Poland


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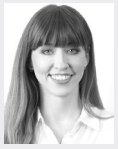
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1 Setting the Scene – Sources and Overview

1.1 What are the main corporate entities to be discussed?

The subsequent analysis will outline the principles of corporate governance applicable to the two most prevalent forms of commercial companies in Poland: (i) the limited liability company (*spółka z ograniczoną odpowiedzialnością*); and (ii) the joint-stock company, both private and public ones (*spółka akcyjna*). Given the limited market relevance of the simple joint-stock company (*prosta spółka akcyjna*) – a form of commercial company newly introduced under Polish law in 2021 – the corporate governance rules specific to this type will not be addressed herein.

1.2 What are the main legislative, regulatory and other sources regulating corporate governance practices?

The principal source of legal regulation governing corporate governance in Poland is the Commercial Companies Code of 15 September 2000, which sets out provisions concerning, *inter alia*, the internal organisation of commercial companies and the competences of their respective corporate bodies.

In instances where a company qualifies as a public company (i.e., a joint-stock company in which at least one share has been admitted to trading on a regulated market or introduced into an alternative trading system), it is additionally subject to the provisions of Polish legislation, including the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading and Public Companies, as well as the Act on Trading in Financial Instruments of 29 July 2005.

Furthermore, such public companies are also subject to regulatory requirements at the European Union level, in particular, Regulation (EU) No 596/2014 on Market Abuse (MAR) and Regulation (EU) 2024/3005 on the transparency and integrity of Environmental, Social and Governance (ESG) rating activities. Moreover, the recommendations and positions issued by the Polish Financial Supervisory Authority (*Komisja Nadzoru Finansowego – KNF*), as well as the guidelines issued by the European Securities and Markets Authority (ESMA), exert a significant practical influence on the functioning of public companies.

Additionally, the *Code of Best Practice for Warsaw Stock Exchange Companies* sets out certain corporate governance rules and listed companies are obliged to publish statements on their compliance or non-compliance with each rule. In the case of non-compliance, a specific explanation thereof is also required (the so-called "comply or explain" rule).

1.3 What are the current topical issues, developments, trends and challenges in corporate governance?

Corporate governance is shaped by a variety of factors, the relevance and scope of which evolve over time in response to changing legal, social, technological, and economic conditions. In recent years, new regulatory challenges have arisen following the adoption of several legal instruments at the European Union level, including Regulation (EU) 2024/3005 on the transparency and integrity of ESG rating activities, Directive (EU) 2022/2464 on corporate sustainability reporting (CSRD), and Directive (EU) 2024/1760 on corporate sustainability due diligence (CSDDD). These instruments significantly increase the formal obligations imposed on companies with respect to the incorporation of sustainability, human rights, and environmental considerations into corporate decision-making and reporting processes.

1.4 What are the current perspectives in this jurisdiction regarding the risks of short termism and the importance of promoting sustainable value creation over the long term?

Although short-termism has not been directly addressed by Polish or EU law, the new regulatory framework introduced into the European legal system by implementing the CSRD, the CSDDD and Directive (EU) 2017/828 on the encouragement of long-term shareholder engagement, aims to provide legal solutions to address this issue by, for example, taking into account long-term interests and shareholders' engagement, environmental impact, transparency of investment policy and a Management Board remuneration policy linked to companies' long-term performance.

2 Shareholders

2.1 What rights and powers do shareholders have in the strategic direction, operation or management of the corporate entity/entities in which they are invested?

Shareholders may influence a company's business operations through their participation and voting at the Shareholders'

Meeting. Shareholders' Meetings are exclusively entitled to amend the company's Articles of Association, including the principal scope of the company's activities and to approve major structural decisions such as mergers, disposal of major assets and/or opening liquidation procedures. Moreover, depending on the provisions of the Articles of Association, shareholder approval may be required for the company to enter into certain contracts or transactions involving the company's shares.

2.2 What responsibilities, if any, do shareholders have with regard to the corporate governance of the corporate entity/entities in which they are invested?

As a general rule, the shareholders' main obligation is to fully cover their shares through cash or in-kind contributions. Other responsibilities, which may be imposed on them, vary depending on the provisions of the Articles of Association and the type of company.

