

**The Report of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna for the year 2023
along with assessments and opinions prepared in accordance with regulatory requirements**

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Legal basis

The report of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna for the year 2023 along with assessments and opinions prepared in accordance with regulatory requirements (hereinafter referred to as "Report") was prepared pursuant to Article 382 § 3(3) of the Code of Commercial Companies (hereinafter: "CCC"), § 18.4 of the Articles of Association of Bank Polska Kasa Opieki Spółka Akcyjna (hereinafter: "Bank's Articles of Association") and Item 2.11 of the Best Practice for WSE Listed Companies 2021.

I. Composition and organisation of the work of the Supervisory Board in 2023

Between 1 January 2023 and 31 December 2023, the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna (hereinafter referred to as "Supervisory Board", "Supervisory Board of the Bank") was made up of the following members:

Beata Kozłowska-Chyła – Chairwoman of the Supervisory Board,
Joanna Dynysiuk – Deputy Chairwoman of the Supervisory Board,
Małgorzata Sadurska – Deputy Chairwoman of the Supervisory Board,
Stanisław Ryszard Kaczoruk – Secretary of the Supervisory Board,
Sabina Bigos-Jaworowska – Member of the Supervisory Board,
Justyna Głębiowska-Michalak – Member of the Supervisory Board,
Marcin Izdebski – Member of the Supervisory Board,
Michał Kaszyński – Member of the Supervisory Board,
Marian Majcher – Member of the Supervisory Board.

On 13 November 2023, Joanna Dynysiuk resigned from the position of Deputy Chairwoman of the Supervisory Board of the Bank and from membership therein, effective as of 31 December 2023. The letter of resignation did not state the reasons behind it. On 22 December 2023, Justyna Głębiowska-Michalak resigned from membership in the Supervisory Board of the Bank, effective as of 31 December 2023. The letter of resignation did not state the reasons behind it.

Five Members of the Supervisory Board, i.e.: Sabina Bigos-Jaworowska, Justyna Głębiowska-Michalak, Stanisław Ryszard Kaczoruk, Michał Kaszyński, and Marian Majcher satisfied in the reporting period the independence criteria set out in the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Oversight, and did not have actual and material ties with a shareholder holding at least 5% of the total number of votes in the company. Additionally, Beata Kozłowska-Chyła, Chairwoman of the Supervisory Board, satisfied the independence criteria in accordance with Item 90 of the Guidelines on the assessment of the suitability of members of the management body and key function holders EBA/GL/2021/06, ESMA35-36-2319 of 2 July 2021.

For information on the composition of the Supervisory Board in the context of its diversity, see Chapter XII "Assessment of the degree of implementation of the diversity policy".

The Supervisory Board exercised permanent supervision over the activity of Bank Polska Kasa Opieki Spółka Akcyjna ("Bank", "Bank Pekao S.A.") in accordance with the rights and obligations defined in the Code of Commercial Companies, the Bank's Articles of Association and resulting from the Corporate

Governance Principles and the Code of Best Practice.

The Supervisory Board held 11 meetings in 2023, during which it examined 218 pieces of information, analyses and motions, and adopted 146 resolutions.

The Supervisory Board performed its tasks both at the meetings and as part of the works of the Supervisory Board Committees. In parallel, the Supervisory Board also adopted resolutions by means of direct remote communication beyond the meeting, adopting 10 resolutions this way.

The following committees of the Supervisory Board continued their activity in 2023: (i) Audit Committee, (ii) Nomination and Remuneration Committee, and (iii) Risk Committee. Reports on the activities of these Committees approved by the Supervisory Board appear in Chapter X "Reports on the activities of the Committees of the Supervisory Board in 2023".

In 2023, the Supervisory Board operated on the basis of the Regulations of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna as adopted by Resolution No. 10/22 of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna of 24 January 2022 and later amended by Resolution No. 116/23 of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna of 18 October 2023.

The Regulations of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna take into account the requirements arising from Recommendation Z of the Polish Financial Supervision Authority, as well as the applicable provisions of the Code of Commercial Companies regarding the operation of the supervisory board. The Supervisory Board assesses that the Regulations of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna, as a regulation defining the functioning of the Supervisory Board, are adequate and compliant with the provisions of law and requirements of supervisory authorities.

II. Personnel-related issues.

Between 1 January 2023 and 31 December 2023, the Management Board of the Bank comprised the following members:

Leszek Skiba – President of the Management Board of the Bank,
Jarosław Fuchs – Vice President of the Bank's Management Board,
Marcin Gadomski – Vice President of the Management Board of the Bank,
Jerzy Kwieciński – Vice President of the Management Board of the Bank,
Paweł Strączyński – Vice President of the Management Board of the Bank,
Błażej Szczecki – Vice President of the Management Board of the Bank,
Wojciech Werochowski – Vice President of the Management Board of the Bank,
Piotr Zborowski – Vice President of the Management Board of the Bank,
Magdalena Zmitrowicz – Vice President of the Management Board of the Bank.

The Supervisory Board of the Bank, as a result of its assessments, concluded that all members of the Management Board of the Bank and the Management Board of the Bank as a whole meet the requirements referred to in Article 22aa of the Act of 29 August 1997 – Banking Law and the suitability requirements referred to in the "Policy of selection of candidates for the function of a member of the Management Board and Key Function Holders and assessment of the suitability of the proposed and appointed members of the Management Board, Supervisory Board and Key Function Holders at Bank

Polska Kasa Opieki Spółka Akcyjna".

None of the above persons appointed to the Management Board of the Bank, in accordance with the submitted declarations, conducts activities competitive to the Bank, is involved in a competitive company as a partner in a civil law partnership, partnership or capital company, nor is it involved in a competitive legal person as a member of its governing body. Furthermore, none of the appointed persons is listed in the Register of Insolvent Debtors kept pursuant to the Act of 20 August 1997 on the National Court Register.

III. Main activities of the Supervisory Board.

Meetings of the Supervisory Board.

In 2023, the Supervisory Board held 11 meetings (30 January 2023, 1 March 2023, 21 April 2023, 26 April 2023, 8 May 2023, 16 June 2023, 2 August 2023, 11 September 2023, 18 October 2023, 7 November 2023, and 14 December 2022).

Attendance of the Supervisory Board Members at individual meetings has been presented below:

Date	Participating Members
30 January 2023	B.Kozłowska-Chyła, J.Dynysiuk, M.Sadurska, S.R.Kaczoruk, S.Bigos-Jaworowska, J.Głębikowska-Michalak, M.Izdebski, M.Kaszyński, M.Majcher
1 March 2023	B.Kozłowska-Chyła, M.Sadurska, S.R.Kaczoruk, S.Bigos-Jaworowska, J.Głębikowska-Michalak, M.Izdebski, M.Kaszyński, M.Majcher
21 April 2023	B.Kozłowska-Chyła, J.Dynysiuk, M.Sadurska, S.R.Kaczoruk, S.Bigos-Jaworowska, J.Głębikowska-Michalak, M.Izdebski, M.Kaszyński, M.Majcher
26 April 2023	B.Kozłowska-Chyła, J.Dynysiuk, M.Sadurska, S.R.Kaczoruk, S. Bigos-Jaworowska, J.Głębikowska-Michalak, M.Izdebski, M.Kaszyński, M.Majcher
8 May 2023	B.Kozłowska-Chyła, J.Dynysiuk, M.Sadurska, S.R.Kaczoruk, S.Bigos-Jaworowska, J.Głębikowska-Michalak, M.Izdebski, M.Kaszyński, M.Majcher
16 June 2023	B.Kozłowska-Chyła, J.Dynysiuk, M.Sadurska, S.R.Kaczoruk, S.Bigos-Jaworowska, J.Głębikowska-Michalak, M.Izdebski, M.Kaszyński, M.Majcher
20 June 2023 (continuation of the meeting of 16 June 2023)	B.Kozłowska-Chyła, M.Sadurska, S.R.Kaczoruk, S.Bigos-Jaworowska, J.Głębikowska-Michalak, M.Kaszyński, M.Majcher
2 August 2023	B.Kozłowska-Chyła, J.Dynysiuk, M.Sadurska, S.R.Kaczoruk, S.Bigos-Jaworowska, M.Izdebski, M.Kaszyński, M.Majcher
11 September 2023	B.Kozłowska-Chyła, J.Dynysiuk, M.Sadurska, S.R.Kaczoruk, S.Bigos-Jaworowska, J.Głębikowska-Michalak, M.Izdebski, M.Kaszyński,

	M.Majcher
15 September 2023 (continuation of the meeting of 11 September 2023)	B.Kozłowska-Chyła, J.Dynysiuk, M.Sadurska, S.R.Kaczoruk, S.Bigos-Jaworowska, J.Głębikowska-Michalak, M.Izdebski, M.Kaszyński, M.Majcher
18 October 2023	B.Kozłowska-Chyła, J.Dynysiuk, M.Sadurska, S.R.Kaczoruk, S.Bigos-Jaworowska, J.Głębikowska-Michalak, M.Izdebski, M.Kaszyński, M.Majcher
7 November 2023	B.Kozłowska-Chyła, J.Dynysiuk, M.Sadurska, S.R.Kaczoruk, S.Bigos-Jaworowska, J.Głębikowska-Michalak, M.Izdebski, M.Kaszyński, M.Majcher
13 November 2023 (continuation of the meeting of 7 November 2023)	B.Kozłowska-Chyła, J.Dynysiuk, M.Sadurska, S.R.Kaczoruk, S.Bigos-Jaworowska, J.Głębikowska-Michalak, M.Izdebski, M.Kaszyński, M.Majcher
14 December 2023	B.Kozłowska-Chyła, J.Dynysiuk, M.Sadurska, S.R.Kaczoruk, S.Bigos-Jaworowska, J.Głębikowska-Michalak, M.Izdebski, M.Kaszyński, M.Majcher

Tasks performed by the Supervisory Board.

The activity of the Supervisory Board in 2023, as it was the case in the previous years, focused both on strategic issues and on issues related to exercising supervision over the day-to-day operation of the Bank. Continuous adaptation of the Bank's operations to the evolving geopolitical situation was an additional challenge.

Strategic matters included primarily the assessment of the motion on the distribution of the Bank's profit for 2022 as well as the referral of that matter to the General Meeting for the purpose of adopting a resolution. As part of strategic issues, the Supervisory Board approved the "Capital Management Strategy – 2023", and the "Strategy for the Management of Non-Performing Exposures (NPEs) at Bank Pekao S.A.". Furthermore, the Supervisory Board got acquainted with the semi-annual and quarterly information on the "Monitoring of the achievement of the Strategy for 2021-2024". Furthermore, the Supervisory Board approved the "Financial Risk and Investment Activity Strategy", approved the update of the financial risk limits, and reviewed the results of the assessment of the "Investment Policy and Market Risk 2022" as well as approved the "Credit Risk Strategy".

The Supervisory Board approved (i) the "Policy on the selection of an audit firm to conduct the statutory audit of the financial statements of Bank Pekao S.A. and the rules of cooperation with the audit firm, the statutory auditor and the supervisory authority", (ii) "Information Policy of Bank Pekao S.A. on Capital Adequacy". In addition, the Supervisory Board gave a positive opinion on the "Financial Plan of the Bank Polska Kasa Opieki Spółka Akcyjna Capital Group for the year 2023" and also approved the "Long-term Financing Plan for the years 2023-2025". The Supervisory Board approved the "Group Recovery Plan for the Capital Group of Bank Pekao S.A." and the updated "Individual Recovery Plan of Bank Pekao S.A.", as well as an update of the "Risk Appetite for the Pekao Group".

The Supervisory Board assessed (i) the position of the Management Board of the Bank regarding the

acceptance for implementation of the recommendation of the Financial Supervision Authority ("PFSA") dated 16 March 2023 on the mitigation of the risks in the Bank's operations by not taking, without prior consultation with the supervisory authority, other activities, in particular those that are outside the scope of the current business and operating activities, which may result in a decrease in own funds, including possible dividend payments from undistributed profit from previous years and redemption or buy-back of own shares, and (ii) the position of the Management Board of the Bank regarding the implementation of the recommendation of the Financial Supervision Authority of 13 December 2023 regarding the mitigation of the risks in the operations of Bank Polska Kasa Opieki Spółka Akcyjna by maintaining, both at the stand-alone and consolidated level, own funds to cover the additional capital charge in order to absorb potential losses arising from the occurrence of stress conditions.

The Supervisory Board analysed quarterly reports on capital management, capital adequacy and liquidity situation of the Bank and the Group.

The Supervisory Board also reviewed, on a systematic basis, the following: (i) financial situation, (ii) sales results concerning key products, i.e. PLN mortgage loans, consumer loans, investment funds, (iii) quality of assets, and (iv) risk level, (v) financial results of the Bank Pekao S.A. Group, (vi) the current situation in the Bank, (vii) relevant personnel-related information and information about macroeconomic outlook in Poland, including the prospects of GDP growth, inflation and interest rates, deposits and loans.

The Supervisory Board reviewed the "Annual Bancassurance Activity Risk Report for Q1-Q4 2022", "Information on bancassurance activities in 2022" and quarterly information on bancassurance risk and reports on bancassurance activities.

Within the framework of its duties set forth in § 8 of the Regulations of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna, the Supervisory Board adopted the work schedule of the Supervisory Board for the year 2023.

The Supervisory Board supervised the process of managing risks at the Bank. It approved the "Operational Risk Management Strategy" together with Operational Risk Appetite in the form of warning levels for operational losses and sub-levels for event classes for the Bank Polska Kasa Opieki Spółka Akcyjna Capital Group and the Bank for the year 2023. The Supervisory Board positively assessed the adequacy and effectiveness of the risk management system and approved the "Risk Management Strategy and Internal Capital Estimation Principles". Moreover, the Supervisory Board examined the results of the review of the "Model Risk Management Principles" Policy and approved the "Model Risk Management Principles" Policy. In addition, the Supervisory Board assessed the "Annual Model Risk Report – 2022", positively assessed the effectiveness of the Bank's model risk management and approved the Model Risk Tolerance Level. The Supervisory Board approved the updated internal capital regulations: (i) Capital Management Policy at Bank Pekao S.A., and (ii) Excessive Financial Leverage Risk Management Policy at Bank Pekao S.A.

The Supervisory Board conducted an analysis of quarterly reports on financial risk management, operational risk control, loan portfolio and debt collection activities.

In order to ensure the highest possible level of ICT security, the Supervisory Board has regularly reviewed information on the state of ICT security of the Bank.

The Supervisory Board reviewed the "Report on the AML/CFT and Sanctions Area 2022" and positively assessed the AML/CFT activity in 2022 as well as reviewed the cyclical information on AML/CFT and Sanctions for Q1, Q2 and Q3 2023.

The Supervisory Board assessed the financial statements of Bank Polska Kasa Opieki Spółka Akcyjna and the Bank Polska Kasa Opieki Spółka Akcyjna Capital Group for the year ended 31 December 2022 as well as the report on the activities of the Bank Polska Kasa Opieki Spółka Akcyjna Capital Group for the year 2022. In addition, the Supervisory Board acknowledged the information on "the interim summary financial statements of Bank Pekao S.A. and the Bank Pekao S.A. Capital Group" and "the semi-annual report on the activities of the Bank Pekao S.A. Capital Group", as well as "the Report of the Capital Group of Bank Pekao S.A. for Q1 and Q3 2023".

In connection with the publication of the stand-alone and consolidated annual report, the Supervisory Board (i) adopted the content of the statement on the Audit Committee of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna and (ii) adopted the content of the statement on the selection of an audit firm to audit the annual stand-alone and consolidated financial statements in accordance with the regulations, including those concerning the selection and selection procedure of the audit firm. The Supervisory Board appointed PricewaterhouseCoopers Polska Spółka z ograniczoną odpowiedzialnością Audyt Sp.k. to audit the Bank's financial statements and the consolidated financial statements of the Bank Capital Group covering the five financial years from 2024 to 2028, subject to an option to extend the agreement for two further financial years 2029 and 2030.

In accordance with its statutory duties, the Supervisory Board considered and gave a positive opinion on the motions, information and reports, as well as on the agenda of the Ordinary General Meeting of Bank Polska Kasa Opieki Spółka Akcyjna for the financial year 2022 and draft resolutions of the Ordinary General Meeting of Bank Polska Kasa Opieki Spółka Akcyjna for the financial year 2022.

The Supervisory Board got acquainted with the information on activities in the field of data management and data quality.

The Supervisory Board paid a lot of attention to issues related to the functioning of internal audit processes. The Supervisory Board adopted two updates to the "Audit Charter of Bank Polska Kasa Opieki Spółka Akcyjna". It approved the "Internal Audit Strategy for 2021 – 2024 (Settlement of Strategy for 2021 – 2023. Update for the year 2024)". The Supervisory Board also approved the Audit Plan of Bank Polska Kasa Opieki Spółka Akcyjna for the year 2024, which included, but was not limited to: (i) the Annual Audit Plan for the year 2024", (ii) the Strategic Audit Plan for the years 2024-2028, and (iii) the Annual and Strategic Plan of the Pekao Brokerage House.

Additionally, the Supervisory Board exercised supervision over the schedule and implementation of the post-inspection recommendations issued by the Polish Financial Supervision Authority after problem-related inspections, as defined in the Polish Financial Supervision Authority's letter concerning the process of sending enquiries to the Central Account Register operated by Krajowa Izba Rozliczeniowa Spółka Akcyjna, and following the Supervisory Examination and Assessment, became acquainted with the results of verification of these recommendations, performed by the Internal Audit Department and the Compliance Department. The Supervisory Board reviewed the "Annual report on the activities of the Internal Audit Department in the year 2022", the "Performance Assessment of the Internal Audit

Department in the year 2022" as well as the "Report on the independent external assessment of the activities of the Internal Audit Department of Bank Pekao S.A." prepared by Deloitte.

In addition, the Supervisory Board reviewed the quarterly reports on the Bank's Internal Control System and the results of the Review of the Bank's Internal Control System for the year 2022 as part of its supervision over effective compliance risk management. The Supervisory Board approved (i) the "Compliance Department Action Plan for the year 2024", and reviewed (ii) the "Compliance Department Activity Report for the year 2022", and (iii) quarterly reports on the activities of the Compliance Department.

Furthermore, the Supervisory Board reviewed the report on the functioning of the compliance system with the law regarding the functioning of Bank Polska Kasa Opieki S.A. as a trust bank between 1 April 2022 and 31 March 2023 as well as with regular reports on the operation of the legal compliance supervision system at the Pekao Brokerage House.

The Supervisory Board reviewed the Pekao Brokerage House Report for 2022 regarding the application of the "PFSA Guidelines on the provision of brokerage services on the OTC derivatives market" as well as the "Report of compliance of the provision of investment services by the Bank in 2022 with the Guidelines for OTC derivatives issued by the Polish Financial Supervision Authority".

According to the Bank's internal regulations, the Supervisory Board reviewed remunerations of the Internal Audit Department and the Compliance Department employees.

The Supervisory Board reviewed (i) the "Periodical Business Continuity and Crisis Management Report", (ii) "Information on the implementation by the Bank of the provisions of the Act of 7 July 2022 on crowdfunding for business ventures and assistance to borrowers – suspension of loan repayment at customer's request "credit holiday", (iii) "Information on inspections conducted at Bank Pekao S.A.", (iv) "Information on the commencement of work on the issue of non-preferred senior bonds", (v) as well as with the "Report on management information in the field of outsourcing in reliance on data for the year 2022 and for H1 2023".

The Supervisory Board reviewed (i) "Information on the increase in the share capital of Pekao Bank Hipoteczny Spółka Akcyjna", (ii) "Information on the profitability and reorganisation of Bank Pekao outlets", (iii) "Information on the effectiveness of marketing campaigns", (iv) an analysis of the understanding of outsourcing services in the context of the requirement to obtain the consent of the Supervisory Board, (v) the annual report "Compliance with the Policy of Registration of Communications with customers in connection with the requirements of the MIFID regulations".

The Supervisory Board positively assessed (i) the Bank's compliance with the Principles of Corporate Governance for Supervised Institutions in 2022 and (ii) the compliance with the principles of corporate governance by Bank Polska Kasa Opieki Spółka Akcyjna and the manner in which it performs disclosure obligations related to their application, as set out in the Warsaw Stock Exchange Rules and in the provisions on current and periodic information provided by issuers of securities.

The Supervisory Board, acting pursuant to § 3 of the "Procedure for periodic assessment of market conditions of significant transactions" in conjunction with Article 90j.2 of the Act of 29 July 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public

Companies, decided to recognise that a significant transaction with affiliated entities – Pekao Leasing sp. z o.o. and Pekao Faktoring sp. z o.o. had been concluded on arm's length terms as part of the Bank's ordinary activities.

