In the performance of these supervisory tasks, individual members of the Management Board may submit proposals and requests to the Management Board regarding matters to be decided on by the Management Board as a collective body, concerning both the overall business of the Bank and the individual areas of its operations.

In accordance with the Bank's Articles of Association, representations concerning the Bank's property rights and obligations may be made and documents on behalf of the Bank may be signed by the President of the Management Board acting individually or by two persons from among the other members of the Management Board, commercial proxies or attorneys-in-fact acting jointly according to, and within, their authorisation.

The Bank's attorneys-in-fact are appointed and removed by the President of the Management Board acting individually or by two persons from among the other members of the Management Board, commercial proxies or attorneys-in-fact acting jointly according to, and within, their authorisation.

Passing of resolutions to increase or reduce the share capital and to issue convertible bonds or bonds with pre-emptive right lies within the powers of the General Meeting.

The Bank's Management Board complies with the corporate governance principles set out in:

- the "Good Practices of Companies Listed on the WSE", issued by the Supervisory Board of the Warsaw Stock Exchange,
- the "Principles of Corporate Governance for Supervised Institutions", issued by the Polish Financial Supervision Authority.

Any non-compliance with the aforementioned rules is notified by the Management Board in accordance with the procedures set out in those documents.

Resolutions of the Management Board are adopted at meetings convened in accordance with the procedure set out in the Rules of Procedure of the Management Board.

- Resolutions are passed with a simple majority of votes cast. In the event of a tied vote, the President of the Management Board has the casting vote. Resolutions are adopted by open ballot, unless a motion for a secret ballot has been made or unless separate regulations require a secret ballot
- Resolutions may be adopted if all members of the Management Board have been notified of the Management Board meeting, and at least half of the members of the Management Board attend the meeting, including the President of the Management Board or - in his absence - the Vice President - First Deputy President of the Management Board or another member of the Management Board designated by the President.
- A member of the Management Board who disagrees with a resolution may submit a dissenting opinion to be included in the minutes, together with the justification. However, this does not relieve them of the obligation to comply with the resolution adopted by the Management Board,
- A member of the Management Board may not participate in voting on matters concerning them personally, including such matters in which there is a conflict between the interests of the Bank and the personal interests of the member of the Management Board, their spouse, relatives or affinities,
- Meetings of the Management Board are minuted.

Considering the threat of the spread of the COVID-19 epidemic and with a view to minimising health risks for employees, the Bank introduced specific organisational solutions regarding the organisation of the Management Board meetings, which include allowing the Management Board to adopt resolutions outside the meetings, by means of direct remote communication (in particular by e-mail) or in writing. Resolutions may be adopted in this manner subject to a prior consent of the President of the Management Board. Appropriate regulations are included in the Rules of Procedure of the Management Board.

Meetings of the Management Board are convened by the President of the Management Board as needed, at least twice a month. The President of the Management Board, upon a justified request of a Member of the Management Board or on his own initiative, may convene a meeting of the Management Board as a matter of urgency, specifying the date, place and agenda of the meeting.

Meetings of the Management Board are attended by its members, the person in charge of the internal audit unit, the person in charge of the compliance unit, as well as other invited persons or persons indicated in a separate order of the President of the Management Board. Persons participating in a meeting may also take part in its proceedings by means of direct remote communication, including instant messaging/applications enabling tele-

or videoconferencing. At meetings of the Management Board, the President presents a draft agenda for approval, chairs the meeting, gives the floor, decides on procedural matters, summarises findings and results of discussions, and formulates resolutions, recommendations and conclusions. Where justified by business or formal and legal considerations, a Board Member may – with the consent of the President of the Management Board – bring to the Board's attention a subject not included in the meeting agenda.

In the event of expiry of the mandate of the President of the Management Board due to death, resignation or removal from the Management Board, until appointment of a new president, the person responsible for managerial functions and managing of overall operations of the Bank is the Vice-President, First Deputy of the President of the Management Board, appointed with the consent of the Polish Financial Supervision Authority.

In the absence of the President of the Management Board, his/her functions are performed and the Bank is managed in its entirety (with the exception of competencies relating to the establishment and termination of the relevant employment relationship with managing directors, directors of organisational units of the Head Office and directors of business centres) by the Vice President –First Deputy of the President of the Management Board or another member of the Management Board indicated by the President. Vice Presidents or members of the Management Board supervise the areas of the Bank's operations assigned to them, in accordance with the internal division of powers determined by the Management Board and approved by the Supervisory Board.

