

REMUNERATION POLICY FOR MEMBERS OF THE SUPERVISORY BOARD AND MANAGEMENT BOARD OF BANK POLSKA KASA OPIEKI SPÓŁKA AKCYJNA

§ 1.

GENERAL PROVISIONS AND MAIN ASSUMPTIONS

1. This Remuneration Policy for Members of the Supervisory Board and Management Board of Bank Polska Kasa Opieki Spółka Akcyjna (hereinafter referred to as: "**Policy**") has been developed taking into account the relevant provisions of:
 - a) the Act of 29 August 1997 – *Banking Law* (hereinafter referred to as: "**Banking Law**") and implementing acts issued on its basis, in particular the implementing regulations issued on the basis of Article 9f of the Banking Law;
 - b) the Act of 29 July 2005 *on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies* (hereinafter referred to as: "**Act on Public Offering**"), in particular provisions laid down in Chapter 4a of that Act;
 - c) *Principles of Corporate Governance for Supervised Institutions* adopted under the Resolution of the Polish Financial Supervision Authority of 22 July 2014;
 - d) *Good Practices of WSE Listed Companies 2016* constituting an appendix to Resolution No. 26/1413/2015 of the Supervisory Board of Giełda Papierów Wartościowych w Warszawie S.A. (Warsaw Stock Exchange) of 13 October 2015.
2. Whenever this Policy refers to the Bank, it means Bank Polska Kasa Opieki Spółka Akcyjna.
3. The Policy defines framework principles and rules governing the determination, monitoring and controlling of remuneration principles and practices used by the Bank in regard to Members of its Supervisory Board and Management Board.
4. The policy supports:
 - a) proper and effective risk management and does not encourage taking excessive risk;
 - b) implementation of the Bank management strategy and risk management strategy;
 - c) mechanisms for managing the conflicts of interests existing in the Bank's operations and preventing them.
5. Solutions adopted in this Policy contribute to the implementation of the business strategy, long-term interests and stability of the Bank as well as aim to support the sustainable growth of the Bank, including to ensure that the Policy is consistent with the strategy for the introduction of risks to sustainable growth in the investment decision-making process into the Bank's operations.
6. Purposes referred to in paragraphs 4 and 5 above are achieved primarily by:
 - a) introducing variable components of remuneration of Members of the Management Board, the final value of which depends on the Bank's results;
 - b) making the payment of variable components of remuneration of Members of the Management Board conditional on the fulfilment of specific capital requirements by the Bank;
 - c) making it possible to award a part of the variable remuneration to Members of the Management Board in the form of financial instrument with a deferred maturity date;

- d) taking the strategy for the introduction of risks to sustainable growth in the investment decision-making process into the Bank's operations into consideration in management goals referred to in § 3 (3.5) below.
 - e) conditioning the amount and possibility of awarding the variable remuneration of Members of the Management Board on the results of the compliance and risk assessments carried out by the Supervisory Board as part of the assessment of the degree of achievement of management goals referred to in § 3 (3.5) below.
7. When applying the Policy, the Bank pays attention to ensuring equal treatment as regards remuneration and other benefits, regardless of age, race, culture, gender, disability, sexual orientation, religion, nationality, beliefs or political views, trade union membership, ethnic origin, creed or marital status.
8. Notwithstanding the next sentence, the Bank pays remuneration to Members of the Supervisory Board and Members of the Management Board in accordance with the Policy. In the case of any discrepancies between any provision of the Policy and Articles 9ca and 9cb of the Banking Law or implementing regulations issued pursuant to Article 9f.1 (2) and (2) of the Banking Law, the latter shall prevail.
9. Working and pay conditions applicable to employees of the Bank other than Members of the Supervisory Board and Members of the Management Board have been taken into consideration when establishing the Policy in the following way:
- a) due to the special function and generally applicable provisions regulating the relationships of members of corporate bodies with the company, the Bank does not conclude employment contracts with Members of the Supervisory Board and Members of the Management Board; the Bank does, however, conclude contracts for management services with Members of the Management Board;
 - b) the remuneration of Bank employees other than Members of the Supervisory Board and Members of the Management Board is determined in such a way that the fixed monthly portion of remuneration of any employee does not exceed the amount of the fixed monthly remuneration payable to the Member of the Management Board who receives the lowest remuneration;
 - c) the Policy, similarly to the remuneration policy addressed to all employees of the Bank, is consistent with the objectives of the Bank's business strategy, risk management strategy as well as the organisational culture of the Bank and its corporate values;
 - d) the variable remuneration awarded is linked to the results achieved by the Bank, organisational unit and each employee, and the Bank applies the same principles of verification of compliance of conduct and operation with internal and external regulations, both in terms of behaviour of each employee and business goals pursued them;
 - e) the Bank complies with the requirements related to the determination of remuneration set out in applicable provisions of Banking Law, including in implementing regulations issued pursuant to Article 9f.1 (1) and (2) of the Banking Law and in recommendations of supervisory and audit authorities, to Members of the Supervisory Board, Members of the Management Board and other Bank employees identified as persons whose professional activity has a significant impact on the risk profile of the Bank.
10. Internal regulations concerning the management of conflicts of interests are adopted and applied at the Bank in the form of an appropriate policy or rules of procedure, and Members of the Supervisory Board and Members of the Management Board are obliged to observe them, including insofar as a conflict of interests could arise in connection with the implementation or application of the Policy. In addition, solutions adopted at the Bank ensure that conflicts of

