

Compliance with the Corporate Governance Principles

in Erste Securities Polska S.A.

Annual Assessment

26th of March 2024

On 1st of June 2015 the Supervisory Board of Erste Securities Polska (hereinafter referred to as “**ESP**” or “**supervised institution**”) adopted resolution regarding the applicability of the Corporate Governance Principles (hereinafter referred to as the “**Principles**”) for Supervised Institutions issued by the Polish Financial Supervision Authority.

In accordance with §27 of the Principles the supervisory body on a regular basis evaluates compliance with the principles implemented under this document and the results of the evaluation are made available on the website of the supervised institution and shall be submitted to other bodies of the supervised institution.

With regard to the content of §27 of the Principles the Supervisory Board of ESP came to the following conclusions:

1. With respect to §1 of the Principles the Supervisory Board according to the best knowledge of its members is of the opinion that:
 - 1) the organization of ESP enables the achievement of long-term objectives of the conducted activity,
 - 2) organization of ESP cover management and exercise of control, internal reporting system, the flow and protection of information and the flow of documents, which is duly reflected in the internal regulations of ESP,
 - 3) organization of supervised institution is reflected in the organizational structure,
 - 4) ESP ensures the organizational structure transparency by posting at the website at least basic organizational structure.
2. With respect to §2 of the Principles the Supervisory Board according to the best knowledge of its members is of the opinion that:
 - 1) the organizational structure of the supervised institution is transparent and adequate for the scale and type of the conducted activity and for the undertaken risk, with clear and appropriate reporting lines, tasks and scope of duties and responsibilities. The organizational structure covers and reflects the whole scope of the supervised institution's activity with clear distinction of every key function within the scope of the performed tasks. It applies to delegation of both tasks and responsibility to members of the managing body of the supervised institution and delegation of tasks and responsibility to organizational cells of the headquarters, field units and individual positions or a group of positions,
 - 2) organizational structure of ESP is specified in such a manner so as to dispels doubts regarding the scope of tasks and responsibility of particular organizational cells, field units and positions or a group of positions, in particular to avoid the overlap of tasks and responsibility of the organizational cells, field units and positions or a group of positions.
3. With respect to §3 of the Principles the Supervisory Board according to the best knowledge of its members is of the opinion that the supervised institution observes the requirements arising from the provisions of the law and consider recommendations issued by relevant supervisory bodies, in particular, by the Polish Financial Supervision Authority or EBA (*European Banking Authority*), ESMA (*European Securities and*

Markets Authority), EIOPA (*European Insurance and Occupational Pensions Authority*), respectively, as well as undertakings and declarations submitted to the supervisory bodies, and to consider individual recommendations issued by the supervisory bodies.

4. With respect to §4 of the Principles the Supervisory Board according to the best knowledge of its members is of the opinion that:
 - 1) ESP sets its own strategic objectives taking into account the character and scale of the conducted activity,
 - 2) the organization of ESP enables achievement of the set strategic objectives taking into account the efficient monitoring of activity-related risk,
 - 3) the organization of ESP enables immediate undertaking of appropriate activities in urgent situations when abandoning the objectives is necessary or achievement of the set strategic objectives is not possible due to unexpected changes in economic or legal environment of the supervised institution, or when further realisation of the set objectives may result in the violation of standards specified by the regulations on conducting the activity by a given supervised institution or the established code of conduct,
 - 4) the organization of ESP ensures that:
 - the performance of tasks within the scope of the entity's activity is delegated to persons having essential expertise and skills, who are supervised by persons having appropriate experience,
 - when determining the scope of delegated tasks, the ability to perform the tasks at a given position in a proper and reliable manner is taken into account,
 - the rights of employees are properly protected and their interests duly considered, in particular, through applying transparent and objective principles of employment and remuneration, assessment, as well as awarding and professional promotion.
5. With respect to §5 of the Principles the Supervisory Board according to the best knowledge of its members is of the opinion that:
 - 1) when establishing the organizational structure of ESP or making changes therein the integrity, in particular with the fundamental incorporation act on establishment and operation of the supervised institution and manner of operation of its bodies is ensured,
 - 2) the above-mentioned requirement relating to the organizational structure applies also in reference to other internal documents relating to the organization and functioning of particular organizational cells and headquarters positions, as well as field units, their organizational cells or positions, or groups of positions,
 - 3) the employees of the supervised institution are provided with access to information regarding the scope of entitlements, duties and responsibility of particular organizational units.
6. With respect to §6 of the Principles the Supervisory Board according to the best knowledge of its members is of the opinion that:
 - 1) the employees of ESP are provided with the possibility to use the anonymous system of notifying the executive or supervisory body of abuses in this supervised institution without fear of negative consequences from the management and other employees of ESP,
 - 2) the Management Board submits reports on serious abuse notifications to the Supervisory Board.
7. With respect to §7 of the Principles the Supervisory Board according to the best knowledge of its members is of the opinion that ESP applies continuity plans aiming at

