BNP Paribas Bank Polska Spółka Akcyjna

A statement on the company's compliance with the corporate governance principles contained in Best Practice for GPW Listed Companies 2021

According to the current status of compliance with the Best Practice, the Company applies all principles.

I. DISCLOSURE POLICY, INVESTOR COMMUNICATIONS

In the interest of all market participants and their own interest, listed companies ensure quality investor communications and pursue a transparent and fair disclosure policy.

1.1 Companies maintain efficient communications with capital market participants and provide fair information about matters that concern them. For that purpose, companies use diverse tools and forms of communication, including in particular the corporate website where they publish all information relevant for investors.
The principle is applied.

1.2 Companies make available their financial results compiled in periodic reports as soon as possible after the end of each reporting period; should that not be feasible for substantial reasons, companies publish at least preliminary financial estimates as soon as possible.
The principle is applied.

1.3 Companies integrate ESG factors in their business strategy, including in particular:

1.3.1 environmental factors, including measures and risks relating to climate change and sustainable development;
The principle is applied.

1.3.2 social and employee factors, including among others actions taken and planned to ensure equal treatment of women and men, decent working conditions, respect for employees’ rights, dialogue with local communities, customer relations.
The principle is applied.

1.4 To ensure quality communications with stakeholders, as a part of the business strategy, companies publish on their website information concerning the framework of the strategy, measurable goals, including in particular long-term goals, planned activities and their status, defined by measures, both financial and non-financial. ESG information concerning the strategy should among others:
The principle is applied.

1.4.1 explain how the decision-making processes of the company and its group members integrate climate change, including the resulting risks;
The principle is applied.

1.4.2 present the equal pay index for employees, defined as the percentage difference between the average monthly pay (including bonuses, awards and other benefits) of women and men in the last year, and present information about actions taken to eliminate any pay gaps, including a presentation of related risks and the time horizon of the equality target.
The principle is applied.
Comments of the Company : *By implementing the best market practices, BNP Paribas Bank Polska S.A. measured the wage gap for the first time in 2020. After analysing the results, systemic and dedicated actions and recommendations (included in the annual remuneration review process) were undertaken to reduce the level of the wage gap. The wage gap ratio is measured according to the Bank's internal methodology, taking into account the total remuneration based on the homogeneous groups of employees (created based on the employment area and the grade). In the GObeyond Strategy for 2022-2025, the Bank adopted ongoing reduction of GPGR ratio. The GPGR ratio is published on the Bank's annual report website describing the level of implementation of the Gobeyond strategy, the Together pillar (https://raportroczny.bnpparibas.pl/en/gobeyond-strategy/).*

1.5 Companies disclose at least on an annual basis the amounts expensed by the company and its group in support of culture, sports, charities, the media, social organisations, trade unions, etc. If the company or its group pay such expenses in the reporting year, the disclosure presents a list of such expenses.
The principle is applied.

1.6 Companies participating in the WIG20, mWIG40 or sWIG80 index hold on a quarterly basis and other companies hold at least on an annual basis a meeting with investors to which they invite in particular shareholders, analysts, industry experts and the media. At such meetings, the management board of the company presents and comments on the strategy and its implementation, the financial results of the company and its group, and the key events impacting the business of the company and its group, their results and outlook. At such meetings, the management board of the company publicly provides answers and explanations to questions raised.
The principle is applied.

1.7 If an investor requests any information about a company, the company replies immediately and in any case no later than within 14 days.
The principle is applied.

II. MANAGEMENT BOARD, SUPERVISORY BOARD

To ensure top standards of the responsibilities and effective performance of the management board and the supervisory board of a company, only persons with the adequate competences, skills and experience are appointed to the management board and the supervisory board.

Management Board members act in the interest of the company and are responsible for its activity. The management board is responsible among others for the company’s leadership, engagement in setting and implementing its strategic objectives, and ensuring the company’s efficiency and safety.

Supervisory board members acting in their function and to the extent of their responsibilities on the supervisory board follow their independent opinion and judgement, including in decision making, and act in the interest of the company.

