

Table of Compliance of KDPW  
with the Principles of Corporate Governance for Supervised Institutions

No.	Principle	Company's position on application of the Principle
<b>Chapter 1 Organisation and Organisational Structure</b>		
§ 1.1	The organisation of a supervised institution should enable the achievement of the long-term goals of the activities being performed.	The principle is applied
§ 1.2	The organisation of a supervised institution should cover management and exercise of control, internal reporting, information flow and protection, and document circulation systems, which should be properly regulated through internal regulations.	The principle is applied
§ 1.3	The organisation of a supervised institution should be reflected in its organisational structure.	The principle is applied
§ 1.4	A supervised institution should ensure transparency of the organisational structure regulated in internal regulations by publishing at least the basic organisational structure on its website.	The principle is applied
§ 2.1	A supervised institution should have an organisational structure which is transparent and adequate to the scale and nature of the conducted activity and the risk taken, in which the professional structure, tasks and scope of duties and responsibility are clearly ascribed and appropriately assigned. The organisational structure should cover and reflect the whole range of activities of the supervised institution, clearly separating each key function in the scope of the performed tasks. This pertains both to the division of tasks and responsibilities among members of the management body of the supervised institution, as well as the division of tasks and responsibilities among the organisational units of the head office, branches and specific positions or groups of positions.	The principle is applied
§ 2.2	The organisational structure should be determined in a manner which prevents any uncertainty as to the scope of tasks and responsibilities of respective organisational units, branches and positions or groups of positions, in particular to prevent the occurrence of overlapping of duties and responsibilities of organisational units, branches and positions or groups of positions.	The principle is applied
§ 3	A supervised institution shall be obliged to comply with the requirements resulting from legal regulations and take into account the supervisory recommendations issued by the appropriate supervision bodies, in particular the Polish Financial Supervision Authority or the European Banking Authority (EBA), the European Securities and Markets Authority (ESMA), the European Insurance and Occupational Pensions Authority (EIOPA) respectively, as well as the obligations and declarations made before supervision authorities, and take into account individual recommendations issued by the supervision authorities.	The principle is applied

No.	Principle	Company's position on application of the Principle
§ 4.1	A supervised institution should determine its own strategic goals, taking into account the nature and scale of the activities performed.	The principle is applied
§ 4.2	The organisation of a supervised institution should enable the attainment of a set of strategic goals, taking into account the need efficiently to monitor the risk existing in its business.	The principle is applied
§ 4.3	The organisation of a supervised institution should enable the immediate performance of appropriate action in emergency situations, when it is necessary to waive or it is not possible to implement the adopted strategic goals due to unexpected changes in the economic or legal environment of the supervised institution or when further implementation of the adopted goals may lead to violation of the standards defined in the regulations concerning the operations of the supervised institution or established principles of conduct.	The principle is applied
§ 4.4	The organisation of a supervised institution should ensure that: 1) performance of tasks from the scope of the activity of the entity is entrusted to persons who have the necessary knowledge and skills, who are supervised by persons who also have the appropriate experience, 2) determining the scope of the entrusted tasks, the possibility of proper and reliable performance of the tasks at a given position is taken into account, 3) employee rights are adequately protected and their interests are properly taken into account, especially through the application of transparent and objective principles of employment and remuneration, appraisal, as well as reward and career advancement.	The principle is applied
§ 5.1	When developing or amending the organisational structure, its consistence shall be ensured, particularly with the internal constitution, with reference to the creation and functioning of a supervised institution and the method of operation of its bodies.	The principle is applied
§ 5.2	The above requirement referring to the organisational structure should be kept also with reference to other internal documents related to the organisation and functioning of specific organisational units and positions in the head office, as well as branches and organisational units, and positions or groups of positions.	The principle is applied
§ 5.3	The employees of a supervised institution should have ensured proper access to information on the scope of entitlements, duties and responsibilities of particular organisational units.	The principle is applied
§ 6.1	In the event of the introduction into a supervised institution of an anonymous method of notifying the governing body or the supervisory body of any abuses in the supervised institution, it should be possible to ensure to use this method by employees without the fear of suffering negative consequences from the management and other employees of the supervised institution.	The principle is applied
§ 6.2	The governing body should present reports concerning notifications of serious abuses to the supervisory body.	The principle is applied adequately  In accordance with the Company's "KDPW Compliance Policy", the Chief Compliance Officer is responsible for reporting irregularities, breaches and abuses.
§ 7	A supervised institution shall apply business continuity planning in order to ensure continuity of operations and mitigation of losses in the event of serious disruption in the entity's business activities.	The principle is applied