ensuring the continuity of activity and the limitation of losses in the case of serious disruptions affecting the activity of the entity.

8. With respect to §8 of the Principles the Supervisory Board according to the best knowledge of its members is of the opinion that:
 - 1) ESP acts in the interest of all the shareholders, while respecting the interest of the clients,
 - 2) ESP takes into consideration the interests of all stakeholders, provided that they are not contrary to the interests of the supervised institution, while conducting the business activity,
 - 3) ESP provides the shareholders with proper access to information, in particular concerning decision-making by the Management Board. The shareholders are provided with reliable and complete information, without any preferences applied towards particular shareholders,
 - 4) providing a possibility of active online attendance at the meetings of a decision-making body is not justified by the number of the shareholders.
9. With respect to §9 of the Principles the Supervisory Board according to the best knowledge of its members is of the opinion that:
 - 1) shareholders of ESP collaborate while realising its objectives and ensures the security of functioning of ESP,
 - 2) the shareholders are entitled to influence the functioning of the supervised institution only through the decisions of the decision-making body without undermining the competences of other bodies. Unauthorised exertion of influence on the executive or supervisory body did not occur within reporting period,
 - 3) the shareholders make decisions with consideration given to the interest of the supervised institution,
 - 4) The meeting of the decision-making body is convened immediately if required for further proper functioning of the supervised institution,
 - 5) The shareholders use the proprietary supervision tools efficiently in order to ensure proper functioning of the executive and supervisory body of the supervised institution. The bodies of this institution should ensure the separation of proprietary and executive functions. Combining the shareholder's role with an executive function requires limiting the role of entities associated with the supervisory body in order to avoid lowering the effectiveness of the internal supervision,
 - 6) There were no conflicts arising between the shareholders of ESP within the evaluated period.
10. With respect to §10 of the Principles the Supervisory Board according to the best knowledge of its members is of the opinion that:
 - 1) the shareholders of ESP are not entitled to interfere in the manner of executing management, including the performance of tasks by the executive body of the supervised institution,
 - 2) the shareholders of ESP do not possess any personal powers or any other particular powers,
 - 3) the powers of the shareholders do not impede proper functioning of the supervised institution's bodies or discriminate against the other shareholders,
 - 4) the shareholders do not take advantage of their position to make decisions enabling the transfer of assets from the supervised institution to other entities, as well as the purchase or disposal, or concluding other transactions that make the supervised institution dispose of its assets on terms other than market terms, or if it poses a threat to the security and interest of the supervised institution.
11. With respect to §11 of the Principles the Supervisory Board according to the best knowledge of its members is of the opinion that:

- 1) transactions of ESP with affiliated entities are justified by the interest of the supervised institution and conducted in a transparent manner,
 - 2) transactions concluded with affiliated entities, which have a significant effect on the financial or legal standing of ESP or lead to purchase or disposal, or other disposal of assets of significant value, require opinion of the executive body. If members of the executive body have a varying opinion, the information and reasons for the different opinion are recorded in a protocol,
 - 3) if the decision regarding the transaction with the affiliated entity is made by the decision-making body, all the shareholders are provided with access to all the information necessary for the assessment of the conditions under which it is concluded as well as its effect on the standing of the supervised institution.
12. With respect to §12 of the Principles the Supervisory Board according to the best knowledge of its members is of the opinion that:
- 1) the shareholders are obliged to immediately recapitalize the supervised institution if it is necessary to maintain the supervised institution's equities at the level required by the provisions of the law and the supervisory regulations, as well as when it is necessary for the security of the supervised institution,
 - 2) the shareholders are obliged to immediately provide financial support to the supervised institution if it is necessary to maintain liquidity of the supervised institution at the level defined by the provisions of the law and supervisory regulations, as well as when it is necessary for the security of the supervised institution,
 - 3) decisions regarding the payment of dividends are made based on the necessity to maintain equity at appropriate level and to realize strategic objectives of the supervised institution. Furthermore, they are made based on the guidelines and personal recommendations issued by the supervisory bodies.
13. With respect to §13 of the Principles the Supervisory Board according to the best knowledge of its members is of the opinion that:
- 1) the executive body of ESP is collegial,
 - 2) members of the executive body have competences to carry out the affairs of the supervised institution arising from:
 - expertise (acquired through education, training courses, professional titles and otherwise, throughout the course of professional career),
 - experience (acquired in the course of performing particular functions or holding particular positions),
 - skills necessary to perform an assigned function.
 - 3) members of the executive body guarantees due performance of duties they have been entrusted,
 - 4) individual competences of members of the collegial executive body complement each other in such a manner so as to enable the appropriate level of collegial management of the supervised institution,
 - 5) the executive body is appropriately composed of persons with a thorough command of the Polish language and adequate experience and sound knowledge of the Polish financial market essential for the management of the supervised institution in the Polish financial market.
14. With respect to §14 of the Principles the Supervisory Board according to the best knowledge of its members is of the opinion that:
- 1) the Management Board of ESP acting in the interest of the supervised institution bears in mind the objectives and principles of carrying out the activity by the supervised institutions specified by the provisions of the law, internal regulations and supervisory recommendations,

- 2) when realising the established strategy of operation Management Board of ESP is guided by the security of the supervised institution's activity,
 - 3) the Management Board of ESP is the only one authorised to manage the supervised institution and be responsible for it,
 - 4) the management of the ESP includes in particular the functions of conducting the issues, planning, organizing, making decisions, managing and controlling the activity of the institution.
15. With respect to § 15 of the Principles the Supervisory Board according to the best knowledge of its members confirms that:
- 1) the function of the president of the management board has been singled out,
 - 2) members of the managing body share collegiate responsibility for decisions reserved for competence of the managing body, regardless of the distribution of responsibility for particular areas of the supervised institution's activity between the members of the managing body or assigning particular entitlements to lower management,
 - 3) the internal distribution of responsibilities for particular areas of the supervised institution's activity is carried out in a transparent and unequivocal manner, as well as is reflected in internal regulations. Such distribution does not lead to the unnecessary overlap of the competences of the management board members or internal conflicts of interests,
 - 4) the internal distribution of responsibilities between the management board members does not lead to such a situation that a particular area of the supervised institution's activity is not assigned to any member of the managing body.
16. With respect to §16 of the Principles the Supervisory Board according to the best knowledge of its members confirms that:
- 1) meetings of the managing body are conducted in Polish and assistance of an interpreter is provided if necessary,
 - 2) the minutes and content of the adopted resolutions or other significant provisions of the supervised institution's managing body are drawn up in Polish and, if it is deemed necessary, are translated into English.
17. With respect to §17 of the Principles the Supervisory Board according to the best knowledge of its members is of the opinion that:
- 1) performance of a function in the managing body of ESP is the main area of professional activity of a member of the managing body. The additional professional activity of a member of the managing body outside the supervised institution does not involve such commitment of time and workload so as to affect proper performance of the function by this person in the managing body of the supervised institution,
 - 2) in particular, a member of the managing body is not a member of other entities' authorities to the extent that time committed for the performance of the function in other entities affects the accurate performance of duties in the supervised institution,
 - 3) Members of the managing body of ESP refrain from undertaking professional or non-professional activities which may result in a conflict of interest or affect his/her reputation as member of the managing body of the supervised institution,
 - 4) The principles of limiting a conflict of interest are specified in an adequate internal regulation specifying inter alia the principles of identification, management and prevention of a conflict of interests, as well as the principles of exclusion of a member of the managing body in the event of the conflict of interest or a possibility of such conflict.

