

COMPLIANCE OF KDPW_CCP S.A. WITH THE PRINCIPLES OF CORPORATE GOVERNANCE FOR SUPERVISED INSTITUTIONS

NO.	PRINCIPLE	COMPANY'S POSITION ON APPLICATION OF THE PRINCIPLE
Chapter 1 Organisation and Organisational Structure		
§ 1 point 1	The organisation of a supervised institution should enable meeting long-term goals of the conducted activity.	The Principle is applied
§ 1 point 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 in internal regulations.	The Principle is applied
§ 1 point 3	The organisation of a supervised institution should be reflected in the organisational structure.	The Principle is applied
§ 1 point 4	A supervised institution should ensure transparency of the organisational structure regulated in internal regulations by placing at least the basic organisational structure on the website.	The Principle is applied
§ 2 point 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 point 2	An organisational structure should be determined in a way which prevents the occurrence of doubt 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 FSC 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
§ 4 point 1	A supervised institution should determine its own strategic goals, taking into account the nature and scale of the conducted activity.	The Principle is applied
§ 4 point 2	The organisation of a supervised institution should enable reaching the set strategic goals, taking into account the need to efficiently monitor the risk existing in its business.	The Principle is applied
§ 4 point 3	The organisation of a supervised institution should enable immediate undertaking appropriate actions in emergencies, 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	The organisation of a supervised institution should ensure that:	The Principle is applied

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point 4	1) performance of tasks from the scope of the activity of the entity is entrusted to people who have the necessary knowledge and skills, who are supervised by people 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 employing and remunerating, appraisal, as well as rewarding and career advancement.	
§ 5 point 1	When developing or amending the organisational structure, its consistence shall be ensured, particularly with the internal constitution, with referring to the creation and functioning of a supervised institution and the method of operation of its bodies.	The Principle is applied
§ 5 point 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, as well as positions or groups of positions.	The Principle is not applied / The Principle is inapplicable
§ 5 point 3	The employees of a supervised institution should be ensured proper access to information on the scopes of entitlements, duties and responsibilities of particular organisational units.	The Principle is applied
§ 6 point 1	In the event of introduction into a supervised institution of an anonymous way of notifying the governing body or the supervisory body about any abuses in the supervised institution, there should be ensured the possibility to use that tool by employees without the fear of suffering negative consequences from the management and other employees of the supervised institution.	The Principle is applied
§ 6 point 2	The governing body should present reports concerning notifications of serious abuses to the supervisory body.	The Principle is applied adequately
§ 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 disturbances in the entity's business activity.	The Principle is applied
Chapter 2 Relation with Supervised Institution's Shareholders		
§ 8 point 1	A supervised institution should act in the interest of all shareholders, respecting the clients' interests.	The Principle is applied
§ 8 point 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 point 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 point 4	A supervised institution, when justified by the number of shareholders, should strive for facilitating the participation of all shareholders in the meeting of the General Meeting of the supervised institution, among others, through ensuring the possibility of electronic active participation in the meetings of the General Meeting.	The Principle is not applied / The Principle is inapplicable
§ 9 point 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

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§ 9 point 2	Shareholders may influence the functioning of a supervised institution only through the decisions of the General Meeting, without infringing upon the prerogatives 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 point 3	Shareholders shall be guided in their decisions by the interest of the supervised institution.	Positive recommendation for the General Meeting
§ 9 point 4	A meeting of the General Meeting required for further proper functioning of a supervised institution should be called without delay.	The Principle is applied
§ 9 point 5	Shareholders should efficiently use the tools 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 way 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 person in the supervisory body, to avoid lowering the efficiency of internal supervision.	Positive recommendation for the General Meeting
§ 9 point 6	Any occurring conflicts between shareholders should be resolved without delay, so as to prevent the occurrence of infringement of the interest of the supervised institution and its clients.	The Principle is not applied / The Principle is inapplicable
§ 10 point 1	Shareholders may not interfere with the way of exercising management, including running affairs by the management body of the supervised institution.	Positive recommendation for the General Meeting
§ 10 point 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.	Positive recommendation for the General Meeting
§ 10 point 3	Shareholders' entitlements should not lead to hindering proper functioning of the bodies of the supervised institution or discrimination of the other shareholders.	Positive recommendation for the General Meeting
§ 10 point 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 disposal by the supervised institution of its assets on terms other than market terms, or with a threat to the security or interest of the supervised institution.	Positive recommendation for the General Meeting
§ 11 point 1	Execution of a transaction with related party should be justified by the interest of the supervised institution and should be made in a transparent way.	The Principle is applied
§ 11 point 2	Transactions with related parties, which have a significant impact in the financial or legal situation of the supervised entity or lead to the purchase or sale, or a different disposal of a significant part of the assets, shall require obtaining an opinion from the supervisory body. If members of the supervisory body report a dissenting opinion, the information and causes of voicing a dissenting opinion shall be included in the minutes.	The Principle is applied
§ 11 point 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 not applied / The Principle is inapplicable