The Commercial Companies Code allows the shareholders of a limited liability company to implement a "surcharge mechanism" (*dopłaty*) to the company's structure. This mechanism serves as a means of providing the company with supplementary financing from its shareholders. The introduction of this mechanism remains optional; however, it must be expressly provided for in the Articles of Association and then formally executed through a resolution adopted by the Shareholders' Meeting.

2.3 What kinds of shareholder meetings are commonly held and what rights do shareholders have with regard to such meetings?

Polish law distinguishes between two types of Shareholders' Meetings: (i) the ordinary Shareholders' Meeting; and (ii) the extraordinary Shareholders' Meeting.

An ordinary Shareholders' Meeting shall take place once a year (the exact date depends on the agreed period of the financial year as set out in the Articles of Association). The agenda of an ordinary Shareholders' Meeting should include the examination and approval of the Management Board's report on the company's activities and its financial statements for the previous financial year, a decision on the distribution of profit or coverage of loss, as well as the granting of discharge to the members of the company's governing bodies for the performance of their duties.

The purpose of an extraordinary Shareholders' Meeting's is to resolve any issues that may arise during the financial year (e.g. a corporate decision to dismiss a current member of the Management Board). It can therefore be convened at any time and may involve all types of decisions, except for those expressly reserved for an ordinary Shareholders' Meeting, as stated above.

2.4 Do shareholders owe any duties to the corporate entity/entities or to other shareholders in the corporate entity/entities and can shareholders be liable for acts or omissions of the corporate entity/entities? Are there any stewardship principles or laws regulating the conduct of shareholders with respect to the corporate entities in which they are invested?

Shareholders in capital companies incorporated under Polish law are not liable for the company's debts owed to different creditors. However, in certain cases, shareholders may be held liable towards the company itself. The liability may arise only in relation to their contributions to the company – for example, when in-kind contributions have been (i) overvalued, (ii) defective, or when mandatory contributions have not been properly made.

In addition, if an unauthorised payment is received from the limited liability company, the shareholders may be required to repay it.

There are also specific disclosure obligations for shareholders of listed companies (see also question 2.6 below).

2.5 Can shareholders seek enforcement action against the corporate entity/entities and/or members of the management body?

As a rule, the company itself is the entity entitled to initiate legal proceedings against members of the Management Board or Supervisory Board, as it is the company's assets that have been diminished as a result of mismanagement. Consequently, shareholders may acquire standing to bring such an action only under specific conditions.

Pursuant to the provisions of the Commercial Companies Code, shareholders are granted this right if the company fails to initiate proceedings for compensation within one year of the date on which the act causing the damage was disclosed. In such circumstances, any shareholder may independently bring an action seeking compensation on behalf of the company.

2.6 Are there any limitations on, or disclosures required, in relation to the interests in securities held by shareholders in the corporate entity/entities?

Shareholders in public joint-stock companies are subject to mandatory disclosures regarding large stake acquisitions. Reaching, exceeding or falling below a threshold of 5%, 10%, 15%, 20%, 25%, 33%, 33⅓%, 50%, 75% or 90% of total voting rights must be notified to the KNF and the company. There are also further notification requirements for shareholders holding at least 10% and 33% of voting rights.

Despite the foregoing, information obligations deriving from MAR apply. Therefore, transactions involving the shares of public companies are subject to disclosure obligations under MAR.

Any shareholder in a limited liability company who holds more than 10% of the total number of issued shares in such company must be disclosed in the publicly available National Court Register (*Krajowy Rejestr Sądowy – KRS*).

Private joint-stock companies are required to disclose only their sole shareholders in the National Court Register. Shareholders in Polish joint-stock companies must be registered in an electronic shareholders' register (*rejestr akcjonariuszy*), which is typically maintained by brokerage houses and is accessible at all times to the company and its shareholders.

All private companies, regardless of their type, must also disclose their beneficial owner – in other words, a natural person (or persons) who is entitled to exercise, directly or indirectly, more than 25% of the total number of votes at the company's Shareholders' Meeting, or who otherwise controls the company. Beneficial owners are disclosed in the publicly available Polish Ultimate Beneficial Owners Registry (*Centralny Rejestr Beficjentów Rzeczywistych*).