18. With respect to §18 of the Principles the Supervisory Board according to the best knowledge of its members confirms that in the event of an incomplete managing body of the supervised institution, its composition will be completed without delay.
19. With respect to §19 of the Principles the Supervisory Board confirms that:
- 1) All Members of the Supervisory Board of ESP have competences for proper performance of supervision of the supervised institution arising from:
 - expertise (acquired through education, training courses, professional titles and otherwise throughout the course of a professional career),
 - experience (acquired in the course of performing particular functions or holding particular positions),
 - skills necessary to perform an assigned function.
 - 2) Individual competences of members of the collegial supervisory body complement each other in such a manner so as to enable an appropriate level of collegial supervision of all areas of the supervised institution's activity,
 - 3) All Members of the Supervisory Board guarantee due performance of duties assigned to them,
 - 4) ESP does not apply the rule indicated in §19 sec. 4 of the Principles due to the fact that the Supervisory Board members are fluent in English and do not use the Polish language.
20. With respect to §20 of the Principles the Supervisory Board according to the best knowledge of its members confirms that:
- 1) The supervisory body supervises the issues of the institution with consideration given to proper and safe activity of the supervised institution when performing its tasks,
 - 2) The supervisory body has the ability to undertake necessary supervisory activities on the regular basis, in particular within the scope of realizing the adopted strategic objectives or significant changes of the risk level or materialising significant risks in the supervised institution's activity, as well as within the scope of financial reporting, including the implementation of significant changes to the accounting policy which have a significant influence on the content of financial information,
 - 3) The supervisory body and its individual members when carrying out supervision follow the objective assessment and judgement.
21. With respect to § 21 of the Principles the Supervisory Board according to the best knowledge of its members confirms that:
- 1) The size of the supervisory body should be adequate for the nature and scale of activity conducted by ESP,
 - 2) The function of the president who manages the work of the supervisory body is separated in the composition of the supervisory body. The selection of the president of the supervisory body is carried out based on experience and skills to manage a team with consideration given to the criterion of independence.
22. With respect to §22 of the Principles the Supervisory Board according to the best knowledge of its members confirms that:
- 1) The composition of the supervisory body ensures the appropriate participation of independent members, if possible, appointed from among candidates designated by minority shareholders. Independence is characterised mostly by the lack of direct and indirect links to the supervised institution, members of the managing and supervisory bodies, significant shareholders and the affiliated entities,
 - 2) In particular, independence characterises the members of audit committee or members of the supervisory body with competence in accounting or financial audit,
 - 3) If members of the supervisory body have a varying opinion, the information and reasons for a different opinion are recorded in the minutes,