interests connected with the Policy are identified and appropriately managed, including without limitation by:

- a) ensuring that the management goals referred to in Article 3 (3.5) below are clarified by the Supervisory Board taking into account the risk of a potential conflict of interests,
 - b) introducing objective criteria (indicators) for assessing the degree of achievement of management goals referred to in § 3 (3.5) below, and
 - c) ensuring the independence of internal control units employees.
11. The maximum ratio between variable and fixed components of remuneration that may be awarded to Members of the Management Board is determined by the Resolution No. 29 of the Ordinary General Meeting of Bank Polska Kasa Opieki Spółka Akcyjna *on the approval of the maximum ratio between the variable and fixed components of remuneration for the Management Positions at the Bank*, adopted on 16 June 2016.

§ 2.

MEMBERS OF THE SUPERVISORY BOARD

1. Basis for the discharge of office

- 1.1. Each of the Members of the Supervisory Board discharges their office on the basis of an appointment by a resolution of the General Meeting, and the Bank does not enter into employment contracts, contracts of mandate, specific-task contracts or any other contracts of a similar nature with Members of the Supervisory Board on account of their appointment.
- 1.2. The Members of the Supervisory Board are appointed for a term of office the duration of which is set out in the Articles of Association of the Bank.
- 1.3. A Member of the Supervisory Board may be dismissed at any time by the General Meeting. The mandate of a Member of the Supervisory Board may also expire in other cases specified in the Articles of Association of the Bank and generally applicable provisions of law.

2. Terms and conditions of remuneration of Members of the Supervisory Board

- 2.1. Members of the Supervisory Board are entitled to remuneration in a fixed monthly amount. Members of the Supervisory Board are not entitled to any variable remuneration.
- 2.2. Notwithstanding paragraphs 2.3 to 2.7 below, the monthly remuneration of Members of the Supervisory Board of the Bank is determined as the product of the base amount referred in Article 1.3 (11) of the Act of 9 June 2016 *on the principles for the determination of remuneration of persons managing certain companies* (hereinafter referred to as the “**Act**”) and the multiplier of 2.75.
- 2.3. For the Chairperson of the Supervisory Board, the monthly remuneration determined in accordance with paragraph 2.2 above is raised by 10%.
- 2.4. For the Deputy Chairperson of the Supervisory Board, the monthly remuneration determined in accordance with paragraph 2.2 above is raised by 9%.
- 2.5. Provided that the chairperson of a Committee operating within the Supervisory Board does not at the same time act as the Chairperson or Deputy Chairperson of the Supervisory Board, the monthly remuneration of the chairperson of a Committee operating within the Supervisory Board, determined in accordance with paragraph 2.2 above, is raised by 9%.

