

INFORMATION ON THE BYLAWS OF THE SUPERVISORY BOARD

This information is presented to the General Meeting in reference to point 18 of the agenda of the Ordinary General Meeting of Bank Millennium S.A. convened for 30 March 2022, which reads:

“18. Information on the Bylaws of the Supervisory Board of Bank Millennium S.A. (Resolution No. 33).”

The obligation to inform the General Meeting about the Bylaws of the Bank’s Supervisory Board (“Bylaws”) results from recommendation No. 9 contained in Recommendation Z of Polish Financial Supervision Authority.

Recommendation Z concerns the principles of corporate governance in banks and was issued in October 2020.

Recommendation 9 states in particular, that if the bylaws of the Supervisory Board are not adopted by the General Meeting only by the Supervisory Board, then the General Meeting, as per the solution adopted in the bank, shall be informed about the adopted bylaws or will approve them.

The solution adopted in Bank Millennium is one, according to which the Supervisory Board of the Bank adopts its Bylaws (Par. 14 of the Bank's Articles of Association). Therefore - in accordance with Recommendation No. 9 - there is an obligation to inform the AGM about the Regulations.

Performance of the obligation stemming from Recommendation No. 9, by means of informing the General Meeting about the Bylaws, was already made at the Ordinary General Meeting of Bank Millennium S.A. convened for 24 March 2021.

Currently, the General Meeting is informed about the Bylaws due to the change in their wording made by Resolution No. 63/2021 of the Supervisory Board on December 3, 2021.

In performance of the above obligation, the Bylaws of the Supervisory Board of Bank Millennium S.A. in the current wording are presented enclosed, to the General Meeting.

Attachment - current text of the By-laws of the Supervisory Board of Bank Millennium S.A.

BYLAWS of THE SUPERVISORY BOARD
of Bank Millennium S.A.

Text determined in the Resolution of the Supervisory Board No. 63/2021 dated 3 December 2021.

BYLAWS
of Bank Millennium S.A. SUPERVISORY BOARD

§ 1

The Supervisory Board is the permanent body exercising the supervision over the activity of the Bank.

§ 2

1. The Supervisory Board acts under the provisions of law, the Bank's Articles of Association, resolutions passed by the General Meeting, hereinafter also referred to as the General Meeting of Shareholders, and the Bylaws.
2. The Board exercises supervision over the affairs of the Bank while being guided when performing this supervision by due care for proper and secure operations of the Bank, and – as its individual members – by impartial assessment and judgment.

§ 3

During the first Meeting, the Members of the Supervisory Board appoint among themselves the Chairman, Deputy Chairmen and the Secretary of the Supervisory Board.

§ 4

The first meeting of the Supervisory Board shall be convened within 14 days after its appointment, at the latest, by the Chairman of the General Meeting of Shareholders who chairs this meeting until the appointment of the Chairman, Deputy Chairmen and the Secretary of the Supervisory Board is made.

§ 5

1. The powers of the Supervisory Board, includes in particular the following:
 - 1/ definition of number of Members of the Management Board,
 - 2/ appointment and dismissal of the Chairman, Deputy Chairmen and Members of the Management Board of the Bank, whereas in the event of incomplete composition of the Management Board during the term of office, the Supervisory Board should undertake reasonable actions to fill in the vacancy or the makeup of the Management Board should be re-defined,
 - 3¹/ approving the internal division of competences in the Management Board, defined by the Management Board,
 - 3/ definition of remuneration of the Members of the Management Board,
 - 4/ approval of long-term development programmes of the Bank, annual economic and financial plans for the activity of the Bank,
 - 5/ approval of motions lodged by the Management Board concerning the participation of the Bank in another bank, enterprise or other organizational unit as its shareholder, issuing bonds or other securities, as well as acquisition, encumbrance and sale by the Bank of real property, perpetual usufruct or share in the real property of the value exceeding 30% of the share capital, each time,
 - 6/ approval of the Management Board's operations bylaws,
 - 7/ approval of the motions lodged by the Management Board concerning establishment and liquidation of foreign operational branches of the Bank,
 - 8/ without delay convocation of Ordinary General Meeting, if the Management Board does not convene it within the term identified in the effective laws or the Articles of Association, and Extraordinary General Meeting, if the Supervisory Board finds convocation thereof advisable,
 - 9/ issue of opinions on all and any motions and problems requiring resolutions of the General Meeting of Shareholders,