- 4) As part of monitoring the financial audit activities, the audit committee or the supervisory body should agree on the principles of conducting activities by the entity entitled to audit financial statements, including the proposed plan of activities,
 - 5) When delivering the results of the financial audit activities by the entity entitled to audit financial statements, the audit committee or the supervisory body give their opinion on the financial statements to which the financial audit activities refer,
 - 6) Cooperation of the audit committee and the supervisory body with the entity entitled to audit the financial statements is documented. Termination of the contract with the entity entitled to audit the financial statements is submitted for evaluation of the supervisory body which will include the information about the reasons for such a solution in an annual report containing the evaluation of the financial statements of the supervised institution.
23. With respect to §23 of the Principles the Supervisory Board according to the best knowledge of its members confirms that:
- 1) All Members of the Supervisory Board of ESP perform their function in an active manner showing the commitment essential in the work of the supervisory body,
 - 2) The necessary level of commitment is demonstrated in committing time in the amount allowing proper performance of the tasks of the supervisory body,
 - 3) The other professional activity of a member of the supervisory body is not conducted at the expense of quality and efficiency of the carried out supervision,
 - 4) All Members of the Supervisory Board of ESP refrain from undertaking professional or non-professional activity which may lead to the conflict of interest or otherwise affect their reputation as members of the supervisory body of the supervised institution,
 - 5) The principles of limiting the conflict of interest should be specified in a relevant internal regulation specifying inter alia the principles of identification, management and prevention of the conflict of interest, as well as the principles of the exclusion of the member of the supervisory body in the event of the conflict of interest or the possibility of it.
24. With respect to §24 of the Principles the Supervisory Board according to the best knowledge of its members confirms that:
- 1) ESP does not apply the rule indicated in §24 sec. 1 of the Principles due to the fact that the Supervisory Board members are fluent in English and do not use the Polish language,
 - 2) The minutes and the contents of the adopted resolutions or other significant provisions of the supervised institution's supervising body are drawn up in Polish and English.
25. With respect to §25 of the Principles the Supervisory Board according to the best knowledge of its members confirms that:
- 1) The supervision carried out by the supervisory body is of a permanent nature and the meetings of the supervisory body should be held based on the needs. The ESP has as audit committee, a risk committee and a remuneration committee which are entrusted with specific matters related to the activities of the supervised institution, and therefore meetings of the supervisory body should be held at least four times a year,
 - 2) In the event of detecting, in the course of the carried out supervision, abuses, significant errors, including errors having significant influence on the content of financial information or other significant irregularities in the functioning of the supervised institution, the supervisory body undertakes appropriate activities, in particular request explanation from the managing body and recommend to it the implementation of effective measures to counteract similar irregularities in the future,

- 3) If it is essential for proper and effective supervision, the supervisory body requests the managing body to appoint the selected external entity to conduct certain analyses or seek opinion on certain issues.
26. With respect to §26 of the Principles the Supervisory Board according to the best knowledge of its members confirms that in the case of an incomplete supervisory body of the supervised institution, its composition will be completed without delay.
27. With respect to §27 of the Principles the Supervisory Board confirms that the compliance with the Principles implemented under this document is evaluated on regular basis and the results of the evaluation are made available on the website of the supervised institution and forwarded to other authorities of ESP, which is evidenced by this document.
28. With respect to §28 of the Principles the Supervisory Board confirms that:
- 1) ESP has transparent policy of remunerating members of the supervisory and managing body, as well as persons performing key functions. The remuneration principles are specified in the relevant internal regulations i.e. "The Remuneration Policy for ESP",
 - 2) When establishing "The Remuneration Policy for ESP" the financial standing of the supervised institution been taken into consideration,
 - 3) The supervisory body prepares an annual report on evaluating the functioning of the remuneration policy in the supervised institution and submits it to the decision-making body,
 - 4) The decision-making body evaluates if the established remuneration policy promotes development and security of the functioning of the supervised institution.
29. With respect to §29 of the Principles the Supervisory Board confirms that:
- 1) Remuneration of the supervisory body members is set adequately to the performed function and to the scale of activity of the supervised institution. Members of the supervisory body appointed to work in committees, including the audit committee, are remunerated adequately to the additional tasks performed within a given committee,
 - 2) Remuneration of the supervisory body members is set by the decision-making body, as long as provisions of the law prohibit the payment of such remuneration,
 - 3) The principles of remunerating the members of the supervisory body are transparent and included in a relevant internal regulation of the supervised institution.
30. With respect to §30 of the Principles the Supervisory Board confirms that:
- 1) The supervisory body, while considering the decisions of the decision-making body, is responsible for the implementation of the internal regulation specifying the principles of remunerating members of the managing body, including detailed criteria and terms justifying the acquisition of variable components of remuneration,
 - 2) The supervisory body supervises the established remuneration policy, including verification of the fulfilment of the criteria and terms justifying the acquisition of variable components of remuneration before the payment of the whole or part of the remuneration,
 - 3) In relation to persons performing the key functions, the responsibility for implementing relevant internal regulations and supervision in this area rests with the managing body,
 - 4) Variable components of remuneration for management board members or persons performing key functions should depend in particular on objective criteria, quality of management of the supervised institution and should take into account long-term aspects of the operation and the manner of realisation of strategic objectives. When