- 2.6. Provided that the Secretary of the Supervisory Board does not at the same time act as the Chairperson or Deputy Chairperson of the Supervisory Board or the chairperson of a Committee operating within the Supervisory Board, the monthly remuneration of the Secretary of the Supervisory Board, determined in accordance with paragraph 2.2 above, is raised by 8%.
- 2.7. Members of the Supervisory Board are entitled to remuneration determined in accordance with paragraphs 2.2 to 2.6 above, unless they act as a member of the Management Board at Powszechny Zakład Ubezpieczeń Spółka Akcyjna (hereinafter referred to as: "**PZU SA**") or any enterprise controlled by PZU SA, within the meaning of Article 4 (4) of the Act of 16 February 2007 on Competition and Consumer Protection (hereinafter referred to as: "**ACCP**"), other than the Bank.
- 2.8. Irrespective of the remuneration referred to in paragraph 2.2 above, Members of the Supervisory Board are entitled to the reimbursement of costs related to the participation in the works of the Supervisory Board, and in particularly justified cases other benefits referred to in § 3 (6) below may be granted.
- 2.9. Members of the Supervisory Board have the right to join the Employee Capital Plan functioning at the Bank (hereinafter referred to as: "**ECC**") on terms in force at the Bank.

§ 3.

MEMBERS OF THE MANAGEMENT BOARD

1. Basis for the discharge of office
 - 1.1. The President of the Management Board and other Members of the Management Board are appointed by the Supervisory Board according to the procedure and on terms and conditions set out in the Articles of Association of the Bank as well as generally applicable provisions of law.
 - 1.2. The term of office of Members of the Management Board is specified in the Articles of Association of the Bank. The mandate of a Member of the Management Board expires in cases specified in the Articles of Association of the Bank and generally applicable provisions of law.
2. Contract concluded with Members of the Management Board as well as procedure for and terms of its termination
 - 2.1. A contract for management services is concluded with a Member of the Management Board for the duration of their term of office (hereinafter referred to as: "**Contract**"), with the obligation to provide a personal performance regardless whether the Member operates within the scope of their business.
 - 2.2. The contents of the Contract are determined by the Supervisory Board on terms and conditions set out in the Act and pursuant to the provisions laid down in the Policy.
 - 2.3. Should the mandate expire, especially due to death, dismissal or resignation, the Contract is terminated as of the last day on which the office was discharged, without a notice period and the need to perform any additional activities.
 - 2.4. Should the Contract be terminated by mutual agreement of the parties, the agreed termination date of the Contract cannot fall later than within 3 (three) months.
 - 2.5. Each of the Parties has the right to terminate the Contract with immediate effect upon a gross breach of the provisions laid down in the Agreement by the other party.
 - 2.6. Each of the parties has the right to terminate the Contract for reasons other than specified in paragraph 2.5 above, with a maximum notice period of 3 (three) months, with the reservation that should an event referred to in paragraph 2.3 above resulting in the termination of the

Contract due to the fact that the office has ceased to be discharged occur during the notice period, the Contract is terminated pursuant to paragraph 2.3 above.