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<b>Chapter 2 Relations with the Supervised Institution's Shareholders</b>		
§ 8.1	A supervised institution should act in the interest of all its shareholders, respecting at the same time the clients' interest.	The principle is applied
§ 8.2	A supervised institution, when conducting business activity, should take into account the interests of all stakeholders, as long as they are not contrary to the interests of the supervised institution.	The principle is applied
§ 8.3	A supervised institution should ensure adequate access to information for shareholders, in particular in the case of decisions made by the General Meeting. Providing information to shareholders, its reliability and completeness shall be ensured, without preferential treatment of selected shareholders	The principle is applied
§ 8.4	A supervised institution, when justified by the number of shareholders, should strive to facilitate the participation of all shareholders in the General Meeting of the supervised institution, among others, through ensuring the possibility of active electronic participation in the General Meeting.	The Principle is not applied / The Principle is inapplicable The Company does not have a broad shareholder structure. The number and profile of the Company's shareholders do not justify the application of this Principle.
§ 9.1	Shareholders of a supervised institution should cooperate to implement its goals and to ensure the security of the operations of that institution.	Positive recommendation for the General Meeting
§ 9.2	Shareholders may influence the functioning of a supervised institution only through the decisions of the General Meeting, without infringing upon the rights of the other bodies. Unauthorised exertion of influence on the General Meeting or Supervisory Board should be reported to the Polish Financial Supervision Authority.	Positive recommendation for the General Meeting
§ 9.3	Shareholders shall be guided in their decisions by the interest of the supervised institution.	Positive recommendation for the General Meeting
§ 9.4	A General Meeting required for further proper functioning of a supervised institution should be called without delay.	The principle is applied
§ 9.5	Shareholders should efficiently use the available means of ownership supervision, so as to ensure proper functioning of the management body and supervisory body of the supervised institution. The bodies of the institution should function in a manner that ensures separation of the ownership and management functions. Combining the role of shareholder with a management function shall require limitation of the role of entities related to the representative in the supervisory body, to avoid lowering the efficiency of internal supervision.	Positive recommendation for the General Meeting
§ 9.6	Any conflicts occurring between shareholders should be resolved without delay, so as to prevent the occurrence of infringement of the interests of the supervised institution and its clients.	Positive recommendation for the General Meeting
§ 10.1	Shareholders may not interfere with the manner management is exercised, including the manner in which business is conducted by the management body of the supervised institution.	Positive recommendation for the General Meeting
§ 10.2	Introduction of personal entitlements or other special entitlements for shareholders of a supervised institution should be justified and should serve to implement important goals of the operations of the supervised institution. Holding such entitlements by shareholders should be reflected in the essential internal constitutional act of that institution.	The Principle is not applied / The Principle is inapplicable The General Meeting of 21 June 2016 resolved no longer to apply this principle.
§ 10.3	Shareholders' entitlements should not lead to hindrance of the proper functioning of the bodies of the supervised institution or discrimination of the other shareholders.	Positive recommendation for the General Meeting
§ 10.4	Shareholders should not use their position for making decisions leading to the transfer of assets from the supervised institution to other entities, or purchasing or making other transactions causing the disposal by the supervised	Positive recommendation for the General Meeting

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	institution of its assets on terms other than market terms, or with a threat to the security or interest of the supervised institution.	
§ 11.1	Execution of a transaction with a related party should be justified by the interest of the supervised institution and should be performed in a transparent manner.	The principle is applied
§ 11.2	Transactions with related parties, which have a significant impact on the financial or legal position of the supervised entity or lead to the purchase or sale, or a different disposal of a significant part of the assets, shall require receiving an opinion from the supervisory body. If members of the supervisory body report a dissenting opinion, the information and causes of the dissenting opinion shall be included in the minutes.	The principle is applied adequately  The principle is applied taking into account the provisions of the Law on the Rules for the Management of State Property of 16 December 2016.
§ 11.3	In the event that the decision concerning a transaction with a related party was made by the General Meeting, all shareholders should have access to any information necessary for assessment of the terms on which the transaction is to be executed and its impact on the situation of the supervised institution.	The principle is applied
§ 12.1	Shareholders shall be responsible for the immediate capital increase of the supervised institution when it is necessary for maintaining the own capital of the supervised institution at a level required by legal regulations or supervisory regulations, as well as when this is required for the security of the supervised institution.	The Principle is not applied / The Principle is inapplicable The General Meeting of 21 June 2016 resolved no longer to apply this principle.
§ 12.2	Shareholders should be responsible for immediate provision of financial support to the supervised institution, should it be necessary for maintaining liquidity of the supervised institution at a level required by legal regulations or the supervisory regulations, as well as when this is required for the security of the supervised institution.	The Principle is not applied / The Principle is inapplicable The General Meeting of 21 June 2016 resolved no longer to apply this principle.
§ 12.3	Decisions on whether or not to pay the dividend should depend on the need to maintain a proper level of own capitals and implementation of the strategic goals of the supervised institution. Such decisions should also take into account the guidelines and individual recommendations issued by the supervision bodies.	Positive recommendation for the General Meeting
<b>Chapter 3 Management Body</b>		
§ 13.1	The management body shall be a collective entity.	The principle is applied
§ 13.2	A member of the management body should hold the skills to run the affairs of the supervised institution resulting from: 1) knowledge (held as a result of education, completed training, professional qualifications obtained or acquired in the course of a professional career), 2) experience (gained in the course of performing specific functions or holding specific positions), 3) skills necessary to perform the entrusted function.	The principle is applied
§ 13.3	A management body member should be accountable for the due performance of the duties entrusted to him or her.	The principle is applied
§ 13.4	Individual competences of specific members of the collective management bodies should complement one another, so as to enable the proper level of collective management of the supervised institution.	The principle is applied
§ 13.5	The composition of the management body shall include the appropriate participation of persons who speak Polish and show the appropriate experience and knowledge of the Polish financial market necessary for managing a supervised institution on the Polish financial market.	The principle is applied