2.7 Are there any disclosures required with respect to the intentions, plans or proposals of shareholders with respect to the corporate entity/entities in which they are invested?

In the case of public companies, there is a 50% of votes threshold, the exceeding of which obliges the buyer to publish a tender offer for the remaining shares of the public company. This mandatory tender offer has a post-transaction nature, meaning that the investor first acquires the shares up to the threshold entitling them to 50% of votes at the company's Shareholders' Meeting, and only afterwards is obliged to publish a tender offer for the remaining shares.

The second type of tender offer is the so-called voluntary tender offer, which is pre-transactional in nature. An investor may independently decide to announce a tender offer under which they offer to purchase shares from all shareholders of the company at a specified price. If, under a voluntary tender offer, the investor exceeds the 50% voting threshold, they will not be required to announce a subsequent mandatory tender offer.

Notwithstanding the above, information obligations deriving from MAR are in place; therefore, transactions involving shares of public companies may be subject to disclosure as confidential information.

2.8 What is the role of shareholder activism in this jurisdiction and is shareholder activism regulated?

Shareholder activism is not expressly regulated under Polish law. Nevertheless, the Polish legal system contains certain provisions aimed at protecting the interests of minority shareholders to some extent.

Minority shareholders are vested with several key rights, including the ability to: (i) request the convening of an extraordinary Shareholders' Meeting and propose specific items for inclusion on its agenda; (ii) demand that the Management Board disclose information pertaining to the company, provided such disclosure is justified by the need to assess matters included on the agenda; (iii) require that members of the Supervisory Board be elected by separate group voting at the next Shareholders' Meeting, even where the Articles of Association stipulate a different method of appointment; and (iv) individually examine the company's books and records, and prepare a personal balance sheet (this only applies to limited liability companies and may be excluded or limited if a Supervisory Board has been established).

3 Management Body and Management

3.1 Who manages the corporate entity/entities and how?

The management function in the Polish legal system for both joint-stock and limited liability companies is performed by the Management Board. The activities of the Management Board can be divided according to their internal (*pro foro interno*) or external (*pro foro externo*) nature. Internal activities include, for example, decision-making processes regarding the company's actual business strategy or choosing the appropriate financing method for certain activities. External activities consist of performing legal acts on behalf of the company, for example by concluding agreements. Each member of the Management Board has the right and obligation to conduct the company's daily affairs. If a matter exceeds the scope of ordinary business and the company has a multi-member Management Board, it must be approved by a resolution of the Management Board. As a rule, resolutions are adopted by a simple majority of votes; however, this can be altered to a different threshold. The number of Management Board members varies from company to company due to the dispositive regulation in this regard (the minimum number of members is one). Furthermore, only individuals can be appointed as members of the Management Board.

The supervisory function in Polish companies is performed by the Supervisory Board, which exercises continuous supervision over the company's activities in all areas of its operations, including the examination of reports and documents. The Supervisory Board consists of at least three individuals, or at least five in the case of a public joint-stock company or a bank. However, the minimum number of members can be set higher based on the provisions of the Articles of Association.

The Supervisory Board is a mandatory corporate body in joint-stock companies but its establishment in limited liability companies is generally optional (the obligation to establish a Supervisory Board arises only if the company's share capital exceeds PLN 500.000 and the number of shareholders exceeds 25 – it is highly unlikely to occur in practice). If the Supervisory Board has not been established, every shareholder has the right to individually supervise the company.

3.2 How are members of the management body appointed and removed?

Appointment and removal of the members of the Management Board in both joint-stock companies and limited liability companies may be defined differently in every company due to the fully dispositive regulation in this matter. For instance, the applicable provisions can entitle a single person to appoint members of the Management Board.

If there is no specific provision regulating the matter, members of the Management Board in joint-stock companies are appointed and removed by the Supervisory Board. The Supervisory Board members, however, are appointed and removed by the Shareholders' Meeting.

Under statutory law, the members of the Management Board in limited liability companies are appointed and removed by the Shareholders' Meeting, unless a Supervisory Board has been established, in which case this right is being transferred to that body.

