

**CORPORATE GOVERNANCE STATEMENT**  
**- A PART OF THE ANNUAL REPORT OF GETIN HOLDING S.A.**  
**AND GETIN HOLDING CAPITAL GROUP FOR 2019**

In performance of the obligation set forth in §70(6)(5) of the Regulation of the Minister of Finance on current and periodic information published by issuers of securities and on conditions under which such information may be recognized as being equivalent to information required by the regulations of law of a state which is not a member state, the Management Board of Getin Holding S.A. hereby reports information concerning the Company's compliance with the corporate governance principles in 2019 (the Statement).

**1. Information concerning corporate governance principles**

**a. Corporate governance principles of the Issuer**

As a company whose shares are admitted to trading on the regulated market at the Giełda Papierów Wartościowych S.A. (Warsaw Stock Exchange S.A., hereinafter referred to as "WSE" or "Stock Exchange") is governed by the Best Practices for WSE-Listed Companies adopted by the Stock Exchange Board. In 2016, Getin Holding was governed by the Best Practice for WSE-Listed Companies 2016 adopted by the Stock Exchange Board on 13 October 2015.

The Company disclosed the scope of compliance with the Best Practice for WSE-Listed Companies 2016 in the EBI current report number 01/2016 dated 4 January 2016.

The aforementioned documents are available at the WSE website at:

[https://static.gpw.pl/pub/files/PDF/inne/GPW\\_1015\\_17\\_DOBRE\\_PRAKTYKI\\_v2.pdf](https://static.gpw.pl/pub/files/PDF/inne/GPW_1015_17_DOBRE_PRAKTYKI_v2.pdf)

**b. Corporate governance principles that the Issuer does not comply with, the scope of non-compliance and explanation of the circumstances and reasons for non-compliance**

As for the present moment, the Company does not comply with 2 recommendations, namely: IV.R.2., VI.R.3.

As for the present moment, the Company does not comply with 7 detailed principles, namely: I.Z.1.16., I.Z.1.20., II.Z.3., II.Z.5., II.Z.6., II.Z.7., IV.Z.2

**i) Recommendations**

**IV.R.2.** If justified by the structure of shareholders or expectations of shareholders notified to the company, and if the company is in a position to provide the technical infrastructure necessary for a general meeting to proceed efficiently using electronic communication means, the company should enable its shareholders to participate in a general meeting using such means, in particular through: 1) real-life broadcast of the general meeting; 2) real-time bilateral communication where shareholders may take the floor during a general meeting from a location other than the general meeting; 3) exercise of the right to vote during a general meeting either in person or through a proxy holder.

The company does not comply with this recommendation. It is the Company's Management Board's opinion that the binding in the Company regulations concerning participation in general meetings enable shareholders to relevantly and efficiently exercise their rights and sufficiently protect interests of

shareholders, including minority shareholders. In the Management Board's opinion participation in a general meeting using electronic communication means has not been sufficiently tested or commonly used, and therefore it carries organisational and technological risk that may materially affect the course of general meetings. Moreover, introduction of this method of conducting general meetings carries the necessity to incur significant expenses by the Company. With the market gaining experience with this matter the Company's Management Board will consider compliance with the recommendation in the future.

**VI.R.3.** If the supervisory board has a remuneration committee, principle II.Z.7 applies to its operations.

The Company does not comply with the afore recommendation since it does not comply with the recommendation set forth in principle II.Z.5 concerning independence of member of the Supervisory Board.

## **ii) Principles**

**I.Z.1.16.** A company operates a corporate website and publishes on it, in a legible form and in a separate section, in addition to information required under the legislation, information about the planned transmission of a general meeting, not later than 7 days before the date of such general meeting.

The Company does not comply with the principle since it does not comply with principle IV.Z.2.

**I.Z.1.20.** A company operates a corporate website and publishes on it, in a legible form and in a separate section, in addition to information required under the legislation an audio or video recording of a general meeting.

The Company does not comply with the principle since it does not comply with principle IV.Z.2.

**II.Z.5.** Each member of the supervisory board should provide the other members of the supervisory board as well as the company's management board with a statement of meeting the independence criteria referred to in principle II.Z.4 The company complied with this principle.

The Company pursues to comply with the abovementioned principle, which will be expressed by requesting the Company's Supervisory Board to implement a relevant procedure confirming independence.

**II.Z.7.** Annex I to the Commission Recommendation referred to in principle II.Z.4 applies to the tasks and the operation of the committees of the supervisory board. Where the functions of the audit committee are performed by the supervisory board, the foregoing should apply accordingly.

The Company does not comply with this principle. The Company does not comply with the afore principle since it does not comply with the principle set forth in II.Z.5 concerning independence of members of the Supervisory Board.

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

The Company does not comply with the principle as its application is not justified by the structure of shareholders. The Company publishes adopted resolutions in current reports promptly after adjourning General Meetings, which ensures that all shareholders may get acquainted with the course of the general meeting.

13.09.2019, considering the recommendation of Giełda Papierów Wartościowych w Warszawie S.A. [Warsaw Stock Exchange in Warsaw Joint-Stock Company], it is recommended for the public companies to publish a report in the EBI [Electronic Information Database] system on implementation for application of good practice principle, which was not applied before, the Company additionally published the EBI Report no. 1/2019 in which the EBI Report no. 1/2016 of 04.01.2016 was updated, and announced commencement of application of the following detailed principles included in Good Practices and dates of their implementation; that is:

- 05.04.2017, the Company implemented the principle II.Z.6. with the following wording “The Supervisory Board should identify any relationships or circumstances which may affect a supervisory board member’s fulfilment of the independence criteria. An assessment of supervisory board members’ fulfilment of the independence criteria should be presented by the supervisory board according to principle II.Z.10.2.”, and
- 19.10.2017, the Company implemented the principle II.Z.3. with the following wording “At least two members of the supervisory board should meet the criteria of being independent referred to in principle II.Z.4” and the principle II.Z.8. “The chair of the audit committee should meet the independence criteria referred to in principle II.Z.4.”, which did not apply to the company before.