4. Control systems deployed in financial reporting

Internal control system

BOŚ S.A. has implemented a suitable and effective internal control system forming a part of the Bank's overall management system endorsed in resolutions of the Bank's Supervisory Board. The internal control system supports the Bank's Supervisory Board, Internal Audit Committee, Management Board and employees in the proper, efficient and effective performance of their duties.

It combines closely interrelated multifaceted management processes covering all areas of the Bank's operations and is intrinsically and comprehensively integrated with the overall Bank's management system.

The Bank's internal control system is tailored to the organisational structure of BOŚ S.A. and encompasses the Bank's organisational units and subsidiaries. The Bank's risk management and internal control systems are organised on three independent levels:

- Level 1 comprises operational risk management;
- Level 2 comprises at least:
 - risk management by employees or functions specifically appointed/established for that purpose, independent of operational risk management,
 - activities of the compliance function;
- Level 3 comprises the activities of internal audit function.

The Bank's three-level internal control structure includes:

- The control function, operating at all three levels, particularly at Level 1, i.e. as part of the Bank's operations. The control function is designed to ensure compliance with controls and covers positions, groups of people, or organisational units in charge of the tasks assigned to the function;
- Level 2 compliance function, complementing risk management by employees or functions specifically appointed/established for that purpose. The compliance function is responsible for identification, assessment, control and monitoring of the Bank's risk of non-compliance with law, internal regulations and market standards, and related reporting;
- Level 3 internal audit function. The role of the internal audit function is to independently and impartially examine and evaluate the adequacy and effectiveness of the risk management system and the internal control system, excluding the internal audit function.

The effectiveness of the internal control system depends on the effectiveness of each level.

The Bank deploys various controls to reduce the likelihood of risk materialisation, detect and remedy incidents that have occurred, and eliminate their consequences.

Independence of the internal audit function and compliance function are ensured by specially designed measures which are described in the Resolution of the Management Board and Supervisory Board on "Internal Control System at BOŚ S.A."

The Bank has a compliance function managing the compliance risk through: designing a compliance risk management policy and rules, organising a compliance risk management system, identifying, assessing, controlling, monitoring and reporting compliance risk, cooperating with other Group entities in the area of compliance risk management. The function reports directly to the President of the Bank's Management Board.

The Bank has an internal audit function which evaluates processes implementation and contributes to process streamlining, including in particular business, risk management and management processes as well as controls involved in these processes. The function conducts, among other things, a periodic review of the Bank's internal controls and related internal control procedures. The role of the internal audit function is to independently and impartially examine and evaluate the adequacy and effectiveness of the risk management system and internal control system (excluding the internal audit function) of the Bank and its subsidiaries. The findings of the reviews and audits carried out by the internal audit function are presented to the Bank's Management Board, the Internal Audit Committee and the Supervisory Board as part of the annual report on the effectiveness of the internal control system.

The internal audit function, reporting directly to the President of the Bank's Management Board, is an integral and independent element of the Bank's internal control system. The internal audit function is supervised by the Internal Audit Committee. The role of the internal audit function is to independently and impartially examine and evaluate the correctness, adequacy and effectiveness of the risk management system and the internal control system related to the operations of the Bank and its subsidiaries.

The internal audit function performs its tasks in accordance with applicable laws and the Bank's internal regulations, following best practices included in the International Standards for the Professional Practice of Internal Auditing recommended by the Institute of Internal Auditors and the Code of Ethics of the Institute of Internal Auditors (IIA).

Controls applied in financial reporting

The Bank applies various controls in order to ensure reliability and accuracy of financial reporting (i.e. the process of preparing financial statements). They are incorporated in the functionality of reporting systems and internal regulations, and include, among other things: ongoing validation and reconciliation of the reporting data with the accounting books as well as underlying analytical and other documents serving as a basis for the preparation of financial statements, and with generally applicable accounting and financial reporting laws and regulations.

The process of preparing financial statements is subject to a review, in particular for correctness of reconciliations and substantive analysis and for reliability of information. Annual financial statements are reviewed by the Internal Audit Committee, approved by the Supervisory Board and accepted for publication by the Management Board of BOŚ S.A.

In addition, the Supervisory Board performs an annual review of the full-year consolidated financial statements of the BOŚ Group, full-year financial statements of the Bank and of the Directors' Report on the operations of the BOŚ Group prepared together with the Directors' Report on the operations of BOŚ S.A., for their conformity with the books, documents and facts, in accordance with Art. 382.3 of the Commercial Companies Code.