3.3 What are the main legislative, regulatory and other sources impacting on compensation and remuneration of members of the management body?

The main source is the Polish Commercial Companies Code, which since 2019 has included provisions implementing the EU Shareholders' Rights Directive by introducing stricter "say on pay" rules into Polish company law.

Pursuant to these rules, the shareholders of both joint-stock and limited liability companies may determine the maximum remuneration of members of the Management Board and their rights to any additional benefits. The remuneration of members of the Supervisory Board is always determined by the Shareholders' Meeting.

Listed companies must also adhere to the Code of Best Practice for Warsaw Stock Exchange Listed Companies, pursuant to which they should implement a detailed remuneration policy for board members.

3.4 What are the limitations on, and what disclosure is required in relation to, interests in securities held by members of the management body in the corporate entity/entities?

There are no limitations on the holdings of interests or securities in companies or other corporate entities by members of the Supervisory Board.

Members of the Management Board are free to hold interests or securities in the company that they manage. However, without the company's consent, they are not allowed to hold shares in any company engaged in competing activities if such a holding exceeds 10% of the company's share capital or entitles them to appoint at least one board member.

Persons discharging managerial responsibilities in listed joint-stock companies are subject to the general restrictions on insider trading and disclosure obligations related to the acquisition of significant shareholdings under MAR.

3.5 What is the process for meetings of members of the management body?

Prior to the COVID-19 pandemic, the basic rule was that both Management and Supervisory Boards had to operate in physical meetings, with some exceptions for adopting circular resolutions in writing or through means of electronic communication.

As part of the measures introduced to increase flexibility in company operations during the COVID-19 pandemic, Poland amended the Commercial Companies Code to allow all members of the Management and Supervisory Boards to participate in board meetings through video or teleconference, enabling a more flexible approach to corporate governance arrangements.

The details of the internal organisation and operation of the Management and Supervisory Boards are usually set out in the company's Articles of Association and/or the by-laws of the respective governing body.

3.6 What are the principal general legal duties and liabilities of members of the management body?

The principal legal duty of the members of the Management Board is to conduct the company's affairs and represent it in accordance with the law and the company's Articles of Association. The duties of the Supervisory Board members include overall supervision of the company's operations and oversight of its management, including the inspection of accounts and supervision of the Management Board's performance.

In fulfilling their duties, the members of the Management Board and Supervisory Board must always act in the best interests of the company and treat all shareholders equally. While the company's interests are not defined under Polish law, it is widely accepted that they are not equal solely to the interests of the shareholders, but should also encompass the interests of other stakeholders.

Any breach of duty by a member of the Management Board or Supervisory Board may result in civil liability. Members of the governing bodies are liable for all damage incurred by the company as a result of their mismanagement.

However, a member of the Management Board is not considered to be in breach of the duty of care arising from the professional nature of their activities if, acting loyally towards the company, they operate within the bounds of reasonable business risks, including relying on information, analyses, and opinions that ought to be considered under the circumstances when making a careful assessment.

It is also a criminal offence in Poland to act to the detriment of the company, punishable by up to five years' imprisonment, or up to 10 years if the damage exceeds the PLN 1.000.000 threshold.

Members of the Management Board are also liable to the company's creditors for any damage resulting from the failure to file for bankruptcy or restructuring in due time.

3.7 What are the main specific corporate governance responsibilities/functions of members of the management body and what are perceived to be the key, current challenges for the management body?

Members of the management bodies in Polish companies are entrusted with significant corporate governance responsibilities, centred around the dual functions of managing the company's affairs and representing it externally, as mentioned in the response to question 3.6.

The increasing complexity of legal and compliance obligations – particularly in the areas of data maintenance, cybersecurity, ESG, and Sustainability Reporting (CSRD) – translates into more resources being allocated to non-revenue-generating activities. Creating a suitably lean management structure that is nonetheless capable of addressing growing compliance requirements therefore remains one of the key challenges currently faced by members of Management and Supervisory Boards in Poland.