## **2. Description of the main features of internal control systems and risk management systems used in the Company with reference to the process of preparing financial statements**

### **a. Internal control system and risk management**

The Internal Control system, which is an element of the management system, is used to ensure reliable and accurate information in financial statements and risk management in the process of drawing up financial statements. The Internal Control System is adapted to the Company's organisational structure.

The Company’s Management Board is in charge of developing an efficient Internal Control System that ensures drawing up reliable financial statements, efficient and effective Company's operations and of its compliance with applicable regulations, whereas the Company’s Supervisory Board supervises the work of the System by assessing its adequacy and effectiveness.

In the process of preparation of financial statements the Internal Control System is to ensure accurate, complete and correct recognition of all business transactions in the reported period.

The Internal Control system in Getin Group is based on the following defence lines:

- Control function that is to ensure compliance with the control mechanisms concerning in particular risk management that covers all organisational units and departments in GH Group companies.
- Compliance function that aims specifically at shaping the compliance policy and following the non-compliance risk management in cooperation with organisational units in companies.
- Internal audit function whose objective is to analyse and assess, independently and objectively, the adequacy and efficiency of the risk management system and the internal control system, excluding the internal audit unit.

The Risk Control Mechanism is one of the main elements of the Internal Control System that ensures accuracy of financial statements.

The Risk Control Mechanisms comprise control mechanisms set forth in the Company bylaws and in IT systems used in the process of drawing up financial statements, and the functional control.

Additionally, within the control mechanisms, the Company reviews accounting principles applied in its subsidiaries and any changes thereto concerning recognition and calculation of income and costs, issuing comments and recommendations, where applicable.

The functional control is exercised by each employee and his/her direct superior. It is founded on proper distribution of responsibilities which mitigates the risk of affecting data by a single employee.

Control mechanisms include furthermore bylaws that ensure organisational autonomy to the Finance Department and Audit Department, systems of employees self-assessment and employees evaluation, incentive schemes, security policy and IT management instruction.

The Internal Audit, organisationally separate, independent specialised unit reports directly to the member of the Management Board who is in charge of the internal audit area in Getin Holding Capital Group. Inspections are carried out against the Annual Audit Schedules, approved by the Management Board and on one-off requests approved by the member of the Management Board in charge of the internal audit area. Audits of processes carried out by the Internal Audit aim at independent verification of the compliance of the reporting process with binding regulations, correctness and effectiveness of functional control and correctness of the financial statement preparation process. Follow-up results and recommendations are presented to the Company's Management Board.

#### **b. Drawing up the financial statements**

While drawing up financial statements the Company applies the International Financial Reporting Standards approved by the European Union (IFRS-EU) and based on accounting books kept in accordance with the provisions of the Accounting Act. Similarly, consolidated financial statements are drawn up in accordance with IFRS and based on financial statements of Getin Holding Capital Group companies that are subject to audit by an independent expert auditor.

Financial statements and consolidated financial statements are drawn up by the Company's Financial Department that is an organisationally separate unit reporting directly to the Member of the Management Board in charge of the financial area of Getin Holding Capital Group.

Specific tasks in the scope of controlling the process of drawing up financial statements, in the scope of monitoring the financial reporting process – in compliance with the binding provisions of the Act dated 11.05.2017 on Expert Auditors, Auditing Firms and Public Supervision – were entrusted to the Auditing Committee at the Issuer Supervisory Board.

The obligations of the Audit Committee include, in particular, monitoring the financial reporting process and the performance of financial review activities, including the audit of financial statements by audit company, as well as monitoring the independence of the statutory auditor and the entity authorized to audit financial statements.

### 3. Information concerning the Issuer shareholders and securities.

#### a. Shareholders who hold, either directly or indirectly through controlled companies, at least 5% of the overall number of voting rights at the Company general meetings.

**SHAREHOLDERS ENTITLED DIRECTLY OR INDIRECTLY TO AT LEAST 5% OF THE OVERALL NUMBER OF VOTES AT THE GENERAL MEETING OF GETIN HOLDING S.A.  
AS OF 31.12.2018**

Shareholder	Number of shares held/Number of votes for each share (pcs.)	% Share in Share Capital/votes in General Meeting (pcs.)
Leszek Czarnecki directly and indirectly*, including:	417,275,107	54.97%
LC Corp B.V. based in Amsterdam	259,389,429	34.17%
Getin Noble Bank S.A. based in Warsaw	75,831,030	9.99%

\* Dr Leszek Czarnecki holds directly 81,872,327 shares accounting for 10.79% of the share capital and conferring the right to 10.79% votes at GMs and indirectly through his subsidiaries 335,402,780 shares accounting for 44.19% of the share capital and conferring the right to 44.19% votes at GMs. Companies directly and indirectly controlled by Dr Leszek Czarnecki: LC Corp B.V., based in Amsterdam, which holds 259,389,429 shares accounting for 34.17% of the share capital and conferring the right to 34.17% votes at GMs, Getin Noble Bank S.A., based in Warsaw, which holds 75,831,030 shares accounting for 9.99% of the share capital and conferring the right to 9.99% votes at GMs, RB Investcom Sp. z o.o., based in Wrocław, which holds 32,922 shares accounting for 0.004% of the share capital and conferring the right to 0.004% votes at GMs, Idea Money S.A., based in Warsaw, which holds 2,521 shares accounting for 0.0003% of the share capital and conferring the right to 0.0003% votes at GMs, the Jolanta and Leszek Czarnecki Foundation which holds 119,878 shares accounting for 0.016% of the share capital and conferring the right to 0.016% votes at GMs, and Open Finance Fundusz Inwestycyjny Otwarty Subfundusz Akcji Małych i Średnich Spółek managed by Open Finance TFI SA which holds 27,000 shares accounting for 0.0036% of the share capital and conferring the right to 0.0036% votes at GMs.