NO.	PRINCIPLE	COMPANY'S POSITION ON APPLICATION OF THE PRINCIPLE
§ 12 point 1	Shareholders shall be responsible for immediate capital increase of the supervised institution when it is necessary for maintaining own capitals of the supervised institution at a level required by the legal regulations or supervision regulations, as well as when this is required by the security of the supervised institution.	Recommendation to apply the Principle adequately
§ 12 point 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 the legal regulations or the supervision regulations, as well as when this is required by the security of the supervised institution.	Recommendation to apply the Principle adequately
§ 12 point 3	Decisions on whether to pay the dividend or not should depend on the need to maintain a proper level of own capitals and implementation of the strategic goals of the supervised institution, as well as they should take into account the guidelines and individual recommendations issued by the supervision bodies.	Positive recommendation for the General Meeting
Chapter 3 Management Body		
§ 13 point 1	The management body shall be collective.	The Principle is applied
§ 13 point 2	A member of the management body should have the competences to run the affairs of the supervised institution resulting from: 1) knowledge (possessed as a result of education, undergone trainings, obtained professional qualifications or 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
§ 13 point 3	A management body member should warrant due performance of the duties entrusted to him or her.	The Principle is applied
§ 13 point 4	Individual competences of specific members of the collective management bodies should complement one another, so as to enable ensuring proper level of collective management of the supervised institution.	The Principle is applied
§ 13 point 5	The composition of the management body shall include an appropriate participation of people who speak Polish and manifest an appropriate experience and knowledge of the Polish financial market necessary for managing a supervised institution on the Polish financial market.	The Principle is applied
§ 14 point 1	A management body, acting in the interest of the supervised institution, should have regard to 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 point 2	A management body, implementing the adopted operational strategy, should be guided by the security of the supervised institution.	The Principle is applied
§ 14 point 3	A management body should be the only one entitled to and responsible for management of the operations of the supervised institution.	The Principle is applied
§ 14 point 4	Management of the operations of a supervised institution encompasses in particular the functions of conducting affairs, planning, organising, deciding, directing and controlling the operations of the institution.	The Principle is applied
§ 15 point 1	The management body shall have a separated function of the president of the management board to lead the work of that body.	The Principle is applied

NO.	PRINCIPLE	COMPANY'S POSITION ON APPLICATION OF THE PRINCIPLE
§ 15 point 2	Management body members shall bear collective liability for the decisions reserved as competency 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 point 3	An internal division of responsibilities into specific areas of operations of the supervised institution among the members of the management body should be made in a transparent and unequivocal 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 point 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 attributed to any member of the management body.	The Principle is applied
§ 16 point 1	It is proper that meetings of a management body shall be held in Polish. In case of need, necessary assistance of an interpreter should be ensured.	The Principle is applied
§ 16 point 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 point 1	Fulfilling a function in the management body should constitute the main area of professional activity of a management body member. Additional professional activity of a management body member beyond the supervised institution should not lead to such involvement of time and workload which would have an adverse impact on proper performance of the function fulfilled by the person in the management body of the supervised institution.	The Principle is applied
§ 17 point 2	In particular, a member of the management body should be a member of bodies of other entities if the time dedicated to performance of the function in the other entities prevents reliable performance of the duties in the supervised institution.	The Principle is applied
§ 17 point 3	A management body member should refrain from undertaking professional or non-professional activity 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 point 4	The principles of mitigating a conflict of interests should be defined in an appropriate internal regulation determining, among others, the principles of identification, management and prevention of conflicts of interests, as well as the principles of excluding a management body member in the 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
Chapter 4 Supervisory Body		
§ 19 point 1	A member of the supervisory body should have the competences to properly perform the obligations of supervising the supervised institution resulting from: 1) knowledge (possessed as a result of education, undergone trainings, obtained professional qualifications or academic titles, or acquired otherwise 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 point 2	Individual competences of specific members of the collective supervisory bodies should complement one another, so as to enable ensuring proper level of collective exercise of supervision over all areas of activity of the supervised institution.	The Principle is applied
§ 19	A member of a supervisory body should warrant due performance of the duties entrusted to him or her.	The Principle is applied