No.	Principle	Company's position on application of the Principle
§ 14.1	A management body, acting in the interest of the supervised institution, should take into account the goals and principles of the conducted business activity and the supervised institutions as defined in the legal regulations internal regulations and supervision guidelines.	The principle is applied
§ 14.2	A management body, implementing the adopted operational strategy, should be guided by the security of the supervised institution.	The principle is applied
§ 14.3	A management body should be the only body entitled to and responsible for the management of the operations of the supervised institution.	The principle is applied
§ 14.4	Management of the operations of a supervised institution encompasses in particular the functions of conducting affairs, planning, organising, deliberating, directing and controlling the operations of the institution.	The principle is applied
§ 15.1	The management body shall have a separate position of President of the management board to lead the work of that body.	The principle is applied
§ 15.2	Management body members shall bear collective responsibility for decisions reserved as being the competence of the management body, regardless of the introduction of internal division of responsibilities for specific areas of operations of the supervised institution among the members of the management body or delegating specific entitlements to lower management levels.	The principle is applied
§ 15.3	An internal division of responsibilities into specific areas of operations of the supervised institution among the members of the management body should be carried out in a clear and transparent manner, and should be reflected in the internal regulations. The division should not lead to an unnecessary overlap of the competences of the members of the management body or internal conflicts of interests.	The principle is applied
§ 15.4	An internal division of responsibilities among the members of a management body should not lead to a situation when a specific area of the supervised institution's operations is not ascribed to any member of the management body.	The principle is applied
§ 16.1	Meetings of a management body are expected to be held in Polish. Where necessary, the assistance of an interpreter should be ensured.	The principle is applied
§ 16.2	Minutes and the contents of adopted resolutions or other decisions of the management body of a supervised institution should be made in Polish or translated into Polish.	The principle is applied
§ 17.1	Performing functions within the management body should constitute the main form of professional activity of a management body member. Any additional professional activities of a management body member performed outside the supervised institution should not result in such involvement of time and duties which would have an adverse impact on the proper performance of the functions fulfilled by the person in the management body of the supervised institution.	The principle is applied
§ 17.2	A member of the management body should in particular not be a member of bodies of other entities if the time dedicated to the performance of the function in the other entities prevents the reliable performance of the duties in the supervised institution.	The principle is applied