18.01.2019 merger of Issuer's stock was registered by the National Depository for Securities in 4:1 ratio.

**SHAREHOLDERS ENTITLED DIRECTLY OR INDIRECTLY TO AT LEAST 5% OF THE OVERALL NUMBER OF VOTES AT THE GENERAL MEETING OF GETIN HOLDING S.A.  
AS OF THE DATE OF SUBMITTING THIS REPORT**

Shareholder	Number of shares held/Number of votes for each share (pcs.)	% Share in Share Capital/votes in General Meeting (pcs.)
Leszek Czarnecki directly and indirectly*, including:	104,316,454	54.97%
LC Corp B.V. based in Amsterdam	64,845,032	34.17%
Getin Noble Bank S.A. based in Warsaw	18,957,758	9.99%

\* to the best of Issuer's knowledge, dr Leszek Czarnecki holds:

- directly 20,468,082 shares constituting 10.79% of the Share Capital (% of votes in the GMs of the Company), and
  - indirectly - through his subsidiaries - 83,848,372 shares accounting for 44.18% of the share capital (% of votes in the GMs of the Company);
- Subsidiaries of dr Leszek Czarnecki, holding property of Getin Holding S.A., are as follows:
- LC Corp B.V. based in Amsterdam and Getin Noble Bank S.A. based in Warsaw, the holdings of which are indicated above,
  - RB Investcom sp. z o.o., based in Wrocław, holding 8,231 shares accounting for 0.004% of the Share Capital (% of votes in the GMs of the Company);
  - Idea Money S.A., based in Warsaw, which holds 631 shares accounting for 0.0003% of the Share Capital (% of votes in the GMs of the Company),
  - The Jolanta and Leszek Czarnecki Foundation which holds 29,970 shares accounting for 0.016% of the Share Capital (% of votes in the GMs of the Company),
  - Open Finance Fundusz Inwestycyjny Otwarty Subfundusz Akcji Małych i Średnich Spółek managed by Open Finance TFI SA which holds 6,750 shares accounting for 0.0036% of the share capital (% of votes in the GMs of the Company).

#### b. Holders of any securities that confer special control rights over the Company, and description of such rights

To the best of the Company's knowledge, there are no securities that confer special control rights over the Company.

#### c. Restrictions to transferring title in the Company's securities and restrictions to exercising voting rights carried by the Company's shares

To the best of the Company's knowledge, there are no restrictions to transferring title in the Company's securities or restrictions to exercising voting rights carried by the Company's shares.

#### **4. Information concerning Issuer's governing bodies and corporate issues**

##### **a. Principles for appointing and dismissing members of the management board and authorisations of members of the management board, in particular the authorisation to decide about issuing or redemption of shares.**

According to the Company's Articles of Association, the Management Board is composed of 1 to 5 persons. The term of office of the Management Board is 3 years long. Mandates of members of the Company's Management Board expire upon holding the General Meeting approving the financial statement for the last full financial year of the term of the office.

Members of the Management Board are appointed by the Supervisory Board that may also temporarily suspend the Management Board or individual members of the Management Board.

Resolutions on appointing or dismissing members of the Management Board are adopted by a majority of votes cast in a secret vote. In case of a deadlock, the vote of the Chairman of the Supervisory Board shall decide.

Individual members of the Management Board may be dismissed at any time. Mandate of a member of the Management Board appointed to replace another member who was dismissed before the end of the term expires along with the end of the term of the entire Management Board. The same rule applies in the event of dismissal of the entire Management Board and appointing a new Management Board, and in the event of extending the Management Board by appointing new members before the end of the term for the entire Management Board.

##### **b. Amendments to the Company's Articles of Association**

Any amendments to the Company's Articles of Associations must comply with the Code of Commercial Companies and Partnerships and making amendments is the sole competence of the Company's General Meeting. The General Meeting may authorise the Supervisory Board to draw up a uniform text of the Articles of Associations or to make editorial changes thereto, as specified in relevant resolutions adopted by the General Meeting. Other competences of the Supervisory Board include giving their opinion on amendments to the Articles of Association.

In order to make any amendments to the Company's Articles of Association, the presently binding provisions and any planned amendments thereto should be included in the announcement of the convocation of the General Meeting. If planned amendments are extensive, the announcement may include the draft of uniform Articles of Association along with indicating new or amended provisions.

Any amendments to the Company's Articles of Association require a resolution adopted by a majority of 3/4 votes cast. Any amendments to the Company's Articles of Association must be registered in the National Court Register.

##### **c. Manner of operation of the general meeting and its essential powers and rights of shareholders and the manner of their execution**

The conduct of the Company's General Meeting is governed by the provisions of the Code of Commercial Partnerships and Companies as well as the Bylaws of General Meeting that further specify principles for the General Meeting as presented herein below.

The General Meeting is convened by the Management Board. The Supervisory Board may convene the Annual General Meeting if the Management Board fails to convene it within six months upon the end of the fiscal year at the latest or on the date provided for by provisions of the applicable law, and the Extraordinary General Meeting, if it deems it advisable.

Shareholders representing at least half of the share capital or at least half of the votes in the Company may convene the Extraordinary General Meeting. Shareholders shall elect the chairman of such a meeting. A shareholder or shareholders representing at least one twentieth of the share capital may, pursuant to conditions and terms provided for by the applicable law:

- demand that the Extraordinary General Meeting be convened and certain issues be put on the agenda;
- demand that certain issues be put on the agenda of the subsequent General Meeting;
- submit draft resolutions concerning issues included in the agenda of the General Meeting or issues that are to be put on the agenda of the General Meeting.

Demands and motions specified hereinabove should be submitted to the Management Board in a written or electronic form. Shareholders who intend to make use of the electronic means of communication are obliged to use special forms available on the Company's website and email them to the address specified on the Company website to submit their demands or draft resolutions.