The supervisory board functions in the spirit of debate and analyses the position of the company in the context of the sector and the market on the basis of information provided by the management board of the company and via the company’s internal systems and functions and obtained from external sources, using the output of its committees. The supervisory board in particular issues opinions on the company’s strategy, verifies the work of the management board in pursuit of defined strategic objectives, and monitors the company’s performance.

2.1 Companies should have in place a diversity policy applicable to the management board and the supervisory board, approved by the supervisory board and the general meeting, respectively. The diversity policy defines diversity goals and criteria, among others including gender, education, expertise, age, professional experience, and specifies the target dates and the monitoring systems for such goals. With regard to gender diversity of corporate bodies, the participation of the minority group in each body should be at least 30%.
The principle is applied.
Comments of the Company : *The Bank has a diversity policy, which formally forms part of the policies of assessing the suitability of SB Members and in the case of MB Members forms part of the policy of assessing the suitability of MB Members and persons performing key functions at the BNP Paribas Bank Polska S.A. which was adopted by the Supervisory Board on December 8, 2022. The application of the criteria ensuring diversity in the Bank's bodies is a legally binding requirement resulting from specific legal regulations as well as the EBA Guidelines applicable to banks. The Bank is an entity regulated and supervised by the Polish Financial Supervision Authority. The correctness and quality of the application of the diversity approach is monitored, inter alia, as a part of the PFSA's verification of individual and collective suitability assessment. When selecting people for the Company's bodies and for key functions, the Bank applies the criteria of reputation, honesty and ethics, sufficient time commitment, no conflict of interest, independence of judgment, knowledge, skills and experience of the candidates. In the applied adequacy assessment policy, the Bank ensured the promotion of diversity in the MB, SB as well as in case of key functions, from the moment of constructing a diverse pool of candidates, to reach a wide range of properties and competences of the MB and SB Members, to gain different points of view and experience and enable the issuance of independent opinions and sensible decisions within the MB and SB. As part of the appointment and suitability assessment processes, the Bank takes into account such criteria as: gender, education and professional experience, specialist knowledge, age, and geographical origin. The Bank attaches great importance to the real implementation of diversity, including ensuring an appropriate participation of women in the Bank's bodies. Compliance with the principle of diversity is monitored not only at the level of the bank's authorities, but also at the level of managerial positions. The Bank has made a strategic decision, reflected in the diversity policy, that by 2025 it will ensure the participation of 30% of women in the MB and will ensure that the share of women in the SB will not be lower than 30%. At the end of 2025 the share of women in the MB was 37,5% and the share of women in the SB was 50%. Compliance with the diversity principle is monitored not only at the level of the bank's authorities, but also at the level of managerial positions. By the end of 2025, the share of women in the highest management positions (Managing Director, Executive Director, tribe leader) was 42%.*

2.2 Decisions to elect members of the management board or the supervisory board of companies should ensure that the composition of those bodies is diverse by appointing persons ensuring diversity, among others in order to achieve the target minimum participation of the minority group of at least 30% according to the goals of the established diversity policy referred to in principle 2.1.
The principle is applied.
Comments of the Company : *As already mentioned in the commentary on rule 2.1. the application of diversity criteria in the Bank's bodies is a legally binding requirement resulting from specific legal regulations as well as the EBA Guidelines applicable to banks. The Bank truly implements a policy of diversity, including ensuring appropriate participation of women in the Bank's bodies. The Bank has made a strategic decision, reflected in the diversity policy, that by 2025 it will ensure the participation of 30% of women in the Management Board and Supervisory Board separately. As a result of changes made in the composition of the Bank's bodies at the end of 2025, the share of women in the MB is equal to 37,5%, and the share of women in the Supervisory Board is equal to 50%.*

2.3 At least two members of the supervisory board meet the criteria of being independent referred to in the Act of 11 May 2017 on Auditors, Audit Firms and Public Supervision, and have no actual and material relations with any shareholder who holds at least 5% of the total vote in the company.
The principle is applied.