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§ 17.3	A management body member should refrain from undertaking professional or non-professional activities, which could lead to the occurrence of a conflict of interest or have an adverse impact on his or her reputation as a member of the management body of a supervised institution.	The principle is applied
§ 17.4	The principles of mitigating conflict of interests should be defined in an appropriate internal regulation determining, in particular, the principles of identification, management and prevention of conflicts of interests, as well as the principles of excluding a management body member in case of the occurrence of a conflict of interest, or the possibility of its occurrence.	The principle is applied
§ 18	In the event of an incomplete composition of the management body of a supervised institution, it should be supplemented without delay.	The principle is applied
<b>Chapter 4 Supervisory body</b>		
§ 19.1	A member of the supervisory body should hold the necessary skills properly to perform the obligations of overseeing the supervised institution, resulting from: 1) knowledge (possessed as a result of education, completed training, professional qualifications or academic titles, obtained or otherwise acquired in the course of professional career), 2) experience (gained in the course of performing specific functions or occupying specific positions), 3) skills necessary to perform the entrusted function.	The principle is applied
§ 19.2	Individual competences of specific members of the collective supervisory bodies should complement one another, so as to enable the proper level of collective exercise of oversight over all areas of activities of the supervised institution.	The principle is applied
§ 19.3	A member of a supervisory body should be accountable for the due performance of the duties entrusted to him or her.	The principle is applied
§ 19.4	The composition of the supervisory body shall include the appropriate participation of persons who speak Polish and show the appropriate experience and knowledge of the Polish financial market necessary for oversight of a supervised institution on the Polish financial market.	The principle is applied
§ 20.1	A supervisory body shall exercise oversight of the affairs of the institution, being guided in the performance of its functions in a manner to ensure due care for the proper and secure operation of the supervised institution.	The principle is applied
§ 20.2	A supervisory body should have the ability to undertake necessary supervisory activities on an ongoing basis, especially during the implementation of the adopted strategic goals or significant changes in the level of risk or occurrence of significant risks in the operations of the supervised institution, as well as in the scope of financial reporting, including introduction of major changes to the accounting policy which have a significant impact on the contents of the financial information.	The principle is applied
§ 20.3	A supervisory body and its individual members shall, when exercising supervision, be guided by impartial assessment and judgement.	The principle is applied
§ 21.1	The number of members of a supervisory body shall be adequate to the nature and scale of the activity conducted by the supervised institution.	The principle is applied
§ 21.2	A supervisory body shall have a separate position of Chairperson to lead the work of the supervisory body. The selection of the Chairperson of the supervisory body shall be made on the basis of experience and team leadership abilities, taking into account the principle of independence.	The principle is applied

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§ 22.1	The composition of a supervised institution's supervisory body shall include an appropriate proportion of independent members, and where possible, these should be appointed from among candidates identified by minority shareholders. Independence shall be reflected, above all, by the lack of a direct or indirect relationship with the supervised institution, members of the management and supervisory bodies, significant shareholders and entities related to them.	Positive recommendation for the General Meeting
§ 22.2	The members of the audit committee or members of the supervisory body who hold competences in the area of accountancy or financial review should in particular be independent.	The principle is applied adequately The audit committee includes an independent member.
§ 22.3	Where supervisory body members voice a dissenting opinion, information and reasons for the opinion shall be included in the minutes.	The principle is applied
§ 22.4	The audit committee or the supervisory body shall, as part of their role of monitoring financial review performance, agree on the principles of carrying out the actions by an entity authorised to examine financial statements, including in the scope of the proposed action plan.	The principle is applied
§ 22.5	The audit committee or the supervisory body, while presenting the results of financial review activities by an entity authorised to examine financial statements, should express its opinion on the financial statement, which is related to the financial review activities.	The principle is applied
§ 22.6	Cooperation between the audit committee and the supervisory body with the entity authorised to examine financial statements should be documented. Termination of an agreement with the entity authorised to audit financial statements should be subject to the assessment of the supervisory body, which shall publish information on the reasons for the termination in the annual report containing an assessment of the financial statements of the supervised institution.	The principle is applied
§ 23.1	A supervisory body member of the supervised institution should perform his or her functions in a pro-active manner, demonstrating the necessary level of involvement in the work of the supervisory body.	The principle is applied
§ 23.2	The necessary level of involvement shall be demonstrated in dedicating sufficient time to properly performing the tasks of the supervisory body.	The principle is applied
§ 23.3	The remaining professional activity of a supervisory body member may not be detrimental to the quality and efficiency of the supervision being exercised.	The principle is applied
§ 23.4	A supervisory body member should refrain from undertaking professional or non-professional activity which could lead to the occurrence of a conflict of interest or otherwise have an adverse impact on his or her reputation as a member of the supervisory body of a supervised institution.	The principle is applied
§ 23.5	The principles of mitigating conflicts of interest should be defined in an appropriate internal regulation determining, in particular, the principles of identification, management and prevention of conflicts of interests, as well as the principles of excluding a supervisory body member in case of the occurrence of a conflict of interest or the possibility of its occurrence.	The principle is applied
§ 24.1	Meetings of a supervisory body are expected to be held in Polish. Where necessary, the assistance of an interpreter should be ensured.	The principle is applied

