

Report of the Audit Committee of the Supervisory Board  
of Bank Handlowy w Warszawie S.A.  
for the year 2024

The Audit Committee of Bank Handlowy w Warszawie SA (the “Bank”) is a standing committee of the Bank’s Supervisory Board. The Audit Committee is composed of three or more Supervisory Board members appointed by the Supervisory Board. The majority of members of the Audit Committee, including its Chairman, are independent within the meaning of Article 129(3) of the Act of May 11, 2017 on auditors, audit firms and public supervision. Information in this regard shall be subject to the verification process described in Appendix No. 1 to the Regulations. The Chairperson of the Audit Committee also meets independence criteria set out in § 14(4) of the Charter. Members of the Audit Committee have knowledge and skills related to the financial sector. This condition is considered met if at least one member of the Audit Committee has knowledge and skills related to that sector or particular members have knowledge and skills related to that sector in determined scopes. At least one member of the Audit Committee has knowledge and skills related to accounting or audit of financial statements. The detailed criteria with respect to knowledge, competences and experience in the area of accounting or audit of financial statements, expected of members of the Audit Committee, are indicated in the Policy for assessment of qualifications of members of the Supervisory Board of Bank Handlowy w Warszawie S.A.

The Committee operates in accordance with its regulations as set forth in Article 390 of the Commercial Companies Code. In performing its duties, the Committee applies also the guidelines set forth in the “Recommendations concerning work of the Audit Committee” issued by the Office of the Polish Financial Supervision Authority.

The Committee’s Regulations are displayed on the Bank’s website [www.citihandlowy.pl](http://www.citihandlowy.pl). Under these regulations, the Audit Committee oversees the reliability of the Bank’s financial reporting, its systems of internal control and the process for monitoring and evaluating the risks to which the Bank is exposed. The Committee also reviews and assesses the independence and results of the external auditor examinations.

In 2024, the Audit Committee was composed of the following members: Ms. Barbara Smalska as Chairperson, Ms. Silvia Carpitella as Vice Chairperson until 19 June 2024, Ms. Natalia Bożek since 20 June 2024 and Ms. Anna Rulkiewicz as a Member of the Committee.

The current composition of the Audit Committee is as follows:

- 1) Ms. Barbara Smalska – Chairperson (independent member);
- 2) Ms. Natalia Bożek – Vice Chairperson;
- 3) Ms. Anna Rulkiewicz (independent member).

During the reporting period, the Audit Committee met four times on the following dates:

No.	Date of the meeting	Attendance
1.	19-20 March 2024	100%
2.	20 May 2024	100%
3.	19 September 2024	100%
4.	05 December 2024	100%

The Audit Committee is in frequent contact with the Bank's Supervisory Board and with the Bank's Management; the representatives of the external auditor take part in the Committee meetings related to financial statements.

At the meeting on 19 March 2024, within the framework of supervision over financial reporting, the Audit Committee carried out, supported by the Bank's management and statutory auditor, a review of the annual financial statements (stand-alone and consolidated) and, after having got acquainted with the draft report of the statutory auditor and after a discussion with KPMG's representatives, adopted a resolution with a recommendation that the Supervisory Board approve the "Annual stand-alone financial statements of Bank Handlowy w Warszawie S.A. for the financial year ended on 31 December 2023", "Report on the business activities of the Capital Group of Bank Handlowy w Warszawie S.A. in 2023 prepared jointly with the report on the business activities of Bank Handlowy w Warszawie S.A." and "Annual consolidated financial statements of the Capital Group of Bank Handlowy w Warszawie S.A. for the financial year ended on 31 December 2023". The Committee received information on the capital adequacy ratio in accordance with the document "Information on Capital Adequacy in the Capital Group of Bank Handlowy w Warszawie S.A. as at 31 December 2023." Next, the Committee analyzed the human resources of the Financial Reporting, Control and Tax Department. In addition, the Committee issued a positive opinion on the changes to the document "Disclosure Policy of Bank Handlowy w Warszawie S.A. on capital adequacy and other information to be disclosed."