2.4 The supervisory board and the management board vote in an open ballot unless otherwise required by law.
The principle is applied.

2.5 Members of the supervisory board and members of the management board who vote against a resolution may have their dissenting vote recorded in the minutes.
The principle is applied.

2.6 Functions on the management board of a company are the main area of the professional activity of management board members. Management board members should not engage in additional professional activities if the time devoted to such activities prevents their proper performance in the company.
The principle is applied.

2.7 A company's management board members may sit on corporate bodies of companies other than members of its group subject to the approval of the supervisory board.
The principle is applied.

2.8 Supervisory board members should be able to devote the time necessary to perform their duties.
The principle is applied.

2.9 The chair of the supervisory board should not combine this function with that of chair of the audit committee of the supervisory board.
The principle is applied.

2.10 Companies allocate administrative and financial resources necessary to ensure efficient functioning of the supervisory board in a manner adequate to their size and financial standing.
The principle is applied.

2.11 In addition to its responsibilities laid down in the legislation, the supervisory board prepares and presents an annual report to the annual general meeting once per year. Such report includes at least the following:

2.11.1 information about the members of the supervisory board and its committees, including indication of those supervisory board members who fulfil the criteria of being independent referred to in the Act of 11 May 2017 on Auditors, Audit Firms and Public Supervision and those supervisory board members who have no actual and material relations with any shareholder who holds at least 5% of the total vote in the company, and information about the members of the supervisory board in the context of diversity;
The principle is applied.

2.11.2 summary of the activity of the supervisory board and its committees;
The principle is applied.

2.11.3 assessment of the company’s standing on a consolidated basis, including assessment of the internal control, risk management and compliance systems and the internal audit function, and information about measures taken by the supervisory board to perform such assessment; such assessment should cover all significant controls, in particular reporting and operational controls;
The principle is applied.

2.11.4 assessment of the company’s compliance with the corporate governance principles and the manner of compliance with the disclosure obligations concerning compliance with the corporate governance principles defined in the Exchange Rules and the regulations on current and periodic reports published by issuers of securities, and information about measures taken by the supervisory board to perform such assessment;
The principle is applied.

2.11.5 assessment of the rationality of expenses referred to in principle 1.5;
The principle is applied.

2.11.6 information regarding the degree of implementation of the diversity policy applicable to the management board and the supervisory board, including the achievement of goals referred to in principle 2.1.
The principle is applied.

III. INTERNAL SYSTEMS AND FUNCTIONS

Efficient internal systems and functions are an indispensable tool of exercising supervision over a company.

The systems cover the company and all areas of activity of its group which have a significant impact on the position of the company.

3.1 Listed companies maintain efficient internal control, risk management and compliance systems and an efficient internal audit function adequate to the size of the company and the type and scale of its activity; the management board is responsible for their functioning.
The principle is applied.

3.2 Companies’ organisation includes units responsible for the tasks of individual systems and functions unless it is not reasonable due to the size of the company or the type of its activity.
The principle is applied.

3.3 Companies participating in the WIG20, mWIG40 or sWIG80 index appoint an internal auditor to head the internal audit function in compliance with generally accepted international standards for the professional practice of internal auditing. In other companies which do not appoint an internal auditor who meets such requirements, the audit committee (or the supervisory board if it performs the functions of the audit committee) assesses on an annual basis whether such person should be appointed.
The principle is applied.

3.4 The remuneration of persons responsible for risk and compliance management and of the head of internal audit should depend on the performance of delegated tasks rather than short-term results of the company.
The principle is applied.

3.5 Persons responsible for risk and compliance management report directly to the president or other member of the management board.
The principle is applied.

3.6 The head of internal audit reports organisationally to the president of the management board and functionally to the chair of the audit committee or the chair of the supervisory board if the supervisory board performs the functions of the audit committee.
The principle is applied.

3.7 Principles 3.4 to 3.6 apply also to members of the company's group which are material to its activity if they appoint persons to perform such tasks.
The principle is applied.