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§ 24.2	Minutes and the contents of adopted resolutions or other decisions of the supervisory body of a supervised institution should be made in Polish or translated into Polish.	The principle is applied
§ 25.1	Supervision exercised by a supervisory body should be of permanent nature, and supervisory body meetings should be held as and when necessary. Where an audit committee or other committees operate in a supervisory institution, which have been entrusted specific tasks related to the activity of the supervised institution, meetings of the supervisory body should take place no less than four times per year, otherwise no less than every two months.	The principle is applied
§ 25.2	In the event of the detection, in the course of the performance of supervision activities, of abuses, major errors, including those that have a significant impact on the contents of financial information or other serious irregularities in the functioning of a supervised institution, the supervisory body should undertake appropriate actions, in particular shall demand that the management body provide necessary clarification and shall request it to introduce effective solutions to counteract the occurrence of similar irregularities in future.	The principle is applied
§ 25.3	A supervisory body may request the management body to appoint a selected external entity to carry out specific analyses or acquire its opinion on specific matters, should this be necessary for the purpose of exercising proper and efficient supervision.	The principle is applied
§ 26	In the event of an incomplete composition of the supervisory body of a supervised institution, it should be supplemented without delay.	The principle is applied
§ 27	A supervisory body shall perform a regular assessment of the application of the principles introduced herein, and the result of the assessment shall be made available on the supervised institution's website and submitted to the remaining bodies of the supervised institution.	The principle is applied
<b>Chapter 5 Remuneration Policy</b>		
§ 28.1	A supervised institution should have a transparent remuneration policy for members of the management body and the supervisory body, as well as for key personnel. The principles of remuneration shall be defined by means of appropriate internal regulations (the remuneration policy).	The principle is applied
§ 28.2	When establishing the remunerating policy, the financial situation of a supervised institution should be taken into account.	The principle is applied
§ 28.3	The supervisory body shall on an annual basis prepare and present a report on the assessment of the functioning of the remuneration policy in the supervised institution to the General Meeting.	The Principle is not applied / The Principle is inapplicable The General Meeting of 21 June 2016 resolved no longer to apply this principle.
§ 28.4	The General Meeting shall assess whether the established remuneration policy contributes to the development and security of the operations of the supervised institution.	The Principle is not applied / The Principle is inapplicable The General Meeting of 21 June 2016 resolved no longer to apply this principle.
§ 29.1	Remuneration of the members of the supervisory body shall be established in such a manner as to be adequate to the functions being performed, as well as adequate to the scale of operations of the supervised institution. Supervisory body members appointed to work in committees, including the audit committee, should be remunerated adequately for the additional tasks performed within a given committee.	The principle is applied adequately  The principle is applied taking into account the provisions of the Law on the Rules for Establishing the Remuneration of Persons



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		Managing Certain Companies and Related Recommendations, of 9 June 2016.
§ 29.2	Remuneration of supervisory body members should be established by the decision-making body, unless regulations prohibit the payment of such remuneration.	The principle is applied
§ 29.3	The principles of remuneration of supervisory body members should be transparent and included in the relevant internal regulation of the supervised institution.	The principle is applied
§ 30.1	The supervisory body, taking into account the decisions of the General Meeting, shall be responsible for the adoption of an internal regulation to determine the principles of remunerating management body members, including the detailed principles and conditions justifying eligibility for variable remuneration components.	The principle is applied adequately  The principle is applied taking into account the provisions of the Law on the Rules for Establishing the Remuneration of Persons Managing Certain Companies and Related Recommendations, of 9 June 2016.
§ 30.2	A supervisory body shall exercise supervision over the introduced remunerating policy, including verification of meeting the criteria and conditions of eligibility for variable remuneration components before the payment of the whole or part of that remuneration.	The principle is applied
§ 30.3	With regard to persons who fulfil key functions, responsibility for the introduction of an appropriate internal regulation and supervision in that area shall lie with the management body.	The principle is applied
§ 30.4	Variable remuneration components of management body members or key personnel shall depend in particular on objective criteria, the quality of management of the supervised institution, and shall take into account long-term aspects of the operations and method of implementation of strategic goals. When establishing the variable remuneration components, rewards and bonus payments, including those resulting from motivational schemes and other bonus schemes paid, due or potentially due, shall be taken into account. An established remuneration policy shall not constitute an incentive for undertaking excessive risk in the operations of the supervised institution.	The principle is applied adequately  The principle is applied taking into account the provisions of the Law on the Rules for Establishing the Remuneration of Persons Managing Certain Companies and Related Recommendations, of 9 June 2016. The basic remuneration level of employees performing key tasks is permanently fixed to preserve its objective character, while bonus payments (the variable remuneration component) are always awarded to employees despite their conditional dependence on efficiency targets, if they meet the criteria determined in the relevant rules.
§ 30.5	Remuneration of a management body member or key personnel should be financial and paid from the funds of the supervised institution.	The principle is applied
<b>Chapter 6 Communication Policy</b>		
§ 31.1	A supervised institution should maintain a transparent communication policy, taking into account the needs of its shareholders and clients, and it should be made available on the institution's website.	The principle is applied
§ 31.2	The communication policy should be based on facilitating access to information. In particular the reports published by a supervised institution, containing financial information, when justified by the number of shareholders, should be	The principle is applied