The General Meeting is held at the Company's registered office or in the town/city of the registered office of the Stock Exchange where the Company's shares are admitted to organized trading (exclusively in the Republic of Poland). The General Meeting is convened by publishing an announcement on the Company's website in a manner provided for publication of current reports, pursuant to the regulations on public offering, conditions governing the introduction of financial instruments to organized trading, and public companies. The announcement shall be published not later than 26 days prior to the date of the General Meeting. The announcement shall be published not later than 26 days prior to the date of the scheduled General Meeting.

When the agenda of a General Meeting includes certain issues requested by authorised entities or if it was convened at the request of such entities, then such a meeting can be cancelled only upon consent of the authors of such request. Otherwise, the General Meeting may be cancelled if there are extraordinary obstacles against carrying it out or if it is obviously objectless. Cancellation is done exactly in the same way as the meeting was convened, ensuring minimization of adverse effects for the Company and shareholders, in any case no later than 13 days before the originally scheduled date. Changing the date of a General Meeting is done in the same way as the Meeting was cancelled, even if the suggested agenda is not changed.

The General Meeting may be attended by persons who have been the Company shareholders sixteen days prior to the General Meeting date (the date of registration of participation in the General Meeting) and who applied to the entity maintaining the Company's securities account for issuing a personal certificate confirming their right to participate in the General Meeting. The certificate shall be issued according to provisions of the applicable law. At the shareholder's request the certification shall indicate part or all shares registered on their securities account for which the shareholder intends to exercise their right to vote in the General Meeting.

The list of shareholders entitled to participate in the General Meeting is prepared by the Company on the basis of the list made available by the securities depository. The list of shareholders, approved by the Management Board, indicating surnames and names or companies (names) of the eligible shareholders, their place of residence (registered seat), number and type of shares held and number of votes they are entitled to, will be made available at the office of the Company's Management Board for 3 business days prior to the General Meeting date. At shareholders' request, the list may be e-mailed to the address indicated by them, free of charge.

Representatives of media may participate in the General Meeting, unless their presence could lead to the Company's detriment because of the nature of discussed issues. The motion to admit representatives of media to the proceedings is submitted for vote by the Chairman immediately after signing the attendance list.

Shareholders may participate in the General Meeting and exercise their right to vote in person or through a proxy holder(s). A proxy to represent shareholders in the General Meeting and exercise the right to vote may be in a written or electronic form. An electronic proxy does not have to bear a secure electronic signature verified with a valid qualified certificate. A shareholder shall notify the Company of establishing a proxy electronically in a form available on the Company's website in the section related to the General Meeting, or in a way determined in the announcement of the General Meeting. Provisions mentioned hereinabove shall respectively apply to revocation of a proxy.

Unless specified otherwise in a proxy, a proxy holder shall enjoy the same rights as a shareholder in the General Meeting. A proxy holder may grant further proxies only if his/her proxy provides so. One proxy holder may represent several shareholders and cast different votes for each shareholder.

A shareholder holding shares registered on one consolidated account may appoint separate proxy holders to exercise the rights for shares registered on such account. A shareholder holding shares registered on several securities accounts may appoint separate proxy holders to exercise the rights for shares registered on each account. Members of the Management Board or employees of the Company may act as proxy holders in the General Meeting, as prescribed by the provisions of the applicable law.

The General Meeting is opened by the Chairman or Vice-Chairmen of the Supervisory Board and if they are both absent – by another Member of the Supervisory Board. If all members of the Supervisory Board are absent, the General Meeting is opened by the President of the Management Board or a person appointed by the Management Board, who proceeds without ungrounded delay to the election of the Chairman of the General Meeting, thereafter referred to as the Chairman.

The Chairman is elected from among the persons who have a right to participate in the General Meeting. The person who opens the General Meeting determines the sequence of speaking who name their candidates. Persons who were suggested as candidates are included in a list of candidates for Chairman, if they agree. The list of candidates is made by the person who opens the General Meeting and there must not be more than 3 candidates. Every shareholder may vote only for one candidate. The Chairman of the General Meeting is the person who has received the most votes.

The chairman chairs the proceedings according to the settled agenda. The Chairman ensures efficient organisation of the proceedings and observance of rights and interests of all shareholders. The Chairman should especially oppose any abuse of their rights by the participants of the Meeting and ensure the observance of the rights of minority shareholders. The Chairman should not resign from his function for no

material reasons and he/she must not groundlessly delay signing of the minutes of the General Meeting. The Chairman's duties include in particular:

- ensuring efficient and correct proceedings;
- granting the right to speak;
- issuing relevant administrative regulations;
- organising votes and supervising their course;
- announcing the results of votes;
- settling doubts concerning regulations.

The Chairman ensures that the proceedings proceed without groundless breaks or delays. Short breaks in the proceedings, which do not lead to the adjournment of the meeting, are announced by the Chairman in grounded cases, but they must not serve to hamper the shareholders from exercising their rights.

Votes on administrative matters may concern only issues related to conducting the meeting's proceedings. In this mode no resolutions can be considered which may affect the execution of the shareholders' rights.

Immediately upon the election, the Chairman checks whether the shareholders have signed the attendance list and submitted the required proxies or documents authorizing them to represent the shareholders at the General Meeting. Then, those shareholders who have not done that yet sign the attendance list. The Chairman signs the attendance list and then the list is made available for the participants of the General Meeting to read it. In case of any changes, the attendance list is adjusted and supplemented. After signing the attendance list, upon consultation with the notary who prepares the minutes, the Chairman declares the validity of convening the General Meeting and its capability to pass resolutions, and then he/she announces the fact to the present shareholders and presents them with the agenda.

Members of the Supervisory Board and Management Board participate in the General Meeting.

Members of the Supervisory Board, members of the Management Board and the expert auditor, if he / she participates in the General Meeting, should, within their competences and in the scope necessary for settling issues discussed by the General Meeting according to provisions of the Law on Public Trade of Securities, explain problems and inform participants of the Meeting about the Company.