3.8 The person responsible for internal audit or the management board if such function is not performed separately in the company reports to the supervisory board at least once per year with their assessment of the efficiency of the systems and functions referred to in principle 3.1 and tables a relevant report.
The principle is applied.

3.9 The supervisory board monitors the efficiency of the systems and functions referred to in principle 3.1 among others on the basis of reports provided periodically by the persons responsible for the functions and the company's management board, and makes annual assessment of the efficiency of such systems and functions according to principle 2.11.3. Where the company has an audit committee, the audit committee monitors the efficiency of the systems and functions referred to in principle 3.1, which however does not release the supervisory board from the annual assessment of the efficiency of such systems and functions.
The principle is applied.

3.10 Companies participating in the WIG20, mWIG40 or sWIG80 index have the internal audit function reviewed at least once every five years by an independent auditor appointed with the participation of the audit committee.
The principle is applied.

IV. GENERAL MEETING, SHAREHOLDER RELATIONS

The management board and the supervisory board of listed companies should encourage the engagement of shareholders in matters of the company, in particular through active participation in the general meeting, either in person or through a proxy.

The general meeting should proceed by respecting the rights of all shareholders and ensuring that passed resolutions do not infringe on legitimate interests of different groups of shareholders.

Shareholders who participate in a general meeting exercise their rights in accordance with the rules of good conduct. Participants of a general meeting should come prepared to the general meeting.

4.1 Companies should enable their shareholders to participate in a general meeting by means of electronic communication (e-meeting) if justified by the expectations of shareholders notified to the company, provided that the company is in a position to provide the technical infrastructure necessary for such general meeting to proceed.
The principle is applied.

4.2 Companies set the place and date and the form of a general meeting so as to enable the participation of the highest possible number of shareholders. For that purpose, companies strive to ensure that the cancellation of a general meeting, change of its date or break in its proceedings take place only if justified and do not prevent or limit the exercising of the shareholders' rights to participate in the general meeting.
The principle is applied.

4.3 Companies provide a public real-life broadcast of the general meeting.
The principle is applied.

4.4 Presence of representatives of the media is allowed at general meetings.
The principle is applied.

4.5 If the management board becomes aware a general meeting being convened pursuant to Article 399 § 2 – 4 of the Commercial Companies Code, the management board immediately takes steps which it is required to take in order to organise and conduct the general meeting. The foregoing applies also where a general meeting is convened under authority granted by the registration court according to Article 400 § 3 of the Commercial Companies Code.
The principle is applied.

4.6 To help shareholders participating in a general meeting to vote on resolutions with adequate understanding, draft resolutions of the general meeting concerning matters and decisions other than points of order should contain a justification, unless it follows from documentation tabled to the general meeting. If a matter is put on the agenda of the general meeting at the request of a shareholder or shareholders, the management board requests presentation of the justification of the proposed resolution, unless previously presented by such shareholder or shareholders.
The principle is applied.

4.7 The supervisory board issues opinions on draft resolutions put by the management board on the agenda of the general meeting.
The principle is applied.

4.8 Draft resolutions of the general meeting on matters put on the agenda of the general meeting should be tabled by shareholders no later than three days before the general meeting.
The principle is applied.

4.9 If the general meeting is to appoint members of the supervisory board or members of the supervisory board for a new term of office:

4.9.1 candidates for members of the supervisory board should be nominated with a notice necessary for shareholders present at the general meeting to make an informed decision and in any case no later than three days before the general meeting; the names of candidates and all related documents should be immediately published on the company's website;
The principle is applied.

4.9.2 candidates for members of the supervisory board make a declaration concerning fulfilment of the requirements for members of the audit committee referred to in the Act of 11 May 2017 on Auditors, Audit Firms and Public Supervision and having actual and material relations with any shareholder who holds at least 5% of the total vote in the company.
The principle is applied.

4.10 Any exercise of the rights of shareholders or the way in which they exercise their rights must not hinder the proper functioning of the governing bodies of the company.
The principle is applied.