- 10/ cases submitted for the powers of the Supervisory Board in the resolutions of the General Meetings,
 - 11/ issuing normative acts referred to in the Articles of Association, whose issue is reserved for the Supervisory Board and approval of normative acts upon the motion of the Management Board, including the regulations on the establishment and allocation of the provisions for general risk to cover the risks connected with conducting of the banking activity,
 - 12/ appointment of an auditor for examining financial statements of the Bank and the Capital Group,
 - 13/ annual submission to the General Meeting of a concise evaluation of the Bank's standing,
 - 14/ adoption of the uniform text of the Articles of Association, unless the General Meeting of Shareholders resolves otherwise,
 - 15/ suspension – for material reasons – of individual or all Members of the Management Board and delegation of Members of the Supervisory Board to perform temporarily tasks of Members of the Management Board, who are not able to perform their function,
 - 16/ consent for paying out by the Management Board to the Shareholders an advance against the expected end-of-financial-year dividend,
 - 17/ pronouncing opinions concerning transactions with entities related to the Bank, which – pursuant to the Bank's internal regulations – are qualified as transactions materially influencing the financial or legal situation or lead to acquisition or sale or disposal otherwise of major assets,
 - 18/ expressing - in cases required under the Act on Public Offering and Conditions Governing the Introduction of Financial Instruments to Organised Trading as well as Public Companies - consent for the Bank to conclude with its associated entity a material transaction in the meaning of this Act.
2. Supervisory Board may request the Management Board to appoint a selected external entity to carry out specific analyses or to acquire its opinion on specific matters if it is necessary to ensure effective and proper performance of supervision.

§ 6

1. The Supervisory Board conducts its activities collectively. In the event of incomplete composition of the Supervisory Board, the Supervisory Board shall reorganise in order to ensure effectiveness of its activity. The realisation of the specific activities embodied in the powers of the Supervisory Board may be transferred, by the appointment of the Supervisory Board, on the particular Members of the Supervisory Board individually – on one person or several persons jointly.
2. The delegation to realise an activity individually may be of a permanent character.
3. The Supervisory Board may set up permanent or *ad hoc* committees for conducting specified tasks. Setting up of specialized or monitoring committees, namely regarding corporate governance and sustainability, may also be recommended by the Supervisory Board to the Management Board.
4. Permanent committees of the Supervisory Board are: Audit Committee, Personnel Committee, Strategic Committee and Committee for Risk Matters.
5. Most Members of the Audit Committee, including its Chairman, are independent from the Bank. Members of the Committee have knowledge and skills in the financial (banking) sector, while at least one Member of the Committee has knowledge and skills as regards accounting or auditing financial statements.

