

**RESOLUTION No. 35/2020
of the Annual General Meeting of
Powszechna Kasa Oszczędności
Bank Polski Spółka Akcyjna
of 26 August 2020**

**on the adoption of the Remuneration Policy for the members of the Supervisory Board
and the Management Board**

Acting pursuant to Article 90d, clause 1 of the Act of 29 July 2005 on public offerings and conditions governing the introduction of financial instruments to organized trading and on public companies, the General Meeting adopts the following:

§ 1.

1. The Remuneration Policy for the members of the Supervisory Board and the Management Board of Powszechna Kasa Oszczędności Bank Polski S.A. shall be adopted, as set out in Appendix No. 1 to this resolution.
2. The Remuneration Policy for the members of the Supervisory Board and the Management Board, referred to in § 1, clause 1, shall come into force as from the beginning of 31 August 2020 and shall apply to all unpaid fixed and variable remuneration of the members of the Supervisory Board and the Management Board.

§ 2.

The Supervisory Board shall be authorized to established further rules of employment and remuneration of the members of the Bank's Management Board, which specify in detail the provisions of the Remuneration Policy for the members of the Supervisory Board and the Management Board, referred to in § 1, clause 1 – in line with the assumptions of that policy arising from the appendix to this resolution and the generally applicable laws.

§ 3.

This resolution shall come into force as of the date of its adoption.

Additional information concerning the resolution:

number of shares on which valid votes were cast	864 161 752
% of share capital represented by the shares on which valid votes were cast	69.13%
total number of valid votes	864 161 752
including votes:	
for	575 911 938
against	0
abstaining	288 249 814



Chapter 1. General provisions

§ 1.

1. The Remuneration Policy for the members of the Supervisory Board and the Management Board of Powszechna Kasa Oszczędności Bank Polski S.A. (hereinafter called: the “Policy”) shall remain consistent with rules for determining the remuneration of the members of the Management Board and the rules for the remuneration of the members of the Supervisory Board of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna (hereinafter called: the “Bank”) set out in the resolutions of the General Meeting of the Bank, adopted on the basis of Article 2, clause 2, point 1 and Article 10 of the Act of 9 June 2016 on the rules for determining the remuneration of persons managing certain companies (Journal of Laws of 2019, item 1885) (hereinafter called: the “Act on the rules of remuneration”).
2. The Policy shall indicate, in particular:
 - 1) the rules of employment of the members of the Supervisory Board;
 - 2) a description of the fixed and variable remuneration components and the mutual proportions between those components, as well as other cash and non-cash benefits which may be awarded to the members of the Supervisory Board and the Management Board;
 - 3) the rules according to which the management objectives that constitute the basis for awarding variable remuneration to the members of the Management Board are formulated;
 - 4) the rules for awarding additional benefits to the members of the Supervisory Board and the Management Board;
 - 5) the rules for preventing and managing conflicts of interests relating to the Policy.
3. Due to the fact that the remuneration of the members of the Supervisory Board and the Management Board are subject to the provisions of the Act on the rules of remuneration, the terms of work and pay of the Bank’s other employees were not taken into account in determining the Policy, except for the rules set out in § 8, clause 1 and § 9.
4. The purpose of the Policy is to:
 - 1) ensure a coherent system of remuneration of the members of the Supervisory Board and the Management Board, with remuneration levels tailored to the requirements of the generally applicable laws which apply to persons holding positions in the Bank’s bodies;
 - 2) ensure appropriate tools enabling the variable remuneration of the members of the Management Board to be determined also with respect for such criteria as the Bank taking care to take into account social interests and the Bank’s contribution to environmental protection and the prevention of the negative social impacts (if any) of the Bank’s operations or to the elimination thereof;
 - 3) contribute to the pursuit of the business strategy, long-standing interests and stability of the Bank.

Chapter 2. Rules for the remuneration of the members of the Supervisory Board

§ 2.

1. The monthly remuneration of the members of the Supervisory Board shall be determined as the product of the assessment basis referred to in Article 1, clause 3, point 11 of the Act on the rules of remuneration and an appropriate multiplier:

- a. for the Chairman of the Supervisory Board – 2.75;
 - b. for the Deputy Chairman of the Supervisory Board – 2.5;
 - c. for the Secretary of the Supervisory Board – 2.25;
 - d. for the other members of the Supervisory Board – 2.
2. The remuneration referred to in clause 1 shall be increased by 10% if a member of the Supervisory Board participates at least in one permanent committee of the Supervisory Board.

§ 3.