In order to ensure the proper conduct of voting, the Company makes efforts to ensure that the counting of votes at the General Meeting takes place in electronic form. In the case of no such possibility, considering the efficiency of proceedings, the Chairman may organise the election of Commissions: Commission for Checking Mandates and Counting Votes, and Commission for Resolutions and Motions or the person responsible for conducting the vote and counting the results. Considering the efficiency of proceedings, the Chairman may organise the election of Commissions: for checking mandates and counting votes and for resolutions and motions, or a person in charge of organising votes and counting their results. The duties of the Commission for Checking Mandates and Counting Votes or of the person mentioned hereinabove include supervision of the correct course of a vote, declaration of the results of votes and presentation of these results to the Chairman, as well as other tasks related to organising votes. The Commission (person in charge) is obliged to promptly notify the Chairman of any irregularities revealed in a vote. Documents indicating the results of every vote are signed by all members of the Commission for Checking Mandates and Counting Votes and by the Chairman of the General Meeting. The duties of the Commission for Resolutions and Motions include the wording of motions submitted by shareholders.

The Commission for Checking Mandates and Counting Votes consists of 3 to 5 members and the number of members is determined in each case by the Chairman of the General Meeting. The Commission for Resolutions and Motions consists of 3 members. Members of the Commissions are elected from among the persons eligible to participate in a General Meeting. If the number of candidates for members of the Commissions is equal to the number of members, the Chairman may decide that the Commissions will be elected in a single vote for all candidates. If the number of candidates for members of the Commissions exceeds the number of members, the members of the Commissions are elected by way of subsequent votes for each of the submitted candidates. The Commissions consist of persons who have received the most votes. If more than one candidate receives the same number of votes, taking the last winning position, the Chairman chooses the member of the commission by way of drawing lots. The Commissions choose their chairpersons and secretaries from among their members.

Every issue included in the agenda is presented by the Chairman or a person he/she indicates. After presentation of every issue included in the agenda, the Chairman opens a discussion, granting the right to speak on the basis of the sequence of calling. The Chairman may allow members of the Management Board and Supervisory Board to speak regardless of the sequence. The speakers may refer only to the issues included in the agenda and currently being discussed. The Chairman may limit the duration of speeches to 5 minutes per one participant of the General Meeting allowed to speak by the Chairman. During discussion about every item on the agenda, one participant may speak only twice. The second speech must not last longer than 2 minutes. The Company's Management Board and Supervisory Board may reply to motions submitted during the discussion. Such a reply should not last longer than 5 minutes, but in grounded cases the Chairman may prolong this duration. The Chairman is responsible for the course of discussion. If a speaker exceeds the allowed duration of his/her speech or changes the subject of the discussion, the Chairman has a right to deprive him/her of the right to speak.

A resolution to waive considering an issue included in the agenda and to take the issue off the agenda may be passed only if there are important and serious arguments suggesting it. A motion to waive considering an issue should be justified in detail by the person who submits it. It is inadmissible to waive considering an issue or to pass a resolution to take an issue off the agenda in case of issues submitted for the agenda by the shareholders.

The resolution subjected to a vote should be expressed in a way allowing every eligible person who does not agree with the essence of resolution to appeal against such a resolution.

The Chairman allows participants of the General Meeting to speak apart from the issues on the agenda and discussion, only for submitting formal motions. Formal motions may concern only issues which are on the agenda of proceedings or the course of proceedings. In this mode no resolutions can be considered which may affect the execution of the shareholders' rights. Formal motions include especially motions concerning:

- breaks in proceeding, adjournment or closing of proceedings;
- closing a discussion;
- proceeding to the agenda;
- voting without a discussion;
- modification of the mode of voting;
- limiting the duration of speeches;
- checking the number of votes present at the General Meeting.

The General Meeting resolves a formal motion by an ordinary majority of votes cast after listening to the motion's author and its opponent. An ordinary majority means a majority of votes "for" or "against", without taking the "abstained" votes into account. Before submitting a motion to vote, the Chairman specifies the content of the draft motion and announces it to the gathering. At first, the Chairman submits to vote this motion, which goes the furthest, as it may exclude the necessity to vote over all other motions. If a formal motion is rejected by a vote, it must not be re-submitted during discussion on the same issue.

The General Meeting elects Members of the Supervisory Board from among persons who have relevant education, expertise, professional and life experience and who represent high morals, and who have enough time to perform the duties of a member of the Supervisory Board in a proper way. At the motion submitted by a shareholder or shareholders who represent at least one fifth of the share capital, the Supervisory Board should be elected by the nearest General Meeting by way of voting in separate groups, even if the Articles of Association provide for another way of appointing the Supervisory Board. The motion mentioned hereinabove should be submitted to the Management Board in time for allowing for the election in groups at the nearest General Meeting. A motion submitted later may be considered only at the subsequent General Meeting. If a person appointed by an entity indicated in a separate act is a member of the Supervisory Board, only the remaining members of the Supervisory Board are elected. Those persons who represent at the General Meeting such a part of shares which corresponds to the result of division of the total number of represented shares by the number of members of the Supervisory Board may create a separate group in order to elect one member of the Board, however then they do not participate in the election of the remaining members. Mandates in the Supervisory Board, which have not been taken in votes of relevant groups of shareholders are distributed by way of a vote. The participants of such a vote are all the shareholders whose votes were not cast during the election of members of the Supervisory Boards, who were elected in separate groups. If at the General Meeting not a single group capable to elect a member of the Supervisory Board is created, no vote is organised, unless the General Meeting's agenda included not only the election in groups, but also changes to the composition of the Supervisory Board. At the moment when at least one member of the Supervisory Board is elected in a vote in separate groups, the terms of all previous members of the Supervisory Board expire before the end of their mandate, with the exception of the person appointed by an entity mentioned in a separate act.