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point 3		
§ 19 point 4	The composition of the management body shall include an appropriate participation of people who speak Polish and manifest an appropriate experience and knowledge of the Polish financial market necessary for supervision over a supervised institution on the Polish financial market.	The Principle is applied
§ 20 point 1	A supervisory body shall exercise supervision over the affairs of the institution, while being guided when performing his or her tasks with care for proper and secure operations of the supervised institution.	The Principle is applied
§ 20 point 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 point 3	A supervisory body and its particular members shall, when exercising supervision, be guided by impartial assessment and judgement.	The Principle is applied
§ 21 point 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 point 2	A supervisory body shall have a separated function of the chairman to lead the work of the supervisory body. The selection of the president of the supervisory body shall be made on the basis of experience and ability to lead a team, taking into account the criterion of independence.	The Principle is applied
§ 22 Point 1	The composition of a supervised institution's supervisory body shall include an appropriate proportion of independent members, and when this is not possible, appointed from among candidates identified by minority shareholders. Independence is manifested, most of all, in lack of direct and indirect connections with the supervised institution, members of the management and supervisory bodies, significant shareholders and entities related to them.	The Principle is applied
§ 22 point 2	In particular, independence should be characteristic for the members of the audit committee or members of the supervisory body who hold competences in the area of accountancy or financial revision.	The Principle is applied
§ 22 point 3	If supervisory body members voice a dissenting opinion, information and causes of the opinion shall be included in the minutes.	The Principle is applied
§ 22 point 4	The audit committee or the supervisory body shall, within monitoring of the performance of the actions of financial revision, 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 point 5	The audit committee or the supervisory body, while presenting the results of financial review activities by an authorised entity for examination of financial statements, should express its opinion on the financial statement, which is concerned by the financial review activities.	The Principle is applied
§ 22 point 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 subjected to the assessment of the supervisory body, which shall place information on the causes of that termination in the annual report containing assessment of the financial statements of the supervised institution.	The Principle is applied
§ 23 point 1	A supervisory body member of the supervised institution should perform his or her function in an active manner, manifesting the necessary level of involvement in the work of the supervisory body.	The Principle is applied
§ 23	The necessary level of involvement shall be manifested in dedicating sufficient time to properly perform the tasks of the supervisory body.	The Principle is applied

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point 2		
§ 23 point 3	The remaining professional activity of a supervisory body member may not be detrimental to the quality and efficiency of the exercised supervision.	The Principle is applied
§ 23 point 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 point 5	The principles of mitigating a conflict of interests should be defined in an appropriate internal regulation determining, among others, the principles of identification, management and prevention of conflicts of interests, as well as the principles of excluding a supervisory body member in the case of the occurrence of a conflict of interest or the possibility of its occurrence.	The Principle is applied
§ 24 point 1	It is proper that meetings of a supervisory body shall be held in Polish. In case of need, necessary assistance of an interpreter should be ensured.	The Principle is applied
§ 24 point 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 point 1	Supervision exercised by a supervisory body should be of permanent nature, and supervisory body meetings should be held as needed. If an audit committee or other committees operate in a supervisory institution, which have been entrusted specific issues 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 point 2	In the event of detection, in the course of performing supervision activities, of abuses, major errors, including such that have a significant impact on the contents of the financial information or other serious irregularities in the functioning of a supervised institution, the supervisory body should undertake appropriate actions, in particular demand the management body to provide explanations and request it to introduce efficient solutions to counteract the occurrence of similar irregularities in the future.	The Principle is applied
§ 25 point 3	A supervisory body, should it be necessary for the exercise of proper and efficient supervision, may request the management body to appoint a selected external entity to carry out specific analyses or acquire its opinion on specific matters.	The Principle is applied
§ 26	In the event of 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 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
Chapter 5 Remuneration Policy		
§ 28 point 1	A supervised institution should have a transparent policy of remuneration of members of the management body and the supervisory body, as well as key personnel. The principles of remuneration shall be defined by means of an appropriate internal regulation (the remuneration policy).	The Principle is applied
§ 28 point 2	When establishing the remunerating policy, one should take into account the financial situation of a supervised institution.	The Principle is applied
§ 28 point 3	The supervisory body shall annually prepare and present to the General Meeting a report on the assessment of the functioning of the remuneration policy in the supervised institution.	The Principle is applied
§ 28 point 4	The General Meeting shall assess whether the established remuneration policy contributes to the development and security of the operations of the supervised institution.	Negative recommendation for the General Meeting