The Supervisory Board also dealt with issues concerned with the remuneration policy and suitability assessment. The Supervisory Board positively assessed the functioning of the "Remuneration Policy of Bank Polska Kasa Opieki Spółka Akcyjna" and the "Remuneration Policy for Members of the Supervisory Board and Management Board of Bank Polska Kasa Opieki Spółka Akcyjna", and then adopted the "Report from the assessment of the functioning of the Remuneration Policy of the Bank in 2022". Additionally, the Supervisory Board decided to submit the aforementioned Report to the General Meeting of Shareholders in order to verify whether the adopted Remuneration Policy of the Bank is conducive to the growth and security of the Bank's operations. The Supervisory Board reviewed a report from Audit PK-2022-0110 Implementation of the Remuneration Policy – variable remuneration components and decided to accept the selection of an external advisor responsible for auditing the report of the Management Board of the Bank on the implementation of additional management objectives. The Supervisory Board reviewed the information on the selection of a statutory auditor who was entrusted with the performance of a service consisting in the assessment of the remuneration report referred to in the Act of 29 July 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies ("Public Offering Act") to the extent specified in Article 90g.10 of that Act. Additionally, the Supervisory Board made the decision to accept the report on the remunerations of members of the Management Board of the Bank and the Supervisory Board for the year 2022, to provide the said report to the statutory auditor for review, as well as to present the report together with the report of the statutory auditor and their assessment to the General Meeting.

The Supervisory Board adopted (i) prerequisites for 2023 for the Variable Remuneration System for Members of the Management Board, (ii) management objectives for each member of the Management Board for 2023 and additional management objectives for 2023 for all members of the Management Board of the Bank.

The Supervisory Board, having reviewed the self-assessment questionnaires of individual suitability prepared by Members of the Supervisory Board, made (i) a secondary assessment of the individual suitability of individual Members of the Supervisory Board and (ii) a self-assessment of the collective suitability of the Supervisory Board, the results of which are included in the Information on the results of the self-assessment of the individual suitability of members of the Supervisory Board Bank Polska Kasa Opieki Spółka Akcyjna and the self-assessment of the collective suitability of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna attached to the Report.

In consideration of the above, the Supervisory Board decided to provide information to the General Meeting of Shareholders concerning the results of the self-assessment of the individual suitability of members the Supervisory Board of the Bank and the self-assessment of the collective suitability of the Supervisory Board of the Bank, together with a request for their approval and assessment of the suitability of the members of the Supervisory Board and the Supervisory Board.

The Supervisory Board made (i) a positive secondary assessment of the individual suitability of individual Members of the Management Board of the Bank and (ii) a positive secondary assessment of the collective suitability of the Management Board of the Bank.

The Supervisory Board (i) assessed the implementation of additional management objectives in 2022 by individual Members of the Management Board of the Bank who performed functions in the Management Board of the Bank in 2022, (ii) assessed the degree of achievement of the prerequisites set under the Variable Remuneration System for 2022 for Members of the Management Board who performed functions in the Management Board of the Bank in 2022, (iii) made the compliance assessment and risk assessment of the individual current and former members of the Management Board of the Bank, (iv) assessed the degree of implementation of the management objectives set for individual Members of the Management Board for 2022, (v) determined the amount and awarded the variable remuneration for 2022 to the current and former Members of the Management Board of the Bank, and confirmed the acquisition of its part payable upfront, (vi) decided to inform the current and former Members of the Management Board of the Bank about the variable remuneration granted to them for 2022, as well as about the acquisition of its parts payable upfront, (vii) confirmed the acquisition and accepted the settlement of the deferred parts of remuneration for 2023 for the years 2017-2021 in relation to the current and former Members of the Management Board of the Bank.

Furthermore, the Supervisory Board reached agreements with the 2022' Members of the Management Board of the Bank with regard to the rescheduling of the part of the variable remuneration for 2022 payable upfront in cash and the deferred parts of the variable remuneration for earlier years due for payment or settlement during 2023.

The Supervisory Board of the Bank reviewed the motion of a Member of the Supervisory Board concerning the planned appointment as a member of the Supervisory Board of an entity outside the Bank Pekao S.A. Group and the motion of a Member of the Management Board of the Bank concerning the planned appointment as a member of the Supervisory Board of an entity outside the Bank Pekao S.A. Group, which, however, did not ultimately materialise.

The Supervisory Board monitored the situation of the Bank and the Pekao Group on an ongoing basis, in the context of the dynamic geopolitical situation related, among others, to the war in Ukraine. The Supervisory Board took note of the cyclical information on the analysis of the impact of the war in Ukraine on the Bank's risk map.

The Supervisory Board of the Bank made decisions to sign annexes to existing agreements, and continue current agreements entered into with the trading partners of the Bank.

The Supervisory Board reviewed applications and gave non-binding opinions on financing both external entities and companies from the Bank's Group.

Acting pursuant to § 18.16 of the Bank's Articles of Association, the Supervisory Board approved motions of the Management Board of the Bank concerning the sale of real properties.

Acting pursuant to § 18.18 of the Bank's Articles of Association, the Supervisory Board approved motions of the Management Board of the Bank concerning the outsourcing.

The Supervisory Board reviewed information on on-going projects of the Bank.

Additionally, the Supervisory Board, acting pursuant to the provisions of § 14.8 of the Bank's Articles of Association, adopted amendments to the Regulations of the Supervisory Board.

The Supervisory Board of the Bank, acting pursuant to § 6.9 of the Regulations of the Supervisory Board

amended and established the consolidated text of the Regulations of (i) the Nomination and Remuneration Committee, (ii) the Risk Committee and (iii) the Audit Committee.

Given the amendment to the Code of Commercial Companies, the Supervisory Board established the rules for the Management Board of the Bank to provide information stemming from the amended Code of Commercial Companies.

In view of the above, the Supervisory Board reviewed (i) information on resolutions of the Management Board of the Bank and their subject matter, and (ii) information on significant circumstances related to the conduct of the affairs of Bank Pekao S.A. and the Bank's subsidiaries and affiliated companies.

Acting pursuant to § 6.10 of the Regulations of the Supervisory Board, the Supervisory Board adopted annual reports on the activities of Committees of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna in 2022.

The Supervisory Board adopted the "Report of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna on the activities in 2022 along with assessments and opinions prepared in accordance with regulatory requirements" and decided to submit the document in question to the General Meeting.

The Supervisory Board positively assessed the adequacy and effectiveness of the Bank's procedure for anonymous reporting of violations by employees, i.e. the Whistleblowing Policy of Bank Pekao S.A. for the period between 1 July 2022 and 31 December 2022 on the basis of the Report on the functioning of the Bank's Whistleblowing Policy of Bank Pekao S.A. for the period between 1 July 2022 and 31 December 2022, which contains information on significant reports of violations in the period between 1 July 2022 and 31 December 2022. The Supervisory Board took note of information on material violations made under the Whistleblowing Policy of Bank Pekao S.A. between 1 January 2023 and 30 June 2023.

Within the scope of its competence set forth in § 18.17 of the Bank's Articles of Association, the Supervisory Board also examined motions to enter into commitments or dispose of assets whose value in respect of a single entity exceeded 5% of the Bank's own funds, as well as other motions regarding transactions related to credit risk.

The Supervisory Board, with a view to commissioning a review in 2022 of the legal and regulatory basis for matters brought before the Supervisory Board and its Committees, reviewed the results of this analysis prepared by a legal advisor.

The Supervisory Board examined quarterly information on the expenses of the Marketing Department related to marketing services and quarterly information on expenses under (i) agreements for legal services at Bank Pekao S.A., (ii) agreements for management consulting services at Bank Pekao S.A., (iii) agreements for legal, marketing public relations services and management consulting services in the subsidiaries of the Bank.

The Supervisory Board reviewed the information on the activities of the Companies of the Bank Polska Kasa Opieki Spółka Akcyjna Group.

In the opinion of the Supervisory Board, the activities undertaken by the Supervisory Board to perform its duties in 2023 were effective.

IV. Results of the assessment of the report on the activities of the Bank Pekao S.A. Capital Group for the year 2023, the financial statements of the Bank and the Bank Capital Group for the year 2023, and the motion of the Management Board of the Bank regarding the distribution of net profit for the years 2023 and 2019.

Results of the assessment of the report on the activities of the Bank Pekao S.A. Capital Group for the year 2023, the financial statements of the Bank and the Bank Capital Group for the year 2023.

Pursuant to Article 382 § 3.1 of the Code of Commercial Companies and in performance of its duties set forth in the Bank's Articles of Association, the Supervisory Board of the Bank issued a positive opinion on:

- 1) "Consolidated financial statements of the Bank Pekao S.A. Capital Group for the year ended on 31 December 2023 ("consolidated financial statements"),
- 2) "Entity-specific financial statements of Bank Pekao S.A. for the year ended on 31 December 2023 ("stand-alone financial statements"),
- 3) "Report on the activities of the Bank Pekao S.A. Capital Group for the year 2023 (prepared jointly with the Report on the activities of Bank Pekao S.A.)" ("Capital Group Activity Report")

in terms of their conformity with the books and documents and the facts.

The assessment of the Supervisory Board was supported by the following:

- 1) analysis of the wording of the consolidated and entity-specific financial statements, and of the wording of the report on the activities of the Capital Group,
- 2) wording of the audit reports drawn up by KPMG Audyt Spółka z ograniczoną odpowiedzialnością spółka komandytowa, concerning the documents referred to above,
- 3) analysis of the additional report of the audit firm KPMG Audyt Spółka z ograniczoną odpowiedzialnością spółka komandytowa for the Audit Committee of the Supervisory Board of the Bank and the meetings held with the audit firm KPMG Audyt Spółka z ograniczoną odpowiedzialnością spółka komandytowa, as well as the positive recommendation made on 21 February 2024 by the Audit Committee of the Supervisory Board of the Bank.

The audit reports state that the documents in question:

- 1) give a true and fair account of the economic and financial standing of Bank Polska Kasa Opieki Spółka Akcyjna and its Capital Group as at 31 December 2023, as well as of the financial results of its operations and the cash flows for the year ended on 31 December 2023, in accordance with the International Financial Reporting Standards endorsed by the European Union and in line with the accounting principles (policy) adopted,
- 2) are compliant, in all material respects, in terms of form and content, with the provisions of law binding upon to the Bank and its Capital Group of the and the Bank's Articles of Association,
- 3) were drawn up, in all material respects, by means of duly kept accounts, in accordance with the provisions of Chapter 2 of the Accounting Act of 29 September 1994.

Based thereon, the Supervisory Board of the Bank deemed that the consolidated financial statements, the entity-specific financial statements, and the report on the activities of the Capital Group had been duly drawn up in terms of content and form, are a true reflection of the books and documents, as well as of the

facts, and give a true and fair view of the financial results and activities of the Bank and its Capital Group for the financial year 2023.

The Supervisory Board recommends that the General Meeting adopt resolutions approving these reports.

When making this recommendation, the Supervisory Board took the following into consideration:

- The Bank's activity in 2023 was focused on maintaining further sustainable growth in all areas, on effective strengthening of its position on the retail banking market and on maintaining its position of the corporate banking leader.
- In 2023, the Bank's net profit amounted to PLN 6,718 million. This result was higher by PLN 4,820 million than the result achieved in 2022.
- In 2023, the net profit of the Bank Pekao S.A. Capital Group distributable to shareholders of the Bank amounted to PLN 6,578 million. The result was PLN 4,861 million higher than the result achieved in 2022, mainly due to lower costs related to the modification of agreements for PLN mortgage loans granted to consumers due to their suspension of loan repayments (credit holidays), lower provisions for legal risk related to foreign currency mortgage loans, no additional regulatory costs, including for the Bank Protection Scheme and contributions to the Borrower Support Fund, lower contributions to the Bank Guarantee Fund (BFG), and higher income notwithstanding the increase in operating costs.
- Profit (loss) on interest in the Group was 44.6% higher, whereas in the Bank – 44.7% higher, compared to the result achieved in 2022.
- Profit (loss) on fees and commissions in the Group was higher by 2.8% compared to 2022 results, mainly due to higher commissions from investment funds and brokerage activities, on the back of improved sentiment in capital markets, and higher customer activity in the areas of loans and card payments. Profit (loss) on fees and commissions in the Bank was lower by 0.6% compared to 2022 results, mainly due to the adjustment of the offering to market conditions and the high margin on FX transactions with customers in the previous year caused by increased customer activity in the FX market after the outbreak of the war.
- Operating expenses across the Group were higher by 16.2%, at the Bank by 15.6% year-on-year, considerably below the inflation rate.
- The return on average equity (ROE) for the Group and for the Bank amounted to 24.7% and 25.8%, respectively.
- At the end of December 2023, credit facilities and loans at nominal value in the Group amounted to PLN 178,815 million and were higher by 1.7% (at the Bank stood at 164,589 and were higher by 0.7%) compared to the end of December 2022. Retail customer loans were higher by 4.2% (4.5% higher at the Bank) compared to the end of December 2022. At the end of December 2023, corporate loans including non-Treasury debt securities were at a similar level (lower by 2.4% at the Bank) compared to the end of December 2022, an increase recorded in the corporate segment (3.6% y-o-y).
- The Bank and the Bank Pekao S.A. Capital Group retained a solid capital base (the combined TCR capital ratio for the Group and the Bank at the end of December 2022 amounted to 16.8% and 19.4%, respectively), and a safe liquidity profile reflected in the net loan to deposit ratio at

the level of 69.9% for the Group and 65.8% for the Bank. Combined with a high level of the capital, this allows further solid and stable development of the Group and Bank operations.

- In 2023, the Bank increased its commercial activities, actively supported customers in maintaining financial liquidity, continued digitisation and automation of processes as well as implementation of advanced digital solutions.
- In accordance with the Strategy, activities aimed at improving efficiency and migration of processes to remote channels are under way. In 2023, the Bank reduced its network by 23 outlets.
- It is worth noting that the profit distribution for 2023 presented by the Bank implies the payment of a dividend of 49.9% of the Bank's net profit for 2023 and is in line with the Recommendation of the Financial Supervision Commission of 20 February 2024 on dividend policy and recommendations for a bank, whereby the Bank may pay out up to 50% of the net profit generated in 2023. The payment of a dividend from the 2023 profit alone results in a dividend per share of PLN 12.78.

In addition, alongside the 2023 dividend, it is proposed to pay undistributed profit for 2019 in the amount of PLN 1,685,057,618.28. The Bank consulted the PFSA on this matter, while also answering additional questions and presenting the results of the stress tests upon PFSA's request. The PFSA, on 7 February 2024, in its response to the Bank's letter, raised no objection to this payment.

In accordance with strategic plans, the Bank:

- will remain a universal bank,
- will remain a first choice bank for an increasing number of our customers,
- continues to develop a remote distribution and customer service model,
- focuses on cost- and process efficiency,
- focuses on growth in the most profitable market segments.

The Bank's goal is to have a strong position among the most profitable and effective banks in Poland, and the main strategic goals are:

- to significantly improve return on equity (ROE),
- to reduce the cost-to-income ratio (C/I),
- to increase the number of active mobile banking customers from 2 million in 2020 to 3.2 million in 2024,
- to achieve digitisation rate at the target level of ~100% in 2024.

The strategy is based on four tiers: Customer, Growth, Efficiency and Responsibility.

Results from the assessment of the motion of the Management Board of the Bank concerning the distribution of net profit for the years 2023 and 2019.

The Supervisory Board of Bank Pekao S.A. assessed the motion of the Management Board of the Bank concerning the distribution of net profit of Bank Pekao S.A. for the year 2023.

The Supervisory Board approved the motion concerning the distribution of net profit of Bank Pekao S.A. for the year 2023, taking into consideration:

- 1) the PFSA's recommendation, addressing the Bank's dividend policy, whereby the Bank meets the criteria to pay up to 50% of the dividend from the net profit generated in 2023,
- 2) the directional proposals for distributing the profit of Bank Pekao S.A. for the years 2021-2024, - the proposal involved earmarking 50%-75% of profit earned by the Bank for the year 2023 for the dividend. The directional proposal for profit distribution was positively approved by the Supervisory Board of the Bank,
- 3) assumptions adopted in the Financial Plan for 2024 and the Capital Plan for 2024,
- 4) low exposure in mortgage loans denominated in CHF coupled with one of the highest levels of provision coverage in the market for these exposures,
- 5) meeting the MREL requirement starting 31 December 2023,
- 6) the expected macroeconomic situation, including the level of interest rates,
- 7) the strong capital standing of Bank Pekao S.A. and its Capital Group (consolidated T1 ratio at 15.2% and consolidated TCR at 16.8%),
- 8) the Bank's resilience to stress materialisation proven in the EBA stress tests, where the Bank performed the best in terms of resilience to stress factors compared to the 70 banks participating in the stress tests.

Having regard to the above, the Supervisory Board decided to recommend to the General Meeting to adopt the Resolution on the distribution of net profit of Bank Pekao S.A. for the years 2019 and 2023, providing for the distribution of the net profit of Bank Pekao S.A., as proposed by the Management Board of the Bank, i.e.:

- 1) for the year 2019, providing for the distribution of the undistributed part of the net profit of Bank Pekao S.A. for the year 2019 of PLN 1,685,057,618.28 by earmarking the entire amount to be distributed as dividend, i.e., 6.42 per share,
- 2) for the year 2023 of PLN 6,718,134,911.22 by assigning the amount:
 - a. PLN 1,686,584,359.44 to reserve capital,
 - b. PLN 3,354,367,034.52 to be distributed as dividend, i.e. 12.78 per share,
 - c. and to retain PLN 1,677,183,517.26 undistributed.

In economic terms, the above proposal implies a total dividend payment of PLN 5,039,424,652.80, resulting in a dividend per share of PLN 19.20.

V. Assessment of the adequacy of internal regulations concerning the functioning of the Supervisory Board and the Management Board and the effectiveness of operation of these bodies

In 2023, the activity of the Management Board of the Bank was governed by the Regulations of the Management Board of Bank Polska Kasa Opieki Spółka Akcyjna adopted by Resolution No. 3/I/22 of the Management Board of Bank Polska Kasa Opieki Spółka Akcyjna of 5 January 2022, and then, upon its amendment, by the Regulations of the Management Board of Bank Polska Kasa Opieki Spółka Akcyjna adopted by Resolution No. 31/I/23 of 23 January 2023. The Supervisory Board assessed that the Regulations of the Management Board of Bank Polska Kasa Opieki Spółka Akcyjna, as a regulation defining the functioning of the Management Board, are adequate and compliant with the provisions of law and requirements of supervisory authorities.

Assessment of the effectiveness of the Management Board of the Bank.

The Supervisory Board positively assesses the effectiveness of the Management Board's activities, taking into account, among others: (i) good financial results, (ii) effective cost management, (iii) effective and consistent risk management, (iv) strong capital and liquidity base, (v) high level of the Bank's security, (vi) efficient internal control system, and (vii) operational effectiveness.

In the opinion of the Supervisory Board, Bank Pekao S.A. has a strong capital and liquidity structure while also maintaining the highest risk management standards and continuing to improve cost efficiency. The above means that the strategic objectives of the Bank, announced as part of the Strategy of the Bank for the years 2021-2024 titled "Responsible Bank. Modern Banking", may be pursued in an efficient manner. And that the Bank may become the leader in terms of profitability in the Polish banking sector by following the path of smart growth and relying on a business model that is based on high efficiency and quality of processes.

In the opinion of the Supervisory Board, the activities undertaken by the Management Board of the Bank to perform its duties in 2023 were effective.

Considering the above, the Supervisory Board recommends the General Meeting to acknowledge, in accordance with Article 395 § 2.3 of the Code of Commercial Companies, the fulfilment of duties in 2023 to members of the Management Board of the Bank, i.e. Leszek Skiba for the period from 1 January 2023 to 31 December 2023, Magdalena Zmitrowicz for the period from 1 January 2023 to 31 December 2023, Jarosław Fuchs for the period from 1 January 2023 to 31 December 2023, Marcin Gadomski for the period from 1 January 2023 to 31 December 2023, Błażej Szczecki for the period from 1 January 2023 to 31 December 2023, Wojciech Werochowski for the period from 1 January 2023 to 31 December 2023, Jerzy Kwieciński for the period from 1 January 2023 to 31 December 2023, Paweł Strączyński for the period from 1 January 2023 to 31 December 2023, Piotr Zborowski for the period from 1 January 2023 to 31 December 2023.

Assessment of the effectiveness of the Supervisory Board of the Bank.

Assessment of the adequacy of internal regulations concerning the functioning of the Supervisory Board and the effectiveness of this body's operation was presented in a separate Report.

In accordance with the powers and responsibilities set forth in the Code of Commercial Companies, Banking Law, Recommendations of the Polish Financial Supervision Authority, Best Practice for WSE Listed Companies, and the Bank's Articles of Association, in 2023 the Supervisory Board exercised continuous supervision over the Bank's activity. The activities of the Supervisory Board were supported by the Committees operating at the Supervisory Board, i.e. the Audit Committee, the Nomination and Remuneration Committee and the Risk Committee.

The good financial results of the Bank in 2023, its position in the Polish banking sector, adequate capital management and efficient risk management should be considered the result of, among others, the proper operation of the Supervisory Board and the proper fulfilment of the tasks and obligations imposed thereon.

Taking into consideration the above, the activities of the Supervisory Board and its Committees in 2023 may be assessed as effective, professional and performed in accordance with the best practices.