The role of the Internal Audit Committee (IAC) is to support the Supervisory Board through exercising direct supervision over the Bank's management system, in particular, the internal control system and the financial reporting and audit processes.

The IAC's duties include, in particular, the monitoring of:

- financial reporting process,

- effectiveness of internal control and risk management systems, and of internal audit, including with respect to financial reporting,
- financial audits activities, in particular audits conducted by audit firms, taking into consideration all recommendations and findings of the Audit Oversight Commission, related to the audit carried out at the audit firm.

A detailed description of the IAC's activities is provided above in Section. 3.2.

5. Conflicts of interest at BOŚ S.A.

The Bank applies conflicts of interest management procedures, including the rules for preventing conflicts of interest. The Rules of Procedure of the Management Board and the Supervisory Board define the procedures for excluding members of these bodies from participating in discussions or decisions on matters involving a conflict of interest. Where a conflict of interest exists or may arise, the persons concerned are obliged to disclose this fact.

Moreover, the Bank applies internal regulations on acceptance of benefits or gifts that could influence the impartiality and neutrality of decisions concerning clients or entities cooperating with the Bank.

6. Remuneration policy at BOŚ S.A.

6.1. Management Remuneration Policy

In order to meet the requirements set out in the Regulation of the Minister Finance, Development Funds and Regional Policy of June 8th 2021 on banks' risk management and internal control systems, and on remuneration policy, and in accordance with Directive 2013/36/EU of the European Parliament and of the Council of June 26th 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, the Bank has implemented a Management Remuneration Policy, approved by the Supervisory Board of BOŚ S.A..

The Remuneration and Nomination Committee appointed by the Supervisory Board gives its opinion on the Remuneration Policy, gives its opinion on and draws up remuneration rules applicable to the members of the Management Board, gives its opinion on the amounts of variable remuneration for managers, gives its opinion on and monitors the amount of variable remuneration for the Bank's managers responsible for level 2 risk management, directing compliance function and internal audit function.

The Remuneration Policy was amended twice during the reporting period:

- Due to the need to implement EU legal provisions on capital requirements for financial institutions, known as the CRD V/CRR II package, incorporated into the national legal system by virtue of amended Banking Law Act and amended Regulation of the Minister of Finance, Development Funds and Regional Policy of June 8th 2021 on banks' risk management system and internal control systems, and on remuneration policy.
- The amended Remuneration Policy provides for, among other things, payment of at least 50% of variable remuneration in the Bank's shares valued at the weighted average WSE trading price in the period from December 1st of the year preceding the year in which the variable remuneration is awarded to January 31st of the year in which the variable remuneration is awarded. The term 'shares' means:
 - the shares of Bank Ochrony Środowiska S.A. listed on the Warsaw Stock Exchange,
 - virtual (phantom) shares with a value equalling the price of the Bank's shares listed on the Warsaw Stock Exchange.
- Payment of 40% of the variable remuneration in five deferred equal annual instalments, with at least 50% of each instalment payable in the Bank shares and the balance payable in cash. The deferred part may be suspended, reduced or not paid or realised at all when the Bank's results differ significantly from the approved financial plan for a given year, or in the circumstances referred to in Article 142.1 of the Banking Law Act;

- Performance evaluation covering a three-year period so that the performance-based component of the remuneration accounts for the Bank's business cycle of the Bank and the risks involved in its business operations. The term 'performance' means actual delivery of productivity, financial, sales and individual targets set forth in the Bank's strategy or financial plan for a given year;
- Gender neutrality.

The above rules apply to variable remuneration for 2021 and subsequent years.

- Due to the need to implement PFSA's Recommendation 15 contained in Recommendation Z, regarding the internal governance rules in banks and obligating banks to draw up in writing and implement, upon approval of the Supervisory Board, a transparent and comprehensible remuneration policy specifying among other things, the maximum ratio of the average annual total gross remuneration of the Bank's Management Board members to the average annual total gross remuneration of other employees to be 16:1. In view of the above, fulfilling the disclosure obligation under PFSA's Recommendation 30.1. contained in Recommendation Z and the Bank's Remuneration Policy, Bank Ochrony Środowiska S.A. reports that the ratio of the average annual total gross remuneration of the Bank's Management Board members in 2021 to the average annual total gross remuneration of other employees in 2021 is 6.21, which is below the set maximum value.