6. The Audit Committee meets ordinarily, once a quarter and, extraordinarily, whenever convened by the Chairman of the Supervisory Board, at his/her own initiative or at the request of any Member of the Supervisory Board or Management Board, filed with the Chairman of the Supervisory Board.
7. The Audit Committee exercises control, to the extent permitted by the law, in particular, it:
 - 1/ permanently monitors the activity of the Bank's chartered auditor and issues opinions as to his independence requirements and other relations between him and the Bank,
 - 2/ monitors on a permanent basis the systems and process of financial reporting and management of the Bank's risk,
 - 3/ evaluates and monitors the internal procedures concerning accounting and audit matters and respective control systems, including the reception and processing of complaints and related doubts, reported by employees or identified independently,
 - 4/ requests the Supervisory Board to apply to the Management Board for funds or means of any other nature necessary for conducting of activities by the Audit Committee,
 - 5/ as a result of its activities - proposes to the Supervisory Board to request the Management Board for adoption of such measures or amendments as the Audit Committee may deem pertinent, whereas the Audit Committee may take actions to obtain independent counselling, if necessary,
 - 6/ approves its own internal regulations.
8. The Personnel Committee, in particular:
 - 1/ assesses the candidates for Members of the Banks' Management Board,
 - 2/ establishes the terms of employment for newly appointed Members of the Bank's Management Board,
 - 3/ negotiates changes in the terms of employment for the Members of the Bank's Management Board,
 - 4/ with reference to Members of the Management Board, defines evaluation criteria, performs work assessment (with consideration of the Policy of variable components of remuneration of persons in management positions) and establishes yearly bonuses,
 - 5/ establishes the terms of cessation of employment of the Members of the Bank's Management Board,
 - 6/ gives opinions and monitors remuneration policy, and also supports the Bank's bodies as regards shaping and implementing this policy, pronounces an opinion on policy on variable remuneration components and, in addition, based on reports about payments made, issues recommendations with regard to:
 - amount and components of remunerations, taking into account prudent and stable risk, capital and liquidity management and the long-term well-being of the Bank,
 - variable remuneration of persons in management positions in the Bank, connected with risk management and maintaining compliance of the Bank's operation with legal and internal regulations.
- 8¹. The Strategic Committee shall in particular:
 - 1/ study Macro Economy trends,
 - 2/ study new trends, developments and new solutions on banking industry,
 - 3/ analyze Bank competitive position and Benchmarking,
 - 4/ analyze and recommend long term strategy, goals and objectives for the Bank.
- 8². The competencies of the Committee for Risk Matters comprise tasks specified for such a committee in the Banking Law, in particular:
 - 1/ providing opinions on the Bank's overall current and future risk appetite,
 - 2/ issuing opinions on the risk management strategy in the Bank's operations developed by the Management Board and the information on the implementation of this strategy submitted by the Management Board,

3/ supporting the Supervisory Board in supervising the implementation of the risk management strategy in the Bank's operations by senior management, and competencies assigned to it in other legal regulations binding banks and in supervisory recommendations implemented by the Bank.

9. Selection by the Supervisory Board of a different entity performing the function of the chartered auditor than that recommended by the Audit Committee should be justified in detail. The information on the selection of the entity performing the function of the chartered accountant with justification should be included in the annual report.

§ 7

The provisions of § 6 sections 2 and 3 do not apply to other than supervisory activities executed by the Supervisory Board.

§ 8

The remuneration policy for the Members of the Supervisory Board and the amount of their remuneration for their functions on the Board shall be determined by the General Meeting, taking into account the relevant regulatory requirements. The Members of the Supervisory Board delegated by the Supervisory Board for the realisation of individual supervision, are entitled to a separate remuneration set by the Supervisory Board. The Members of the Supervisory Board are entitled to the reimbursement of travel expenses from the place of residence to the place where the Supervisory Board holds its meetings as well as cost of accommodation.

§ 8¹

1. A Member of the Supervisory Board should have knowledge, skills and experience appropriate for the function performed and the duties entrusted, and warrant due performance of duties entrusted to him/her, having reputation deemed by the financial community to be required to perform functions of this type. Suitability assessment and verification of fulfilment of the above criteria shall be in keeping with the regulatory requirements and policy on selection and assessment of suitability of the Supervisory Board Members, as adopted by the GSM, as well as by continuous self-evaluation by the Member of the Supervisory Board and assessment, as issued in this respect by the Supervisory Board in its annual report on activities.
2. Member of the Supervisory Board should perform his/her function in an active manner, manifesting the necessary level of involvement in the work of the Board, while this level shall be manifested in dedicating sufficient time to properly perform tasks assigned to the Board. The remaining professional activity of the Member of the Supervisory Board may not be detrimental to the quality and efficiency of the exercised supervision.
3. Member of the Supervisory Board should refrain from undertaking professional or non-professional activity which could lead to the occurrence of a conflict of interest or otherwise have an adverse impact upon his/her reputation as a Member of the Supervisory Board of the Bank.
4. In case of materialisation of the conflict of interest (or the possibility of its occurrence), which relates:
 - a) to the Chairman of the Supervisory Board of the Bank – he/she should notify on it the Member of the Supervisory Board, who is an independent Member (in the meaning of proper legal regulations) and the Secretary of the Supervisory Board,
 - b) to Member of the Supervisory Board other than the Chairman – he/she should notify on it the Chairman and Secretary of the Supervisory Board.