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	made available in electronic form, and include solutions which make it easier for the reader to become familiar with the incorporated information (interactive reports).	
§ 31.3	A supervised institution should ensure that shareholders have equal access to information.	The principle is applied
§ 31.4	The communication policy should determine in particular the principles and dates for replying to shareholders and clients.	The principle is applied
§ 31.5	The communication policy should ensure protection of information, and incorporate separate regulations related to possession of the status of a public company or resulting from special regulations concerning the functioning of supervised institutions.	The principle is applied
<b>Chapter 7 Promotional Activities and Client Relations</b>		
§ 32.1	The advertising of a service or product offered by a supervised institution or its business activity, hereinafter referred to as the "advertised item", should be reliable and shall not mislead, and it shall be characterised by respect for generally applicable legal regulations, principles of fair trading, as well as good conduct.	The principle is applied
§ 32.2	An advertising message should clearly identify the product or service it relates to.	The principle is applied
§ 32.3	An advertising message may not emphasise the benefits in such a manner as to undermine the significance of costs and risks related to the purchase of a product or service.	The principle is applied
§ 33	An advertising message should not mislead or create the possibility of misrepresentation, in particular with respect to: 1) the legal nature of the advertised item, including the rights and obligations of the client, 2) identity of the advertising entity, 3) significant features of the advertised item, 4) benefits which might be achieved by purchasing or using the advertised item, and the period of time, during which they arise, 5) total costs related to the purchase or use of the advertised item incurred by the client and the period of time, which the costs concern, 6) the time, value and territorial availability of the advertised item, 7) the risk related to the purchase or use of the advertised item.	The principle is applied
§ 34	When creating and publishing an advertising message, a supervisory institution should in particular: 1) pay due care to the nature and structure of the advertising messages prepared and published in the name of a supervised institution or on its behalf, 2) ensure that the recipient can freely become familiar with the whole content of the message, in particular all kinds of indications and reservations constituting an integral part of the advertising message, 3) ensure that graphic solutions used in an advertising message do not make it difficult for the recipient to learn about the most important information concerning the advertised item and contained in the message, in particular the information required by legal regulations and supervisory recommendations,	The principle is applied

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	4) provide the source of the presented information, if the advertising message refers to sales figures, statistical surveys, rankings, ratings and other data.	
§ 35	The process of offering financial products or services should be conducted by persons with appropriate experience in order to ensure reliability of the information communicated to the clients and provision of comprehensible explanations.	The principle is applied
§ 36.1	A supervised institution should make every effort to ensure that the financial products or services offered are adequate to the needs of the clients, to whom they are addressed.	The principle is applied
§ 36.2	At the stage of presenting the nature and structure of the recommended financial product or service, supervised institutions and entities cooperating with them should take into account the needs referred to in the previous principle, in particular in terms of the client's individual situation, including the knowledge and experience on the financial market, and in justified cases, the desired duration of the investment and risk acceptance level.	<p>The principle is applied adequately</p> <p>The adequate application of the principle is the result of the instruction that it should be addressed to parties, whose clients are non-professional entities, since only under such circumstances is it possible to refer to "the client's individual situation, including the knowledge and experience on the financial market". The entities for which the Company provides services are exclusively professional bodies performing financial activities and the services offered by the Company are standardised and in principle automated, while the scope and manner in which these services are offered reflect the actual needs of the market as a whole and the needs of specific groups of participants, not each individually. Irrespective of the above, the Company provides each client information on services offered in instances where the client holds any uncertainties in this scope.</p>
§ 37	A supervised institution and entities cooperating with it should inform about its product or services in a reliable manner and in a way that is understandable for an average recipient, including in particular about the nature and structure of the product or service, the benefits and factors that determine possible profits, as well as all related risks, including fees and costs (and including those related to early resignation from the product or service).	<p>The principle is applied adequately</p> <p>Only professional providers of financial services are clients of the Company's services and information on products and services are adapted to their status.</p>
§ 38.1	Any relevant information concerning the nature and structure of a financial product or service, which is important for the client's decision making, should be made available to the clients in a manner which enables them freely to become familiar with its content in advance, prior to the conclusion of an agreement.	The principle is applied
§ 38.2	The provisions of the agreement, including the templates of the agreement and important information on the agreement, contained in other documents, should be presented to a client by supervised institutions and entities cooperating with them before the client makes the decision to conclude an agreement.	The principle is applied