As a rule, votes at General Meeting are open. The Chairman may resolve to organise a secret vote especially for issues concerning individuals and for issues concerning liability of members of the Company's governing bodies. Besides, a secret vote must be organised if at least one shareholder present or represented at the General Meeting requests it. In case of a secret vote, the Chairman or the Commission for Checking Mandates and Counting Votes distributes voting cards to shareholders. The cards should have the Company's official seal on them and indicate the date of the General Meeting, number of shares and votes at the General Meeting the shareholder holds. Resolutions are passed by an absolute majority, unless the provisions of the Articles of Association or of the Code of Commercial Companies and Partnerships stipulate otherwise. A shareholder may cast different votes for each share that s/he holds. A shareholder may vote as a proxy holder in a voting for adopting a resolution concerning himself/herself only according to the provisions of the applicable law. A resolution is passed if the number of votes cast "for" it exceeds the total number of votes cast "against" and "abstained". Votes are counted by the Chairman, the Commission for Checking Mandates and Counting Votes or by an elected person. If votes are counted by the Commission for Checking Mandates and Counting Votes, the Commission draws up the minutes of the vote and delivers to the Chairman. Having counted the votes, the Chairman announces the results of the vote. In votes at the General Meeting, an electronic device for counting votes may be used. The relevant

decision is taken by the Chairman. A person who votes against a resolution may request recording his/her objections with a short justification in the minutes.

At a request of a participant of the General Meeting, his/her written declaration is included in the minutes.

**d. Diversity policy**

The Company has not developed a diversity policy, however it pursues to ensure that the Company's governing bodies and key managers should differ as regards their gender, education, age, and professional experience. Furthermore, the Company's Management Board creates work place where all employees are treated equally as regards the terms and conditions for conclusion and termination employment relationship, promotion, and access to professional skills development training, specifically irrespective of their gender, age, disability, race, religion, nationality, political views, membership in trade unions, ethnicity, denomination, sexual orientation, or irrespective whether their employment is for specific or indefinite time, part-time or full-time. The Management Board views the diversity of the Company's governing bodies, key managers and other employees its competitive edge as it makes most of the diverse potential of employees.

**e. Personal composition and principles of operation for management and supervisory bodies of the company and their committees**

In 2018, there were no changes in the composition of the Management Board of the Company.

As at 31.12.2019, the composition of the Management Board of Getin Holding S.A. was as follows:

- Piotr Kaczmarek – President of Management Board
- Krzysztof Jarosław Bielecki – Deputy President of Management Board
- Izabela Lubczyńska – Member of Management Board
- Krzysztof Florczak – Member of Management Board

By the date of the submission of the Statement, the composition of the Supervisory Board has not changed.

President of the Management Board is in charge of the Company's operations and work of the Management Board. He also co-ordinates tasks entrusted to members of the Management Board and he chairs meetings of the Management Board. A member of the Management Board nominated by the President substitutes the President of Management Board in case of his/her absence.

Each member of the Management Board is authorized and obliged to run the Company's operations. The Management Board may divide competences among individual members regarding areas of management and governance for which each member shall be accountable.

Members of the Management Board supervise operations of dependent departments and organizational units of the Company within the scope assigned by the Company competent bodies pursuant to internal procedures binding in the Company. President of the Management Board may also nominate one or more members of the Management Board to deal with specific tasks or a category of tasks. Each member of the Management Board is authorized and obliged to receive declarations of will and correspondence addressed both to the Company's headquarters' address or otherwise.

A member of the Management Board who has received a declaration of will or other correspondence addressed to the Company shall promptly set the wheels in motion in accordance with the binding procedures.

The Management Board meetings shall be convened by the President of the Management Board, or a member nominated by the President, at least twice a month. An invitation to such a meeting shall specify the agenda, the place and time of the meeting and shall be delivered 24 hours before the date of the meeting at latest in any manner that guarantees its receipt by the addressee and confirmation of that fact (registered mail, courier, fax, e-mail or on telephone, etc.). Should the date of the Management Board's meeting be established during the previous meeting, the obligation to inform does not apply.

Each member of the Management Board may submit a motion to the President of the Management Board to convene a meeting due to matters that require prompt reaction of the Management Board or in order to inform about matters that are important to the Company. The agenda may not be supplemented unless all members of the Management Board are present and consent to the supplement.

The Management Board may not adopt resolutions unless all members of the Management Board have been duly notified about the meeting. Votes are open. A secret vote is adopted in personal issues. Resolutions of the Management Board pass with an absolute majority, and each member of the Management Board has one vote only. In the case of a voting tie, the President of the Management Board shall have the casting vote. After every meeting of the Management Board minutes are drawn up. Members of the Management Board may take part in adopting resolutions casting their vote in writing through another member. Casting a vote through another member of the Management Board may not refer to items included in the Agenda during the meeting or personal issues. The Management Board resolutions may be adopted by circulation or with the support of means of long distance communication (telephone, fax, e-mail, videoconference). A resolution so adopted shall be valid if all members of the Management Board have been notified of the contents of a draft resolution. While adopting resolutions by circulation, members of the Management Board cast their votes by putting their signatures in the right place on a copy of a draft resolution (circulation copy) or by putting their signatures on separate copies of a draft resolution prepared for each member (circular letter). Resolutions may also be adopted under the combined procedure with the use of both aforementioned forms of voting.

In the event of adopting resolutions with the support of means of long distance communication, members of the Management Board shall cast their votes respectively orally or in writing.

In the subsequent Meeting of the Management Board, the President of the Management Board presents the remaining members of the Supervisory Board with a list of resolutions adopted by the Management Board by circulation or with the support of means of long distance communication.

Each member of the Management Board who voted against a resolution may raise objections in writing. The objections shall comprise justification. Objections shall be noted in the minutes from the Management Board's meeting. The other members of the Management Board may not raise objections against including in the minutes the objection of the member who opposes the adopted resolution.