In the second part of the meeting, after it was resumed on March 20, 2024 after a break, the Committee carried out an annual review of the Audit Committee Regulations. No need was identified to amend them. Next, the Committee adopted the so-called Checklist, which represents an annual work plan of the Committee. Under the next item on the agenda, the Committee approved the Report on the activities of the Audit Committee in 2023. Next,

the Committee was given a presentation on the issue of unauthorized transactions related to the Polish implementation of PSD2. The Committee was informed of changes in the FINREP process. In connection with the benchmark reform, the so-called input data have been reviewed, which data are provided by the Banks to GPW Benchmark for the purposes of development of the WIRON benchmark.

Under the item concerning the activities of the Internal Audit Department, the Committee accepted and positively assessed the "Internal Audit Department Report for 2023". The Committee was presented the update on the assessment of organizational independence of the Internal Audit Department. The Regulations of the Internal Audit Department set out that the Internal Audit Department is independent within the organization. The status of the Internal Audit Department as independent unit did not change in 2023. Current reporting rules applicable to Internal Audit enable it to perform its duties and do not limit the responsibility of the Internal Audit Head to the Audit Committee. In addition, there were no limitations of the scope of work, resources and access that would affect Internal Audit.

The Committee was presented the information on implementation of the Internal Audit Department Strategy for the years 2022-2024. The Committee also discussed the results of implementation of the Internal Audit Quality Assurance and Improvement Plan.

As the next item on the agenda, the Committee conducted an annual assessment of adequacy and effectiveness of the internal control system, including the adequacy and effectiveness of the control function, compliance unit and internal audit unit. The Committee concluded that the internal control system was adequate and effective and recommended that the Supervisory Board confirm that assessment in the "Report on the activities of the Supervisory Board of Bank Handlowy w Warszawie S.A."

The Audit Committee recommended that the Supervisory Board acknowledge the "Summary of significant violations of ethical standards reported in 2023." The Committee passed a resolution to recommend that the Supervisory Board approve the annual "Report on compliance risk at Bank Handlowy w Warszawie S.A. in 2024." The Committee then issued a positive opinion on the Annual Compliance Plan for 2023. As the next item, the Committee accepted the motion regarding changes to the "Rules of Conduct for Employees of Bank Handlowy w Warszawie S.A. (Code of Conduct)" and the "Policy for managing conflicts of interest at Bank Handlowy w Warszawie S.A." After having reviewed the "Report concerning the operation of the Procedure of Anonymous Notification by Employees of Infringements of Law and the assessment of compliance with the Code of Conduct in 2023", prepared by the Compliance Division, the Committee recommended that the Supervisory Board make the assessment confirming that in 2023 the Bank implemented and applied adequate and effective procedures for anonymous reporting by employees of violations resulting from § 46(12) of the Regulation of the Minister of Finance, Development Funds and Regional Policy on the risk management system,

internal control system and remuneration policy in banks, as well as the Committee acknowledged information concerning the Management Board's review and assessment of compliance with the Code of Conduct in 2023. Having reviewed the report of the Compliance Department for Regulations and Regulatory Relations on independent assessment of the Bank's compliance with Principles of Corporate Governance for Supervised Institutions, the Audit Committee recommended that the Supervisory Board confirm that in 2023 the Bank acted in accordance with the Principles of Corporate Governance for Supervised Institutions, with the exception of those principles which were decided not to be applied.

The Committee, in accordance with the requirement introduced by Recommendation Z, carried out a periodic assessment of the Bank's compliance with internal governance, which consists in particular of the Bank's management system, its organization, rules of operation, powers, duties and responsibilities, and the mutual relations between the Supervisory Board, the Management Board and the persons who perform key functions in the Bank. Bank Handlowy w Warszawie S.A. has in place legally compliant, transparent and effective internal governance system defined in its Statutes and a hierarchical system of internal regulations. In connection with the above, the Committee positively assessed the consistency of the internal corporate governance rules at the Bank with both internal situation and external environment in 2023. In 2023, no significant events were identified that could affect the functioning of the internal corporate governance rules at the Bank.