determining variable components of remuneration, one should also take into account awards and benefits, including those resulting from incentive schemes and other bonus schemes paid, payable or potentially payable. The established remuneration policy should not encourage be an incentive to take excessive risk in the activity of the supervised institution,

- 5) The ESP does not apply the rule indicated in §30 sec. 5 of the Principles. The remuneration of the managing body member or persons performing key functions should be financed and paid from the resources of the supervised institution, however due to the fact that ESP is a member of international capital group, the remuneration of the managing body member or persons performing key functions may be financed and paid from the resources of the mother company or companies from Erste Group as well.

31. With respect to §31 of the Principles the Supervisory Board, according the best knowledge of its members, confirms that:

- 1) The supervised institution has transparent information policy taking into account the needs of its shareholders and clients which is made available on the website of this institution,
- 2) The information policy is based on facilitating access to information,
- 3) The supervised institution ensures equality of access to information to the shareholders,
- 4) The information policy specifies in particular the principles and deadlines of responding to the queries of the shareholders and clients,
- 5) The information policy ensures the protection of information and gives consideration to separate regulations arising from specific provisions regulating the operation of the supervised institution.

32. With respect to §32 of the Principles the Supervisory Board, according the best knowledge of its members, confirms that:

- 1) The advertising message concerning a service or product offered by the supervised institution or its activity, hereinafter referred to as "the advertised product", is reliable and avoid misleading, as well as respect generally applicable provisions of the law, principles of fair trade and the accepted good business practices,
- 2) The advertising message clearly indicates which product or service it concerns,
- 3) The advertising message does not highlight the benefits in such a manner so as to diminish the significance of the costs and risks related to the purchase of the product or service.

33. With respect to §33 of the Principles the Supervisory Board, according the best knowledge of its members, confirms that the advertising message does not mislead or create the possibility to mislead, in particular with regards to:

- 1) the legal nature of the advertised product, including the rights and duties of the client,
- 2) identity of the advertised product,
- 3) relevant characteristics of the advertised product,
- 4) benefits which can be gained through the purchase or use of the advertised product and the period in which they arise,
- 5) total costs incurred by the client in relation to the purchase or use of the advertised product and the period to which the costs are related,
- 6) time, value and territorial availability the advertised product,
- 7) risk related to the purchase or use of the advertised product.