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§ 29 point 1	Remuneration of the members of the supervisory body shall be established adequately to the fulfilled function, as well as adequately 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 to the additional tasks performed within a given committee.	The Principle is applied adequately
§ 29 point 2	Remuneration of supervisory body members, unless regulations prohibit the payment of such remuneration, should be established by the decision-making body.	The Principle is applied
§ 29 point 3	The principles of remunerating supervisory body members should be transparent and included in the relevant internal regulation of a supervised institution.	The Principle is applied
§ 30 point 1	The supervisory body, taking into account the decisions of the General Meeting, shall be responsible for 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
§ 30 point 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 point 3	With regard to persons who fulfil key functions, responsibility for introduction of an appropriate internal regulation and supervision in that area shall lie with the management body.	The Principle is applied
§ 30 point 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 perks, 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
§ 30 point 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
Chapter 6 Communication Policy		
§ 31 point 1	A supervised institution should maintain a transparent communication policy, taking into account the needs of its shareholders and clients, made available on the institution's website.	The Principle is applied
§ 31 point 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 made available in the electronic form, encompassing solutions which make it easier for the reader to become familiar with the incorporated information (interactive reports).	The Principle is applied
§ 31 point 3	A supervised institution should ensure that shareholders have equal access to information.	The Principle is applied
§ 31 point 4	The communication policy should determine in particular the principles and dates of replying to shareholders and clients.	The Principle is applied
§ 31 point 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 the special regulations concerning the functioning of supervised institutions.	The Principle is applied

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Chapter 7 Promotional Activities and Client Relations		
§ 32 point 1	The advertising message concerning a service or product offered by a supervised institution or its activity, hereinafter referred to as the "advertised item", should be reliable and shall not mislead, and it shall be characterised by respect for the generally applicable legal regulations, principles of fair trading, as well as good conduct.	The Principle is applied
§ 32 point 2	An advertising message should clearly identify what the product or service it concerns.	The Principle is applied
§ 32 point 3	An advertising message may not emphasise the benefits in a way which could result in diminishing of the importance 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 misleading, in particular with respect to: 1) the legal nature of the advertised item, including the rights and obligations of the client, 2) identify 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) care for the nature and structure of the advertising messages prepared and published in the name of a supervised institution or in its behalf, 2) ensure that the recipient can freely become familiar with the whole content making up 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 the legal regulations and supervisory recommendations, 4) provide the source of the presented information, if the advertising message refers to sales figures, statistical surveys, rankings, ratings and other data.	The Principle is applied
§ 35	The process of offering financial products or services should be conducted by people with appropriate preparation in order to ensure reliability of the information communicated to the clients and provision of comprehensible explanations.	The Principle is applied
§ 36 point 1	A supervised institution should make every effort to ensure that the offered financial products or services are adequate to the needs of the clients, to whom they are addressed.	The Principle is applied
§ 36 point 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 item 1, 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.	The Principle is applied adequately
§ 37	A supervised institution and entities cooperating with it should inform about its product or service in a reliable manner and in a way understandable for an average recipient, including in particular about the nature and structure of that product or service, the benefits and	The Principle is applied adequately