- 2.7. The Contract may provide for different notice periods depending on how long a Member of the Management Board has discharged their office, subject to paragraph 2.3 above, and also provide that the notice period of the Contract expires as of the end of the calendar month.
- 2.8. The Contract provides for an obligation that a Member of the Management Board must inform the Bank of the intention to discharge the office of a member of a corporate body of another commercial company, the acquisition of shares in such company, and may provide for a prohibition to discharge an office in the corporate bodies of any other commercial company or introduce any other restrictions concerning the activity of a Member of the Management Board.
3. Terms and conditions of remuneration of Members of the Management Board – Fixed Remuneration and Variable Remuneration
 - 3.1. The total remuneration of a Member of the Management Board consists of a fixed part constituting the basic monthly remuneration (hereinafter referred to as: “**Fixed Remuneration**”) and a variable part constituting supplementary remuneration for the financial year of the Bank (hereinafter referred to as: “**Variable Remuneration**”).
 - 3.2. The Fixed Remuneration of individual Members of the Management Board ranges from seven times to fifteen times the base amount referred to in Article 1.3 (11) of the Act.
 - 3.3. In a situation where a Member of the Management Board is simultaneously employed on under an employment contract, contract of mandate, management service contract or other civil law contract of a similar nature by PZU SA or an entrepreneur other than the Bank who is controlled by PZU SA within the meaning of Article 4 (4) of the ACCP, the remuneration is payable under each legal relationship, whereas the total monthly basic monthly remuneration from all legal relationships may not exceed the upper limit of the reference range specified in paragraph 3.2 above. This rule shall apply accordingly in the case of appointment of a Member of the Management Board to the management board of an enterprise controlled by PZU S.A. within the meaning of Article 4 (4) of the ACCP, if it is possible within the meaning of separate regulations to discharge the office of Member of the Management Board of the Bank and that enterprise at the same time.
 - 3.4. The Supervisory Board is authorised to specify the amount of Fixed Remuneration for individual Members of the Management Board in accordance with the provisions of paragraphs 3.2 to 3.3 above.
 - 3.5. The Variable Remuneration of each Member of the Management Board depends on the degree of achievement of set management goals (hereinafter referred to as: “**Management Goals**”) and, without prejudice to § 1 (9) above, may not exceed 100% of the Fixed Remuneration of that Member of the Management Board in the previous financial year for which the amount of payable variable remuneration was calculated.
 - 3.6. The general Management Goals are as follows:
 - a) to increase the Bank's value,
 - b) to improve economic and financial indicators.
 - 3.7. A separate Management Goal constituting a condition for the award of Variable Remuneration, consisting in the implementation of remuneration principles applicable to members of management and supervisory bodies and consistent with the provisions laid down in the Act in all subsidiaries of the Bank belonging to the capital group within the meaning of Article 4 (14) of the Act of 16 February 2007 *on Consumer and Competition Protection*, is established.

- 3.8. A separate Management Goal constituting a condition for the award of Variable Remuneration, consisting in the performance of obligations referred to in Articles 17 to 20, Article 21 and Article 23 of the Act of 16 December 2016 *on the Principles of State Asset Management*.
- 3.9. Subject to paragraphs 3.10 to 3.11 and § 4 below, a Member of the Management Board of the Bank is entitled to the Variable Remuneration after the approval of the statement of the Management Board on the operations of the Bank as well as the financial statements for the previous financial year and after that Member of the Management Board is granted discharge for the performance of their duties by the General Meeting.
- 3.10. Subject to § 4 below, the payment of at least 40% of the Variable Remuneration is deferred. The expiry of the mandate during or after the lapse of the financial year under assessment in terms of achievement of management goals does not result in the loss of entitlement to variable remuneration.
- 3.11. Subject to § 4 below, at least 50% of the Variable Remuneration is awarded in shares or other financial instruments of the Bank in order to contribute to the implementation of the business strategy, long-term interests and stability of the company, including by reducing incentives to make decisions oriented towards short-term growth of the value of the Bank and/or improvement of its economic and financial indicators at the expense of care for long-term interests and stability of the Bank.
- 3.12. Subject to section 3.13 below, it is not possible for the Bank to demand that a Member of the Management Board return a part of the Variable Remuneration that has already been acquired.
- 3.13. In cases specified in generally applicable provisions of law, including in the case of negative results of compliance assessment or risk assessment, the amount of Variable Remuneration that will be awarded to a Member of the Management Board or the amount of individual deferred parts of Variable Remuneration may be reduced accordingly by the Supervisory Board, including to zero.
- 3.14. A Member of the Management Board shall not collect any remuneration for the discharge of the office of member of a corporate body in subsidiaries of the Bank within the capital group within the meaning of Article 4 (14) of the ACCP.
- 3.15. Within the limits set out in paragraphs 3.5 to 3.13, detailed principles governing the variable remuneration scheme applicable to the management staff and defining the rules, decision-making path and conditions for payment and deferral as well as criteria (indicators) as regards financial and non-financial results related to the award of Variable Remuneration are determined by the Supervisory Board in the form of an appendix to an individual Contract concluded with a Member of the Management Board of the Bank.
- 3.16. Members of the Management Board are considered by the Bank as persons whose professional activity has a significant impact on the risk profile of the Bank and who, to the extent not regulated in the Policy, are subject to the requirements arising from separate internal regulations of the Bank and generally applicable provisions of law concerning the identification of such persons and rules governing their remuneration.
- 3.17. All amounts referred to in this paragraph 3 are increased by value added tax (VAT), if it is due.
4. Terms and conditions of remuneration of Members of the Management Board – Severance Pay and Non-competition Clause
 - 4.1. Should the Contract be terminated with or without notice by the Bank for reasons other than a breach of basic obligations, a Member of the Management Board may be awarded a severance pay in the amount not higher than three times the amount of Fixed Remuneration, provided that they have discharged the office for at least twelve months prior to the termination of the