34. With respect to §34 of the Principles the Supervisory Board, according the best knowledge of its members, confirms that when creating and publishing the advertising message, the supervised institution in particular:

- 1) monitors the character and construction of the advertising messages prepared and published on behalf of the supervised institution or in its favour,
 - 2) provides the receiver with the possibility to familiarise freely with all the content constituting the message, in particular with any indications and reservations constituting an integral part of the advertising message,
 - 3) ensures that graphic solutions used in the advertising message do not affect the receiver's getting acquainted with significant information related to the advertised product in this message, in particular with the information required by the provisions of the law or supervisory recommendations,
 - 4) indicates the source of the presented information if the advertising message refers to the results of surveys, statistical research, rankings, ratings, and other data.
35. With respect to §35 of the Principles the Supervisory Board, according the best knowledge of its members, confirms that the process of offering financial products or services is conducted by persons properly prepared in order to ensure the reliability of information provided to clients as well as granting them clear explanations.
36. With respect to §36 of the Principles the Supervisory Board, according the best knowledge of its members, confirms that:
- 1) The supervised institution does its best to ensure that the offered financial products or services are adequate for the needs of the clients to whom they are addressed,
 - 2) At the stage of presenting the character and construction of the recommended financial product or service, the supervised institutions and the entities collaborating with them give consideration to the needs referred to in clause 1, in particular regarding individual situation of the client, including the knowledge and experience in the financial market and, if it is justified, the required duration of the investment and the accepted risk level.
37. With respect to §37 of the Principles the Supervisory Board, according the best knowledge of its members, confirms that the supervised institution and the collaborating entities inform about the offered product or service in the manner that is reliable and clear for an average receiver, in particular about the character and construction of the product or service, benefits and factors conditioning generation of potential profit, as well as all risks related to them, including fees and costs (related also to an early resignation from the product or service).
38. With respect to §38 of the Principles the Supervisory Board, according the best knowledge of its members, confirms that:
- 1) All necessary information regarding the character and construction of the financial product or service significant for the client to make a decision are provided to the clients in such a manner so as to give them a possibility to get acquainted with the information prior to concluding the contract,
 - 2) Provisions of the contract, including templates of the contract and significant information regarding the contract included in other documents, are submitted to the client by the supervised institution and the collaborating entities prior to the client's decision to conclude the contract,
 - 3) If the client finds it impossible to get acquainted with the submitted documents on site, the supervised institution provides the client with copies of relevant documents, at its own cost,
 - 4) The supervised institutions undertakes the appropriate activities and apply due diligence to ensure that the templates of the contracts do not include unequivocal provisions.
39. With respect to §39 of the Principles the Supervisory Board, according the best knowledge of its members, confirms that the supervised institution elaborates clear and

transparent provisions of handling claims and complaints and provide them to the clients.

40. With respect to §40 of the Principles the Supervisory Board, according the best knowledge of its members, confirms that the supervised institution implemented the organised form of handling the claims and complaints and undertake remedial actions to limit factors leading to them in the future.
41. With respect to §41 of the Principles the Supervisory Board, according the best knowledge of its members, confirms that there were no claims during the reported year, nevertheless the process of handling the claims and complaints by the supervised institution should be conducted without delay within 30 days at the most, and be characterised by reliability, insight, objectiveness and respect for the generally applicable provisions of the law, fair trade principles, and the accepted good business practices.
42. With respect to §42 of the Principles the Supervisory Board, according the best knowledge of its members, confirms that there were no claims during the reported year, nevertheless the content of response to a claim or a complaint include, if it is possible, full and comprehensive factual and legal grounds, adequately to the allegations included in the complaint or claim.
43. With respect to §43 of the Principles the Supervisory Board, according the best knowledge of its members, confirms that there were no disputes during the reported year, nevertheless the supervised institution should seek to settle the disputes with its clients in an amicable manner.
44. With respect to §44 of the Principles the Supervisory Board, according the best knowledge of its members, confirms that when pursuing the claims, in particular conducting debt collection activities towards its clients, the supervised institution should act in a professional manner protecting the reputation of a public trust institution.
45. With respect to §45 of the Principles the Supervisory Board, confirms that:
 - 1) The supervised institution established a relevant, effective and efficient system of internal control in order to ensure:
 - i. the regularity of administrative and accounting procedures, as well as financial reporting and reliable internal and external reporting,
 - ii. compliance of operations with the provisions of the law and internal regulations and with consideration given to the supervisory recommendations,
 - 2) the process of realising the objectives of the internal control system includes organisation of internal control, control mechanisms and assessment of the risk of failing to realise the objectives referred to in clause 1,
 - 3) the supervised institution documents the process of realising the objectives of the internal control system.
46. With respect to §46 of the Principles the Supervisory Board, confirms that:
 - 1) the internal control system covers all levels of the supervised institution's organisational structure,
 - 2) the managing body developed and implemented an adequate, effective and efficient system of internal control and the supervisory body or the audit committee should periodically evaluate adequacy, effectiveness and efficiency of both the whole system of internal control and particular elements thereof,