3.8 Are indemnities, or insurance, permitted in relation to members of the management body and others?

Directors' and officers' (D&O) liability insurance is permitted and customary for members of the Management and Supervisory Board. In principle, companies are also allowed to pay the entire premium for these D&O policies.

Indemnities provided by the company or shareholders are less common but not expressly prohibited. Nonetheless, the admissibility of indemnification by the company should be analysed on a case-by-case basis.

3.9 What is the role of the management body with respect to setting and changing the strategy of the corporate entity/entities?

The Management Board is responsible for setting and changing the company's overall strategy.

As a rule, actions of the company that exceed the scope of ordinary business typically require the approval of the Supervisory Board in joint-stock companies and in limited liability companies (if a Supervisory Board has been appointed), unless the Articles of Association provide otherwise.

Any change in strategy that requires the company to go beyond its scope of business, as set out in the Articles of Association, will also require shareholders' approval and an amendment to the relevant provisions of the Articles of Association.

4 Other Stakeholders

4.1 May the board/management body consider the interests of stakeholders other than shareholders in making decisions? Are there any mandated disclosures or required actions in this regard?

In principle, when making their decisions, the Management Board and the Supervisory Board must consider the best interests of the company, as the members of these corporate bodies owe a duty of loyalty to the company even after the expiry of their mandate.

The company's interests are not explicitly defined by Polish law, but it is widely accepted that they should encompass not only the interests of individual shareholders but also those of other stakeholders, such as the company's employees and creditors, given the company's status as an autonomous legal entity.

The forthcoming ESG reporting obligations, which include additional non-financial aspects such as environmental and social factors – including the company's impact on the environment, society and corporate governance generally) – are imposed under the CSRD. These obligations are planned to be postponed by two years. According to the current draft being considered by Parliament, the ESG reporting obligation for large entities is set to be postponed from 2026 to 2028. For small and medium-sized listed companies, this obligation is expected to be postponed from 2027 to 2029. As a result of this amendment, the reporting obligations for large entities will not apply to the financial year originally envisaged under the initial timeline (2025). The conditions required to qualify either as a large entity or a small or medium-sized listed entity are set out in question 4.4.

4.2 What, if any, is the role of employees in corporate governance?

The role of employees in corporate governance is regulated by the following Acts: (i) the Act on Commercialisation and Certain Rights of Employees dated 30 August 1996; (ii) the Act on Informing and Consulting Employees dated 7 April 2006; and (iii) the Act on Trade Unions dated 23 May 1991.

The first of these Acts applies only to companies created as a result of the transformation of former state-owned enterprises, and its role is currently quite limited. Employees of such companies benefit from the right to appoint: (i) up to 40% of the total number of Supervisory Board members; and (ii) one member of the Management Board in companies with an average annual employment of more than 500 persons.

Pursuant to the Act on Informing and Consulting Employees, all companies employing at least 50 employees may form a works council. If the employees of such companies decide to form a works council, the Management Board must inform the council and consult with it regarding certain vital matters of the company, for instance, any reorganisation, structural changes, or the business and economic situation of the employer. Consultations with the works council are, however, not binding on the Management Board.

Finally, if trade unions are present in the company, the Management Board must inform them and consult with them regarding any issues related to working conditions and wages, as well as certain reorganisation matters, which may lead to the transfer of undertaking or collective redundancies.

4.3 What, if any, is the role of other stakeholders in corporate governance?

Other stakeholders must be taken into consideration in the decision-making process when legislation explicitly impacts their rights – for example, labour law for employees (see also question 4.2 above) and bankruptcy and reorganisation law for creditors.

Among these stakeholders, after employees, creditors occupy the most significant and regulated position in the company. Statutory legal measures for the protection of creditors may be divided into three groups of legal regulations concerning:

(a) access to information about the company (for example, public availability of corporate data and financial statements in the National Court Register, and broad reporting obligations of listed companies);
(b) guarantees of sufficient capital to cover debts owed to creditors (for example, limitations on payments from the company's assets to shareholders where such payments are required to fully cover the company's share capital, prohibitions on acquiring own shares and on financing the purchase of own shares); and
(c) the creation of an additional source for satisfying creditor's claims (for example, the liability of Management Board members for failing to report bankruptcy in a timely manner).