During the meeting on 20 May 2024, in addition to the regular agenda, the Audit Committee received information on the progress of work in the area of resolution planning. In addition, the Committee recommended that the Supervisory Board acknowledge the annual report on the management of risk related to the outsourcing of activities to third parties under critical or important agreements, including bank or investment outsourcing agreements, at Bank Handlowy w Warszawie S.A. in 2023 and adopted a resolution recommending that the Supervisory Board issue a positive opinion on the policy of controlling the circulation and disclosure of information during the due diligence process at Bank Handlowy w Warszawie S.A.

At the next meeting, on 19 September 2024, in addition to the regular agenda, the Audit Committee held a discussion on the selection of the statutory auditor and changes to the audit firm selection policy and procedure.

The Audit Committee of the Supervisory Board of Bank Handlowy w Warszawie S.A. acknowledged the Condensed Interim Consolidated Financial Statements of the Capital Group of Bank Handlowy w Warszawie S.A. for the period of 6 months ended 30 June 2024, together with the independent auditor's report from audit, Condensed Interim Standalone Financial Statements of Bank Handlowy w Warszawie S.A. for the period of 6

months ended 30 June 2024 together with the independent auditor's report from audit, and the Report on activities of the Capital Group of Bank Handlowy w Warszawie S.A. in the first half of 2024.

The Committee recommended that the Bank's Supervisory Board approve the amended "Internal Audit Control Regulations" and acknowledge the "Summary of significant violations of ethical standards reported between January and June 2024." Next, the Committee positively assessed the approval of amendments to the *Rules of Conduct for Employees of Bank Handlowy w Warszawie S.A. (Code of Conduct)* and the "Policy for managing conflicts of interest at Bank Handlowy w Warszawie S.A." Following an analysis, the Committee adopted a resolution recommending that the Supervisory Board of the Bank acknowledge information on the assessment of the implementation of outsourcing agreements for critical or important functions at the Bank in the first half of 2024. The Committee also decided to recommend that the Supervisory Board acknowledge the report of the Bank's Management Board containing information on the implementation of the Bank's Investment Policy. The Committee was presented the information on the progress of the Bank's implementation of the Digital Operational Resilience Act (DORA).

Later in the meeting of the Audit Committee, on the basis of an analysis of remuneration level of personnel of the Audit Department and Compliance Division, which includes the results of remuneration reviews and assessments and an opinion of the Nomination and Remuneration Committee on variable components of remuneration of the Head of the Audit Department and Compliance Division, the Audit Committee positively assessed the level of remuneration of employees of the Bank's Audit Department and Compliance Division.

At the meeting on 5 December 2024, in addition to the regular agenda, the Committee discussed the auditor selection process, which includes the schedule and expected scope of work (audit and assurance services) of the new auditor, and approved the Project Purchasing Strategy and the Request for Proposals. In addition, the Committee agreed to approve the "Audit Plan at Bank Handlowy w Warszawie S.A. for 2025" and the proposed coverage resulting from the audit cycles for 2026-2027. The Committee acknowledged information on significant changes to the IFRS 9 model.

Next, the Committee positively assessed the approval of amendments to the *Rules of Conduct for Employees of Bank Handlowy w Warszawie S.A. (Code of Conduct)* and the "Policy for managing conflicts of interest at Bank Handlowy w Warszawie S.A." arising from the Bank's preparations for the publication of its sustainability report. The Committee was informed about the current status of the case concerning unauthorized transactions.

The ongoing verification of the Audit Committee covered the following areas of the Bank's activities: implementation of strategic goals, appropriateness of the Bank's accounting and

financial reporting, any changes to the Bank's accounting and financial reporting as recommended by the Management or the Bank's statutory auditor, the accounting treatment of significant risks, key estimates and judgements of the Management that may be material to the Bank's financial reporting. Monitoring also covered the attestation services provided by the audit firm and the agreements regarding services provided by entities from Citi Group.

