

**Results of the KDPW S.A. Supervisory Board's assessment
of compliance of KDPW S.A. in 2017
with the Principles of Corporate Governance for Supervised Institutions
approved by the Polish Financial Supervision Authority (KNF)**

I. General information

- 1) The Principles of Corporate Governance for Supervised Institutions were issued by the Polish Financial Supervision Authority (KNF) on 22 July 2014.
- 2) The Company's current and binding position, as at 2017, concerning compliance with all of the Principles of Corporate Governance is expressed in Resolution No. 30/599/15 of the Supervisory Board of KDPW S.A. dated 4 September 2015 and Resolution No. 33/2016 of the Ordinary General Meeting of KDPW S.A. dated 21 June 2016 concerning compliance with the Principles of Corporate Governance for Supervised Institutions issued by the Polish Financial Supervision Authority, subject to changes concerning compliance with certain Principles under Resolution No. 45/682/17 of the Supervisory Board dated 26 September 2017.
- 3) The modified position approved in Resolution No. 45/682/17 of the Supervisory Board dated 26 September 2017 will be presented to the shareholders of KDPW S.A. at the Ordinary General Meeting in 2018.

II. Assessment of compliance with the Principles of Corporate Governance for Supervised Institutions in KDPW S.A. in 2017

In connection with the implementation of § 27 of the Principles of Corporate Governance, the Supervisory Board of KDPW S.A. has assessed compliance with the Principles of Corporate Governance for Supervised Institutions in the Company in 2017.

The assessment was based in particular on the following:

- 1) detailed analysis of compliance with the Principles of Corporate Governance for Supervised Institutions in the Company in 2017 tabled by the Management Board of KDPW S.A.;
- 2) additional information and clarifications provided by the Management Board of KDPW S.A. at the meeting of the Supervisory Board of KDPW S.A. on 28 March 2018;
- 3) information provided to the Supervisory Board of KDPW S.A. in 2017 in general supervision and other statutory responsibilities.

On the basis of the assessment referred to above, the Supervisory Board of KDPW S.A. has concluded as follows:

- 1) The Company complied with the Principles of Corporate Governance for Supervised Institutions in 2017 according to the position of the Polish Financial Supervision Authority, objectively to the broadest possible extent, taking into account the provisions of the applicable legislation, the principles of proportionality and adequacy, as well as the "comply or explain" principle.
- 2) The Supervisory Board of KDPW S.A. has given a positive assessment of the measures taken in 2017 and the tools used by the Company to ensure compliance with the Principles of Corporate Governance to the extent of the published position of the Company.

- 3) The scope of compliance of KDPW S.A. with the Principles of Corporate Governance addressed to the Company and the Management Board and the Supervisory Board in 2017 was consistent with the scope defined in the *Table of Compliance of Krajowy Depozyt Papierów Wartościowych S.A. with the Principles of Corporate Governance for Supervised Institutions* attached to Resolution No. 30/599/15 of the Supervisory Board of KDPW S.A. dated 4 September 2015 and Resolution No. 33/2016 of the Ordinary General Meeting of KDPW S.A. dated 21 June 2016. The Supervisory Board of KDPW S.A. was not aware of any deviations other than the change of the position referred to in point I (2) and (3) above.
- 4) The Supervisory Board of KDPW S.A. was not aware of any deviations in 2017 from KDPW S.A.'s compliance with the Principles of Corporate Governance addressed to the shareholders and the General Meeting to the extent accepted for compliance by the General Meeting under Resolution No. 33/2016 of the Ordinary General Meeting of KDPW S.A. dated 21 June 2016.
- 5) The mode of compliance with and application of the Principles of Corporate Governance in practice was consistent with the content, objective and intention of the Principles as expressed therein and took into account clarifications and practical comments contained in the Polish Financial Supervision Authority document "FAQ on the Principles of Corporate Governance for Supervised Institutions."
- 6) The Company's bodies complied with the Principles of Corporate Governance taking into account the Company's position as well as the provisions of internal regulations, in particular the Statute, the rules of its bodies, procedures and policies.