4.11 Members of the management board and members of the supervisory board participate in a general meeting, at the location of the meeting or via means of bilateral real-time electronic communication, as necessary to speak on matters discussed by the general meeting and answer questions asked at the general meeting. The management board presents to participants of an annual general meeting the financial results of the company and other relevant information, including non-financial information, contained in the financial statements to be approved by the general meeting. The management board presents key events of the last financial year, compares presented data with previous years, and presents the degree of implementation of the plans for the last year.
The principle is applied.

4.12 Resolutions of the general meeting concerning an issue of shares with subscription rights should specify the issue price or the mechanism of setting the price or authorise the competent body to set the price prior to the subscription right record date within a timeframe necessary for investors to make decisions.
The principle is applied.

4.13 Resolutions concerning a new issue of shares with the exclusion of subscription rights which grant pre-emptive rights for new issue shares to selected shareholders or other entities may pass subject at least to the following three criteria:
a) the company has a rational, economically justified need to urgently raise capital or the share issue is related to rational, economically justified transactions, among others such as a merger with or the take-over of another company, or the shares are to be taken up under an incentive scheme established by the company;
b) the persons granted the pre-emptive right are to be selected according to objective general criteria;
c) the purchase price of the shares is in a rational relation with the current share price of the company or is to be determined in book-building on the market.
The principle is applied.

4.14 Companies should strive to distribute their profits by paying out dividends. Companies may retain all their earnings subject to any of the following criteria:

a) the earnings are minimal and consequently the dividend would be immaterial in relation to the value of the shares;

b) the company reports uncovered losses from previous years and the earnings are used to reduce such losses;

c) the company can demonstrate that investment of the earnings will generate tangible benefits for the shareholders;

d) the company generates insufficient cash flows to pay out dividends;

e) a dividend payment would substantially increase the risk to covenants under the company's binding credit facilities or terms of bond issue;

f) retention of the company's earnings follows recommendations of the authority which supervises the company by virtue of its business activity.

The principle is applied.

Comments of the Company : *In 2025, the bank paid a 50% dividend. The remaining part of the profit was left under 4.14f DPSN 2021. Dividend Policy (DP) published in CR 39/2025 on 10.12.2025 sets out the general principles regarding the payment of dividends from the profit achieved by the Bank:*

1. General principle of DP is to ensure stable dividend payments over the long term, while maintaining the principle of prudent management of the Bank and in line with the financial capabilities of the Bank and the Group, as determined based on the adopted criteria.

2. DP aims to optimally shape the capital structure, considering the return on capital and its cost, the capital needs associated with the strategy, planned development, and risk management strategy, while ensuring an appropriate level of capital adequacy ratios and Combined Buffer Requirements as defined by legal provisions and regulations/recommendations/guidelines established by supervisory authorities.

3. DP provides for the possibility of making payouts from the Bank's profit to shareholders in the long term, in an amount exceeding the minimum capital adequacy ratios, considering additional capital protection.

4. DP considers factors related to the Bank's and Group's activities, and in particular the requirements and recommendations/guidelines of the supervisory bodies regarding capital adequacy and the Combined Buffer Requirement, including KNF's positions on the dividend policy of financial institutions.

5. DP considers the financial market situation, particularly in the context of changing macroeconomic conditions.

6. Conditions and criteria for dividend payment should be met both at the individual and consolidated level.

7. MB may propose the payment of a dividend by the Bank for a given fiscal year up to 75% of net profit, considering the principles and conditions set out in the above 1-6.

8. A proposal to pay a dividend higher than the level indicated above will be possible if justified by the Bank's financial situation after the appropriate strengthening of capital ratios and provided that all other regulatory requirements are met.

V. CONFLICT OF INTEREST, RELATED PARTY TRANSACTIONS

For the purpose of this section, 'related party' is defined within the meaning of the International Accounting Standards approved in Regulation No (EU) 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards.

Companies and their groups should have in place transparent procedures for managing conflicts of interest and for related party transactions where a conflict of interest may occur. The procedures should provide for ways to identify and disclose such cases and the course of action in the event that they occur.