Within the framework of its competence concerning internal audit, the Audit Committee at its meeting held on 6 December 2023 verified and approved the Audit Department's Annual Audit Plan and then supervised the execution of the audit plan in 2024 on the basis of quarterly reports submitted by the Audit Department Head. The Committee also regularly reviewed the processes related to the assessment of internal controls in the Bank. The Committee analyzed key risk areas of internal control that were highlighted as a result of the Management's control and self-assessment process and/or as a result of internal audit findings. The Committee assessed the internal control system and concluded that it is adequate and effective and recommended that the Supervisory Board should confirm that assessment. The Audit Committee also reviewed the Annual Compliance Plan and regularly analyzed updates from the Head of Compliance Division on the status of regulatory controls.

Considering § 70.1.7 & 8 and § 71.1.7 & 8 of the Regulation of the Minister of Finance of 29 March 2018 on the Current and Periodic Information Provided by Issuers of Securities and the Conditions for Recognizing the Information Required by Legal Regulations of a Non-Member State as Equivalent, it is the assessment of the Committee that:

- 1) The selection of KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k. as an audit firm to audit annual financial statements of the Bank and the Bank's Capital Group for 2023 was duly carried out in compliance with the regulations, including those governing the audit firm selection and selection procedure;
- 2) KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k. and the members of the audit team have satisfied the conditions to issue an impartial and independent report from audit of annual financial statements in accordance with the applicable regulations, auditing standards and principles of professional ethics;
- 3) The regulations on rotation of audit firm and key auditor as well as mandatory breaks in audit engagements have been complied with;
- 4) The Bank has the audit firm selection policy and the policy regarding the provision of additional non-audit services for the Bank by the audit firm, its affiliate or member of the audit firm's network, including any services that are conditionally exempted from the ban on provision by the audit firm;
- 5) The provisions regarding the appointment, composition and operation of the Audit Committee of the Bank's Supervisory Board have been complied with, including those regarding the fulfilment of independence criteria and the requirements as to

knowledge and skills in the field of finance, accounting or audit of financial statements by its members;

- 6) The Audit Committee of the Bank's Supervisory Board has fulfilled the audit committee tasks as provided for in the applicable regulations.

As part of its regular activity, the Committee reviewed the independence and effectiveness of the Bank's auditor's performance. The Audit Committee received a statement of the auditor, submitted in accordance with the requirements of the Act on statutory auditors, audit companies and public supervision, that confirmed that the objectivity and independence requirements set out in that Act were met. The Committee reviewed the external auditor's plans for the audit of the Bank's financial statements with respect to key areas of audit focus, key risks, planned approach, auditor independence, audit fee and terms of engagement. The Committee also approved provision of additional non-audit services by the auditor, as permitted by the act on statutory auditors.

The Committee Chairperson held individual meetings with representatives of the Bank's independent auditor as well as Heads of the Bank's Financial Division (CFO), Audit Department, Legal Division and Compliance Division without participation of the Bank's Management. In the assessment of the Chairperson of the Audit Committee, the cooperation between the above-mentioned areas is correct.

In the reporting period, the Audit Committee supervised financial reporting, internal control, risk management system as well as internal and external audits conducted at the Bank. On the basis of information provided on a quarterly basis, the Committee confirms its positive assessment of the internal control, risk management and compliance risk management systems used by the Bank and the activities of the Bank's internal audit function. This assessment covers all the key controls, including especially the internal controls over financial reporting and the operational controls.

The Audit Committee declares that in the year ended 31 December 2024, it performed its mandate properly and had a proper composition.

The Audit Committee very positively evaluates the cooperation with the Compliance Division and that between the Audit Department and the Audit Committee. Moreover, the Audit Committee's assessment of the performance of the Compliance Division and Audit Department in 2024 is positive.

Barbara Smalska

Chairperson of the Audit Committee