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	factors that determine obtaining possible profits, as well as all related risks, including fees and costs (also those related to early resignation from the product or service).	
§ 38 point 1	Any necessary 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 way which enables them to freely become familiar with its content due in advance before conclusion of an agreement.	The Principle is applied
§ 38 point 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 making by the client the decision to conclude an agreement.	The Principle is applied
§ 38 point 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
§ 38 point 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 the clients clear and transparent principles of considering complaints.	The Principle is applied
§ 40	A supervised institution should introduce an organised form of considering complaints and undertaking remedial actions aimed at mitigating the situations causing their occurrence in the future.	The Principle is applied
§ 41	The process of considering complaints by a supervised institution should be carried out immediately, not later than within 30 days, as well as it 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 at 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 care for the reputation of a public trust institution.	The Principle is applied
Chapter 8 Key Internal Systems and Functions		
§ 45 point 1	A supervised institution should have an adequate, effective and efficient system of internal control, providing assurance regarding: 1) correctness of administrative and accounting procedures, as well as financial reporting, and reliable internal and external reporting, 2) compliance of the operations with the legal regulations and internal regulations, as well as taking into account the supervisory recommendations.	The Principle is applied
§ 45 point 2	The process of assuring implementation of the objectives of the internal control system should encompass organisation of internal control, control mechanisms and estimation of the risk of failure to achieve the objectives listed in item 1.	The Principle is applied
§ 45	A supervised institution should document the process of assuring implementation of the objectives of the internal control system.	The Principle is applied

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point 3		
§ 46 point 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 point 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 point 3	Employees of a supervised institution within official duties should be assigned appropriate tasks related to assuring implementation of the objectives of the internal control system.	The Principle is applied
§ 47 point 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 point 2	The way of organising the compliance function should guarantee independence of performing tasks in that scope.	The Principle is applied
§ 48 point 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 point 2	The way of organising the internal audit function should guarantee independence of performance of tasks in that scope.	The Principle is applied
§ 49 point 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 point 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 point 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
§ 49 point 4	In a supervised institution, where there is no internal audit unit or compliance unit, the entitlements referred to in items 1-3 shall be held by the people responsible for performance of those functions.	The Principle is not applied / The Principle is inapplicable
§ 50 point 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 point 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 point 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

NO.	PRINCIPLE	COMPANY'S POSITION ON APPLICATION OF THE PRINCIPLE
§ 51 point 1	Regardless 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 point 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
§ 52 point 1	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 reception 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 directly from the internal audit unit, the compliance assurance unit, or a different unit responsible for that area.	The Principle is applied
§ 52 point 2	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 item 1 shall be submitted by the people responsible for fulfilling those functions.	The Principle is not applied / The Principle is inapplicable
Chapter 9 Execution of Rights Resulting from Assets Acquired at Client's Risk		
§ 53	A supervised institution which managed assets at client's risk should efficiently manage those assets, so as to ensure the necessary protection of clients' interests.	The Principle is not applied / The Principle is inapplicable
§ 54 point 1	A supervised institution should use the available corporate supervision measures over entities – issuers of securities subject to management, in particular when the level of involvement into securities is considerable or it is required by protection of clients' interests.	The Principle is not applied / The Principle is inapplicable
§ 54 point 2	A supervised institution which manages assets at client's risk should introduce transparent principles of cooperating with other financial institutions when executing corporate supervision over entities – issuers of securities subject to management.	The Principle is not applied / The Principle is inapplicable
§ 54 point 3	A supervised institution which manages assets at client's risk shall create and communicate to clients a policy of application of corporate supervision measures, including the procedures of participation and voting in the General Meeting.	The Principle is not applied / The Principle is inapplicable
§ 55	A supervised institution which manages assets at client's risk should avoid in its operations situations which might cause the occurrence of a conflict of interests, and in the event of the occurrence of a conflict of interests, it should be guided by the client's interest, notifying the client about the occurrence of the conflict of interests.	The Principle is not applied / The Principle is inapplicable
§ 56	A supervised institution which manages assets at client's risk should introduce transparent principles of cooperating with other supervised institutions with respect to transactions executed at client's risk.	The Principle is not applied / The Principle is inapplicable
§ 57	A supervised institution, when acquiring assets at client's risk, should act in the client's interest. The decision-making process should be properly documented.	The Principle is not applied / The Principle is inapplicable