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§ 38.3	If a client is unable to become familiar with the documents displayed on the site, the supervised institution should supply the client with their own copies of the documents at its own cost.	The Principle is not applied / The Principle is inapplicable  Only professional providers of financial services are clients of the Company's services
§ 38.4	Supervised institutions should undertake appropriate actions and exercise due diligence to ensure that the templates of agreements contain no ambiguous provisions.	The principle is applied
§ 39	A supervised institution should draw up and make available to clients clear and transparent principles for the handling of complaints.	The principle is applied
§ 40	A supervised institution should introduce an organised form of handling complaints and undertaking remedial action aimed at mitigating the situations causing their occurrence in the future.	The principle is applied
§ 41	The process of handling complaints by a supervised institution should be carried out immediately, not later than within 30 days of being reported. The process should be characterised by reliability, thoroughness, impartiality and compliance with generally applicable legal regulations, the principles of fair trading, and good conduct.	The principle is applied
§ 42	A reply to a complaint should contain, as far as possible, full and exhaustive factual and legal justification, adequate to the charges contained in the complaint.	The principle is applied
§ 43	A supervised institution should strive for the amicable resolution of disputes with its clients.	The principle is applied
§ 44	A supervised institution, asserting its claims, in particular conducting debt enforcement actions against clients, should act in a professional manner and with due care for its reputation for public trust.	The principle is applied
<b>Chapter 8 Key Internal Systems and Functions</b>		
§ 45.1	A supervised institution should have an adequate, effective and efficient system of internal controls, providing assurance regarding: 1) correct administrative and accounting procedures, as well as financial reporting, and reliable internal and external reporting, 2) compliance of the operations with legal regulations and internal regulations, as well as taking into account supervisory recommendations.	The principle is applied
§ 45.2	The process of assuring implementation of the objectives of the internal control system should encompass organisation of internal control, control mechanisms and estimate of the risk of failure to achieve the objectives listed in item 1.	The principle is applied
§ 45.3	A supervised institution should document the process of assuring implementation of the objectives of the internal control system.	The principle is applied
§ 46.1	The internal control system of a supervised institution should cover all levels in the organisational structure of the supervised institution.	The principle is applied
§ 46.2	The management body should develop and implement an adequate, effective and efficient internal control system and the supervisory body or the audit committee should carry out a periodical assessment of the adequacy, effectiveness and efficiency of both the whole internal control system and its selected elements.	The principle is applied
§ 46.3	Employees of a supervised institution should be assigned appropriate tasks within their official duties related to assuring the implementation of the objectives of the internal control system.	The principle is applied

No.	Principle	Company's position on application of the Principle
§ 47.1	A supervised institution should develop and implement an effective, efficient and independent compliance function of the operations of the supervised institution with legal regulations and internal regulations, also taking into account supervisory recommendations.	The principle is applied
§ 47.2	The organisation of the compliance function should guarantee the independence of the tasks performed within that scope.	The principle is applied
§ 48.1	A supervised institution should develop and implement an effective, efficient and independent internal audit function, aimed especially at regular examination of the adequacy, efficiency and effectiveness, in particular of the internal control system, the compliance function and the risk management system.	The principle is applied
§ 48.2	The organisation of the internal audit function should guarantee the independence of the tasks performed within that scope.	The principle is applied
§ 49.1	The person heading the internal audit unit and the person heading the compliance unit shall have secured the possibility of direct communication with the management body and the supervisory body or the audit committee; they shall also have the possibility to report directly and simultaneously to those bodies.	The principle is applied
§ 49.2	The person heading the internal audit unit and the person heading the compliance unit shall participate in the meetings of the management body and the supervisory body or the audit committee if the meeting concerns issues related to the internal control system, the internal audit function or the compliance function.	The principle is applied
§ 49.3	In a supervised institution, appointment and dismissal of the person heading the internal audit unit and the person heading the compliance unit shall be made with the consent of the supervisory body or the audit committee.	The Principle is not applied / The Principle is inapplicable Solutions adopted by the Company to this extent is consistent with CSDR and its implementing acts.
§ 49.4	In a supervised institution, where there is no internal audit unit or compliance unit, the entitlements referred to in subparas. 1-3 above shall be held by the persons responsible for the performance of those functions.	The Principle is not applied / The Principle is inapplicable The Company has separate internal organisational units responsible for compliance and for internal audit.
§ 50.1	A supervised institution should efficiently manage the risk existing in its operations, in particular through drawing up and implementation of an adequate and efficient risk management system, taking into account a risk management strategy, incorporating the risk tolerance determined by the supervised institution.	The principle is applied
§ 50.2	The risk management process should encompass its identification, measurement, estimation, monitoring and application of control and mitigating mechanisms for the identified, measured and estimated risk level.	The principle is applied
§ 50.3	Risk management systems should be organised adequately to the nature, scale and complexity of the conducted activity, taking into account the strategic goals of the supervised institution, including the strategy concerning risk management, incorporating the risk tolerance determined by the supervised institution.	The principle is applied
§ 51.1	Irrespective of the tasks assigned to the organisational units and other bodies of a supervised institution, responsibility for efficient risk management shall lie with the management body.	The principle is applied
§ 51.2	Management body members, taking into account the nature, scale and complexity of the activity conducted, shall not combine responsibility for management of a given risk and responsibilities in the area of operations that generate that risk.	The principle is applied adequately