As at 31.12.2019, and as of the date of submission of the Statement, composition of the Supervisory Board of Getin Holding S.A. was as follows:

- Leszek Czarnecki – Chairman of Supervisory Board,
- Remigiusz Baliński – Vice Chairman of Supervisory Board,

- Bogdan Frąckiewicz – Member of Supervisory Board,
- Adam Maciejewski – Member of Supervisory Board,
- Stanisław Wlazło – Member of Supervisory Board.

Changes in the composition of the Management Board in 2019:

- 17.05.2019, Marek Grzegorzewicz submitted a statement of resignation from the position of Member of Supervisory Board of the Company effective from the date of holding the General Meeting of the Company for 2018 convened for 29.05.2019 and not running for election in the next term of the Supervisory Board.
- General Meeting of 29.05.2019 appointed for a new joint term the following Members of Supervisory Board: Leszek Czarnecki, Remigiusz Baliński, Adam Maciejewski, Stanisław Wlazło, and Bogdan Frąckiewicz.

The Supervisory Board is composed of five to seven members, including Chairman and Vice-Chairman. Members of the Supervisory Board are appointed by the General Meeting for a 2-year term of office. Members of the Supervisory Board are appointed for a joint term of office. The Supervisory Board elects the Chairman and Vice-Chairman of the Supervisory Board from among its members.

Any person being a shareholder or a person from outside the Company may be appointed to the Supervisory Board. A member of the Management Board, a commercial proxy, a liquidator, the head of department or plant, a chief accountant, attorney-at-law or advocate employed with the Company or other persons directly accountable to a member of the Management Board or a liquidator and a member of the Management Board and a liquidator of a subsidiary company may not, at the same time, be a member of the Supervisory Board. A member of the Supervisory Board should not resign from the function during his/her term of office if this could make the work of the Supervisory Board impossible, and in particular, if this could make a timely adoption of an important resolution impossible. A member of the Supervisory Board shall inform the Management Board about the functions performed as well as personal, actual and organizational relations of the member of the Supervisory Board with shareholders, in particular with the majority shareholder, and any changes in this respect for the purpose of their disclosure. A member of the Supervisory Board shall inform the Management Board about disposal or acquisition of shares in the Company or in companies controlling or controlled by the Company, as well as about transactions with such companies as far as they are relevant for his/her economic situation or if an obligation to disclose such information on performed transactions results from relevant provisions concerning current and periodical information submitted by issuers of securities, in a manner allowing the Management Board to publicly disclose such information in accordance with the aforementioned law regulations.

Meetings of the Supervisory Board shall be held at the Company's registered office or in another place in the Republic of Poland specified in the invitation. Meetings of the Supervisory Board, save for matters directly concerning the Management Board or its members, in particular: dismissal, liability and setting forth the remuneration, should be available and open for the Members of the Management Board. The Supervisory Board may invite to its meetings the Company's employees or other persons from outside, if their presence is relevant for the matters under discussion. The decision concerning an invitation of any third parties shall be taken by the person convening a meeting or its chairman.

The Supervisory Board adopts resolutions if a majority of its members, including the Chairman and Vice-Chairman, are present at the meeting and all its members have been duly invited to the meeting. An invitation is deemed duly delivered if it has been made in a written form, sent by fax to the fax number

provided by the Member of the Supervisory Board or by e-mail. An invitation should specify the meeting's date and the agenda. The receipt of the invitation should be confirmed by the member of the Supervisory Board by the endorsement on the invitation, in writing, by fax or by e-mail.

Members of the Supervisory Board may participate in adopting of resolutions by casting their votes in writing through another member of the Supervisory Board. Written votes may not be cast in respect of matters arising during the meeting of the Supervisory Board. The Supervisory Board resolutions may be adopted under the written procedure or with the support of means of long distance communication. A resolution so adopted is valid if all members of the Supervisory Board have been notified of the contents of a draft resolution. Adopting resolutions through another member of the Supervisory Board or under the written procedure or with the support of means of long distance communication may not apply to the appointment of a member of the Management Board and his/her dismissal or suspension in the performance of duties.

Members of the Supervisory Board should notify the other Members of the Supervisory Board of any conflict of interest and refrain from participating in discussions and voting upon a resolution on a matter in which a conflict of interests occurred.

The agenda of a meeting of the Supervisory Board shall be scheduled 7 days before the scheduled date of the meeting and approved by the Chairman. An invitation, including the date and a draft agenda, should be delivered to members of the Supervisory Board at least 3 business days before the scheduled date of the meeting. The invitation shall be accompanied by materials containing information about items on the agenda. The aforementioned deadline may be shortened if justified by extraordinary circumstances. The agenda of the Supervisory Board meeting shall not be amended or supplemented during the meeting, unless all members of the Supervisory Board are present and consent to the amendment or supplementing the agenda or in the event that certain actions of the Supervisory Board are required to protect the Company against damage or loss and in the event of a resolution concerning decision whether a conflict of interests exists between a member of the Supervisory Board and the Company.

Resolutions of the Supervisory Board are adopted by a majority of the votes cast, unless mandatory provisions of the Code of Commercial Companies and Partnerships require application of stricter rules for voting. In case of a voting tie, the Chairman of the Supervisory Board shall have the casting vote. Votes by the Supervisory Board are open. A secret vote is adopted in personal issues. Furthermore, a secret vote must be ordered at the request of at least one member of the Supervisory Board.

The Supervisory Board meetings are convened by the Chairman of the Supervisory Board, or in case of his/her absence, by the Vice-Chairman of the Supervisory Board. The Supervisory Board meetings are convened if and when required, at least once in a quarter. A meeting of the Supervisory Board may be requested by the Management Board or a member of the Supervisory Board, and such request shall include a draft agenda. The Chairman, or in case of his/her absence the Vice-Chairman, convenes the meeting within two weeks of the date of receipt of the request. Should the Chairman or Vice-Chairman fail to convene the meeting, the requesting party may convene such a meeting independently, by announcing the date, place and draft agenda. Resolutions of the Supervisory Board are recorded by a minutes secretary elected from outside the Supervisory Board or a person designated by the Chairman from amongst the members of the Supervisory Board.