Contract. The Contract should provide for the option to suspend, limit or refuse the payment of severance pay due to poor individual results, poor results of the subordinate unit, or poor results of the entire Bank.

- 4.2. A Member of the Management Board is not entitled to the severance pay referred to in paragraph 4.1 if:
 - a) the Contract is terminated, with or without notice, or amended due to the change of function discharged in the Management Board;
 - b) the Contract is terminated, with or without notice, or amended due to appointment for another term of office in the Management Board;
 - c) they take up the office of member of the management board in a company from the capital group of the Bank;
 - d) they resign from the office.
- 4.3. The Supervisory Board may enter into a non-competition agreement with a Member of the Management Board which shall enter into force after that Member ceases to discharge their office, with the stipulation that it may be concluded only if the Member of the Management Board has discharged their office for a period of at least 3 (three) months.
- 4.4. Compliance with the non-competition clause after ceasing to discharge the office as referred to in paragraph 4.3 above gives rise to entitlement to compensation in the amount equal to 100% of monthly Fixed Remuneration for each month during which the non-competition clause remains in effect.
- 4.5. It is not allowed to enter into a non-competition agreement after the Contract has been terminated, either with or without notice.
- 4.6. The duration of the non-competition clause cannot exceed 6 (six) months after the Member of the Management Board ceases to discharge their office.
- 4.7. Should a Member of the Management Board not perform or improperly perform a non-petition agreement, they shall pay the Bank a contractual penalty not lower than the amount of compensation due for the entire duration of the non-competition clause.
- 4.8. The non-competition clause shall cease to be in effect prior to the expiry of the term for of the non-competition agreement, if a Member of the Management Board takes an office in another company within the meaning of Article 1.3 (7) of the Act.
5. Terms and conditions of remuneration of Members of the Management Board – ECP and additional Pension Schemes and Early Retirement Schemes
 - 5.1. The Members of the Management Board have the right to join Employee Capital Plans (ECP) on terms in force at the Bank.
 - 5.2. Where Bank employees are covered by any Pension Scheme or Early Retirement Scheme, Members of the Management Board are entitled to participate in such Scheme on terms applicable to employees classified by the Bank as senior management, and a resolution concerning the amendment of the Policy, supplementing the Policy with a description of the main characteristics of such scheme to the extent concerning Members of the Management Board shall be put to a vote at the next General Meeting after such Pension Scheme or Early Retirement Scheme is introduced. The draft resolution of the General Meeting referred to in the preceding sentence shall be drawn up by the Management Board and then approved by the Supervisory Board upon obtaining prior opinion of the Nomination and Remuneration Committee.

6. Terms and conditions of remuneration of Members of the Management Board - Other Benefits

On terms and conditions set out in the Contract, Members of the Management Board may be entitled to other cash or non-cash benefits, in particular such as:

- a) the possibility of using technical devices and resources being the property of the Bank, necessary to discharge an office in the Management Board;
- b) training to raise professional qualifications necessary to perform a function at the Bank;
- c) medical care;
- d) insurance:
 - o directors and officers liability insurance (D&O),
 - o public offering of securities insurance,
 - o life and health insurance as well as insurance against loss of income due to illness or
 - o an accident.
- e) the right to an interruption in the performance of management services which does not reduce the Fixed Remuneration;
- f) grant access to technical devices and resources being the property of the Bank, necessary to discharge duties, and limits of costs borne by the Bank in connection with granting access to devices and resources for business purposes and methods of their determination;
- g) coverage of expenses related to business trips, commute to and from the place where services are provided or accommodation, including expenses related to renting a hotel room of an appropriate standard or an apartment.