The maximum amount of variable remuneration for each person holding a managerial position does not exceed 100% of the person's fixed remuneration. The maximum level of variable remuneration may be increased to 200% of the fixed remuneration upon consent of the General Meeting of Bank Ochrony Środowiska S.A., in accordance with the procedure provided for in Art.25.3.4.b) and Art.25.3.4.c) of the Regulation of the Minister of Finance, Development Funds and Regional Policy. The increase of the maximum amount of variable remuneration referred to in the preceding sentence does not apply to members of the Management Board.

During the reporting period:

- upon the lapse of the retention period, the phantom shares awarded as non-deferred portion of the variable remuneration for 2019 and the first portion of deferred variable remuneration in 2018 in the total gross amount of PLN 306.8 thousand (38,045 phantom shares at the value per phantom share equalling the arithmetic mean of the closing prices at the first five sessions following the lapse of the retention period, i.e. PLN 8.064 thousand) were converted into cash and paid out;
- the second (out of three) portions of deferred variable remuneration for 2018 was settled; the total expected cost will amount to PLN 79.4 thousand (gross), including phantom shares awarded as a short-term benefit payable after the lapse of the retention period, i.e. after a period of six months from the date of award of the variable component of remuneration, at the value per phantom share equalling the arithmetic mean of the closing prices at the first five sessions following the lapse of the retention period – 5,450 shares, and the cash amount of PLN 39.7 thousand (gross) paid out as a short-term benefit;
- the first (out of three) portion of deferred variable remuneration for 2019 was settled; the total expected cost will amount to PLN 87.2 thousand (gross), including phantom shares awarded as a short-term benefit payable after the lapse of the retention period, i.e. after a period of six months from the date of award of the variable component of remuneration, at the value per phantom share equalling the arithmetic mean of the closing prices at the first five sessions following the lapse of the retention period – 6,364 shares, and the cash amount of PLN 43.6 thousand (gross) paid out as a short-term benefit;
- it was determined that no variable remuneration was awarded for 2020 to persons holding managerial positions identified as having a significant impact on the Bank's risk profile (including members of the Bank's Management Board) due to non-fulfilment of the vesting condition for the variable remuneration (bonus);
- two persons holding managerial positions identified as having a material impact on the Bank's risk profile received a cash bonus set for 2020 in the amount of PLN 10,000 each. Pursuant to Chapter IV Art. 14.4 of the BOŚ S.A. Management Remuneration Policy, the variable remuneration was not subject to deferment and partial payment in shares.

The variable remuneration for 2021 has not yet been determined or awarded.

6.2. Management Stock Option Plan and Employee Share Plan

There was no Employee Share Plan in place in the Bank in 2020 and 2021.

6.3. Remuneration and other payments due to key management staff at BOŚ S.A.

Information on the remuneration for key management staff of BOŚ S.A. and other amounts due from the Bank to the present and former officers and directors is provided in note 51 of the Full-Year Consolidated Financial Statements of the BOŚ Group for the year ended December 31st 2021.

The Bank has no pension or similar liabilities towards its former officers and directors.

6.4. Agreements concerning compensation for managers

Agreements concluded with managers provided for the following compensation rules:

- Where the contract with a manager is terminated by the Bank for reasons other than a breach of basic contractual obligations, the manager may receive compensation of up to three 3 times the fixed remuneration, provided that the manager performed the function for at least 12 months prior to such termination; Severance pay amount is set by the Supervisory Board, taking into account the workload, efficiency and performance in the last three years of holding the function as well as the effects of the services performed and the financial results of the Bank and of the business line supervised by the manager concerned.

The above rules were applied as follows: January 1st 2021 - February 9th 2021 - to three members of the Management Board; February 10th 2021 - February 14th 2021 - to four members of the Management Board; February 15th 2021 - December 31st 2021 - to five members of the Management Board.

- Non-competition compensation (for refraining from direct or indirect involvement with a Bank's competitor) for a manager holding the function for at least three months is provided for in the amount of 50% of the fixed remuneration received directly prior to contract termination, payable for six months.

The above rules were applied as follows: January 1st 2021 - February 9th 2021 - to three members of the Management Board; February 10th 2021 - February 14th 2021 - to four members of the Management Board; February 15th 2021 - December 31st 2021 - to five members of the Management Board.

6.5. Bank's shares held by members of the Management Board and the Supervisory Board

The Bank reported that as at December 31st 2021 none of the members of the Bank's Management Board and none of the members of the Bank's Supervisory Board held:

- any Bank shares or rights thereto;
- any shares in the Bank's affiliates.