Taking into account the activities in 2023 presented above, the Supervisory Board recommends the General Meeting to acknowledge, in accordance with Article 395 § 2.3 of the Code of Commercial Companies, the fulfilment of duties in 2023 to the members of the Supervisory Board, i.e. Beata Kozłowska-Chyła for the period from 1 January 2023 to 31 December 2023, Joanna Dynysiuk for the period from 1 January 2023 to 31 December 2023, Stanisław Ryszard Kaczoruk for the period from 1 January 2023 to 31 December 2023, Małgorzata Sadurska for the period from 1 January 2023 to 31 December 2023, Sabina Bigos-Jaworowska for the period from 1 January 2023 to 31 December 2023, Justyna Głębiowska-Michalak for the period from 1 January 2023 to 31 December 2023, Michał Kaszyński for the period from 1 January 2023 to 31 December 2023, to Marian Majcher for the period from 1 January 2023 to 31 December 2023, to Marcin Izdebski for the period from 1 January 2023 to 31 December 2023.

VI. Assessment of the fulfilment by the management board of the obligations referred to in Article 380¹ of the CCC

On 13 October 2022, the provision of Article 380¹ of the CCC went into force, according to which the management board of a joint-stock company is obliged to provide the supervisory board, without an additional request, with information about:

- resolutions of the company's management board and their subject matter;
- situation of the company, including its assets, as well as significant circumstances in the field of running the company's affairs, in particular in the operational, investment and HR areas;
- progress in the achievement of the designated directions of development of the company's activities and deviations from the directions set beforehand, with an indication of the justification for such deviations;
- transactions and other events or circumstances that significantly affect or may affect the company's

financial standing, including its profitability or liquidity,

- changes to the information provided to the supervisory board beforehand, if these changes significantly affect or may affect the situation of the company.

As part of the information obligation mentioned above, the company's management board should also provide the Supervisory Board with information about the condition of subsidiaries and affiliates.

In order to fulfil the above-mentioned obligations, the Supervisory Board adopted Resolution No. 125/23 of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna of 18 October 2023 on establishing the rules for the provision by the Management Board of Bank Polska Kasa Opieki Spółka Akcyjna of information stemming from the Code of Commercial Companies, formerly laid down in Resolution No. 157/22 of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna of 12 October 2022.

The Management Board of the Bank also fulfils the obligations stemming from the provision of Article 380¹ of the CCC as part of the management information system operating at the Bank in accordance with § 17 of the Regulation of the Minister of Finance, Funds and Regional Policy of 8 June 2021 on the risk management system and internal control system and remuneration policy in banks.

The Management Board of the Bank provides the Supervisory Board with information about significant circumstances related to the conduct of the affairs of Bank Pekao S.A. and the Bank's subsidiaries and affiliated companies, as well as with information on resolutions of the Management Board of the Bank and their subject matter adopted since the last meeting of the Supervisory Board.

The Supervisory Board positively assesses the fulfilment by the Management Board of the obligations under Article 380¹ of the CCC.

VII. Assessment of the method of preparing or submitting to the Supervisory Board by the Management Board of the Bank information, documents, reports or explanations requested in the manner specified in Article 382 § 4 of the CCC.

Pursuant to Article 382 § 4 of the CCC, in order to fulfil its duties, the Supervisory Board may examine all the company's documents, review the company's assets as well as request the management board, commercial proxies and persons employed in the company under an employment contract or performing specific activities for the company on a regular basis under a contract for a specific task, a contract of mandate or another contract of a similar nature to prepare or provide any information, documents, reports or explanations concerning the company, in particular, concerning its activities or assets. The subject matter of the request may also be information, reports or explanations held by the body or the obligated person regarding subsidiaries and affiliates. The above-mentioned information, documents, reports or explanations are submitted to the supervisory board immediately, not later than within two weeks from the date of submitting the request to the body or obligated person, unless a longer period is specified in the request (Article 382 § 5 of the CCC). Furthermore, the Management Board may not restrict the access of members of the supervisory board to information, documents, reports or explanations requested by them (Article 382 § 6 of the CCC).

In the reporting period, the Management Board of the Bank provided the Supervisory Board with properly prepared information, documents, reports and explanations in a timely manner, and accordingly, the

Supervisory Board positively assesses the activities of the Management Board of the Bank in this respect.

VIII. Information on the total remuneration due from the Bank for all audits commissioned by the Supervisory Board during the financial year in the manner specified in Article 382¹ of the CCC

According to Article 382¹ of the CCC, the Supervisory Board may commission, at the company's expense, an audit of a specific matter concerning the company's operations or its assets and the preparation of specific analyses and opinions by a selected advisor. The Bank did not incur any such expenditure in 2023.

IX. Reports on the activities of the Committees of the Supervisory Board in 2023

Report on the activities of the Audit Committee of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna in 2023

Members of the Audit Committee

The Audit Committee of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna ("Audit Committee") is composed of from 3 (three) to 5 (five) Members selected by the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna (the "Supervisory Board of the Bank") from among the Members of the Supervisory Board of the Bank. At least one Audit Committee Member has knowledge and skills in the area of accounting or auditing the financial statements. The majority of the Audit Committee Members, including its Chairman and the Audit Committee Member having knowledge and skills in the field of accounting or auditing the financial statements, are independent from the Bank within the meaning of Article 129.3 of the Act on Statutory Auditors, Audit Firms and Public Oversight of 11 May 2017. Audit Committee Members have knowledge and skills in the Bank's industry. This condition is deemed to be met if at least one Member of the Audit Committee has knowledge and skills in that industry or if individual Members have knowledge and skills in specific areas of that industry.

Between 1 January 2023 and 31 December 2023, the Audit Committee comprised the following members:

- 1) Justyna Głębiowska-Michalak – Chairwoman of the Audit Committee,
- 2) Marcin Izdebski – Secretary of the Audit Committee,
- 3) Joanna Dynysiuk – Member of the Audit Committee,
- 4) Sabina Bigos-Jaworowska – Member of the Audit Committee,
- 5) Michał Kaszyński – Member of the Audit Committee.

J. Głębiowska-Michalak, J. Dynysiuk as at 28 February 2023, S. Bigos-Jaworowska and Kaszyński meet the criteria for independence.

The composition of the Audit Committee in 2023 met the requirements laid down in the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Oversight.

Responsibilities of the Audit Committee

The Audit Committee supports the Supervisory Board in performing its responsibilities related, inter alia, to controlling and monitoring: the financial reporting process, the internal control and risk management systems and internal audit function effectiveness, the performance of financial review activities, the independence of the statutory auditor and the audit firm, the effectiveness of the system for monitoring compliance with applicable law and regulations.

In 2023 the Audit Committee operated on the basis of the Regulations of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna adopted by Resolution No. 10/22 of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna of 24 January 2022 and the Regulations of the Audit Committee of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna. The Regulations of the Audit Committee were adopted by Resolution No. 11/22 of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna of 24 January 2022 and later amended by Resolution No. 118/23 of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna of 18 October 2023.

The Audit Committee also operated with due regard to the provisions of the Act on Statutory Auditors, Audit Firms and Public Oversight, Recommendation L on the role of Statutory Auditors in the process of supervision of banks and savings and credit unions issued by the Polish Financial Supervision Authority and "Good practices for public-interest entities concerning the principles of appointment, composition and functioning of the Audit Committee" issued by the Polish Financial Supervision Authority, including with regard to questions contained in Part XIII of that document.

The Audit Committee also operates in accordance with the Principles of Corporate Governance for Supervised Institutions issued by the Polish Financial Supervision Authority and the Best Practice for WSE Listed Companies.

The tasks of the Audit Committee include:

- monitoring the financial reporting process;
- monitoring the effectiveness of internal control systems as well as risk management and internal audit systems, including in the field of financial reporting;
- monitoring the performance of financial audit activities, including but not limited to the audit carried out by the audit firm, taking into account all requests and findings of the Polish Audit Supervision Agency ("PASA") resulting from the audit carried out at the audit firm;
- controlling and monitoring the independence of the statutory auditor and the audit firm, in particular when services other than audit are provided for the Bank by the audit firm;
- informing the Supervisory Board about the results of the audit and explaining how the audit has contributed to the reliability of financial reporting, as well as what was the role of the Audit Committee in the audit process;
- assessing the independence of the statutory auditor and expressing consent to the provision of permitted non-audit services;
- developing a policy for selecting an audit firm to carry out the audit;

- developing a policy for the provision of permitted non-audit services by the audit firm carrying out the audit, by entities related to this audit firm as well as by a member of the audit firm's network;
- specifying the procedure for selecting the audit firm;
- presenting recommendations to the Supervisory Board regarding the selection of the audit firm and its remuneration, in accordance with the policies referred to above and the procedure referred to above;
- making recommendations to ensure the integrity of the financial reporting process;
- issuing opinions on the audit plan presented by the Internal Audit for a given financial year as well as presenting recommendations to the Supervisory Board regarding approval thereof;
- examining, at least once a year, the process of preparing annual and interim financial statements in reliance on reports provided by the appropriate organisational unit of the Bank's head office;
- assessing significant (i.e. those affecting the Bank's operations, the Bank's financial statements, the Bank's reputation and compliance with the law) conclusions resulting from the operations of the Bank's Internal Audit or from other inspections and proceedings conducted by external entities, in particular from control reports of the Polish Financial Supervision Authority ("PFSA");
- supervising remedial measures in relation to identified irregularities;
- meeting, at least once a year, with the statutory auditor to analyse the annual audit report;
- submitting, at least once a year, reports on its activities to the Supervisory Board and, at least once a quarter of the financial year, information on the supervisory activities undertaken and results thereof;
- maintaining effective working relationships with the Supervisory Board, Management Board, Internal External Auditors;
- analysing and informing about transactions concluded between affiliated entities as well as in the event of direct or indirect conflict of interest.

The President of the Management Board of the Bank customarily participates in the meetings of the Audit Committee. Each meeting of the Audit Committee is attended by the Directors of the following Departments: Internal Audit, Legal Audit and Compliance, as well as other members of the Management Personnel whose functions are relevant to the agenda.

To ensure the proper level of transparency and an unbiased approach, the Chairwoman of the Audit Committee, J. Głębiowska-Michalak, held individual meetings with the Head of the Internal Audit Department, the Head of the Compliance Department, without the participation of members of the Bank's managerial staff. The Chairperson of the Audit Committee, J. Głębiowska-Michalak, had a one-on-one meeting with the key auditor from KPMG Audyt spółka z ograniczoną odpowiedzialnością sp.k. who confirmed independence with respect to the Bank and its subsidiaries, i.e. informed of compliance with the requirements referred to in Articles 69-73 of the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Oversight.

External Auditor

The audit firm conducting audits of the Bank's financial statements and consolidated financial statements of the Bank's Capital Group for the years 2021-2023 is KPMG Audyt spółka z ograniczoną odpowiedzialnością sp.k. under the agreement of 24 July 2018 (along with subsequent annexes).

Audit Committee Meetings.

Meetings of the Audit Committee are held depending on current needs, but in no case less frequently than four times per year, at dates that are crucial for the Bank's quarterly reporting cycle and that stem from the analysis of the annual audit plan submitted by the Head of the Internal Audit Department.

In 2023, the Audit Committee met 10 times (on: 30 January 2023, 1 March 2023, 26 April 2023, 5 May 2023, 16 June 2023 – continued on 20 June 2023, 2 August 2023, 11 September – continued on 15 September 2023, 18 October 2023, 7 November 2023, and 14 December 2023).

Attendance of the Audit Committee Members at the individual meetings is summarised below:

Date	Members of the Audit Committee attending the meeting
30 January 2023	J.Głębikowska-Michalak, S.Bigos-Jaworowska, J.Dynysiuk, M.Kaszyński, M.Izdebski
1 March 2023	J.Głębikowska-Michalak, S.Bigos-Jaworowska, M.Kaszyński, M.Izdebski
26 April 2023	J.Głębikowska-Michalak, S.Bigos-Jaworowska, J.Dynysiuk, M.Kaszyński, M.Izdebski
5 May 2023	J.Głębikowska-Michalak, S.Bigos-Jaworowska, J.Dynysiuk, M.Kaszyński, M.Izdebski
16 June 2023	J.Głębikowska-Michalak, S.Bigos-Jaworowska, J.Dynysiuk, M.Kaszyński, M.Izdebski
20 June 2023 – continued	J.Głębikowska-Michalak, S.Bigos-Jaworowska, M.Kaszyński
2 August 2023	S.Bigos-Jaworowska, J.Dynysiuk, M.Kaszyński
11 September 2023	J.Głębikowska-Michalak, S.Bigos-Jaworowska, J.Dynysiuk, M.Kaszyński, M.Izdebski
15 September 2023 – continued	J.Głębikowska-Michalak, S.Bigos-Jaworowska, J.Dynysiuk, M.Kaszyński, M.Izdebski
18 October 2023	J.Głębikowska-Michalak, S.Bigos-Jaworowska, J.Dynysiuk, M.Kaszyński, M.Izdebski

7 November 2023	J.Głębikowska-Michalak, S.Bigos-Jaworowska, J.Dynysiuk, M.Kaszyński, M.Izdebski
14 December 2023	J.Głębikowska-Michalak, S.Bigos-Jaworowska, J.Dynysiuk, M.Kaszyński, M.Izdebski

Principal tasks carried out by the Audit Committee in 2023

In 2023, the Audit Committee operated on the basis of the Regulations of the Audit Committee, taking into account the provisions of the Act on Statutory Auditors, Audit Firms and Public Oversight of 11 May 2017, Recommendation L on the role of Statutory Auditors in the process of supervision of banks and savings and credit unions issued by the Polish Financial Supervision Authority and "Good practices for public-interest entities concerning the principles of appointment, composition and functioning of the Audit Committee" issued by the Polish Financial Supervision Authority, including with regard to questions contained in Part XIII of that document.

The Audit Committee also operated in accordance with the Principles of Corporate Governance for Supervised Institutions issued by the Polish Financial Supervision Authority and the Best Practice for WSE Listed Companies.

In 2023, the Audit Committee considered cases in the following areas:

- acknowledgement of the "Report on the activities of the Audit Committee of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna in Q4 2022" and submitting the "Report on the activities of the Audit Committee of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna in Q4 2022" to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna;
- acknowledgement and recommendation to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna information on resolutions of the Management Board of the Bank and their subject matter, subject to ongoing reporting periods;
- acknowledgement and recommendation to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna the "Information on material circumstances concerning the handling of the affairs of Bank Pekao S.A.", subject to ongoing reporting periods;
- acknowledgement and recommendation to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna the "Information on material circumstances concerning the situation of the companies of Bank Pekao S.A.", subject to ongoing reporting periods;
- acknowledgement and recommendation to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna of the information on the operationalisation of the proposals;
- issuance of an opinion and issuance of a recommendation to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna on the proposal to outsource the conduct of satisfaction surveys among customers of Bank Polska Kasa Opieki Spółka Akcyjna and the competition;
- acknowledgement and recommendation to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna the monthly report "Financial results of Pekao Group S.A. in November and December 2022";

- acknowledgement and recommendation to the Supervisory Board the Information on the incorporation of a mechanism for indexing the remuneration to the annual average consumer price index for general goods and services in the agreement for the audit of financial statements and review of interim financial statements No. 386039/pekao/KPMG/2018 dated 24 July 2018 in respect of services for the years 2022-2023;
- acknowledgement of information on the currently pending recommendations issued upon inspections/controls carried out at the Bank by state/local authorities, excluding the recommendations of the Polish Financial Supervision Authority;
- acknowledgement of the status of the implementation of the recommendations from the audits designated by the Financial Supervision Inspection Authority;
- acknowledgement and recommendation to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna information on expenses arising from agreements for specific services of Bank Polska Kasa Opieki Spółka Akcyjna and of the Bank Polska Kasa Opieki Spółka Akcyjna Capital Group for Q4 2022;
- issuance of an opinion on the "Capital Management Strategy 2023" and issuing a recommendation to the Supervisory Board of the Bank;
- acknowledgement and overview of the results of the audit by the auditing firm KPMG Audyt Spółka z o.o. sp. k. as regards the entity-specific financial statements of Bank Pekao S.A. and the consolidated financial statements of the Bank Pekao S.A. Capital Group for the year ended 31 December 2022, together with the presentation of the audit reports and additional reports to the Audit Committee;
- assessment of the financial statements of Bank Polska Kasa Opieki Spółka Akcyjna and the Capital Group of Bank Polska Kasa Opieki Spółka Akcyjna for the year ended 31 December 2022 as well as the report on the activities of the Capital Group of Bank Polska Kasa Opieki Spółka Akcyjna for 2022;
- acknowledgement and recommendation to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna of the "Information on the capital adequacy of the Bank Pekao S.A. Capital Group as at 31 December 2022" and the "Simplified Quarterly Report for Q4 2022 on capital management";
- issuance of an opinion and recommendation to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna of the Financial Plan for the Bank Polska Kasa Opieki S.A. Capital Group for 2023;
- acknowledgement and recommendation to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna to adopt a resolution on the determination of the consolidated text of the Articles of Association of Bank Polska Kasa Opieki Spółka Akcyjna;
- issuance of an opinion on the transaction with Pekao Leasing Sp. z o.o. referred to in the "Information on a material transaction with an affiliated entity Pekao Leasing Sp. z o.o." and to recommend to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna to adopt a

resolution to evaluate whether the transaction concluded with Pekao Leasing Sp. z o.o. was concluded on arm's length terms in the ordinary course of the Bank's business;

- acknowledgement and recommendation to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna of the "Annual risk report on bancassurance activities for Q1, Q2, Q3 and Q4 2022";
- acknowledgment of the Report on the Internal Control System at the Bank in Q4 2022 and issuance of an opinion on the results of the Review of the Internal Control System at the Bank for 2022 and recommendation to the Supervisory Board of the Bank to issue an assessment of the effectiveness and adequacy of the Internal Control System, including with regard to the audit function, the Compliance Department and the Internal Audit Department;
- acknowledgement and recommendation to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna of the "Internal Control System in Bank Pekao S.A.";
- acknowledgement and recommendation to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna of the information on the Report on the activities of the Compliance Department in 2022 together with the Report on the activities of the Compliance Department in Q4 2022;
- acknowledgement and recommendation to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna to assess the adequacy and effectiveness of the procedure for anonymous reporting of violations by employees, i.e. the Whistleblowing Policy of Bank Pekao S.A., in place at Bank Polska Kasa Opieki Spółka Akcyjna, for the period between 01 July 2022 and 31 December 2022;
- acknowledgement and recommendation to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna of the status of implementation of the recommendations issued by the Polish Financial Supervision Authority;
- acknowledgement and recommendation to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna to assess the acceptance by the Management Board of Bank Polska Kasa Opieki Spółka Akcyjna to implement the recommendation of the Polish Financial Supervision Authority of 16 March 2023 concerning the mitigation of risk in the Bank's operations by limiting the amount of dividends that may be distributed from profit generated in the period from 1 January 2022 to 31 December 2022 to 75% of the amount of such profit and by not taking, without prior consultation with the supervisory authority, other activities, in particular those beyond the scope of current business and operating activities, which may result in a decrease in own funds, including possible dividend payments from undistributed profit from previous years and share redemptions;
- acknowledgement of the "Report on the activities of the Audit Committee of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna in Q1, Q2 and Q3 2023" and submitting the "Report on the activities of the Audit Committee of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna in Q1, Q2 and Q3 2023" to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna;

- acknowledgement and submission to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna of the "Information on material circumstances regarding the situation of the subsidiaries and affiliated companies of Bank Pekao S.A. for the period: Q1 2023";
- assessment of statutory auditor's independence and approval regarding the selection of a statutory auditor to be entrusted with the performance of a service consisting in the assessment of the remuneration report referred to in the Act of 29 July 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies to the extent specified in Article 90g.10 of that Act;
- acknowledgement of the amended Procedure "Strategic Planning, Budgeting, Forecasting and Monitoring of Financial Plans in Bank Pekao S.A." and recommendation thereof to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna for its approval;
- acknowledgement and submission to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna of the monthly reports "Financial results and realisation of the Pekao S.A. Group budget for 2023";
- assessment and notification to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna of the "Report of the Pekao S.A. Capital Group for Q1 2023";
- acknowledgement and recommendation to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna as well as approval of the "Information on the capital adequacy of the Bank Pekao S.A. Capital Group as at 31 March 2023";
- acknowledgement and submission to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna of the report "Capital Management – Quarterly Report Q4/2022" and "Capital Management – Report for Q1, Q2 and Q3 2023";
- issuance of an opinion to the motion of the Management Board of Bank Polska Kasa Opieki Spółka Akcyjna regarding the distribution of profit of Bank Polska Kasa Opieki Spółka Akcyjna for the year 2022 and recommendation to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna;
- issuance of an opinion and recommendation to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna to approve the proposal of the Management Board of the Bank concerning outsourcing to Suppliers under the concluded framework agreements for IT human resources services;
- acknowledgement and recommendation to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna of the "Report on the operation of the compliance supervision system at Pekao Brokerage House in H2 2022";
- acknowledgement of the Report on civil court proceedings pending with the participation of Bank Polska Kasa Opieki Spółka Akcyjna in 2022;
- acknowledgment of the information on the activation of the budget for the continuation of the A07 project "Development of the AdaptiveGRC application" in 2023;