§ 4.

CLARIFICATION OF THE RULES LAID DOWN IN THE POLICY

The Supervisory Board is authorised to clarify the rules set out in the Policy, including by including appropriate provisions in Contracts concluded with individual Members of the Management Board, to the following extent and within the following limits:

- a) specify the type and conditions for awarding other benefits referred to in § 3 (6) above and their description as well as specify when and on what terms it is possible to use the property of the Bank for private purposes;
- b) clarify prohibitions and restrictions referred to in § 3 (2.8), (3.3) and (3.12), reporting obligations from the compliance with those prohibitions and restrictions, and sanctions for non-compliance;
- c) specify detailed rules and deadlines for the payment of Fixed Remuneration to Members of the Management Board, with the stipulation that the specified rules and deadlines cannot change the nature of Fixed Remuneration as a monthly benefit;
- d) specify detailed Management Goals for individual Members of the Management Board for the relevant financial year and determine weights for those goals as well as objective, measurable, clear, complex and diverse financial and non-financial criteria (indicators) as regards the achievement and settlement of those goals, with the stipulation that:

- when clarifying the Management Goals for individual Members of the Management Board, the scope of competencies of each Member of the Management Board of the Bank, requirements arising from generally applicable provisions of law, recommendations of supervisory and audit authorities, and the risk of a potential conflict of interests should be taken into consideration,
 - specified criteria (indicators) should take into account, to the extent consistent with the long-term strategy of the Bank, social interests and obligations of the Bank in the field of environmental protection and undertaking actions aimed at preventing and eliminating negative social effects of the Bank's operations, and a strategy for the introductions of risks to sustainable growth in the investment decision-making process into the Bank's operations,
 - specified criteria (indicators) should each time contribute to the implementation of the business strategy, long-term interests and stability of the company by accordingly taking into account the cost of risk of the Bank, the cost of capital and liquidity risk in the long-term perspective in the Bank's results under assessment, adopted for the purpose of determining the Variable Remuneration,
 - assessment of the extent to which the specified criteria (indicators) have been met may be carried out using both quantitative and qualitative method,
 - the final decision whether to award or confirm the acquisition of Variable Remuneration and its possible amount should each time depend on the results of the compliance and risk assessments carried out by the Supervisory Board,
 - the Supervisory Board determines whether conditions to award Variable Remuneration for the relevant financial year to individual Members of the Management Board have been met based on the financial statements verified by statutory auditors and other documents relevant to the assessment of the achievement of set Management Goals, with the stipulation that should the mandate of a Member of the Management Board expire during the relevant financial year, the amount of Variable Remuneration for that year is determined taking into account the period during which a Member of the Management Board discharged that office in the relevant financial year;
- e) determination of the part of the Variable Remuneration awarded to individual Members of the Management Board is subject to deferral, the period of such deferral, time limits within which individual deferred parts of the Variable Remuneration are acquired and paid out, conditions which may result in the part of Variable Remuneration being reduced or not awarded, and the determination of cases in which it is possible to not apply the deferral period and grant the entire Variable Remuneration in advance, with the stipulation that:
- unless the Banking Law or any other generally applicable provisions of law and recommendations of supervisory and audit authorities stipulate otherwise, the period of deferral should not be longer than 36 months,
 - should a 36-month period of deferral be applied, the deferred part of Variable Remuneration is divided into 3 equal parts which are acquired and settled successively after 12, 24 and 36 months from the day of awarding the Variable Remuneration for the relevant financial year, provided that during that period there are no circumstances proving that conditions for the payment of the deferred part of Variable Remuneration have not been satisfied,

- it is not allowed to not apply the period of deferral and award the entire amount of Remuneration in advance, if the amount of Remuneration due exceeds PLN 150,000 gross;
- f) determination of the type of financial instrument of the Bank in which the part of Variable Remuneration is awarded, period during which the entitlement to receive Variable Remuneration in the form of financial instruments is acquired, and determination of cases in which it is possible to award the entire amount of Variable Remuneration in cash, with the stipulation that it is not allowed to award the entire amount of Variable Remuneration in cash, if the amount of Variable Remuneration due exceeds PLN 150,000 gross.