Moreover, a person who identified materialization of the conflict of interest or the possibility of its occurrence, which relates to him/her, shall inform about it also the Compliance Department, and refrains from taking decision and giving binding opinion influenced by the conflict (principle of exclusion of Member of the Supervisory Board of the Bank from voting). Detailed requirements and rules of procedure in the area of identification and manner of managing situation potentially constituting conflicts of interests are provided for in the conflict of interest policy as adopted in the Bank.

§ 9

1. The meetings of the Supervisory Board shall be convened by its Chairman in compliance with the provisions of the Bank's Articles of Association, giving the date, place and agenda of the meeting. In absence of the Chairman, the Deputy Chairman or the Secretary of the Supervisory Board conduct the above activities.
2. The Chairman of the Supervisory Board is obliged to convene the meeting of the Supervisory Board if the motion of this type is lodged by the Management Board of the Bank or at least three Members of the Supervisory Board.
3. The meeting of the Supervisory Board is held within 14 days of the date of lodging the motion.
4. The meetings of the Supervisory Board shall be held on the dates set by the Supervisory Board, at least once a quarter.
5. Meetings of the Supervisory Board are chaired by its Chairman, or in his absence by the Deputy Chairman or the Secretary.
6. The Chairman of the Supervisory Board or acting in his absence the Deputy Chairman or Secretary, organise the works of the Supervisory Board in a way enabling expressing and discussing dissenting views in discussion, based on sound discernment of the situation.

§ 10

1. The notice in writing on the convocation of the Supervisory Board meeting should be delivered to all its Members at least 7 days before the date of the meeting. In justified cases the Chairman may set a shorter period of notice. The written form of the notification is deemed to be kept also when the notification is sent electronically to the address submitted in writing by Member of the Supervisory Board to the Chairman, Deputy Chairman or Secretary of the Supervisory Board.
2. In emergency events, the Chairman of the Supervisory Board may convene the meeting irrespectively of the form and term of the notice set forth in section 1, informing all its Members of the meeting.
3. Along with the notice, the proposed meeting agenda shall be delivered. Information materials regarding matters included in the agenda should be delivered in advance. The manner of delivery of the information materials should ensure protection of their confidentiality.
4. The Chairman of the Supervisory Board or acting in his absence the Deputy Chairman or Secretary, oversee the meeting course and, in particular, are responsible for efficiency of discussions and consistency with relevant regulatory requirements.
5. Motions submitted to the Supervisory Board for consideration should be adequate to requirements related to the case under the motion, complete, clear and contain up-to-date information.

6. Motions and notifications submitted by persons responsible for risk management in the Bank are considered at the next meeting of the Supervisory Board.

§ 10¹

1. The Supervisory Board informs the Polish Financial Supervision Authority forthwith about placing in the agenda of the Supervisory Board meeting a point concerning:
 - a) recalling the Chairman of the Management Board,
 - b) recalling the Member of the Management Board supervising the management of material risk in the operations of the Bank or assigning his duties to another Member of the Management Board, providing with this information the justification for the motion in this regard.
2. Processing by the Supervisory Board of the motions referred to in section 1 should include the possibility for the Polish Financial Supervision Authority to comment on the matter within a reasonable period of time, before the final decision of the Supervisory Board on the motion.