- acknowledgement of the information on the activation of the budget for the continuation of the project A06 "Development and automation of data analytics for audit purposes";
- acknowledgement of the presentation "Cooperation of the Internal Audit Department with the Internal Audit functions in the Subsidiaries";
- acknowledgement and submission to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna of the "Annual Report on the activities of the Internal Audit Department in 2022";
- acknowledgement of the "Report of compliance of the provision of investment services by the Bank in 2022 with the Guidelines for OTC derivatives issued by the PFSA" and submission of the Report to the Supervisory Board for its attention;
- assessment of the compliance of Bank Polska Kasa Opieki Spółka Akcyjna ("the Bank") in 2022 with the Principles of Corporate Governance for Supervised Institutions issued by the Polish Financial Supervision Authority on 22 July 2014 and recommendation to the Supervisory Board of the Bank to make an assessment in this respect and assessment of the compliance of the Bank in 2022 with the Principles of Corporate Governance for Supervised Institutions and the principles of corporate governance by the Bank as well as the manner in which the Bank performs disclosure obligations related to their application, as set out in the Warsaw Stock Exchange Rules and in the provisions on current and periodic information provided by issuers of securities, as well as and recommendation to the Supervisory Board of the Bank to make an assessment in the Supervisory Board Report of Bank Polska Kasa Opieki Spółka Akcyjna on its activities in 2022, together with assessments and opinions made in accordance with regulatory requirements in this regard;
- approval of the "Report on the activities of the Audit Committee of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna in 2022" and submitting the "Report on the activities of the Audit Committee of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna in 2022" to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna;
- recommendation to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna to review and give an opinion on the on the agenda of the Ordinary General Meeting of Bank Polska Kasa Opieki Spółka Akcyjna for the financial year 2022 and draft resolutions of the Ordinary General Meeting of Bank Polska Kasa Opieki Spółka Akcyjna for the financial year 2022;
- recommendation to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna to adopt the Report on Remuneration of members of the Management Board and Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna for 2022, submission of the Report on Remuneration to the statutory auditor for assessment as well as presentation of the Report on Remuneration together with the statutory auditor's report along with his/her assessment to the General Meeting of Shareholders of the Bank, with a request for adoption of a resolution expressing giving an opinion on the Report on Remuneration;
- issuance of an opinion and recommendation to the Supervisory Board of the Bank to approve the proposal of the Management Board of the Bank to continue outsourcing the implementation work of the system supporting AML processes to Matrix IFS;

- acknowledgement of the status of the implementation of the recommendations from the audits identified by the Polish Financial Supervision Authority; review of the audit reports: 1) PK-2022-0073 Body Leasing; 2) PK-2023-0004 Body Leasing – follow-up audit;
- acknowledgement and submission to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna of the "Quarterly risk report on bancassurance activities for Q1, Q2 and Q3 2023";
- acknowledgement of the "Report on the activities of the Compliance Department in Q1, Q2 and Q3 2023.";
- acknowledgement and communication to the Supervisory Board of the Bank of the status of implementation of the recommendations issued by the Financial Supervision Commission: (i) following the issue-related inspection in the area of bank management carried out at Bank Polska Kasa Opieki Spółka Akcyjna between 29 November 2021 and 14 January 2022, (ii) following the issue-related inspection in the area of compliance with selected obligations in the area of AML and CFT carried out at Bank Polska Kasa Opieki Spółka Akcyjna between 22 November 2021 and 28 February 2022, (iii) defined in the letter of the Financial Supervision Authority dated 2 August 2022, DBK-DBKZK5.7360.13.2021.EO concerning the process of sending queries to the Central Information on Accounts kept by the Krajowa Izba Rozliczeniowa Spółka Akcyjna, (iv) following the Supervisory Examination and Assessment (BION 2022), (v) following the issue-related inspection on asset quality assessment and credit risk management carried out from 23 May to 4 July 2022;
- issuance of an opinion and recommendation to the Supervisory Board of the Bank to approve the Audit Charter of Bank Polska Kasa Opieki Spółka Akcyjna;
- acknowledgement and submission to the Supervisory Board of the Bank of the presentation "Assessment of the performance of the Internal Audit Department in 2022";
- issuance of an opinion and recommendation to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna to approve the proposal of the Management Board of the Bank to outsource to Sevenet S.A. IT services related to the maintenance of the Bank's recording system;
- acknowledgement of the "Report on the activities of the Internal Audit Department in Q1 2023";
- acknowledgement of the "Report on the activities of the Internal Audit Department in Q2 2023";
- acknowledgement of the "Report on the activities of the Internal Audit Department in Q3 2023";
- recommendation to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna to approve the proposals of the Management Board of Bank Polska Kasa Opieki Spółka Akcyjna on the sale of real estate owned by the bank;
- acknowledgement and submission to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna of the report "Capital Management – Quarterly Report Q1, Q2 and Q3 2023";
- acknowledgement and communication to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna of information on expenses arising from agreements for specific services of Bank

Polska Kasa Opieki Spółka Akcyjna and of the Bank Polska Kasa Opieki Spółka Akcyjna Capital Group for Q1 2023;

- acknowledgement of information on appeals against unfavourable rulings on CHF loans and related costs and on the filing of declarations of right of retention under Article 496 of the Civil Code in conjunction with Article 497 of the Civil Code;
- issuance of an opinion and recommendation to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna approving the proposal of the Management Board of the Bank to outsource to Digital Kingdom Sp. z o.o. the maintenance of the Bank's social media profiles;
- issuance of an opinion and recommendation to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna to approve the proposal of the Management Board of the Bank to outsource cloud computing services;
- acknowledgement and submission to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna of the "Information on material circumstances concerning the handling of the affairs of Bank Pekao S.A. – Implementation of the obligation under Article 380¹ of the CCC", ongoing reporting periods;
- acknowledgement and submission to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna of the "Information on material circumstances regarding the situation of the subsidiaries and affiliated companies of Bank Pekao S.A. for the period: 01.01.2023 – 30.06.2023" and "Information on the activities of the companies of the Bank Polska Kasa Opieki Spółka Akcyjna Group";
- acknowledgement of the documents prepared by the audit firm KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.
- assessment and submission to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna of the "Interim summary entity-specific financial statements of Bank Pekao S.A. for H1 2023", "Interim summary consolidated financial statements of Bank Pekao S.A. Capital Group for H1 2023", "Report on the activities of the Bank Pekao Capital Group S.A. in H1 2023".
- acknowledgement and recommendation to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna to approve the "Information on the capital adequacy of the Bank Pekao S.A. Capital Group as at 30 June 2023";
- acknowledgement and communication to the Supervisory Board of the status of implementation of the recommendations issued by the Financial Supervision Commission: (i) following the issue-related inspection in the area of bank management carried out at Bank Polska Kasa Opieki Spółka Akcyjna between 29 November 2021 and 14 January 2022, (ii) following the issue-related inspection in the area of compliance with selected obligations in the area of AML and CFT carried out at Bank Polska Kasa Opieki Spółka Akcyjna between 22 November 2021 and 28 February 2022, (iii) following the Supervisory Examination and Assessment (BION 2022), (iv) following the issue-related inspection on asset quality assessment and credit risk management carried out from 23 May to 4 July 2022;

- acknowledgement of the information of the Vice President of the Management Board of the Bank on material notifications of violations made under the Whistleblowing Policy of Bank Pekao S.A. from 01.01.2023 to 30.06.2023;
- acknowledgement of the Report on civil court proceedings pending with the participation of Bank Polska Kasa Opieki Spółka Akcyjna in Q1 and Q3 and in H1 2023;
- acknowledgement of the "Report on management information on outsourcing; data for 2022";
- acknowledgment of the "Pekao Brokerage Office Report for 2022 regarding the application of the PFSA Guidelines on the provision of brokerage services on the OTC derivatives market" and submission of the Report to the Supervisory Board of the Bank for its attention;
- acknowledgement of the "Information for the Supervisory Board of the Bank regarding the signing of maintenance contracts for data centre infrastructure";
- issuance of an opinion and recommendation to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna ("the Bank") to approve the proposal of the Management Board of the Bank concerning the outsourcing to IT human resources service providers for the implementation of IT projects;
- acknowledgement and communication to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna of information on expenses arising from agreements for specific services of Bank Polska Kasa Opieki Spółka Akcyjna and of the Bank Polska Kasa Opieki Spółka Akcyjna Capital Group for Q2 2023;
- acknowledgement of the Information on the "Report on the independent external assessment of the performance of the Internal Audit Department of Bank Pekao S.A.";
- acknowledgement of the Information on the offer to settle with consumers who have been granted housing loans denominated in CHF;
- issuance of an opinion and recommendation to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna to approve the proposal of the Management Board of Bank Polska Kasa Opieki Spółka Akcyjna concerning outsourcing;
- acknowledgement of the Report on the Bank's Internal Control System in Q1, Q2 and Q3 2023 and information on recommendations issued upon inspections/controls carried out at the Bank by state/local authorities, excluding the recommendations of the Polish Financial Supervision Authority;
- acknowledgement of the Information from the Procurement Department to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna regarding the process of selecting a specific service provider for the provision of IT human resources for the implementation of IT projects;
- acknowledgement of information on the processing stage of the documents concerning the policy and procedure for the selection of the audit firm and possible amendments to the Regulations of the Audit Committee and the Supervisory Board in connection with the amendment to the Articles of Association;

- acknowledgment of the "Information concerning the recommendation of the auditor KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k. contained in the "Letter to the Management Board for the period ending 31 December 2022".
- acknowledgement and issuance of an opinion on the Motion to amend the Regulations of the Audit Committee of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna and the Regulations of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna and to establish the consolidated text of the Regulations of the Audit Committee of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna;
- recommendation on the establishment of principles for the provision of information by the Management Board of Bank Polska Kasa Opieki Spółka Akcyjna stemming from the Code of Commercial Companies;
- issuance of an opinion and recommendation to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna to approve the proposal of the Management Board of the Bank concerning the approval of the continued outsourcing of Bank Polska Kasa Opieki Spółka Akcyjna's customer satisfaction and competition surveys for the years 2024 – 2025;
- issuance of an opinion and recommendation to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna to approve the "Policy concerning the selection of an audit company to conduct statutory audit of the financial statements of Bank Pekao S.A. and the rules of cooperation with an audit company, statutory auditor and supervisory body", as well as the "Procedure for the selection of an audit company to conduct statutory audit of the financial statements of Bank Pekao S.A.";
- acknowledgement of the Information on the outcome of the work of the strategic options review of Pekao Bank Hipoteczny S.A. (Waterfall Project);
- acknowledgement of the Information on "WIBOR litigation";
- assessment and notification to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna of the "Report of the Pekao S.A. Capital Group for Q3 2023";
- acknowledgement and recommendation to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna to approve the "Information on the capital adequacy of the Bank Pekao S.A. Capital Group as at 30 September 2023";
- approval of the Proposal for a "Report containing the conclusions of the procedure for the selection of the audit firm" and recommendation of the selection of the audit firm to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna;
- issuance of an opinion and recommendation to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna to approve the "Information Policy of Bank Pekao S.A. on Capital Adequacy";
- acknowledgement of the Audit Plan for the financial statements of Bank Pekao S.A. for the year 2023;

- acknowledgement of the report "Compliance with the Policy for recording communications with customers in view of the requirements of the MiFID regulations, Report for the period 2022 – H1 2023";
- acknowledgement of the status of the implementation of the recommendations from the audits identified by the Polish Financial Supervision Authority;
- acknowledgement of Top Risks 2024;
- issuance of an opinion and recommendation to the Supervisory Board of the Bank to approve the Audit Charter of Bank Polska Kasa Opieki Spółka Akcyjna;
- acknowledgement of the Information on the time schedule developed by the units responsible for actions towards the implementation of post-inspection recommendations and rectification of violations of laws and internal regulations identified by the Polish Financial Supervision Authority ("PFSA") following the issue-related inspection in the area of liquidity and funding risk management and capital adequacy conducted from 29 May 2023 to 30 June 2023, communication of information on the status of implementation of recommendations issued by the PFSA: a) following the issue-related inspection in the area of bank management carried out at Bank Polska Kasa Opieki Spółka Akcyjna between 29 November 2021 and 14 January 2022, b) following the issue-related inspection in the area of compliance with selected obligations in the area of AML and CFT carried out at Bank Polska Kasa Opieki Spółka Akcyjna between 22 November 2021 and 28 February 2022, c) following the Supervisory Examination and Assessment (BION 2022), d) following the issue-related inspection on asset quality assessment and credit risk management carried out from 23 May to 4 July 2022, e) following the issue-related inspection in the area of liquidity and funding risk management and capital adequacy carried out from 29 May 2023 to 30 June 2023, to the Audit Committee of the Supervisory Board of the Bank ("Committee") for acknowledgement and communication to the Supervisory Board of the Bank ("Supervisory Board") of this information for its attention;
- issuance of an opinion and recommendation to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna to approve the proposal of the Management Board of the Bank concerning the outsourcing to IT human resources service providers for the implementation of IT projects;
- expression of an opinion on the Proposal of the Management Board of the Bank concerning the incurring of liabilities or disposal of assets whose value with respect to a single entity exceeds 5% of the Bank's own funds, on an arm's length basis, and provided that such liabilities arise from the Eurobonds subscribed to or purchased by such single entity, and on recommending to the Supervisory Board of the Bank the approval of the said Proposal of the Management Board of the Bank;
- acknowledgement of Information on agreements at potential risk of a free credit sanction;
- acknowledgment of the Information on the review of personnel resources in the Financial Division;
- acknowledgement and communication to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna of information on expenses arising from agreements for specific services of Bank

Polska Kasa Opieki Spółka Akcyjna and of the Bank Polska Kasa Opieki Spółka Akcyjna Capital Group for Q3 2023;

- acknowledgement of the "Report on management information on outsourcing; data for H1 2023";
- acknowledgement of the information on the results of the operative part of the proposals concerning the review of the Bank's statutory and internal regulations as well as the documentation and proposals submitted to the Supervisory Board by the Management Board with regard to the correct structuring of the responsibilities of the Supervisory Board and the Management Board and their respective division in terms of adjustment to legal and regulatory requirements;
- acknowledgement of the Information for the Audit Committee of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna concerning the "Report on the functioning of the compliance system with the law regarding the functioning of Bank Polska Kasa Opieki S.A. as a trust bank for the period from 01.04.2022 to 31.03.2023";
- acknowledgment of the information on the schedule of tasks aimed at implementing the recommendations issued by the Polish Financial Supervision Authority after the Supervisory Audit and Assessment as at 31 December 2022;
- issuance of an opinion and recommendation to the Supervisory Board of the Bank to approve the Audit Plan for 2024, including: Annual Audit Plan for 2024, Strategic Audit Plan for 2024-2028, and Pekao Brokerage House Annual and Strategic Plans;
- issuance of an opinion and recommendation to the Supervisory Board of the Bank to approve the "Internal Audit Strategy 2021 – 2024 (Settlement of the Strategy 2021 – 2023. Update for the year 2024)";
- acknowledgement and recommendation to the Supervisory Board of the Bank of the approval of the Proposal of the Management Board of the Bank to outsource comprehensive payment card servicing to Centrum Kart S.A.;
- issuance of an opinion and recommendation to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna to approve the proposal of the Management Board of the Bank concerning the outsourcing to IT human resources service providers for the implementation of IT projects;
- issuance of an opinion and recommendation to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna to approve the Compliance Action Plan for the year 2024.

In the above cases, the Audit Committee acknowledged the information, issued positive opinions as well as recommended to the Supervisory Board of the Bank adoption of resolutions or adoption of the information in accordance with the requests of the Management Board of the Bank.

Furthermore, the Audit Committee adopted 59 resolutions in 2023 during meetings and using means of direct remote communication outside meetings, in accordance with the Regulations of the Audit Committee of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna.

As regards the Internal Audit function, the Audit Committee regularly reviewed the reports on the activities of the Internal Audit.

The Audit Committee performed its duties in accordance with its rights and obligations.

Report on the activities of the Nomination and Remuneration Committee of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna in 2023

Members of the Nomination and Remuneration Committee

Pursuant to the Regulations of the Nomination and Remuneration Committee of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna, the Nomination and Remuneration Committee of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna ("Nomination and Remuneration Committee") was composed of 3 (three) to 7 (seven) members elected by the Supervisory Board from among its members.

Between 1 January 2023 and 31 December 2023, the Nomination and Remuneration Committee was composed of the following members:

- 1) Beata Kozłowska-Chyła – Chairwoman of the Committee,
- 2) Małgorzata Sadurska – Secretary of the Committee,
- 3) Sabina Bigos-Jaworowska – Member of the Committee,
- 4) Joanna Dynysiuk – Member of the Committee,
- 5) Marian Majcher – Member of the Committee,
- 6) Michał Kaszyński – Member of the Committee,
- 7) Stanisław Ryszard Kaczoruk – Member of the Committee.

B. Kozłowska-Chyła, in accordance with Item 90 of the Guidelines on the assessment of the suitability of members of the management body and key function holders EBA/GL/2021/06, ESMA35-36-2319 of 2 July 2021/ S. Bigos-Jaworowska, J. Dynysiuk, S. R. Kaczoruk, M. Kaszyński, and M. Majcher meet the independence criteria.

Responsibilities of the Nomination and Remuneration Committee

In 2023, the Nomination and Remuneration Committee operated on the basis of the Regulations of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna adopted by Resolution No. 10/22 of the Supervisory Board of the Bank of 24 January 2022, as well as on the basis of the Regulations of the Nomination and Remuneration Committee of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna adopted by Resolution No. 161/22 of the Supervisory Board of the Bank of 2 November 2022. On 18 October 2023, the Supervisory Board of the Bank adopted Resolution No. 117/23 amending the Regulations of the Nomination and Remuneration Committee of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna and establishing the consolidated text of the Regulations of the Nomination and Remuneration Committee of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna.

The purpose of the Nomination and Remuneration Committee is to support the Supervisory Board in fulfilling its duties, including by:

- submitting proposals concerning the determination of the terms and conditions of agreements governing the employment or other legal relationship between the Members of the Management

Board and the Bank, including remuneration for the Members of the Bank's Management Board, as well as concerning the approval of the policy of variable components of remuneration of persons holding managerial positions at the Bank in accordance with separate regulations and in order to submit proposals on remuneration of the Members of the Supervisory Board of the Bank to the General Meeting,

- preparing recommendations concerning compliance with suitability requirements for appointing members of the Management Board of the Bank and Members of the Supervisory Board of the Bank in accordance with separate regulations;
- drawing up a report for the General Meeting regarding the assessment of the functioning of the remuneration policy in place at the Bank;
- adopting a policy of diversity in the composition of the Management Board of the Bank and Supervisory Board, taking into account a wide set of features and competences required for persons performing the function of Management Board members;
- recommending candidates for the Management Board of the Bank, taking into account the necessary knowledge, competence and experience of the Management Board as a whole, necessary to manage the Bank, and taking into account the diversity in the composition of the Management Board of the Bank;
- specifying the scope of duties of the candidate for the Management Board of the Bank, as well as the requirements in terms of knowledge and competence as well as the expected commitment in terms of time devoted, necessary to perform the function;
- determining the target value of representation of under-represented gender in the Management Board of the Bank and Supervisory Board and developing a diversity policy in the composition of the Management Board of the Bank and Supervisory Board aimed at achieving this target value;
- periodically assessing, at least once a year, the structure, size, composition and effectiveness of the Management Board of the Bank as well as recommending changes in this regard to the Supervisory Board;
- periodically assessing, at least once a year, the knowledge, competences and experience of the Management Board of the Bank as a whole and individual Members of the Management Board of the Bank as well as informing the Management Board of the Bank about the results of this assessment;
- submitting recommendations to the Supervisory Board regarding: a) assessment of the individual suitability of candidates for members of the Management Board of the Bank and members of the Supervisory Board at the stage of appointment to these bodies and members of these bodies in the course of performing their duties in the situations specified in the "Policy of Assessing the Suitability of the Proposed and Appointed Members of the Management Board, Supervisory Board and Key Function Holders at Bank Polska Kasa Opieki Spółka Akcyjna", b) assessment of the collective suitability of the Management Board of the Bank and Supervisory Board in order to ensure an appropriate level of collective management or supervision of the Bank, c) succession plans for members of the Management Board of the Bank to ensure continuity of management;
- submitting proposals to the Supervisory Board regarding: determination of remuneration for members of the Management Board of the Bank, b) submission of proposals to the General

Meeting regarding remuneration for members of the Supervisory Board, c) the amount of remuneration (including bonuses) of the Director of the Compliance Department and the Director of the Internal Audit Department, which should not differ from the remuneration of other key function holders at the Bank;

- giving opinions on and monitoring variable remuneration of persons responsible for risk management on the second line, managing the compliance unit and managing the internal audit unit;
- monitoring the level of remuneration of employees of the Internal Audit Department and the Compliance Department;
- giving opinions on and monitoring the Remuneration Policy of Bank Polska Kasa Opieki Spółka Akcyjna and supporting the Bank's governing bodies in the development and implementation of this Policy, as well as giving opinions on other regulations regarding the systems remunerating the Bank's employees;
- giving opinions once a year on the periodic review of the Remuneration Policy of Bank Polska Kasa Opieki Spółka Akcyjna presented by the Bank;
- preparing and submitting to the Supervisory Board once a year a report on the evaluation of the functioning of the Remuneration Policy of Bank Polska Kasa Opieki Spółka Akcyjna;
- when using external advisory services, periodically assessing external remuneration consultants.