The Supervisory Board performs its duties as a collective body, but it may delegate its members to perform specified supervisory duties independently. The Supervisory Board is represented by the Chairman of the Supervisory Board, or in case of his/her absence, by the Vice-Chairman of the Supervisory Board. A member of the Supervisory Board delegated by the Supervisory Board or by a group to perform supervisory tasks on a permanent basis should provide the Supervisory Board with detailed, written reports of the duties performed. Members of the Supervisory Board are entitled to remuneration.

### **Committees**

a) Remuneration and Employment Committee at Supervisory Board of Getin Holding S.A.

The Remuneration and Employment Committee is a consultative body to the Supervisory Board. It was established in the Company in 2015 by virtue of the resolution of the Supervisory Board No. 1/2015 dated 15.01.2015. The following persons were appointed to the Committee:

- Mr. Remigiusz Baliński, Chairman of Committee,
- Mr. Marek Grzegorzewicz, Member of Committee,

The Committee in the above specified composition operated until 29.05.2019.

On 26.06.2019, the Supervisory Board appointed a new composition of the Committee:

- Mr. Stanisław Wlazło – Chairman of Committee,
- Mr. Bogdan Frąckiewicz – Member of Committee.

The Remuneration and Employment Committee in the above specified composition operated until 31.12.2019.

a) Audit Committee at Supervisory Board of Getin Holding S.A.

The Audit Committee at the Supervisory Board of Getin Holding S.A. was established in compliance with the Company Articles of Association as a permanent consultative body to the Supervisory Board on 19.10.2017, pursuant to the resolution adopted by the Supervisory Board of Getin Holding in compliance with the Act on Expert Auditors, Auditing Firms and Public Supervision of 11.05.2017.

On 13.06.2019 the Audit Committee was formed with the new composition:

- Mr. Stanisław Wlazło, Chairman of Audit Committee,
- Mr. Bogdan Frąckiewicz, Member of Audit Committee,
- Mr. Adam Maciejewski, Member of Audit Committee.

From 01.01.2019 to 29.05.2019, the composition of the Auditing Committee was as indicated below:

- Mr. Stanisław Wlazło, Chairman of Audit Committee,
- Mr. Marek Grzegorzewicz, Member of Audit Committee,
- Mr. Adam Maciejewski, Member of Audit Committee.

Mr. Stanisław Wlazło, Mr. Bogdan Frąckiewicz, and Mr. Adam Maciejewski meet the independence criteria for audit committee members in public interest units, as provided for in Art. 129(3) of the Act on Expert Auditors, Auditing Firms and Public Supervision of 11.03.2017, as well as the independence criteria within the meaning of the Best Practices for WSE Listed Companies 2016.

All members of the Audit Committee have extensive professional experience and comprehensive education, hence they have relevant competences in accounting or auditing financial statements as well as expertise and skills in the sector where the Company operates.

The Audit Committee operates and fulfils its tasks based on the commonly binding law regulations, and in particular on the provisions of the Act on Expert Auditors, Auditing Firms and bylaws adopted in the Company, including the Audit Committee Bylaws in Getin Holding S.A. approved by the Company Supervisory Board.

According to the evaluation and statements of the expert auditor concerning meeting the independence conditions for expert auditors and providing permitted services, other than services related to auditing financial statements for the Company and Getin Holding Capital Group, Grant Thornton Polska sp. z o.o., sp. k., the auditing firm, as well as members of the team engaged in auditing the Company's books for the year 2019, meet the criteria for drawing up an impartial and independent audit report as envisaged by binding law regulations, professional practices and professional ethics.

The audit company also provides audit and review services for Idea Bank (Poland) for the bank's financial statements for the period of two consecutive financial years ending on 31.12.2019 and 31.12.2020 respectively.

In the financial year 2019, the Audit Committee held 8 minuted meetings and adopted 11 resolutions, with all members of the Committee present (except one meeting). The Audit Committee acted efficiently and complied with the binding law regulations while staying in contact with the Company Management and Supervisory Boards and the auditor as required by law regulations.

The Company complies with binding regulations concerning the rotation of auditing firms and the key auditor and with the binding waiting periods. The audit firm Grant Thornton Polska sp. z o.o. Sp.k. was chosen on 13.06.2019 by a resolution of Supervisory Board of Getin Holding S.A. no. 19/2019 as the entity auditing and reviewing the separate and consolidated financial statements for the years 2019 and 2020.

The Company applies the Policy for selecting an auditing firm to audit financial statements and to provide other permitted services in Getin Holding S.A. and the Procedure for selecting an auditing firm to audit financial statements and provide other permitted services in Getin Holding S.A.

The overriding objective of the Policy for selecting an auditing firm and providing permitted services is to enhance the role of the Audit Committee in the process of selection of an auditing firm, which supports more conscious decision making by the Company Supervisory Board and General Meeting of Shareholders and the main objectives include:

- method of selection of an auditing firm in a bidding contest (tender procedure) with possible additional negotiations;
- an auditing firm is selected by the Company Supervisory Board based on the recommendation of the Audit Committee;
- the selection criteria include bidders experience in auditing financial statements of financial institutions and WSE listed companies and experience in the following areas: financial and credit risk management, prudential requirements for financial institutions, internal control, corporate governance and corporate social responsibility;
- in the selection process the impartiality and independence of the auditing firm are considered as well as the analysis of its previous work performed for the Company or GH Capital Group that exceeds the scope of auditing or reviewing financial statements of the Company or GH Capital Group, in order to avoid conflict of interests;
- The Audit Committee and Supervisory Board apply the auditor rotation principle;
- the remuneration paid by the Company to the auditing firm and the structure of such a remuneration may not jeopardise the independence of the expert auditor or the auditing firm.