1. A member of the Supervisory Board shall be entitled to the remuneration referred to in § 2, irrespective of the frequency of the meetings convened.
2. No remuneration shall be payable for the month in which a member of the Supervisory Board was not present at a meeting for unjustified reasons. Excusing or not excusing the absence of a member of the Supervisory Board at its meeting shall be decided by the Supervisory Board.
3. The remuneration referred to in § 2 shall be calculated in proportion to the number of days of holding a position if appointment, dismissal or resignation took place during a month.
4. The remuneration referred to in § 2 shall be gross remuneration, paid by the 10th day of the month following the month for which the remuneration is payable.
5. A member of the Supervisory Board, irrespective of the remuneration referred to in § 2, shall be entitled to reimbursement of the costs incurred in connection with holding his position, in particular the costs of travel from his place of residence to the place where a meeting of the Supervisory Board is held and back, the costs of lodging and board.

Chapter 3. Rules for determining the remuneration of the members of the Management Board

§ 4.

1. An agreement on the provision of management services shall be concluded with a member of the Management Board for the duration of holding a position (hereinafter called: the “Agreement”), which he has to provide in person, irrespective of whether he acts within the scope of his business activities.
2. The contents of the Agreement shall be specified by the Supervisory Board under the terms and conditions set out in the Act on the rules of remuneration and the resolutions of the Extraordinary General Meeting of the Bank referred to in § 1, clause 1, taking into account the provisions of the Policy.

§ 5.

1. The total remuneration of a member of the Management Board shall consist of a fixed part, constituting basic monthly remuneration (hereinafter called: the “Fixed Remuneration”) and a variable part, constituting supplementary remuneration for the Bank’s financial year (hereinafter called: the “Variable Remuneration”).
2. The amount of the Fixed Remuneration will be determined by the Supervisory Board respectively for each member of the Management Board within a range of 7 (seven) to 15 (fifteen) times the assessment basis referred to in Article 1, clause 3, point 11 of the Act on the rules of remuneration.

§ 6.

1. The Variable Remuneration shall be dependent on the level of achievement of management objectives and may not exceed 100% (one hundred per cent) of the Fixed Remuneration in the

financial year preceding the year for which the amount of the Variable Remuneration payable is calculated.

2. Management objectives shall be established, which relate to, in particular:
 - 1) the achievement of the net profit of the Bank and the Bank's Group;
 - 2) the achievement of the economic and financial indicators, including, in particular, the C/I of the Bank's Group (in %), the ROE of the Bank's Group (in %), the share of receivables with recognized impairment in the Group's loan portfolio (in %), the Group's interest margin (in %), a customer satisfaction index defined by the Supervisory Board;
 - 3) pursuit of the strategy of the Bank and the Bank's Group;
 - 4) maintaining the Bank's market position (hereinafter called: the "Management Objectives").
3. The Supervisory Board shall be authorized to establish detailed Management Objectives for the individual members of the Management Board, however, the Management Objectives of the individual members of the Management Board should also take into account, in accordance with the entrusted area of responsibility, criteria such as the Bank taking care to take into account social interests and the Bank's contribution to environmental protection and the prevention of the negative social impacts (if any) of the Bank's operations or to the elimination thereof.
4. The Supervisory Board shall be authorized to specify weights for the detailed Management Objectives and objective and measurable criteria (indicators) of the achievement thereof and for accounting for them (KPI).
5. The Supervisory Board shall establish, for each member of the Management Board, the maximum relationship of the Variable Remuneration to the Fixed Remuneration in accordance with § 6, clause 1.
6. The Variable Remuneration may be paid to a member of the Management Board after the approval of the Directors' Report on the Bank's operations and the financial statements for the previous financial year and after the acknowledgement of the fulfilment of duties by that member of the Management Board by the General Meeting, on condition that the Supervisory Board has determined that the member of the Management Board has achieved the Management Objectives, and after the amount payable has been determined.
7. The expiry of a mandate after the end of a financial year assessed in terms of the achievement of the Management Objectives shall not result in the right to the Variable Remuneration being forfeited. The expiry of a mandate during a financial year shall not result in the right to a part of the Variable Remuneration in proportion to the period of holding a position being forfeited.

§ 7.

An additional condition for the payment of the Variable Remuneration shall be laid down in the form of:

- 1) determination and application of the rules of remuneration of the members of the management and supervisory bodies of the Bank's subsidiaries within the meaning of Article 4, point 3 of the Act of 16 February 2007 on competition and consumer protection corresponding to the rules set out in the Act on the rules of remuneration;
- 2) fulfilment of the obligations referred to in Articles 17-20, Article 22 and Article 23 of the Act of 16 December 2016 on the principles of State property management.

§ 8.

1. Irrespective of the remuneration referred to in § 5, clause 1, the Supervisory Board may additionally, in justified cases, in the Agreement grant a member of the Management Board the right to:
 - 1) financed by the Bank:

- training to improve the professional qualifications necessary for holding the position of a member of the Management Board at the Bank;
 - Directors' and Officers' liability insurance and insurance against liability in respect of the issue of securities;
- 2) purchase, with own funds, services the same as those offered to the Bank's employees, in particular healthcare as well as life and health insurance and insurance against the loss of remuneration due to the inability to work as a result of an illness or an accident.
2. The Supervisory Board shall determine, in the Agreement, the scope and rules for making technical equipment and resources which constitute the Bank's property available to a member of the Management Board, necessary for performing his function, as well as the limits relating to individual costs or the manner of determination thereof.
 3. The Agreement may also set out the rules on the use of the Bank's property by a member of the Management Board for private purposes.