The Nomination and Remuneration Committee shall act in accordance with prudent and stable risk, capital and liquidity management and with particular care for the long-term well-being of the Bank and the interest of the Bank's shareholders.

The Nomination and Remuneration Committee also performed other tasks resulting from applicable laws or recommendations of supervisory authorities.

Meetings of the Nomination and Remuneration Committee

Meetings of the Nomination and Remuneration Committee are held at least twice a year.

In 2023, the Nomination and Remuneration Committee held 8 meetings (on: 30 January 2023, 26 April 2023, 8 May 2023, 16 June 2023, 2 August 2023, 18 October 2023, 7 November 2023 – continued on 13 November 2023, and 14 December 2023).

The participation of the Members of the Nomination and Remuneration Committee in each meeting is presented below.

Date	Members of the Nomination and Remuneration Committee attending the meeting
30 January 2023	B.Kozłowska-Chyła, M.Sadurska, S.Bigos-Jaworowska, J.Dynysiuk, M.Majcher, S.R.Kaczoruk, M.Kaszyński
26 April 2023	B.Kozłowska-Chyła, M.Sadurska, S.Bigos-Jaworowska, J.Dynysiuk, M.Majcher, S.R.Kaczoruk, M.Kaszyński

8 May 2023	B.Kozłowska-Chyła, M.Sadurska, S.Bigos-Jaworowska, J.Dynysiuk, M.Majcher, S.R.Kaczoruk, M.Kaszyński
16 June 2023	B.Kozłowska-Chyła, M.Sadurska, S.Bigos-Jaworowska, J.Dynysiuk, M.Majcher, S.R.Kaczoruk, M.Kaszyński
2 August 2023	B.Kozłowska-Chyła, M.Sadurska, S.Bigos-Jaworowska, J.Dynysiuk, M.Majcher, S.R.Kaczoruk, M.Kaszyński
18 October 2023	B.Kozłowska-Chyła, M.Sadurska, S.Bigos-Jaworowska, J.Dynysiuk, M.Majcher, S.R.Kaczoruk, M.Kaszyński
7 November 2023	B.Kozłowska-Chyła, M.Sadurska, S.Bigos-Jaworowska, J.Dynysiuk, M.Majcher, S.R.Kaczoruk, M.Kaszyński
13 November 2023 (continuation of the Committee meeting of 7 November 2023).	B.Kozłowska-Chyła, M.Sadurska, S.Bigos-Jaworowska, J.Dynysiuk, M.Majcher, S.R.Kaczoruk, M.Kaszyński
14 December 2023	B.Kozłowska-Chyła, M.Sadurska, S.Bigos-Jaworowska, J.Dynysiuk, M.Majcher, S.R.Kaczoruk, M.Kaszyński

Principal tasks carried out by the Nomination and Remuneration Committee in 2023.

In 2023, the Nomination and Remuneration Committee considered cases in the following areas:

- acknowledgment of the "Report on the activities of the Nomination and Remuneration Committee in Q4 2022";
- acknowledgement of Audit Report PK-2022-0110 Implementation of the Remuneration Policy – variable remuneration components and recommendation to the Supervisory Board of the Bank to acknowledge the Report;
- recommendation to the Supervisory Board of the Bank to approve the selection of an external advisor who will be responsible for auditing the report of the Management Board of the Bank on the implementation of additional management objectives;
- acknowledgement of the "Report on the activities of the Nomination and Remuneration Committee of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna in Q1, Q2 and Q3 2023";
- approval of the "Report on the activities of the Nomination and Remuneration Committee of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna in 2022" and submission of this Report to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna for adoption;
- issuance of an opinion and recommendation to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna to lay down the prerequisites for the Variable Remuneration System for Members of the Management Board for the year 2023;
- issuance of an opinion and recommendation to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna to adopt a resolution on setting Management Objectives for each Member

of the Management Board of Bank Polska Kasa Opieki Spółka Akcyjna for the year 2023 in the framework of the Variable Remuneration System and additional Management Objectives for the year 2023 for all Members of the Management Board of Bank Polska Kasa Opieki Spółka Akcyjna;

- acknowledgement of the information on the selection of a statutory auditor to be entrusted with the performance of a service consisting in the assessment of the remuneration report referred to in the Act of 29 July 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies to the extent specified in Article 90g.10 of that Act;
- preparation of the "Report on the assessment of the functioning of the Bank's Remuneration Policy in 2022" and recommendation to the Supervisory Board regarding its adoption;
- recommendation to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna to authorise members of the Supervisory Board to serve on the governing bodies of other entities or to engage in non-banking activities;
- recommendation to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna regarding the secondary assessment of the individual suitability of Members of the Supervisory Board of the Bank;
- recommendation to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna to carry out the self-assessment of the collective suitability of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna;
- recommendation to the Supervisory Board of the Bank to submit to the General Meeting "Information on the results of the self-assessment of the individual suitability of Members of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna and the self-assessment of the collective suitability of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna" together with a motion to assess the individual suitability of Members of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna and to assess the collective suitability of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna by approving the self-assessment of the individual suitability of Members of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna and the self-assessment of the collective suitability of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna;
- recommendation to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna to adopt the Report on Remuneration of members of the Management Board and Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna for 2022, submission of the Report on Remuneration to the statutory auditor for assessment as well as presentation of the Report on Remuneration together with the statutory auditor's report along with his/her assessment to the General Meeting of the Bank, with a request for adoption of a resolution expressing giving an opinion on the Report on Remuneration;
- recommendation to the Supervisory Board of the Bank regarding the secondary assessment of the individual suitability of Members of the Management Board of the Bank;

- recommendation to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna to carry out the secondary assessment of the collective suitability of the Management Board of Bank Polska Kasa Opieki Spółka Akcyjna, including the assessment, structure, size, composition and effectiveness of the Management Board of the Bank;
- recommendation to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna to ascertain the achievement of additional Management Objectives in 2022 by Members of the Management Board of Bank Polska Kasa Opieki Spółka Akcyjna that determine the possibility of receiving variable remuneration for the year 2022;
- issuance of an opinion and recommendation to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna to make an assessment of the extent to which the prerequisites set for the year 2022 have been met under the Variable Remuneration System;
- issuance of an opinion and recommendation to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna to perform a compliance assessment and risk assessment of the current and former Members of the Management Board of Bank Polska Kasa Opieki Spółka Akcyjna;
- issuance of an opinion and recommendation to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna to make an assessment of the extent to which the Management Objectives designated to Members of the Management Board of the Bank have been achieved;
- submission to the Supervisory Board of the Bank of a proposal to determine the amount of, and to make a recommendation for the award of the Variable Remuneration for 2022 to Members of the Management Board of Bank Polska Kasa Opieki Spółka Akcyjna who served on the Management Board of Bank Polska Kasa Opieki Spółka Akcyjna in 2022 and to confirm the acquisition of its part payable upfront;
- recommendation to the Supervisory Board of the Bank to ascertain the acquisition of the deferred portions of the Variable Remuneration for the years 2017-2021 in respect of the current and former Members of the Management Board of Bank Polska Kasa Opieki Spółka Akcyjna and to conclude arrangements with Members of the Management Board of the Bank to change the date of payment of a portion of the Variable Remuneration;
- recommendation to the Supervisory Board of the Bank regarding the authorisation of the Vice-President of the Management Board of the Bank to hold a position in a company outside the Bank Pekao Group and a secondary assessment of the individual suitability of the Vice-President of the Management Board of the Bank;
- recommendation to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna to amend the Regulations of the Nomination and Remuneration Committee of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna and to establish the consolidated text of the Regulations;
- recommendation to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna to decide on the distribution to individual Members of the Management Board of the Bank of a portion of the variable remuneration already awarded by the Bank for 2022 payable upfront in cash, the deferred portions of variable remuneration for the years 2018-2021 payable in cash due in 2023,

as well as the amount arising from the settlement of the portion of variable remuneration awarded in the form of phantom shares of the Bank for which the retention period expired in the course of 2023;

- recommendation to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna to carry out the self-assessment of the collective suitability of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna;
- acknowledgement of information concerning the review of remuneration of employees of the Internal Audit Department, Compliance Department and review of variable remuneration of persons in managerial positions (Risk Takers);

In the above cases, the Nomination and Remuneration Committee acknowledged the information, issued positive opinions as well as recommended to the Supervisory Board of the Bank adoption of resolutions or adoption of the information in accordance with the requests of the Management Board of the Bank.

The Nomination and Remuneration Committee adopted 50 resolutions in 2023 during meetings and using means of direct remote communication outside meetings, in accordance with the Regulations of the Nomination and Remuneration Committee of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna.

The Nomination and Remuneration Committee performed its duties in accordance with its powers and responsibilities.

Report on the activities of the Risk Committee of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna in 2023.

Members of the Risk Committee.

The Risk Committee of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna ("Risk Committee") is composed of 3 (three) to 5 (five) Members appointed by the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna ("Supervisory Board of the Bank") from among its Members, with the majority of Risk Committee Members, including its Chairman, being independent Members of the Supervisory Board of the Bank.

Between 1 January 2023 and 31 December 2023, the Risk Committee comprised the following members:

- 1) Ryszard Kaczoruk – Chairman of the Risk Committee,
- 2) Marcin Izdebski – Secretary of the Risk Committee,
- 3) Michał Kaszyński – Member of the Risk Committee,
- 4) Marian Majcher – Member of the Risk Committee,
- 5) Małgorzata Sadurska – Member of the Risk Committee.

S.R.Kaczoruk, M.Kaszyński and M.Majcher meet the independence criteria.

Responsibilities of the Risk Committee.

In 2023, the Risk Committee operated on the basis of the Regulations of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna adopted by Resolution No. 10/22 of the Supervisory Board of the Bank of 24 January 2022, as well as on the basis of the Regulations of the Risk Committee of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna as amended by the Supervisory Board of the Bank by Resolution No. 12/22 of 24 January 2022. On 18 October 2023, amendments were made to the Regulations of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna, adopted by Resolution No. 116/23 of 18 October 2023, and amendments were made to the Regulations of the Risk Committee of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna, in the wording adopted by the Supervisory Board of the Bank by Resolution No. 119/23 of 18 October 2023.

The Risk Committee assists the Supervisory Board of the Bank in the performance of its responsibilities relating to: supervision over the risk management system and assessment of the adequacy and effectiveness of that system. The Risk Committee acts in accordance with prudent and stable risk, capital and liquidity management and with particular care for the long-term well-being of the Bank and the interests of shareholders.

The tasks of the Risk Committee include, among others:

- expressing an opinion on the Bank's overall current and future willingness to take risks, expressed in the form of risk appetite and the strategy for managing risk in the Bank's activity, developed by the Management Board of the Bank, including policies on credit, financial and operational risks, as well as reports on the risk profile and implementation of the risk management strategy, presented by the Management Board of the Bank;
- supporting the Bank's Supervisory Board in overseeing the implementation of the strategy concerned with managing the risk in the activity of the Bank, by senior managerial staff;
- verifying whether prices of liabilities and assets offered to customers take fully into account the Bank's business and risk strategies and, where prices do not properly reflect risks in accordance with these strategies;
- presenting the Management Board of the Bank with proposals aiming to ensure that the prices of assets and liabilities are adequate to these risks;
- without prejudice to the tasks of the Nomination and Remuneration Committee, examining whether the incentives offered by the remuneration policy and practice take into account the risk, capital and liquidity of the institution and the likelihood and timing of obtaining profits;
- day-to-day monitoring the risk management system;
- performing other tasks resulting from applicable laws or recommendations of supervisory authorities.

The Risk Committee also performed other tasks resulting from applicable laws or recommendations of supervisory authorities.

Risk Committee Meetings.

Meetings of the Risk Committee are held at least twice a year.

In 2023, the Risk Committee held 11 meetings (on: 30 January 2023, 1 March 2023, 21 April 2023, 26 April 2023, 5 May 2023, 16 June 2023, 2 August 2023, 11 September 2023 – continued on 15 September 2023, 18 October 2023, 7 November 2023, and 14 December 2023).

The participation of the Members of the Risk Committee in individual meetings is presented below:

Date	Members of the Risk Committee attending the meeting
30 January 2023	S.R.Kaczoruk, M.Izdebski, M.Kaszyński, M.Majcher, M.Sadurska
1 March 2023	S.R.Kaczoruk, M.Izdebski, M.Kaszyński, M.Majcher, M.Sadurska
21 April 2023	S.R.Kaczoruk, M.Izdebski, M.Kaszyński, M.Majcher, M.Sadurska
26 April 2023	S.R.Kaczoruk, M.Izdebski, M.Kaszyński, M.Majcher, M.Sadurska
5 May 2023	S.R.Kaczoruk, M.Izdebski, M.Kaszyński, M.Majcher, M.Sadurska
16 June 2023	S.R.Kaczoruk, M.Izdebski, M.Kaszyński, M.Majcher, M.Sadurska
2 August 2023	S.R.Kaczoruk, M.Izdebski, M.Kaszyński, M.Majcher, M.Sadurska
11 September 2023	S.R.Kaczoruk, M.Izdebski, M.Kaszyński, M.Majcher, M.Sadurska
15 September 2023 (continued)	S.R.Kaczoruk, M.Izdebski, M.Kaszyński, M.Majcher, M.Sadurska
18 October 2023	S.R.Kaczoruk, M.Izdebski, M.Kaszyński, M.Majcher, M.Sadurska
7 November 2023	S.R.Kaczoruk, M.Izdebski, M.Kaszyński, M.Majcher, M.Sadurska
14 December 2023	S.R.Kaczoruk, M.Izdebski, M.Kaszyński, M.Majcher, M.Sadurska

Principal tasks carried out by the Risk Committee in 2023

In 2023, the Risk Committee considered cases in the following areas:

- acknowledging the "Report on the activities of the Risk Committee of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna in Q4 2022" and submitting the "Report on the activities of the Risk Committee of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna in 2022" to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna;
- approval of the Report on the activities of the Risk Committee in 2022;
- acknowledgement of the "Report on the activities of the Risk Committee in Q1, Q2 and Q3 2023" submission of the "Report on the activities of the Risk Committee in Q1, Q2, Q3 2023" to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna;
- recommendation on amending the Regulations of the Risk Committee of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna and establishing the consolidated text of the Regulations of the Risk Committee of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna;
- issuance of an opinion on the position of the Management Board of Bank Polska Kasa Opieki Spółka Akcyjna regarding the implementation of the recommendation of the Polish Financial Supervision Authority of 23 December 2022 concerning the mitigation of risk in the operations of Bank Polska Kasa Opieki Spółka Akcyjna by maintaining own funds to cover the additional capital charge in order to absorb potential losses arising from the occurrence of stress conditions and to recommend the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna to make an assessment of the Management Board of the Bank Polska Kasa Opieki Spółka Akcyjna's position;
- acknowledgement of the Information on the time schedule developed by the units responsible for actions towards the implementation of post-inspection recommendations and rectification of violations of laws and internal regulations identified by the Polish Financial Supervision Authority following the issue-related inspection in the area of liquidity and funding risk management and capital adequacy conducted from 29 May 2023 to 30 June 2023,
- issuance of an opinion on the acceptance by the Management Board of Bank Polska Kasa Opieki Spółka Akcyjna to implement the recommendation of the Polish Financial Supervision Authority of 13 December 2023 concerning the mitigation of risk in the operations of Bank Polska Kasa Opieki Spółka Akcyjna by maintaining own funds to cover the additional capital charge in order to absorb potential losses arising from the occurrence of stress conditions and to recommend the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna to assess the acceptance by the Management Board of Bank Polska Kasa Opieki Spółka Akcyjna for implementation of the recommendation of Polish Financial Supervision Authority of 13 December 2023;
- issuance of an opinion and taking credit decisions in matters relating to credit risk transactions;
- issuance of an opinion and recommendation on the proposal of the Management Board of Bank Polska Kasa Opieki Spółka Akcyjna on the sale of receivables arising from mortgage loan agreements concluded with consumers by Bank Polska Kasa Opieki Spółka Akcyjna for Pekao

Bank Hipoteczny Spółka Akcyjna and recommendation of its approval to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna;

- issuance of an opinion and issuing a recommendation on the consent to granting a credit limit for a credit card to a Member of the Management Board of the Bank;
- acknowledgement and recommendation concerning the quarterly liquidity information for the period of Q4 2022 and for Q1, Q2 and Q3 2023;
- issuance of an opinion and recommendation on the Financial Risk Review for the period Q4 2022 and on the Financial Risk Review – Q1, Q2 and Q3 2023;
- issuance of an opinion on the "Quarterly report on the loan portfolio and debt collection activity as at: 31 December 2022, 31 March 2023, 30 June 2023, 30 September 2023";
- issuance of an opinion and recommendation concerning the "Pekao Group's Risk Appetite for the year 2023";
- issuance of an opinion and recommendation on the operational risk control report in Q4 2022, Q1, Q2 and Q3 2023;
- issuance of an opinion and recommendation on the approval of the Models Risk Tolerance Level;
- acknowledgement and recommendation regarding information on bancassurance activities in 2022;
- acknowledgement of cyclical information on bancassurance activities in Q1, Q2 and Q3 2023;
- acknowledgement and submission to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna of the "Information on Bancassurance results in Q1 2023";
- issuance of an opinion and recommendation on the approval of the "Long-term Financing Plan 2023-2025";
- issuance of an opinion and recommendation for approval of the updated: "Group Recovery Plan for the Bank Pekao S.A. Capital Group", "Individual Recovery Plan for Bank Pekao S.A.". and an update of the "Risk Appetite for the Pekao Group";
- issuance of an opinion on the results of the annual review of the risk management system and the ICAAP process and the "Risk Management Strategy and Internal Capital Estimation Principles";
- issuance of an opinion and recommendation on the approval of the "Operational Risk Management Strategy, Credit Risk Strategy" and the "Financial Risk and Investment Activity Strategy";
- issuance of an opinion on the "Operationalisation of the Strategy for the years 2023-2024";
- issuance of an opinion and recommendation on the report "Monitoring the implementation of the Strategy for 2021-2024: Results for Q4 2022 and Q1, Q2 and Q3 2023";
- issuance of an opinion and recommendation for approval of the updated internal capital

regulations of Bank Polska Kasa Opieki Spółka Akcyjna;

- issuance of an opinion regarding the "Report on the AML/CFT and Sanctions Area 2022" and for Q1, Q2 and Q3 2023 as well as to recommend to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna to make an assessment of the effectiveness of the AML/CFT Unit in 2022 and 2023 based on it;
- issuance of an opinion and recommendation on the "State of the Bank's ICT security for 2022 with respect to data for Q4 2022" and for Q1, Q2 and Q3 2023;
- issuance of an opinion on the "Annual Models Risk Report 2022" and recommendation to the Supervisory Board of the Bank to make an annual assessment of the effectiveness of the Bank's models risk management;
- acknowledgement and submission to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna of the information "Analysis of the impact of the war in Ukraine – risk map of Bank Pekao, Q1 2023" for its attention and "Analysis of the impact of the war in Ukraine – risk map of Bank Pekao, July 2023" for its attention;
- issuance of an opinion and recommendation on the approval of the "Strategy for the management of non-performing exposures (NPEs) at the Bank";
- acknowledgement of information on the current status of actions carried out by Bank Polska Kasa Opieki Spółka Akcyjna in relation to the portfolio of the former Idea Bank S.A. and the current status of the VB Leasing S.A. transactions;
- acknowledgement of information on the Bank's business continuity and crisis management system in 2022 contained in the "Interim Business Continuity and Crisis Management Report";
- acknowledgment of information on the status of activities in the IT area;
- acknowledgement of information on the settlement of final judgements on loans denominated in CHF and statistics on judgements made in these cases in Q3 2022;
- acknowledgement of information on the current situation with regard to cases involving CHF loans;
- acknowledgement of the information on the Card Centre concerning the CONNEX system;
- acknowledgement and submission to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna of the "Information on data management and data quality activities in 2022 and Q1 2023";
- acknowledgement of information regarding the 'Office of Transformation Projects and Programmes at CATC';
- issuance of an opinion and recommendation of approval to the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna on the position regarding the application at Bank Polska Kasa Opieki Spółka Akcyjna of the WIBOR, WIBID, WIRON reference indices and the indices from the WIRON composite index family;
- acknowledgement of information on the status and risks of WIBOR-based loans together with the

status of WIRON-based products;

- acknowledgement of information on the Bank Pekao S.A. Foundation;
- acknowledgement of information on Top Risks 2024;
- acknowledgement of the presentation "Materialisation of TOP 10 Risks";
- acknowledgement of information on agreements at potential risk of a free credit sanction;
- monitoring the process on the post-migration status of customers, products and data regarding the acquired activities of Idea Bank S.A. to the systems of Bank Polska Kasa Opieki Spółka Akcyjna;
- overview of audit reports on key issues in the Bank's operation.