- 3) the employees of the supervised institution in the framework of their duties are assigned with appropriate tasks related to the realisation of the objectives of the internal control system.
47. With respect to §47 of the Principles the Supervisory Board, confirms that:
- 1) the supervised institution developed and implemented an effective, efficient and independent function ensuring the compliance of the operations of the supervised institution with the provisions of the law and internal regulations and with consideration given to the supervisory recommendations,
 - 2) the manner of organising the function of ensuring compliance guarantees independence of performing tasks within this scope.
48. With respect to § 48 of the Principles the Supervisory Board, confirms that:
- 1) the supervised institution developed and implemented an effective, efficient and independent function of internal audit aiming in particular at regular verification of adequacy, efficiency and effectiveness, in particular of the internal control system, function of ensuring compliance and risk management system,
 - 2) the manner of organising the function of internal audit guarantees independence of performing tasks within this scope.
49. With respect to §49 of the Principles the Supervisory Board, confirms that:
- 1) the Internal Auditor and Compliance Officer can communicate directly with the management and supervisory bodies or the audit committee, and they is be able to report directly and simultaneously to these bodies,
 - 2) the Internal Auditor and Compliance Officer participate in the meetings of the management and supervisory bodies or the audit committee if the subject of the meeting is issues related to the internal control system, internal audit function or compliance function,
 - 3) in the supervised institution the Internal Auditor and Compliance Officer are appointed and dismissed with the consent of the supervisory body or the audit committee.
50. With respect to §50 of the Principles the Supervisory Board, confirms that:
- 1) the supervised institution efficiently manages the risk involved related to its activity, in particular, through developing and implementing a relevant and effective system of risk management that takes into account a strategy of risk management including risk tolerance defined by the supervised institution,
 - 2) the process of managing the risk includes its identification, measurement, estimation, monitoring and the use of mechanisms controlling and limiting the identified, measured or estimated level of risk,
 - 3) the risk management system is organised adequately for the character, scale and complexity of the conducted activity with consideration given to strategic objectives of the supervised institution, including strategy related to risk management which gives consideration to risk tolerance defined by the supervised institution.
51. With respect to §51 of the Principles the Supervisory Board, confirms that:
- 1) regardless of the tasks assigned to organisational units of the supervised institution and other bodies of this institution, responsibility for efficient risk management lies with the managing body,
 - 2) with consideration given to the character, scale and complexity of the conducted activity, members of managing body does not combine responsibility for the given risk management with the responsibility for the area of activity generating such risk.
52. With respect to §52 of the Principles the Supervisory Board, confirms that the supervisory body as is required by the provisions of law approves and supervises the

implementation of the risk management strategy supervising the efficiency of risk management. The managing body ensured that the supervisory body is provided with regular and up-to-date information about the risk identified in the current or future activity of the supervised institution, the character, scale and complexity of the risk and activities undertaken within the scope of management of such risk, including also the information coming directly from the internal audit unit or compliance unit or another unit responsible for this area.

53. With respect to §53 to §57 of the Principles the Supervisory Board confirms that the supervised institution does not manage the assets at the client's risk.

This document was approved on 26th of March 2024 by the Supervisory Board of ESP.