§ 11

1. The resolutions of the Supervisory Board shall be valid provided that at least half of the Members of the Supervisory Board are present, including its Chairman or the Deputy Chairman.
2. The Members of the Supervisory Board may take part in the adoption of the Supervisory Board's resolutions by casting their ballots through intermediation another Member of the Supervisory Board. The casting of the ballot shall not apply to matters introduced to the agenda in the course of the Supervisory Board meeting.
3. The Members of the Supervisory Board may participate in the meeting of the Supervisory Board also by use of means of direct telecommunication, in particular with the intermediation of the videoconference or teleconference connections. The adoption of resolutions in this manner is feasible, provided all the Members of the Supervisory Board have been informed about the contents of the draft resolution.
4. Resolutions of the Supervisory Board shall be passed by an ordinary majority of votes cast. In the event of an equal number of votes, the vote of the Chairman of Supervisory Board shall prevail.

§ 12

Without holding Supervisory Board meeting, resolutions may be adopted in writing as well as with use of means of distance communication (adoption of Resolutions by circulation) if all the Members of the Supervisory Board were informed about the wording of the draft resolution and at least half of the Supervisory Board Members took part in adopting the resolution. In the event of an equal number of votes, the vote of the Chairman of the Supervisory Board prevails. The written form of voting is preserved also in the event of forwarding the decision by personal e-mail.

§ 13

1. The draft of a resolution being adopted in the circulation procedure shall be distributed by the Chairman, Deputy Chairman or Secretary of the Supervisory Board to all Members of the Supervisory Board.
2. The Members of the Supervisory Board shall submit to the Chairman, Deputy Chairman or Secretary of the Supervisory Board, their statement on backing (vote "for") or no-backing (vote "against") for the draft resolution.

3. In the event of adopting a resolution in the circulation procedure, the resolution document shall be signed by the Members of the Supervisory Board during the next meeting held by the Supervisory Board.
4. Information on the resolutions adopted in the circulation procedure and manner of voting shall be included in the minutes of the meeting of the Supervisory Board held subsequently after their adoption.

§ 14

1. The minutes of the meetings of the Supervisory Board shall be kept. Minutes shall be made, in written form or on durable data carrier, in the Polish language and translate into English. The minutes shall comply with the regulatory requirements and include at least:
 - names and surnames of those present during the meeting,
 - agenda,
 - description of the course of the discussion,
 - decisions made,
 - wording of the resolutions passed,
 - voting results,
 - objections and dissenting opinions of the Members of the Supervisory Board (in case of giving opinion on transactions with related parties - with justification of the declarant), with reference to resolutions passed, provided they are presented within 14 days from the meeting,
 - comments that have not been taken into account with the reasons for not taking them into account.
2. Members of the Supervisory Board may view and submit comments or a dissenting opinion to the Minutes prior to their authentication. Minutes are signed by all the Members of the Supervisory Board present during the meeting, on the day of the subsequent meeting at the latest.
3. The Management Board of the Bank keeps the resolutions and the documentation of the Supervisory Board meetings.

§ 15

1. Meetings of the Supervisory Board are attended by the Members of the Management Board of the Bank as well as other persons invited by the Chairman of the Supervisory Board or the Chairman of the Management Board – depending on the needs.
2. The Chairman of the Supervisory Board may order the proceeding of a meeting without the presence of the persons beyond the Supervisory Board.

§ 16

Draft activity plans and statements on the activity are prepared by the Secretary of the Supervisory Board. He also exercises stand-alone supervision over the realisation of the resolutions of the Supervisory Board by the Management Board.

§ 17

1. The Members of the Supervisory Board are obliged to keep secret the confidential and classified information as required by the law in force, in particular the information covered by the bank secrecy as well as the business secrecy of the Bank and its subsidiaries or affiliates.
2. The Members of the Supervisory Board shall not use any information to which they have access when performing their corporate duties to any purpose contrary to the Bank's interest.