In the above cases, the Risk Committee acknowledged the information, issued positive opinions as well as recommended to the Supervisory Board of the Bank adoption of resolutions or adoption of the information in accordance with the requests of the Management Board of the Bank.

The Risk Committee adopted 63 resolutions in 2023 during meetings and using means of direct remote communication outside meetings, in accordance with the Regulations of the Risk Committee of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna.

The Risk Committee performed its tasks in accordance with its powers and responsibilities.

X. Assessment of the situation of the Bank in 2023, including the assessment of the internal control systems, risk management, compliance and internal audit functions.

In accordance with the Best Practice for WSE Listed Companies, the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna assessed the Bank's situation in 2023, including assessment of internal control and risk management systems functioning at the Bank.

General assessment of the Bank's situation.

The Management Board of the Bank, acting pursuant to § 18.22 of the Bank's Articles of Association, § 10.3 of the Regulation of the Minister of Finance, Funds and Regional Policy of 8 June 2021 on the risk management system, internal control system and remuneration policy in banks in connection with Item 4.2. of Procedure "Strategic Planning, Budgeting, Forecasting and Monitoring of Financial Plans at Bank Pekao S.A.", presented the Supervisory Board of the Bank, on a quarterly basis, with a report containing information on the financial results and the degree of implementation of the Financial Plan. In reliance on the presented information, in the assessment of the Supervisory Board, the general economic and financial situation of Bank Pekao S.A. is stable. Bank Pekao S.A. meets all requirements of safe operations and of capital adequacy, and it ensures safety of funds entrusted by customers, presenting exceptional capital strength and resilience. The Supervisory Board of Bank Pekao S.A. positively assesses the results achieved in 2023 by the Bank and the Capital Group of Bank Pekao S.A.

Bank Pekao S.A. is a universal commercial bank offering a full range of banking services to retail and

institutional customers. It operates mainly in Poland. The Bank Pekao S.A. Group comprises financial institutions operating in the banking, asset management, brokerage services, transaction consulting, leasing, and factoring markets. Since 2017, Bank Pekao S.A. has been part of PZU S.A. group, the largest financial institution in Central and Eastern Europe.

The Bank's activity in 2023 was focused on maintaining further sustainable growth in all areas, on effective strengthening of its position on the retail banking market and on maintaining its position of the corporate banking leader.

In 2023, the Bank's net profit amounted to PLN 6,718 million. This result was higher by PLN 4,820 million than the result achieved in 2022.

In 2023, the net profit of the Capital Group of Bank Pekao S.A. distributable to shareholders of the Bank amounted to PLN 6,578 million. The result was PLN 4,861 million higher than the result achieved in 2022, mainly due to lower costs related to the modification of agreements for PLN mortgage loans granted to consumers due to their suspension of loan repayments (credit holidays), lower provisions for legal risk related to foreign currency mortgage loans, no additional regulatory costs, including for the Bank Protection Scheme and contributions to the Borrower Support Fund, lower contributions to the Bank Guarantee Fund (BFG), and higher income notwithstanding the increase in operating costs.

Profit (loss) on interest in the Group was 44.6% higher, whereas in the Bank – 44.7% higher, compared to the result achieved in 2022.

Profit (loss) on fees and commissions in the Group was higher by 2.8% compared to 2022 results, mainly due to higher commissions from investment funds and brokerage activities, on the back of improved sentiment in capital markets, and higher customer activity in the areas of loans and card payments. Profit (loss) on fees and commissions in the Bank was lower by 0.6% compared to 2022 results, mainly due to the adjustment of the offering to market conditions and the high margin on FX transactions with customers in the previous year caused by increased customer activity in the FX market after the outbreak of the war.

Operating expenses across the Group were higher by 16.2%, at the Bank by 15.6% year-on-year, considerably below the inflation rate.

The return on average equity (ROE) for the Group and for the Bank amounted to 24.7% and 25.8%, respectively.

At the end of December 2023, credit facilities and loans at nominal value in the Group amounted to PLN 178,815 million and were higher by 1.7% (at the Bank stood at 164,589 and were higher by 0.7%) compared to the end of December 2022. Retail customer loans were higher by 4.2% (4.5% higher at the Bank) compared to the end of December 2022. At the end of December 2023, corporate loans including non-Treasury debt securities were at a similar level (lower by 2.4% at the Bank) compared to the end of December 2022, an increase recorded in the corporate segment (3.6% y-o-y).

The Bank and the Bank Pekao S.A. Capital Group retained a solid capital base (the combined TCR capital ratio for the Group and the Bank at the end of December 2022 amounted to 16.8% and 19.4%, respectively), and a safe liquidity profile reflected in the net loan to deposit ratio at the level of 69.9% for the Group and 65.8% for the Bank. Combined with a high level of the capital, this allows further solid and stable development of the Group and Bank operations.

In 2023, the Bank increased its commercial activities, actively supported customers in maintaining financial liquidity, continued digitisation and automation of processes as well as implementation of advanced digital solutions.

In accordance with the Strategy, activities aimed at improving efficiency and migration of processes to remote channels are under way. In 2023, the Bank reduced its network by 23 outlets.

The Bank came in as one of the first to introduce the 2% Secure Loan under the government's "First Housing" programme. The loan attracted a huge response from customers, who submitted more than 51,000 applications to the Bank by the end of 2023, or 50% of all applications acquired across the banking sector. The total volume of agreements signed at the end of 2023 amounted to PLN 7.2 billion.

In accordance with strategic plans, the Bank:

- will remain a universal bank,
- will remain a first choice bank for an increasing number of our customers,
- continues to develop a remote distribution and customer service model,
- focuses on cost- and process efficiency,
- focuses on growth in the most profitable market segments.

The Bank's goal is to have a strong position among the most profitable and effective banks in Poland, and the main strategic goals are:

- to significantly improve return on equity (ROE),
- to reduce the cost-to-income ratio (C/I),
- to increase the number of active mobile banking customers from 2 million in 2020 to 3.2 million in 2024,
- to achieve digitisation rate at the target level of ~100% in 2024.

The strategy is based on four tiers: Customer, Growth, Efficiency and Responsibility.

The Bank invests in training and professional development of its employees (in line with their skills and capabilities), creates a friendly work environment and implements the highest standards in human resources management.

Similarly to previous years, activity of the Bank in 2023 was awarded and distinguished for achievements and innovation of offered solutions in the competitions organised by the prestigious foreign and domestic magazines. The awards for innovative products and services are of particular importance.

Bank Pekao S.A. is implementing the ESG Strategy of Bank Pekao S.A. for the years 2021-2024 "Responsible Bank supporting sustainable growth" (hereinafter "ESG Strategy"), announced in June 2021, as planned.

The ESG Strategy is based on three tiers: "Environment", "Social Responsibility" and "Governance".

It is the first document of Bank Pekao S.A. regulating its responsibility for the natural environment, social environment and rules enforced within the organisation. In each of these areas, the Bank has set for itself

specific objectives which it will pursue in the following years:

- "Environment" means objectives which include increasing commitment to financing sustainable projects, supporting energy transition and the transition to a low-carbon economy, and achieving its own climate neutrality by 2030,
- "Social Responsibility" means objectives which include actions to promote the sustainable development of the society, the economy and prosperity, focusing on providing assistance, equal opportunities and preventing exclusion, including through charity and employee volunteer programmes,
- "Governance" means objectives that include ensuring the highest standards of corporate governance: an ethical approach to business that takes into account ESG issues and promotes the development, diversity and equality of employees in a modern, inclusive organisation.

2023 was marked by the maintenance of the highest standards of corporate governance and the development of an ethical approach to business, which are mentioned in detail in the ESG Strategy in the area of Tier III, which deals with Governance.

The corporate governance applied at the Bank results from the provisions of generally applicable law and the principles included in: the "Best Practice for WSE Listed Companies 2021" (hereinafter "Best Practice 2021"), the "Principles of corporate governance for supervised institutions" of the Polish Financial Supervision Authority and the "Code of Banking Ethics" ("Good Banking Practice Principles") of the Polish Bank Association (ZBP). The fundamental act of ethical conduct to be followed by all Pekao Group employees, regardless of their position or basis of employment, remains the Code of Conduct of the Pekao Group, accessible on the Bank's website. In 2023, the Bank also adopted the Code of Ethics for Bank Pekao S.A. suppliers. The Code is used in procurement procedures to promote the Bank's values while indicating to our counterparties the expectations, principles and standards of Bank Pekao S.A. Based thereon, conducting business in a responsible, transparent and sustainable manner taking into account the ESG, is one of the most important principles for operating in a market environment.

At the same time, the Bank's priority as an employer was to ensure equal treatment of employees, opportunities for personal and professional development, as well as to create an atmosphere relied on cooperation and respect. The Bank strived to maintain a balanced level of the number of women and men in managerial positions. Providing flexible work arrangements and supporting work-life balance remained important. The process of closing the gender pay gap continued. The Bank's activities in the field of personnel strategy, promoting the highest standards of organisational culture and building good relations between employees have been appreciated; the Bank was awarded the Top Employer certificate for the 14th time in a row.

The Bank's involvement in ESG activities is assessed by the market in international rankings and indices. The Bank's priority also remains to increase its position in rankings concerning activities beneficial to the environment, society and corporate governance.

Assessment of the internal control system.

The Supervisory Board assessed the functioning of the internal control system at Bank Pekao S.A. on the basis of an opinion of the Audit Committee and information from the statutory auditor, the Management Board of the Bank, the Internal Audit Department, the Compliance Department, described in the Tasks carried out by the Supervisory Board section.

Bank Pekao S.A. has the internal control system consistent with the guidelines laid down in Recommendation "H" of the Polish Financial Supervision Authority, which includes the following:

- 1) control function (control mechanisms, independent monitoring of compliance with control mechanisms, reporting within the control function),
- 2) independent compliance unit (Compliance Department),
- 3) independent internal audit unit (Internal Audit Department) – this applies to all organisational units of the Bank and its subsidiaries.

The Supervisory Board positively assesses the functioning of the internal audit function at Bank Pekao S.A., which ensures: effective and efficient operation of the Bank, reliable financial reporting, compliance with risk management rules in force at the Bank, compliance of the Bank's operations with applicable laws, internal regulations and market standards. The internal control rules, including the procedures of implementation and monitoring of control mechanisms approved by the Management Board and Supervisory Board of Bank Pekao S.A. have been adapted to the Bank's organisational structure, the size and profile of risks identified in the Bank's activities and referred to in the document "Risk Management Strategy and Internal Capital Estimation Principles", as well as to the scale of the Bank's activities. These rules are reviewed and assessed as part of the internal audit procedure.

The Internal Control System in place at the Bank covers all organisational levels and is imposed by the statutory bodies of the Bank, by the specific organisational units, supervisors at all managerial levels and by all employees. The general objectives of the Internal Control System are as follows:

- 1) ensure effective and efficient operation of the Bank,
- 2) ensure reliable financial reporting,
- 3) ensure compliance with risk management principles in effect at the Bank,
- 4) ensure compliance of the Bank's operations with applicable laws, internal regulations, and market standards.

Within the framework of the overall objectives of the internal control system, the Bank identifies specific objectives of the internal control system and records them in the control function matrix in conjunction with material processes, key controls and their monitoring.

The Internal Control System functioning at the Bank comprises three lines of defence:

- 1) the first line of defence – managing risk in the Bank's operating activity,
- 2) second line of defence – control of risk management by employees at specially designated positions or organisational units, irrespective of the risk management at the first line of defence,
- 3) the third line of defence – includes an independent Internal Audit unit.

The Bank ensures independent monitoring of compliance with control mechanisms in all processes functioning at the Bank through:

- 1) horizontal monitoring as part of the first line of defence and vertical monitoring of the first line of defence by the second line of defence,
- 2) horizontal monitoring as part of the second line of defence,
- 3) horizontal monitoring as part of the third line of defence.

The independent monitoring of compliance with control mechanisms takes place through: on-going verification and testing.

Dedicated structures fully cover the key risk areas on the so-called three lines of defence.

Control functions in regard to subsidiaries are exercised via the Bank's representatives in supervisory boards of these subsidiaries.

The Management Board of the Bank is responsible for designing, implementing and operating an independent, adequate and effectively functioning Internal Control System in all organisational units, business units and at all organisational positions of the Bank.

The Supervisory Board exercises supervision over the implementation of the Internal Control System and assurance of its adequate and effective functioning.

Assessment of the risk management system.

The Supervisory Board positively assesses the risk management system functioning in the Bank and in the Pekao Group. The Supervisory Board performed that assessment on the basis of an opinion of the Risk Committee and information from the Management Board of the Bank described in the Tasks carried out by the Supervisory Board section.

Risk management follows a comprehensive and consolidated approach and extends to all units of the Bank and its subsidiaries.

The risk management strategy formulated in the "Risk Management Strategy and Internal Capital Estimation Principles", as adopted by the Management Board of the Bank in accordance with applicable regulatory requirements, was approved by the Supervisory Board. The said document is subject to regular reviews and necessary updates in order to adjust it to the best market practices, legal regulations and changes at the Bank and in its operating environment, as well as in order to maintain its validity and adequacy to the scale and complexity of the operations performed by the Bank and by the Group.

In accordance with applicable laws and supervisory regulations, the Management Board of the Bank is responsible for achieving the strategic risk management objectives. The Supervisory Board, supported by the Risk Committee:

- supervises the introduction of the risk management system,
- assesses the adequacy and effectiveness of the risk management system,

especially by approving the Bank's risk appetite and by approving the following adopted by the Management Board of the Bank: the risk management strategy including the internal capital estimation

principles, the capital management strategy, the credit risk strategy, the financial risk and investment activities strategy, and the operational risk strategy, as well as by considering the periodic reports of the Management Board of the Bank on the management of the various types of risk and by assessing the adequacy and effectiveness of the risk management system.

The Bank's risk management system constitutes an integral element of the Bank's management system. The risk management system is adapted to the Bank's organisational structure and it is adequate to the activities conducted by the Bank, to the size and profile of Tier I and Tier II risks present in the Bank's operations, which form the basis for planning and monitoring capital adequacy. Under Tier I, this relates to regulatory requirements, which are compared with regulatory own funds. Tier II addresses internal models, where internal capital calculated using internal methods is compared to own funds.

As part of the risk management system, the Bank uses formal procedures to identify, measure and monitor risks, as well as risk mitigating limits. The system of managerial information in the Bank enables the effective monitoring of risk levels. Risks are monitored with regard to profitability and the capital required to cover them.

The management of credit risk, liquidity risk, market risk and operational risk is carried out by the Risk Management Division, which is supervised by the relevant Vice President of the Management Board. The management of other types of risks is shared between the Risk Management Division and the other divisions involved in their control.

An important role in credit risk management is played by the Credit Committee and the Credit Risk Committee, in market and liquidity risk management – by the Asset, Liability and Risk Committee, in operational risk management – by the Risk Committee and the Bank Security Committee, and in model risk management – by the Model Risk Committee. Effective risk management is one of the Bank's strengths.

Assessment of the compliance risk management system.

The Supervisory Board supervises the compliance risk management process with the support of the Audit Committee. The Supervisory Board assesses the effectiveness of compliance risk management based on accepted periodic and annual reports of the Compliance Department, information from the Management Board and opinions of the Audit Committee. The Supervisory Board reviews and approves the annual report of the Compliance Department. The Supervisory Board also approves the Compliance Plan for the subsequent year.

The Supervisory Board has positively assessed the compliance risk management system, whose purpose is to ensure the compliance of activities performed by the Bank and its employees with the provisions of law, internal regulations and market standards, in the processes functioning within the Bank.

The Bank has a separate compliance unit – the Compliance Department – which is independent in organisational and operational terms and reports directly to the President of the Management Board of the Bank. The Compliance Department is the key element of ensuring compliance within the Bank.

The Bank ensures compliance through the use of appropriately designed compliance risk control mechanisms/controls defined as per Recommendation H and other compliance risk management tools,

such as opinions and compliance risk estimations. As part of its control function, the Compliance Department designs and supervises the implementation of control mechanisms aiming to ensure compliance with legal regulations, internal regulations and market standards, or implements these control mechanisms on its own. It also independently monitors compliance with those mechanisms by other organisational units of the Bank. The Compliance Department is also responsible for the implementation, within the Bank's risk management function, of the compliance risk management process, which involves identification, assessment, control and monitoring of the compliance risk related to the Bank's operation, as well as reporting it. The reports on the performance of tasks by the Compliance Department are submitted, along with the level of the compliance risk estimated, to the Management Board and to the Supervisory Board. The Bank exercises supervision over compliance risk related to the activities of its subsidiaries.

The assumptions of the compliance risk management process are defined in the regulations drawn up by the Management Board and approved by the Supervisory Board, i.e. in the Compliance Policy of Bank Pekao S.A. and in the Regulations on the Functioning of the Compliance Department of Bank Pekao S.A. The following are the key elements supporting this process:

- a) supervision of the Supervisory Board and responsibility of the Management Board for effective management of compliance risk,
- b) properly defined organisational structure and HR policy,
- c) internal regulations concerning compliance,
- d) compliance risk identification, assessment, control, monitoring and reporting processes,
- e) training activities,
- f) continued cooperation of the Compliance Department with the Internal Audit Department and with other organisational units performing duties as part of the compliance risk control and management functions.

In order to ensure compliance with applicable laws, internal regulations and market standards, each employee of the Bank applies appropriate control mechanisms or performs independent monitoring of adherence to control mechanisms, within the scope of the professional duties assigned to him/her.

The Supervisory Board positively assesses cooperation with the Compliance Department.

Assessment of the internal audit function.

The Supervisory Board supervises the internal audit area with the support of the Audit Committee.

In 2023, Internal Audit Department (IAD) was given independence, appropriate personnel and financial resources necessary to ensure its efficient operation. The IAD reports directly to the President of the Management Board of the Bank and is functionally subordinated to the Audit Committee and the Supervisory Board.

The Supervisory Board assesses the Internal Control System, including the internal audit function, on the basis of reports from the Internal Audit Department summarising the results of audit activity, presentations of the evaluation of the results of internal audit activity and, inter alia, information from the Management Board and the opinion of the Audit Committee. The Supervisory Board approves the Annual and Multi-

Annual Audit Plan and the Audit Strategy.

The Supervisory Board has approved the amendment of the terms and condition for the remuneration of the Internal Audit Department Director and accepted the report on the activities of the Internal Audit Department in 2022. The Internal Audit Department Director approved the organisational independence of the activities of the Internal Audit Department in 2022.

In 2023, it approved the "Internal Audit Strategy for 2021 – 2024 (Settlement of Strategy for 2021 – 2023. Update for the year 2024)" and the Annual Audit Plan for the year 2024 together with the Strategic Audit Plan for the years 2024 – 2028 and the Annual and Strategic Plan of the Pekao Brokerage House.

The positive assessment of the internal audit function also takes into account the evaluation of key performance indicators, presented annually to supervisory authorities by the Internal Audit Department Director, to ensure that the set objectives are being achieved.

The Internal Audit Department Director presented quarterly reports on the activity of the Internal Audit Department to the Audit Committee and annual reports on the activity to the Supervisory Board. The Internal Audit also provided an adequate information on the evaluation of the adequacy and effectiveness of internal control systems and risk management.

The Supervisory Board positively assesses the functioning of internal audit in Bank Pekao S.A.

XI. Assessment of the degree of implementation of diversity policy.

The Supervisory Board positively assesses the degree of implementation of the diversity policy in Bank Pekao S.A. The objectives of that policy have been defined in the "Gender equality and diversity policy with regard to the Bank's employees, including Members of the Supervisory Board, Members of the Management Board and persons holding key functions at Bank Polska Kasa Opieki Spółka Akcyjna" (hereinafter: "Diversity Policy") in force at the Bank, which defines the objectives and criteria of diversity, including to the extent set out in the Best Practice for WSE Listed Companies. The primary objective of the diversity strategy of the Bank, which the Diversity Policy aims to achieve, is to ensure high quality performance of tasks by employees of the Bank, including the selection of competent persons to perform functions on the Supervisory Board, the Management Board and other key functions at the Bank, by applying first of all objective substantive criteria and taking into account the benefits arising from diversity, understood as differences between persons resulting due to gender, education, age, professional experience, geographical origin and other characteristics. The adopted diversity strategy ensures the selection of persons with diverse knowledge, skills and experience, adequate to their functions and duties, which complement each other across the entire composition of the Management Board/Supervisory Board.