Members of the management board and members of the supervisory board should refrain from professional or other activities which might cause a conflict of interest or adversely affect their reputation as members of the corporate body, and where a conflict of interest arises, they should immediately disclose it.

5.1 Members of the management board and members of the supervisory board notify the management board or the supervisory board, respectively, of any conflict of interest which has arisen or may arise, and refrain from discussions on the issue which may give rise to such a conflict of interest in their case.

The principle is applied.

5.2 Where a member of the management board or a member of the supervisory board concludes that a decision of the management board or the supervisory board, respectively, is in conflict with the interest of the company, he or she should request that the minutes of the management board or supervisory board meeting show his or her dissenting opinion.

The principle is applied.

5.3 No shareholder should have preference over other shareholders in related party transactions. The foregoing also concerns transactions concluded by the company's shareholders with members of the company's group.
The principle is applied.

5.4 Companies may buy back their own shares only in a procedure which respects the rights of all shareholders.
The principle is applied.

5.5 If a transaction concluded by a company with its related party requires the consent of the supervisory board, before giving its consent the supervisory board assesses whether to ANSWER a prior opinion of a third party which can provide valuation of the transaction and review its economic impact.
The principle is applied.

5.6 If a related party transaction requires the consent of the general meeting, the supervisory board issues an opinion on the rationale of such transaction. In that case, the supervisory board assesses whether to ANSWER a prior opinion of a third party referred to in principle 5.5.
The principle is applied.

5.7 If a decision concerning the company's significant transaction with a related party is made by the general meeting, the company should give all shareholders access to information necessary to assess the impact of the transaction on the interest of the company before the decision is made, including an opinion of the supervisory board referred to in principle 5.6.
The principle is applied.

VI. REMUNERATION

Companies and their groups protect the stability of their management teams, among others by transparent, fair, consistent and non-discriminatory terms of remuneration, including equal pay for women and men.

Companies' remuneration policy for members of corporate bodies and key managers should in particular determine the form, structure, and method of determining and payment of the remuneration.

6.1 The remuneration of members of the management board and members of the supervisory board and key managers should be sufficient to attract, retain and motivate persons with skills necessary for proper management and supervision of the company. The level of remuneration should be adequate to the tasks and responsibilities delegated to individuals and their resulting accountability.
The principle is applied.

6.2 Incentive schemes should be constructed in a way necessary among others to tie the level of remuneration of members of the company's management board and key managers to the actual long-term standing of the company measured by its financial and non-financial results as well as long-term shareholder value creation, sustainable development and the company's stability.
The principle is applied.

6.3 If companies' incentive schemes include a stock option programme for managers, the implementation of the stock option programme should depend on the beneficiaries' achievement, over a period of at least three years, of pre-defined, realistic financial and non-financial targets and sustainable development goals adequate to the company, and the share price or option exercise price for the beneficiaries cannot differ from the value of the shares at the time when such programme was approved.
The principle is applied.
Comments of the Company : *There is no managerial option program at the Bank, understood as an optional (depending on the decision of the authorized person) right to subscribe for shares at a predetermined price, over a specified period of time and meeting certain conditions. The Bank declares that it will apply rule 6.3 in the event of launching the managerial option program understood in this way. At present, the Bank has an incentive program implemented in accordance with Art. 9ca paragraph. 1 of the Banking Law and the Regulation of the Minister of Finance, Funds and Regional Policy of 8 June 2021 on the risk management system and internal control system as well as the remuneration policy in banks, under which part of the variable remuneration is paid in the form of warrants convertible to Bank shares. It is an incentive program in which the Bank pays the managerial Staff a variable remuneration (annual bonus) by determining the number of shares using their market value, and the shares are acquired at their nominal value.*

6.4 As the supervisory board performs its responsibilities on a continuous basis, the remuneration of supervisory board members cannot depend on the number of meetings held. The remuneration of members of committees, in particular the audit committee, should take into account additional workload on the committee.
The principle is applied.

6.5 The level of remuneration of supervisory board members should not depend on the company’s short-term results.
The principle is applied.