No.	Principle	Company's position on application of the Principle
		<p>The scope of application of this Principle in the Company is adequate to its scale and nature including the complexity of its activity.</p> <p>The scope will be further reviewed in the process of harmonisation with the requirements of CSDR.</p>
§ 52.1	<p>The supervisory body should approve and supervise the implementation of the risk management strategy by exercising supervision over the efficiency of risk management. The management body should ensure receipt by the supervising body of regular and up-to-date information on the risk identified in the current or future operations of the supervised institution, the nature, scale and complexity of the risk, and the actions undertaken in the scope of management of that risk, including also information obtained directly from the internal audit unit, the compliance assurance unit, or a different unit responsible for that area.</p>	<p>The principle is applied</p>
§ 52.2	<p>In a supervised institution, where there is no audit unit or compliance assurance unit, and where no unit responsible for that area has been appointed, the information referred to in the previous principle shall be submitted by the persons responsible for fulfilling those functions.</p>	<p>The Principle is not applied / The Principle is inapplicable</p> <p>The Principle is addressed to entities which manage assets at the client's own risk as part of their activities</p>
<p><b>Chapter 9 Execution of Rights Resulting from Assets Acquired at the Client's Own Risk</b></p>		
§ 53	<p>A supervised institution which manages assets at the client's own risk should manage those assets efficiently, so as to ensure the necessary protection of clients' interests.</p>	<p>The Principle is not applied / The Principle is inapplicable</p> <p>The Principle is addressed to entities which manage assets at the client's own risk as part of their activities</p>
§ 54.1	<p>A supervised institution should use the available corporate oversight measures over entities that are issuers of securities, which are under management, in particular when the level of securities holding is considerable or is required to protect clients' interests.</p>	<p>The Principle is not applied / The Principle is inapplicable</p> <p>The Principle is addressed to entities which manage assets at the client's own risk as part of their activities</p>
§ 54.2	<p>A supervised institution which manages assets at the client's own risk should introduce transparent principles of cooperating with other financial institutions when executing corporate supervision over entities – issuers of securities which are under management.</p>	<p>The Principle is not applied / The Principle is inapplicable</p> <p>The Principle is addressed to entities which manage assets at the client's own risk as part of their activities</p>
§ 54.3	<p>A supervised institution which manages assets at the client's own risk shall create and communicate to its clients the manner in which its corporate supervision policy is applied, including procedures for participation and voting in the General Meeting.</p>	<p>The Principle is not applied / The Principle is inapplicable</p> <p>The Principle is addressed to entities which manage assets at the client's own risk as part of their activities</p>
§ 55	<p>A supervised institution which manages assets at the client's own risk should avoid in its operations situations which might give rise to conflicts of interests, and in the event of the occurrence of a conflict of interest, it should be guided by the client's interest, notifying the client about the occurrence of the conflict of interest.</p>	<p>The Principle is not applied / The Principle is inapplicable</p> <p>The Principle is addressed to entities which manage assets at the client's own risk as part of their activities</p>

No.	Principle	Company's position on application of the Principle
§ 56	A supervised institution which manages assets at the client's own risk should introduce transparent principles of cooperating with other supervised institutions with respect to transactions executed at the client's own risk.	<p data-bbox="1462 308 2022 331"><b>The Principle is not applied / The Principle is inapplicable</b></p> <p data-bbox="1462 368 2085 419">The Principle is addressed to entities which manage assets at the client's own risk as part of their activities</p>
§ 57	A supervised institution, when acquiring assets at the client's own risk, should act in the client's interest. The decision-making process should be properly documented.	<p data-bbox="1462 427 2022 451"><b>The Principle is not applied / The Principle is inapplicable</b></p> <p data-bbox="1462 488 2085 536">The Principle is addressed to entities which manage assets at the client's own risk as part of their activities</p>