Furthermore, the following guidelines on gender equality shall apply to all HR processes and decisions implemented/taken at the Bank:

- 1) striving for representation of both genders in external recruitment processes by preparing lists of recommended candidates including at least one candidate of each gender;
- 2) seeking to ensure representation of both sexes in internal recruitment processes, by drawing up lists

of recommended candidates for a given post, which contain at least one candidate of each sex,

- 3) eliminating discriminating criteria in relation to gender while preparing job offers and descriptions;
- 4) informing external partners acting in recruitment and training areas about the scope and contents of the Policy and the Bank's commitment to implementation of its goals;
- 5) assuring equal professional development opportunities to all Bank employees (training, coaching, mentoring, and other development actions at work) of any gender, accounting for professional duties, effectiveness, professional potential in accordance with the Bank's organisational needs, standards, and criteria defined in separate internal regulations;
- 6) ensuring equal treatment of employees of the Bank in terms of remuneration and additional benefits, regardless of gender;
- 7) promoting balance in professional and private life of employees by taking advantage of possibilities provided for in relevant regulations in this field and such available facilities like:
 - a) offering flexible working models in a manner consistent with the applicable provisions of law, in particular the provisions of labour and social security law and internal regulations, taking into account business and organisational requirements and needs;
 - b) supporting employees during and after long-term absence by avoiding discrimination during and after long-term absence, enabling employees to remain in contact with the company during long-term absences, and facilitating return after a long-term absence in accordance with applicable law, in particular: labour and social security law and internal regulations of the Bank;
- 8) incorporating issues related to gender equality in training programmes, including, without limitation, those addressed to management staff, adaptation programmes and other forms of training and communication.

As at 31 December 2023, the Management Board of the Bank was composed of 9 persons (1 woman, 8 men). All persons have a university degree with an economic, social sciences or legal profile, some of them have an Executive Master of Business Administration (MBA) degree and participated in specialist training both domestically and abroad at reputable international universities (IESE, Wharton, CEIB, IMD, INSEAD or Stanford).

The majority, 78% of the members of the Management Board of the Bank, were between 30 and 50 years old, while 22% of the members of the Management Board of the Bank are over 50 years old.

As at 31 December 2023, the Supervisory Board of the Bank was composed of 9 persons (5 women, 4 men). All persons have a university degree with legal, economic or technical profiles. Three members of the Supervisory Board hold the title of Legal Counsel, one person has the qualifications of a statutory auditor, two persons hold a diploma for the completion of Master of Business Administration (MBA) studies, whereas the Chairwoman of the Supervisory Board holds a PhD in legal sciences.

The majority, 67% of the members of the Supervisory Board of the Bank, were above 50 years old, while 33% of the members of the Supervisory Board of the Bank were between 30 and 50 years old.

The composition of the Supervisory Board ensures the diversity of experience in management,

supervision and expands the competence of the management board as regards the functioning of the Bank and management assessment.

The policy being implemented by the Bank takes into consideration requirements arising from generally applicable provisions of law, aimed at entities from the banking sector, and recommendations of authorities exercising control and supervision over that sector, especially recommendations included in the Joint Guidelines of the European Banking Authority and the European Securities and Markets Authority on the assessment of the suitability of members of the management body and key function holders, pursuant to which the expected minimum share of representatives of an underrepresented gender in statutory bodies of the Bank must be clarified at the level of the policy implemented by the Bank and, as a general rule, must be specified jointly for the Supervisory Board of the Bank and the Management Board of the Bank, as has been applied in the Diversity Policy implemented by the Bank. At the same time, the Ordinary General Meeting, by resolution of 15 June 2022, indicated that in order to ensure sufficient gender diversity in the Supervisory Board, the Bank will strive to achieve the 30% ratio as the target minimum value of participation of representatives of each of the two sexes in the Supervisory Board. The total share of representatives of an underrepresented gender in the Supervisory Board of the Bank and the Management Board of the Bank is consistent with the target set in the Diversity Policy implemented by the Bank and amounts to 33.3%.

XII. Assessment of the validity of expenditures for culture, sports, charitable institutions, media, social organisations, trade unions.

Bank Pekao S.A. and entities of the Pekao Group, as responsible organisations and active participants in social life, also comply with the guidelines included in the "Best Practice for WSE Listed Companies 2021" issued by the Warsaw Stock Exchange in 2021, including principle 1.5 to the extent of undertaken charitable and sponsorship activities. In 2023 Bank Pekao and entities from the Pekao Group implemented a number of initiatives to support culture, sports, charitable institutions, media and social organisations. As a general rule, Bank Pekao and entities from the Pekao Group do not support the sponsorship or charitable activities of trade unions and political parties.

The list below shows expenditures borne in this respect in 2023 and mentions key initiatives.

The expenditures of the Bank and companies from the Pekao Group by areas included in recommendation 1.5 of the Best Practice for WSE Listed Companies in 2023 (gross amounts):

Support for culture: PLN 3,363 thousand, including:

- sponsorship of the Royal Castle
- sponsorship of the Academy of Fine Arts in Warsaw,
- sponsorship of the Academy of Fine Arts in Cracow,
- sponsorship of PGE Narodowy,
- sponsorship of the concert JIMEK & Guests – History of Polish Hip-Hop II,

Support for sports: PLN 7,460 thousand, including:

- Sponsorship of the Polish Basketball League,

- Sponsorship of the Polish Basketball Association
- Sponsorship of PGE Narodowy,
- Sponsorship of Red Bull Half Court,
- Sponsorship of Gdynia Sailing Day,

Support for social organisations: PLN 272 thousand, including:

- Support for the protection of the species of European bison,

Support for the media: PLN 1,553 thousand, including:

- A number of activities related to galas, contests and economic discussions, such as CEO Summit London, Polska 200tka WPROST,

In accordance with principle 1.5 of the Best Practice for WSE Listed Companies 2021, in the Statement on non-financial information of the Bank Pekao S.A. Capital Group for the year 2023 which forms an integral part of the Report on the activities of the Bank Pekao S.A. Capital Group for the year 2023, the Bank disclosed expenditures borne in 2023 by the Bank and entities from the Pekao Group to support culture, sports, charitable institutions, media, social organisations, trade unions, etc.

The Supervisory Board assesses that the expenses incurred by Bank Pekao S.A. in 2023 referred to above were reasonable and in line with the ESG Strategy of Bank Pekao S.A. for 2021-2024 "Responsible Bank Supporting Sustainable Growth" adopted by the Management Board of the Bank and the priorities adopted by the Management Board of the Bank in terms of corporate social responsibility.

Expenditures for sponsorship and charitable activities were made in accordance with the regulation titled "Principles for granting donations and sponsorship by Bank Polska Kasa Opieki Spółka Akcyjna" in force at the Bank.

Assessment of the Bank's policy concerning sponsorship and charitable activities.

The major objectives of sponsorship activity of Bank Pekao S.A. include: building the image of the Bank as the leading financial institution in the area of CSR activities, as institution close to customers and communities in which the Bank operates, distinguishing the Bank's brand among the brands of its market competitors, popularisation of the Bank and its products in the public opinion, inducing positive connotations between the given event and the Bank, forming and strengthening the positive opinion about the Bank and its products, and ensuring a permanent communication platform for promotional activities for business divisions of the Bank as well as strong and positive relations with customers of the Bank. The Bank's policy in this regard is governed in the ordinance "Principles of granting donations and sponsorship by Bank Polska Kasa Opieki Spółka Akcyjna". The aforesaid ordinance defines rules, procedure and competencies related to granting donations and sponsorships by Bank Polska Kasa Opieki Spółka Akcyjna.

Bank Pekao S.A. carries out its charitable activities mainly through the Foundation of Bank Pekao S.A., which was established in 1997. The scope of the Foundation's charitable and social activities is very extensive. It comes as part of a corporate social responsibility strategy. In its activities, the Foundation is guided by the broader interests of society, the needs of the environment, and concern for employees and

a proper corporate culture in the workplace. All the above-mentioned areas of activity have an impact on the positive reputation of the Foundation, which translates directly into a positive perception of Bank Pekao S.A. as an institution that acts responsibly and responds to the needs of society.

In its charitable activity, the Bank supports the selected organisations and institutions which carry out different projects in the following areas:

- 1) science, higher education, education, schooling and upbringing, especially in the field of economic education,
- 2) economic development, including the development of entrepreneurship,
- 3) the development of technology, invention and innovation, and the dissemination and implementation of new solutions in economic practice,
- 4) culture, art, protection of cultural property and national heritage,
- 5) sustaining and disseminating national tradition, cultivating Polishness and developing national, civic and cultural awareness,
- 6) activities for veterans and repressed persons,
- 7) charity and social welfare activities,
- 8) promoting and organising volunteer work,
- 9) health protection and promotion,
- 10) assisting victims of catastrophes, natural disasters, armed conflicts and wars at home and abroad,
- 11) supporting and disseminating physical culture and sports,
- 12) ecology and animal protection and protection of natural heritage.

In 2023, the Foundation of Bank Pekao S.A. actively supported activities in the area of promotion and organisation of employee volunteering at the Bank, as well as charitable and social assistance activities. As part of the 'We are close' initiative, volunteer leaders and their teams completed 120 projects for local communities in 100 towns and cities across Poland. The Foundation's financial support provided equipment and necessary materials to schools, childcare facilities and people with disabilities, local associations and homeless animal shelters. Volunteers helped children from childcare centres, senior citizens, and people with disabilities, as well as looked after animals in shelters. They promoted children and young people's athletic activities, culture and Polish history. In addition, the volunteer leaders carried out a number of health-promoting actions on such topics as preventive health care, taking care of mental health. They were involved in activities to counteract the social exclusion of various groups of people at risk of functioning outside society.

Before a donation is made or sponsorship agreement is concluded, the Bank performs a risk assessment, in accordance with regulations on counteracting corruption and conflict of interest in force at the Bank.

The Supervisory Board positively assesses the sponsorship and charitable activity policy pursued by the Bank.

XIII. Assessment of compliance with corporate governance principles by Bank Polska Kasa Opieki Spółka Akcyjna in 2023 and the manner in which Bank Polska Kasa Opieki Spółka Akcyjna performs disclosure obligations related to their application, as set out in the Warsaw Stock Exchange Rules and in the provisions on current and periodic information provided by issuers of securities

In order to comply with requirements laid down in specific principle 2.11.4 of the Best Practice for WSE Listed Companies 2021, compliance with corporate governance principles by Bank Polska Kasa Opieki Spółka Akcyjna (hereinafter referred to as the "Bank") in 2023 and the manner in which the Bank performs disclosure obligations related to their application, as set out in the Warsaw Stock Exchange Rules and in the provisions on current and periodic information provided by issuers of securities, were analysed in 2021.

The principles of corporate governance set out in the Rules of the Stock Exchange in 2023 were the "Best Practice for WSE Listed Companies 2021" (hereinafter: "Best Practice 2021") issued by the Warsaw Stock Exchange by virtue of Resolution No. 13/1834/2021 of the Supervisory Board of Giełda Papierów Wartościowych w Warszawie S.A. (Warsaw Stock Exchange) of 29 March 2021.

Compliance with the "Best Practice 2021" by the Bank

On 3 August 2021, by virtue of resolution No. 392/VIII/21, the Management Board of the Bank adopted the "Best Practice 2021" for application by the Bank. The Ordinary General Meeting of the Bank, by Resolution No. 35 of 15 June 2022 on the adoption for application of the Best Practices for WSE Listed Companies 2021, declared the application of the "Best Practice 2021" addressed to the General Meeting and the shareholders of the Bank.

The analysis of compliance with the "Best Practice 2021" in 2023, the results of which were confirmed by units responsible for compliance with individual specific principles, showed that in the aforementioned period the Bank complied with the "Best Practice 2021" to the extent specified below.

The Bank did not comply with specific principles: 2.1; 2.2; 2.4 of the "Best Practice 2021", regarding the diversity policy and transparency of voting of the management board and the supervisory board.

Pursuant to § 29.3 of the Warsaw Stock Exchange Rules, the Bank, by means of Report No. 1/2021 of 4 August 2021, published Information on compliance by the Bank with "Best Practice 2021", where the Bank provided explanations for complying with the aforementioned specific principles.

The Bank did not comply with specific principles 2.1 and 2.2 of the "Best Practice 2021", pursuant to which the condition for ensuring the gender diversity of corporate bodies is the share of the minority in a given body at the level not lower than 30%. These criteria were met with regard to the Supervisory Board of the Bank.

The Bank has in place a "Gender equality and diversity policy with regard to the Bank's employees, including Members of the Supervisory Board, Members of the Management Board and key function holders at Bank Polska Kasa Opieki Spółka Akcyjna" (hereinafter: "Policy") approved by the Supervisory Board, which lays down diversity goals and criteria, including to the extent specified in the Best Practice for WSE Listed Companies 2021. The Policy being implemented by the Bank was developed taking into

consideration requirements arising from generally applicable provisions of law, aimed at entities from the Banking sector, and recommendations of authorities exercising control and supervision over that sector, especially recommendations included in the Joint Guidelines of the European Banking Authority and the European Securities and Markets Authority on the assessment of the suitability of members of the management body and key function holders, pursuant to which the expected minimum share of representatives of an underrepresented gender in statutory bodies of the Bank must be clarified at the level of the Policy implemented by the Bank and, as a general rule, must be specified jointly for the Supervisory Board of the Bank and the Management Board of the Bank, as has been applied in the aforesaid Policy implemented by the Bank. The total share of representatives of an underrepresented gender in the Supervisory Board of the Bank and the Management Board of the Bank is consistent with the target set in the Policy implemented by the Bank and exceeds 30%.

Until 14 June 2022, the Bank did not comply with specific principle 2.1 in the part concerning the adoption of the Policy in relation to the supervisory board by the general meeting. By virtue of Resolution No. 34 of 15 June 2022, the Ordinary General Meeting of the Bank adopted the above-mentioned Policy to the extent it applies to members of the Supervisory Board of the Bank.

The Bank also did not comply with specific principle 2.4 of the "Best Practice 2021", pursuant to which votes of the supervisory board and management board must be open, unless provisions of law stipulate otherwise. The Bank does not share the view of the Corporate Governance Committee of WSE that, as a general rule, all resolutions adopted by the Management Board of the Bank and the Supervisory Board must be adopted in a transparent way, i.e. after they have been duly discussed and all members of the body have expressed their opinions. Therefore, both the Regulations of the Supervisory Board and the Regulations of the Management Board of the Bank provide for voting by open ballot, as a general rule, but include exceptions that permit a vote by secret ballot in cases stipulated by law and in other expressly mentioned cases:

1) the Regulations of the Supervisory Board stipulate that the Chair must order a vote by secret ballot only in one case, i.e. at the request of at least one member of the Supervisory Board, as an exception from the rule of open votes (§ 11 (8) of the Regulations). The other provisions of the Regulations referring to a vote by secret ballot have already been repealed or amended by the Supervisory Board,

2) the Regulations of the Management Board of the Bank stipulate that resolutions are to be adopted by open ballot. As an exception to this rule, the Regulations state that only in situations defined by law or in other justified cases, the President of the Management Board may order a secret ballot (§ 8 (2) of the Regulations). Due to the special nature of the banking sector, it is the opinion of the Bank that it is not possible to enumerate in law all situations in which a secret ballot would be the optimal solution from the perspective of corporate governance of the Bank.

Therefore, the Bank does not completely exclude the option to vote by secret ballot in cases other than stipulated by law. The Bank has limited the aforesaid option to cases mentioned above, considering this solution as an optimal compromise between full transparency of the decision-making process at the Bank and the need to ensure that members of the Management Board of the Bank and the Supervisory Board are able to adapt to special circumstances.

By virtue of Report No. 1/2022 of 15 June 2022, the Bank updated the "Information on the compliance by

the company with the rules contained in the Code of Best Practice for WSE Listed Companies 2021" (hereinafter "Information on the compliance with the Best Practice 2021"), bearing in mind resolutions No. 32 and 34 adopted by the Ordinary General Meeting of the Bank.

Disclosure obligations arising from the Warsaw Stock Exchange Rules and the Best Practice 2021

Disclosure obligations concerning compliance with corporate governance principles laid down in the Best Practice 2021 were specified in the Rules of Giełda Papierów Wartościowych w Warszawie S.A. (hereinafter referred to as "Warsaw Stock Exchange Rules"). Rules for the submission of current reports concerning compliance with specific principles of corporate governance laid down in the Warsaw Stock Exchange Rules are defined in Resolution No. 14/1835/2021 of the Supervisory Board of Giełda Papierów Wartościowych w Warszawie S.A. (Warsaw Stock Exchange) of 29 March 2021 amending the Warsaw Stock Exchange Rules.

1. § 29.3 of the Warsaw Stock Exchange Rules states that in order to ensure comprehensive information on the current status of compliance with corporate governance principles, the issuer must publish information indicating which principles are being observed by them and which principles are not being complied with on a continuous basis. As regards principles which are complied with by the issuer, the information must include a detailed explanation of circumstances and reasons of non-compliance with that principle. If the status of compliance with the principles changes or there are circumstances justifying a change to the explanations regarding non-compliance or compliance with the principle, the issuer is under an obligation to promptly update previously published information.

Furthermore, pursuant to § 29 (3a) of the Warsaw Stock Exchange Rules, if the specified corporate governance principle was breached incidentally, the issuer must promptly publish information on that fact, indicating the circumstances and reasons for breaching the said principle and explaining how they intend to remove any effects of non-compliance or what steps they intend to take to reduce the risk of non-compliance with that principle in the future, and whether in the last two years there were any cases of an incidental breach of that principle.

Pursuant to Resolution No. 691/2021 of the Management Board of Giełda Papierów Wartościowych w Warszawie S.A. of 1 July 2021 on the provision by listed companies of information concerning compliance with corporate governance principles, listed companies provide this information to the Stock Exchange via the Electronic Information Database ("EID") in the manner specified in Resolution No. 646/2011 of the Management Board of the Warsaw Stock Exchange of 20 May 2011 (as amended), and publish this information on their corporate website immediately after it is provided.

Pursuant to § 29.3 of the Warsaw Stock Exchange Rules, by means of Report No. 1/2021 of 4 August 2021 the Bank published Information on compliance by the Bank with "Best Practice 2021", where the Bank included explanations for principles with which the Bank does not comply, i.e. specific principles: 2.1; 2.2; 2.4, 6.4 concerning the diversity policy, open ballot voting by the management board and supervisory board, and the remuneration of Members of the Supervisory Board.

In connection with the adoption of the following resolutions by the Ordinary General Meeting of the Bank on 15 June 2022:

- 1) Resolution No. 32 amending Resolution No. 41 of the Ordinary General Meeting of Shareholders of Bank Polska Kasa Opieki Spółka Akcyjna dated 21 June 2018 on principles based on which the remuneration of the members of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna is determined,
- 2) Resolution No. 34 on the adoption of the Gender Equality and Diversity Policy with regard to the bank's employees, including members of the Supervisory Board, members of the Management Board and persons holding key functions at Bank Polska Kasa Opieki Spółka Akcyjna to the extent that it applies to members of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna,

the content of the "Information on the compliance with the Best Practice 2021" published in Report No. 1/2021 of 4 August 2021 has changed.

By virtue of Report No. 1/2022 of 15 June 2022, the Bank updated the above-mentioned Information having regard to the resolutions referred to above adopted by the Ordinary General Meeting of the Bank.

The changes consist in:

- 1) updating information on the compliance with Principle 6.4. from 15 June 2022 in connection with the adoption by the Ordinary General Meeting of the Bank of the above-mentioned Resolution No. 32, according to which the remuneration of Members of the Supervisory Board who are members of committees functioning in the Supervisory Board takes into account additional workload related to work in these committees. The Resolution does not apply to members who act in the capacity the Chairperson of the Supervisory Board, Vice-Chairperson of the Supervisory Board, Secretary of the Supervisory Board and chairpersons of the committees functioning in the Bank, because their remuneration already includes the above expenditures pursuant to Resolution No. 41 of the Ordinary General Meeting of Shareholders of Bank Polska Kasa Opieki Spółka Akcyjna dated 21 June 2018 on principles based on which the remuneration of the members of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna is determined,
 - 2) updating the comment on non-compliance with principle 2.1. to include information, according to which, by virtue of Resolution No. 34 of 15 June 2022, the Ordinary General Meeting of the Bank adopted the Gender Equality and Diversity Policy with regard to the bank's employees, including members of the Supervisory Board, members of the Management Board and persons holding key functions at Bank Polska Kasa Opieki Spółka Akcyjna to the extent that it applies to members of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna.
2. As of 1 July 2021, pursuant to CORPORATE GOVERNANCE COMMITTEE RECOMMENDATIONS ON COMPLIANCE WITH "BEST PRACTICE FOR WSE LISTED COMPANIES 2021" issued by the Warsaw Stock Exchange (GPW), when applying principle 1.1. on running a corporate website, companies must use it to present information on compliance with corporate governance principles published on the basis of the Warsaw Stock Exchange Rules.

The Bank's website publishes "Information on the compliance with the Best Practice 2021".