In this sense, the interest of creditors must be taken into account and have a direct influence on the company's corporate governance.

4.4 What, if any, is the law, regulation and practice concerning corporate social responsibility and similar ESG-related matters?

Poland has implemented the CSRD, which imposes new reporting obligations on large companies and small and medium-sized listed companies. Originally, the ESG reporting obligation was intended to apply to large companies in 2026, initially covering the financial year 2025. Small and medium-sized listed companies were to be subject to the reporting obligation one year later (2027), covering the financial year 2026.

According to Polish regulations, small and medium-sized listed companies and large companies are required to provide, in a separate section of the management report, information necessary to understand the company's impact on sustainability issues and how those issues affect the company's development, performance, and position. This includes, *inter alia*, a concise description of the company's business model and business strategy, including a description of the resilience of the company's business model and strategy, including: (i) the resilience of the business model and strategy in the face of sustainability risks; (ii) the opportunities available to the company in relation to sustainability issues; (iii) the company's plans, including implementation actions and related financial and investment plans, to ensure that its business model and strategy take into account, *inter alia*, the transition to a sustainable economy; and (iv) how the company aims to achieve climate neutrality, particularly by limiting global warming to 1.5 °C and reaching net zero by 2050, as well as addressing risks associated with coal, oil and gas activities. Furthermore, companies must disclose the existence of any incentive schemes related to sustainability issues that are offered to the company's manager and members of the Management or Supervisory Boards.

However, the corporate sustainability reporting obligations imposed by the CSRD are planned to be postponed by two years. According to the draft legislation currently under consideration in Parliament, the obligation for large entities to report on ESG matters is set to be postponed from 2026 to 2028. As for small and medium-sized listed companies, this duty is expected to be postponed from 2027 to 2029. As a result of this amendment, the reporting obligations for large entities would no longer apply in relation to the financial year originally envisaged under the initial timeline (2025).

5 Transparency and Reporting

5.1 Who is responsible for disclosure and transparency and what is the role of audits and auditors in these matters?

The Management Board is ultimately responsible for ensuring compliance with disclosure and transparency requirements.

The annual financial statements of all joint-stock companies, whether listed or private, must be audited by an independent auditor. The annual financial statements of limited liability companies must only be audited by an independent auditor if at least two of the following three conditions are cumulatively met:

(a) the average annual employment in the company is at least 50 full-time employees;
(b) the total balance sheet assets at the end of the financial year are equivalent to at least EUR 3,125,000 in Polish currency; and/or
(c) the net revenue from sales of goods and products, as well as financial operations for the financial year, is equivalent to at least EUR 6,250,000 in Polish currency.

Additionally, limited liability companies and joint-stock companies are required to disclose the following documents to their shareholders no later than fifteen days before the Shareholders' Meeting: (i) a report on the company's activities and the financial statements for the financial year; (ii) an audit report – if the conditions for a mandatory audit are fulfilled; and (iii) a sustainability attestation report – if the company is required to produce such a report (see questions 4.4. and 5.3).

In terms of ESG reporting, sustainability reporting is subject to attestation by an auditor qualified to perform such assessments. As with the audit of financial statements, the selection of the audit firm responsible for sustainability attestation is made by the corporate body approving financial statements – typically the Shareholders' Meeting. A key step in preparing the sustainability report will therefore be the conclusion of a sustainability reporting attestation contract. Currently, such contracts may be concluded with the audit firm selected to audit the company's financial statements, without the need for a separate selection procedure. The management report, including the sustainability attestation report, must be filed with the KRS and made available on the company's website.

5.2 What corporate governance-related disclosures are required and are there some disclosures that should be published on websites?

Every joint-stock company, whether private or public, is required to set up and maintain a website on which it must publish notices required by statutory law or the company's Articles of Association. Moreover, all listed companies must comply with their reporting obligations set out in the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies, as well as the relevant regulation issued by the Ministry of Finance on reporting obligations. These obligations primarily concern interim financial reports and current reports on internal events at the company.

Further, the *Code of Best Practice for Warsaw Stock Exchange Listed Companies* sets out certain corporate governance rules, and listed companies are obliged to publish statements on their compliance or non-compliance with each rule. In the case of non-compliance, a specific explanation is also required (the so-called "comply or explain" rule).