§ 5.

DESCRIPTION OF THE DECISION-MAKING PROCESS CONDUCTED IN ORDER TO ESTABLISH, IMPLEMENT, AND REVIEW THE REMUNERATION POLICY

1. The Policy has been drawn up by the Management Board and then approved by the Supervisory Board upon obtaining prior opinion of the Nomination and Remuneration Committee.
2. The Policy is adopted by resolution of the General Meeting.
3. Members of the Management Board are responsible for information included in the Policy. Moreover, the Management Board is responsible for the implementation and application of the Policy after its adoption by the General Meeting.
4. The Nomination and Remuneration Committee is responsible for issuing opinions on and monitoring the Policy as well as supporting other bodies of the Bank in determining and implementing the Policy.
5. The General Meeting adopts a resolution on the Policy at least every four years. A major amendment of the Policy requires its adoption, by way of a resolution, by the General Meeting.
6. Subject to paragraph 7 below and without prejudice to any other obligations to draw up other statements and reports concerning the remuneration policy in force at the Bank and its functioning arising from the generally applicable provisions of law, the Supervisory Board draws up an annual remuneration report (hereinafter referred to as: **“Remuneration Report”**) presenting a comprehensive review of remunerations, including all benefits regardless of their form, received by individual Members of the Management Board and of the Supervisory Board or due to individual Members of the Management Board and of the Supervisory Board in the last financial year pursuant to the Policy. The detailed scope of the Remuneration Report is defined in Article 90g of the Act on Public Offering.
7. The first Remuneration Report will be prepared jointly for the years 2019 and 2020.
8. Responsibility for the information contained in the Remuneration Report rests with the Members of the Supervisory Board.
9. The General Meeting adopts a resolution containing a opinion on the Remuneration Report. The resolution is of an advisory nature.
10. The Remuneration Report is subject to assessment by a statutory auditor insofar as set out in Article 90g.10 of the Act of 29 July 2005 on Public Offering.
11. Based on the resolution adopted at the request of the General Meeting, the Management Board or on its own initiative, the Supervisory Board may decide to temporarily waive, either in full or in the part specified by the Supervisory Board, the application of § 3 or § 4 of the Policy, if it is necessary to pursue long-term interests and achieve financial stability of the Bank or to guarantee its

profitability. A prerequisite that justifies waiving the application of elements of the Policy indicated in the preceding sentence may include, in particular, a decline in the capital adequacy ratios of the Bank below the levels required by the Polish Financial Supervision Authority, a decline in income resulting in a loss as at the end of the financial year or a significant restructuring or consolidation programme requiring a particularly large involvement of the Members of the Supervisory Board or Members of the Management Board. Depending on the circumstances that justify waiving the application of elements of the Policy indicated by the Supervisory Board pursuant to this paragraph, the waiving may result in the application of more or less strict solutions related to rules governing the remuneration of Member of the Management Board than those set out in the Policy, in particular Members of the Management Board may be awarded lower or higher Fixed Remuneration than specified pursuant to § 3 (3.2) above or an additional variable benefit dependent on the achievement of specified project goals.

§ 6.

ENTRY INTO FORCE AND PUBLICATION

1. Without prejudice to other obligations of the Bank arising from generally applicable provisions of law and recommendations of supervisory and audit authorities concerning the disclosure of information on the remuneration policy in effect at the Bank, the Bank shall make the Policy and resolution of the General Meeting on its adoption, along with the date of its adoption and voting results, and the Remuneration Report available on its website. The conditions on which documents referred to in the previous sentence are made available as well as the period for which they are made available is set out pursuant to the provisions laid down in the Act on Public Offering.
2. The Policy enters into force as of the day specified in the resolution of the General Meeting.