Disclosure obligations concerning corporate governance principles arising from the Regulation of the Minister of Finance on the current and periodic information provided by issuers of securities and on conditions under which information required by legal regulations of a third country may be recognised as equivalent.

In 2023, the Bank prepared the Statement of Bank Polska Kasa Opieki Spółka Akcyjna on compliance with corporate governance principles in 2022 and included it in the Report on the activities of Bank Pekao S.A. for the year 2022 and in the Report on the activities of the Bank Pekao S.A. Capital Group for the year 2022. The statement was prepared in accordance with the Regulation of the Minister of Finance of 29 March 2018 on the current and periodic information provided by issuers of securities and on conditions under which information required by legal regulations of a third country may be recognised as equivalent, and contained all elements specified in § 70.6.5 of the aforementioned regulation.

When making the statement on compliance with corporate governance principles, the Bank also implemented the Commission Recommendation 2014/208/EU of 9 April 2014 on the quality of corporate governance reporting ("comply or explain").

Summary.

In 2023, the Bank applied the corporate governance principles set out in the Warsaw Stock Exchange Rules by complying with the "Best Practice 2021" nearly to the full extent.

Disclosure obligations concerning compliance by the Bank with corporate governance principles laid down in:

- the Rules of Giełda Papierów Wartościowych w Warszawie S.A. (Warsaw Stock Exchange Rules) and
- The Regulation of the Minister of Finance on the current and periodic information provided by issuers of securities and on conditions under which information required by legal regulations of a third country may be recognised as equivalent,

were fulfilled by the Bank in 2023 by:

- ✓ including the Statement of Bank Polska Kasa Opieki Spółka Akcyjna on compliance with corporate governance principles in 2022 in the Report on the activities of Bank Pekao S.A. for the year 2022, in the Report on the activities of the Capital Group of Bank Pekao S.A. for the year 2022 and in the Annual Report of the Bank. The statement was prepared in accordance with the Regulation of the Minister of Finance of 29 March 2018 on the current and periodic information provided by issuers of securities and on conditions under which information required by legal regulations of a third country may be recognised as equivalent.

ASSESSMENT OF THE SUPERVISORY BOARD.

In order to perform the assessment referred to in specific principle 2.11.4 of the "Best Practice 2021", the Supervisory Board thoroughly examined the results of analyses concerning compliance by the Bank with the "Best Practice 2021" in 2023, and actions of the Bank aimed at compliance with the aforementioned corporate governance principles to the greatest possible extent. The Supervisory Board does not raise any objections regarding compliance with corporate governance principles by Bank Polska Kasa Opieki Spółka Akcyjna in 2023 and the manner in which Bank Polska Kasa Opieki Spółka Akcyjna performs disclosure obligations related to their application, as set out in the Warsaw Stock Exchange Rules and in the provisions on current and periodic information provided by issuers of securities, and positively assesses the operations of the Bank to that extent as adequate and consistent with requirements laid down in these provisions.

XIV. Assessment of internal governance of Bank Polska Kasa Opieki Spółka Akcyjna, its adequacy, effectiveness and implementation

The Supervisory Board assessed internal governance of Bank Polska Kasa Opieki Spółka Akcyjna, its adequacy, effectiveness and implementation after examining the assessment of the Management Board of the Bank in that regard and on the basis of:

- an opinion of the Audit Committee, and
- conclusions and information presented to the Supervisory Board or its committees by the Management Board of the Bank in the area of internal governance, including information on the status of implementation of Recommendation Z of the Polish Financial Supervision Authority concerning corporate governance principles at banks,
- the results of the assessment of the internal control system, risk management system and compliance with corporate governance principles and other market standards applied at the bank, performed by the Supervisory Board.

The Supervisory Board positively assesses the Bank's internal governance, which has been defined in the Bank's Articles of Association and internal regulations adopted by the Bank.

It is the assessment of the Supervisory Board that the said governance is adequate to the scale of activities pursued by the Bank, compliant with the law, transparent and effective. Internal governance of the Bank consists of:

- the bank management system,
- the organisational structure of the bank,
- rules of operation, rights, duties and responsibilities, and mutual relations between the supervisory board, the management board and key function holders at the bank.

The organisational structure of the Bank ensures effective and prudent management of the Bank, both on an entity-specific basis and at the level of the Group.

The Supervisory Board of the Bank is responsible for effective performance of continuous supervision over all areas of activity pursued by the Bank, including over the implementation of the management system in the Bank and the assessment of adequacy and effectiveness of that system. The Bank provides

the Supervisory Board with access to information, resources and support necessary for the Supervisory Board to perform its duties.

The Supervisory Board exercises continuous supervision over the Bank's operations in all areas of its activity, having regard to the Bank's role as a parent company with respect to its subsidiaries. The Supervisory Board makes decisions on matters reserved for the Supervisory Board pursuant to the provisions laid down in the Articles of Association of the Bank, generally applicable provisions of law, and recommendations of supervision authorities.

The Management Board of the Bank manages the operations of the Bank, including by deciding how to perform tasks, controls and supervises the process of performing tasks and analyses the achieved results. The scope of duties of the Management Board of the Bank includes matters not reserved for other statutory bodies of the Bank under legal regulations or the Articles of Association of the Bank. The Management Board of the Bank regularly, and when necessary – immediately, informs the Supervisory Board about events and circumstances relevant to the assessment of the situation of the Bank and its management. The Bank, as the parent company in the Group, ensures proper internal governance throughout the Group, corresponding to the structure, activity and risk of the Group, and exercises appropriate ownership supervision over subsidiaries.

The duties of the Supervisory Board and the Management Board of the Bank are coordinated in a way that ensures the effective operation of these bodies in order to implement the bank management strategy and risk management strategy.

The Bank ensures an appropriate composition of the Supervisory Board and the Management Board of the Bank and an internal regulation concerning the appointment and dismissal of Members of these Bodies that has been approved by the General Meeting of Shareholders. Furthermore, the Management Board of the Bank has also implemented a written policy for identifying key function at the Bank as well as appointing and dismissing key function holders, approved by the Supervisory Board.

Members of the Supervisory Board the Management Board of the Bank, as well as key function holders at the Bank, meet the suitability requirement, i.e. have knowledge, skills and experience necessary to perform functions or hold positions and perform duties as well as provide a guarantee that the said duties will be duly performed.

In the event of any conflict of interests or a possibility that a conflict of interest may occur, members of the Supervisory Board shall inform the Supervisory Board of this fact and exclude themselves from the discussion and from voting on the adoption of a resolution on a matter in which a conflict of interest has occurred or may have occurred.

In the event of any conflict of interest or a possibility that a conflict of interest may occur, members of the Management Board shall inform the Management Board of this fact and exclude themselves from the discussion and from voting on the adoption of a resolution on a matter in which a conflict of interest has occurred or may have occurred.

The Bank has established appropriate standards of conduct and standards for managing conflicts of interest.

The Bank has the Code of Conduct of the Pekao Group (hereinafter referred to as the "Code"), adopted

by Resolution No. 621/XII/21 of 3 December 2021 of the Management Board of the Bank and approved by Resolution No. 167/21 of the Supervisory Board of the Bank of 13 December 2021.

The Code is a document containing the key values and principles applicable in all areas of the Bank's activity and in its organisational culture, affecting the decisions, procedures and organisational system of the Bank.

The Code must be read in conjunction with applicable internal regulations and best practices, which include:

- Code of Banking Ethics ("Principles of Best Banking Practice" of the Polish Bank Association),
- The Best Practice for WSE Listed Companies 2021,
- the Charter of Best Practices in the Financial Market adopted by Resolution of the Polish Financial Supervision Authority.

Provisions laid down in the Code:

- refer to the values defined and adopted at the Bank, identify with them, indicate appropriate patterns of conduct and required standards;
- apply to all employees of the Bank, regardless of their position or basis of employment;
- emphasise the role and importance of the ethical culture of the Bank, which forms the foundation of its activities and actions promoting ethical conduct;
- emphasise the promotion by the Management Board of the Bank and Management Boards of Group Companies of adopted high ethical and professional standards, with particular focus on the awareness of the importance of risk in the activities offered by the Bank and Group Companies and the risk culture – the Bank adopted the "Principles of Risk Culture at Bank Polska Kasa Opieki Spółka Akcyjna";
- indicate that the Management Board of the Bank and the Management Boards of Group Companies periodically verify and assess compliance with the principles of ethics set out in the Code and inform the Supervisory Board of the Bank and Supervisory Boards of Group Companies, as the case may be, about the results of performed assessments.

The Bank conducted a periodic review and assessment of the Bank's compliance with the principles of ethics set out in the Pekao Group Code of Conduct and considered that they were adapted to the Bank's internal situation and its environment. The results of the assessment were communicated to the Supervisory Board of the Bank in 2023.

The Rules for Managing Conflicts of Interest in force at the Bank set forth the rules for managing conflicts of interest and define circumstances that cause or may cause a conflict of interest in the activities of the Bank. The said rules are included in the Policy for Managing the Conflict of Interest in the Pekao Group approved by the Supervisory Board, which must be observed together with specific principles of conduct laid down in the Regulations for Managing Conflicts of Interest in the Pekao Group. These documents set out the methodology for managing conflicts of interest that allows to identify and assess compliance risk connected with a specific conflict, choose appropriate measures to prevent or minimise negative consequences, eliminate conflicts of interest and monitor them.

The Bank defines circumstances in which conflicts of interest are most frequently identified, taking into consideration both areas potentially at risk of a conflict of interest and types of relations concerning the Bank, employees, entities from the Pekao Group and third parties, especially customers and trading partners of the Bank. The identified types of conflicts of interest and the measures to manage them that should be applied by Employees identifying conflicts of interest are included in the Conflicts of Interest Matrix.

Bank Pekao S.A. has an Outsourcing Policy adopted by the Management Board of the Bank and Order No. D/59/2023 that expands its contents; both of the above documents regulate the rules and procedure for outsourcing operations, including: duties of Bank units supervising outsourcing agreements (work orders) and duties of supporting units participating in the outsourcing process, competence to make outsourcing decisions, rules for assessing trading partners and performing risk analyses, and rules for keeping a register of agreement and communicating with the PFSA. Issues related to outsourcing are covered by the management information system.

As of December 2021, internal regulations of the Bank regarding the outsourcing of operations have been aligned with the requirements of Recommendation Z. As a result of these changes, the Supervisory Board was notified by the Management Board of the Bank, twice a year (2022 and 2023), of the assessment of the performance of agreements with regard to the validity and compliance with internal regulations of outsourced operations.

The Remuneration Policy for Members of the Supervisory Board and the Management Board of Bank Polska Kasa Opieki Spółka Akcyjna" (hereinafter: "Remuneration Policy") sets out the rules and regulations concerning the determination, monitoring and control of remuneration schemes and practices applied by the Bank, forms a component of governance, and results from the business strategy pursued by the Bank. The policy reflects the mission and values in the Bank's approach to remuneration schemes; defines remuneration pillars, the management of structure, corporate and organisational processes; confirms requirements related to the compliance of remuneration schemes with generally applicable laws; defines principles for monitoring market practices and approach to the issue of remuneration schemes ensuring the continuity of the Bank's operations.

The provisions laid down in Recommendation Z of the Polish Financial Supervision Authority are reflected in the Remuneration Policy in force at the Bank. Each year the Supervisory Board of the Bank assesses the functioning of the Remuneration Policy at the Bank and presents a report to the General Meeting of Shareholders in order for the General Meeting to verify whether the adopted Remuneration Policy of the Bank is conducive to the growth and security of the Bank's operations.

Moreover, the Review Report of the Remuneration Policy is presented to the Supervisory Board of the Bank.

On the basis of information presented in the chapter "Assessment of the risk management system", the Supervisory Board positively assesses the risk management system functioning in the Bank and in the Pekao Group, especially as consistent in that regard with guidelines on corporate governance principles in force at the Bank.

As regards the process for the implementation of new products, Order D/6/2022 "Policy on the Process for the Implementation of New Products at Bank Pekao S.A." shall apply (hereinafter "New Product

Implementation Policy").

The aim of the New Product Implementation Policy is to promote best practices and standards related to the process of introducing New Products at the Bank by defining rules concerning, inter alia:

- a. the analysis of factors influencing the process of evaluating the implementation of New Products,
- b. documentation necessary for the assessment and approval of the New Product,
- c. the organisation of the New Product approval process, and
- d. the organisation of the process of developing, monitoring and updating the Product Catalogue.

Pursuant to § 12 of the New Product Implementation Policy, the introduction of New Products to the Bank's Product Range or the Implementation of an Insurance Product for distribution requires prior approval by the Management Board of the Bank.

If the Management Board of the Bank did not take into consideration negative opinions expressed by the Compliance Department or units in the Risk Management Division as to the validity of approval granted for a New Product or Implementation of an Insurance Product when approving a New Product or the Implementation of an Insurance Product for distribution, the Management Board of the Bank promptly informs the Supervisory Board of the decision made and states reasons why the Management Board disregarded the opinions of the aforementioned organisational units.

As regards the information policy and disclosures, the Supervisory Board of the Bank, acting pursuant to the Articles of Association of the Bank, "Information Policy of Bank Pekao S.A. regarding capital adequacy" and Regulation of the Minister of Finance, Funds and Regional Policy of 8 June 2021 on the risk management system, internal control system and remuneration policy in banks, approved disclosures related to capital adequacy titled "Information on the capital adequacy of the Capital Group of Bank Pekao S.A. as at 31 December 2022", which included qualitative and quantitative information on capital adequacy.

As per the adopted "Rules of the information policy of Bank Polska Kasa Opieki Spółka Akcyjna regarding contacts with investors and securities market analysts, the media and customers" all information distributed or published through the Marketing Department is provided by substantive units of the Bank and verified prior to its publication/distribution by the Compliance Department or, where required, by the Legal Department.

The document regulating the rules of marketing communication of Bank Pekao S.A. is the Regulation titled "Rules for developing marketing communication of Bank Polska Kasa Opieki Spółka Akcyjna", which contains guidelines for all organisational units on how to conduct promotional activities and prepare advertising and advertising communication for customers and stakeholders of the bank.

In view of the growing role of Internet communication, and to ensure the reliability, completeness and timeliness of the information published on the Bank's websites, the "Principles of publishing information on the website of Bank Polska Kasa Opieki Spółka Akcyjna" were developed in 2023 as an appendix to the "Principles of creating marketing communication of Bank Polska Kasa Opieki Spółka Akcyjna", which provide guidelines for all organisational units regarding the process of publishing and updating information made available on the Bank's portal, and define the responsibilities of the Bank's organisational units

participating in the process of publishing and updating information made available on the Bank's portal.

The aim of the regulation is to ensure that promotional activities are carried out and advertising and advertising communication is developed in a proper, transparent way that is clear to customers and stakeholders of the Bank, in compliance with the applicable laws, guidelines of supervisory authorities and trade institutions of which the Bank is a member, and in line with the principles of fair trading on the financial market, good practices and the customer's statements of intent.

Acting on the basis of the aforementioned regulations, the Bank develops and implements, in all channels including bank outlets, corporate website at pekao.com.pl and external marketing channels, communication concerning:

- rules applicable to the bank products and services offered by the bank (especially: accounts, payment cards, electronic banking, savings and investment products, cash loans, housing loans, insurance),
- the terms and conditions of: promotions, contests, special offers, lotteries,
- costs connected with using products and services.

When providing information on types and conditions of provided services, the Bank, acting in the best interest of the customer:

- provides customers with full, reliable and personalised information about the service, its provider, rules for filing complaints and, where possible, supports customers in filing a complaint,
- exercises due diligence to present information on the product to the fullest possible extent and show differences between individual services offered with an indication of benefits offered by a given service and related risks, enabling the customer to make an informed choice,
- exercises due diligence to ensure that advertising: does not contain information that is untrue or partially true or does not refer to recommendations that became invalid,
- indicates the existence of fees and commissions and the place where documents containing full information on the service being advertised are available,
- applies appropriate graphic solutions that do not hinder the consumer in examining material information concerning the service being advertised, especially information required by law and recommendations of supervisory authorities,
- provides the sources of the presented information, if advertising communication refers to the results of polls, statistical surveys, rankings, ratings or other data,
- focuses on services offered by the bank, does not refer to services offered by other bank, and does not create a negative image of competitors,
- acts pursuant to the provisions of generally applicable law and guidelines of supervisory authorities, the principles of fair trading on the financial market, good practices and statements of intent of the Customer concerning these actions,

- ensures that graphic solutions used in Advertising Communication that do not hinder the consumer in examining material information concerning the Service being advertised, especially information required by law and recommendations of Supervisory Authorities,
- where Advertising Communication is addressed to the Customer via means of electronic communication, the Bank makes every effort to ensure their security while also providing information that the Bank does not require the disclosure of data, including passwords and logins,
- ensures that included links do not lead directly to transaction services.

Pursuant to Regulation (EU) No. 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (Taxonomy Regulation, hereinafter referred to as "taxonomy" or "EU taxonomy") and its implementing acts:

- Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation (Regulation 2021/2178), as amended by Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023¹,
- Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives, amended by Commission Delegated Regulation (EU) 2023/2485 of 27 June 2023.²

In its 2023 disclosures, Pekao Group S.A. ("Group"), as a group whose parent company is a credit institution, disclosed key performance indicators (KPIs) in terms of compliance with the systematic for two climate targets:

- CCM (climate change mitigation),
- CCA (climate change adaptation).

In addition, the Group disclosed the following:

- indicators for nuclear and natural gas activities in accordance with Annex XII of Regulation 2021/2178,

¹ Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing technical qualification criteria to determine the conditions under which an economic activity qualifies as making a significant contribution to the sustainable use and conservation of water and marine resources, to the transition towards a closed loop economy, to the prevention and control of pollution, or to the protection and restoration of biodiversity and ecosystems, and determining whether that economic activity does not cause serious harm to any other environmental objective, and amending Commission Delegated Regulation (EU) 2021/2178 as regards the public disclosure of specific information in relation to those economic activities.

² Commission Delegated Regulation (EU) 2023/2485 of 27 June 2023 amending Delegated Regulation (EU) 2021/2139 establishing additional technical screening criteria to determine the conditions under which certain economic activities qualify as contributing significantly to climate change mitigation or climate change adaptation, and to determine whether those activities do not cause significant harm to any other environmental objective.

- additional activities eligible for the Taxonomy for climate change mitigation and adaptation purposes in accordance with Commission Delegated Regulation (EU) 2023/2485 and Commission Delegated Regulation (EU) 2023/2486³.

Additionally, Bank Pekao S.A. has disclosed information within the scope specified by the so-called Principle Adverse Impacts, in accordance with Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on disclosure of information related to sustainable development in the financial services sector, for the Pekao Group as an investee.

As a member of the United Nations Global Compact, Bank Pekao S.A. fully identifies with the 10 Principles of Global Compact, supports the efforts of that organisation towards sustainable development and undertakes numerous initiatives promoting respect for human rights, improvement of working conditions, environmental protection and the fight against corruption.

10 Principles of the United Nations Global Compact:

1. Support and respect the protection of internationally proclaimed human rights;
2. Ensure that your company does not participate in any way in the violation of human rights;
3. Respect the freedom of association;
4. Eliminate all forms of forced or compulsory labour;
5. Eradicate all forms of child labour;
6. Effectively combat discrimination in the workplace;
7. Take a preventive approach to environmental protection;
8. Develop initiatives and practices aimed at promoting environmental responsibility
9. Use and disseminate environmentally responsible technologies, and
10. Fight corruption in all of its forms, including extortion and bribery.

The individual principles of the UN Global Compact are reflected in the policies and internal regulations of the Bank and the Pekao Group and have been described in the Business Strategy and ESG Strategy of Bank Pekao S.A. and the 2021-2024 ESG Strategy "A responsible bank promoting sustainable growth".

XV. Summary.

The Supervisory Board assesses the situation of the Bank as satisfying and stable. The assessment is justified by: (i) good financial results, (ii) effective cost management, (iii) effective and consistent risk management, (iv) strong capital and liquidity base, (v) high level of the Bank's security, (vi) efficient

³ Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023, supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to the sustainable use and conservation of water and marine resources, to the transition to a closed loop economy, to the prevention and control of pollution, or to the protection and restoration of biodiversity and ecosystems, and for determining whether that economic activity does not cause serious harm to any other environmental objective, and amending Commission Delegated Regulation (EU) 2021/2178 as regards the public disclosure of specific information in relation to those economic activities.

internal control system, and (vii) operational effectiveness.

In the opinion of the Supervisory Board, Bank Pekao S.A. has a strong capital and liquidity structure while also maintaining the highest risk management standards and continuing to improve cost efficiency. The above means that the strategic objectives of the Bank, announced as part of the Strategy of the Bank for the years 2021-2024 titled "Responsible Bank. Modern Banking", may be pursued in an efficient manner. And that the Bank may become the leader in terms of profitability in the Polish banking sector by following the path of smart growth and relying on a business model that is based on high efficiency and quality of processes.

Appendix:

Information on the results of the individual self-assessment of the members of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna and the collective self-assessment of the Supervisory Board of Bank Polska Kasa Opieki Spółka Akcyjna.