In addition, listed companies should disclose key corporate documents on their websites, including their Articles of Association and other documents setting out the corporate governance framework, such as the by-laws of the Management Board, the Supervisory Board, and the Shareholders' Meeting.

5.3 What are the expectations in this jurisdiction regarding ESG- and sustainability-related reporting and transparency?

The changes to reporting introduced under the CSRD will have significant implications for companies required to report on sustainability matters. The scope of information disclosed under ESG is broad, encompassing the company's efforts to address climate protection, human rights, working conditions, gender equality, anti-corruption measures, and to ensure a transparent remuneration structure and sound governance system.

However, as part of a deregulation package, it is proposed to defer the ESG reporting obligation in Poland. Under the current draft legislation, the obligation for large companies is to be postponed until 2028, covering the financial year 2027, while for small and medium-sized listed companies, the obligation will arise in 2029 and cover the financial year 2028.

5.4 What are the expectations in this jurisdiction regarding cybersecurity and technology-related reporting and transparency?

Cybersecurity reporting duties in Poland are primarily shaped by recently introduced EU legislation: Directive (EU) 2022/2555 on measures for a high common level of cybersecurity across the Union (NIS2) and Regulation (EU) 2022/2554 on digital operational resilience for the financial sector (DORA). Poland has also adopted the Act on the National Cyber Security System of 5 July 2018, which was enacted as a result of transposing provisions set out in Directive (EU) 2016/1148 concerning measures for a high common level of security of network and information systems across the Union (NIS1). An amendment to the Polish Act, implementing the solutions introduced under NIS2, is expected to be introduced into Polish law in the near future. The implementation of the provisions adopted under these acts aims to enhance security by ensuring that appropriate cybersecurity policies and procedures (such as risk management, incident reporting, etc.) are implemented and followed by financial sector entities, including third-party ICT service providers.

There is no overarching technology-specific reporting and transparency regulation as such. However, depending on a company's business model and the type of activities it undertakes, various important legal considerations may arise in the context of corporate governance (e.g. e-commerce, GDPR, AI). The recently enacted Regulation (EU) 2024/1689 on artificial

intelligence (the AI Act) introduces a new regulatory framework aimed at promoting stable technological development while safeguarding against potential negative aspects of AI on individual rights and company operations. The provisions are particularly designed to harmonise regulations within the European Union concerning transparency for certain AI systems, the marketing of general-purpose AI models, and prohibitions on certain AI practices. Ensuring compliance with these new regulations – alongside the rapid pace of technological advancement – will present an ongoing challenge for companies in terms of corporate governance and beyond.

Krzysztof Libiszewski leads the Corporate M&A team in Poland. He specialises in cross-border M&A transactions, takeovers, joint ventures, distressed situations, as well as corporate restructurings. Krzysztof has a strong focus on the private equity industry, but his clients also include strategic and various financial investors. He regularly advises corporate boards on governance issues and publishes on general corporate, M&A and selected capital market topics. He has participated in many complicated domestic and international transactions involving share and asset disposals, asset restructuring and reorganisation of companies. Over the years, he has been also recognised in multiple international legal directories such as *Chambers and Partners*, *IFLR1000* and *The Legal 500*. Krzysztof is an attorney-at-law admitted to the Warsaw Bar Association.

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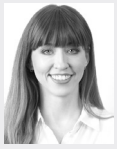

Joanna Jagiełło is a member of the Corporate M&A and Life Sciences team in Poland. She has advised a number of major companies in a range of industry sectors, with a focus on healthcare and life science. Joanna's practice encompasses a broad spectrum of corporate work including M&A, joint ventures, corporate restructurings as well as general commercial and corporate governance issues. She assists clients on regulatory matters related to pharmaceuticals, medical devices and food supplements, such as reimbursement procedures, price regulation, marketing and advertisement as well as assessment of compliance with legal regulations. Joanna regularly contributes to international and local publications in her specialist field. Prior to joining Wolf Theiss, she worked for an international UK-based law firm and completed a secondment at a Shanghai-based law firm.

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