§ 9.

A member of the Management Board shall have the right to join the Employee Pension Scheme of PKO Bank Polski S.A. under the programme terms and conditions similar to those for the Bank's employees, provided that this is allowed by the generally applicable laws. Due to his joining that scheme and holding the position of a member of the Management Board, the Bank shall pay a basic contribution to the scheme for the member of the Management Board, calculated on the basis of the fixed and variable remuneration components paid to the member of the Management Board. The contribution shall not be included in a fixed or variable remuneration component.

§ 10.

1. A member of the Management Board shall, in his activities, avoid situations which may lead to a conflict of interest relating to the Policy and shall put the Bank's interest first.
2. The Agreement shall include an obligation for a member of the Management Board to inform about his intention to hold a position in the bodies of another company, purchase shares in it and it may provide for the prohibition on holding positions in the bodies of any other company or introduce other restrictions concerning the additional activities of the member of the Management Board.
3. A member of the Management Board may not collect any remuneration for holding the position of a member of a body in the Bank's subsidiaries within a capital group within the meaning of Article 4, point 14 of the Act of 16 February 2007 on competition and consumer protection.
4. The Supervisory Board shall be authorized to define the prohibitions and restrictions referred to in clauses 2 and 3 above, obligations to report on compliance with them and sanctions for failing to comply with them properly.

§ 11.

1. In the event of the expiry of a mandate, in particular as a result of death, dismissal or resignation, the Agreement shall be terminated as from the last day of holding a position without a notice period or the need to perform any additional activities.
2. In the event of termination of the Agreement by mutual consent of the Parties, the agreed deadline for terminating the Agreement may not be longer than 3 (three) months.
3. Either Party shall have the right to terminate the Agreement with immediate effect in the event of a significant violation of the provisions of the Agreement by the other Party.
4. Either party shall have the right to terminate the Agreement for reasons other than those specified in clause 3, by giving notice of no more than 3 (three) months.

5. The Agreement may provide for various notice periods depending on the time of holding the function of a member of the Management Board, in recognition of the deadline for terminating the Agreement in the event of the expiry of a mandate, referred to in clause 1, and that the notice period expires at the end of a calendar month.
6. In the event of termination of the Agreement due to ceasing to hold a position for any reasons other than the violation of the basic duties by a member of the Management Board, the Supervisory Board may award the member of the Management Board severance pay of no more than 3 (three) times the Fixed Remuneration, on condition that he has held his position for at least 12 (twelve) months before the termination of that Agreement.

§ 12.

1. The Supervisory Board shall conclude a non-competition agreement with a member of the Management Board, effective after he has ceased to hold his position, however, it may only be concluded if the member of the Management Board has held his position for at least 3 (three) months.
2. Concluding a non-competition agreement after the termination of a management services agreement by immediate termination or by giving notice shall not be allowed.
3. The period of non-competition shall be 6 (six) months after a member of the Management Board has ceased to hold his position.
4. In the event of the non-performance or malperformance of a non-competition agreement by a member of the Management Board, he shall be required to pay a contractual penalty to the Bank, of no less than the amount of the compensation for the entire non-competition period.
5. A non-compete shall cease to apply before the expiry of the term for which the non-competition agreement was concluded if a member of the Management Board should take up a position in another company within the meaning of Article 1, clause 3, point 7 of the Act on the rules of remuneration or in the PKO BP Group Companies.

Chapter 4. Decision-making process carried out to establish, implement and review the policy

§ 13.

1. The Remuneration Policy shall be established by way of resolution of the General Meeting, adopted on the basis of the opinion of the Supervisory Board.
2. If need be, at least once every four years, a review of the Policy shall be carried out, the results of which shall be submitted by the Supervisory Board to the General Meeting. The Policy may be changed by way of a resolution of the General Meeting, adopted on the basis of the opinion of the Supervisory Board.

§ 14.

The Supervisory Board shall be authorized to approve a separate remuneration policy for the employees of the Bank and the PKO BP Group Companies and to adopt – in accordance with the resolutions of the Extraordinary General Meeting of the Bank, referred to in § 1, clause 1, the Policy and the generally applicable laws – additional rules of employment and remuneration of the members of the Bank's Management Board, which specify in detail, among other things, the provisions of the Policy concerning the members of the Management Board, arising from the resolution of the General Meeting, including with respect to payment deferral periods and the possibility of the Bank not paying or demanding the refund of the Variable Remuneration.