

Report of the Nomination and Remuneration Committee of the Supervisory Board
of Bank Handlowy w Warszawie S.A.
for the year 2024

The Remuneration Committee is a standing advisory body to the Supervisory Board. The Committee consists of 3 (three) or more members of the Supervisory Board. Most members of the Committee, including its Chairman, meet the independence criterion set out in § 14(4) of the Articles of Association of Bank Handlowy w Warszawie S.A. All Members of the Committee, including its Chairman and Vice Chairman, are elected by the Supervisory Board. Members of the Committee perform their duties in compliance with the powers as set out in the Regulations under Article 390 of the Code of Commercial Companies, Articles 9cb and 9cd of the Act – Banking Law and Regulation of the Minister of Finance of May 7, 2018 on the specific scope of tasks of the nomination committee at significant banks.

The Remuneration Committee was established under a resolution of the Bank Council dated October 23, 1997. The resolution of the Supervisory Board of May 17, 2017 changed the name of the Committee to the Nomination and Remuneration Committee.

In 2005, the Supervisory Board passed the Remuneration Committee Regulations, in line with the “Good Practices in Public Companies in 2005”, which were adopted by all governing bodies of the Bank at that time. The Regulations were amended upon the resolutions of the Supervisory Board dated March 20, 2008, December 9, 2011, November 7, 2013, May 17, 2017, May 30, 2018, September 24, 2020, December 3, 2021 and May 11, 2022.

The Regulations of the Nomination and Remuneration Committee are available on the Bank’s websites: www.citihandlowy.pl.

In the reporting period the Nomination and Remuneration Committee was composed of: Ms. Anna Rulkiewicz as Chairperson, Ms. Helen Hale as Vice Chairperson until 19 June 2024, Ms. Natalia Bożek as Vice Chairperson since 20 June 2024, Mr. Sławomir S. Sikora, Ms. Barbara Smalska and Mr. Marek Kapuściński as Members of the Committee.

The Nomination and Remuneration Committee is currently composed of:

- 1) Anna Rulkiewicz – Chairperson (independent member of the Committee),
- 2) Natalia Bożek – Vice Chairperson,
- 3) Marek Kapuściński – Member of the Committee (independent member of the Committee),
- 4) Sławomir S. Sikora – Member of the Committee,
- 5) Barbara Smalska – Member of the Committee (independent member of the Committee).

The Nomination and Remuneration Committee met on the following dates during the discussed reporting period coinciding with the calendar year:

No.	Date of the meeting	Attendance
1.	11 January 2024	100%
2.	15 February 2024	80%, Anna Rulkiewicz was absent
3.	21 March 2024	100%
4.	22 May 2024	100%
5.	11 June 2024	80%, Helen Hale was absent
5.	19 September 2024	100%

The Nomination and Remuneration Committee has the authority to:

- 1) review and monitor the remuneration policies adopted at the Bank and support the Bank authorities in supervising, shaping and implementing those policies, their validity, consistency with the practice and processes in place at the Bank and their impact on the Bank's risk profile,
- 2) assess the mechanisms and systems in place at the Bank in order to ensure that the remuneration policy adopted at the Bank takes into account all types of risk, and liquidity and capital levels, complies with the principles of, and supports sound and effective risk management, and is consistent with the Bank's strategy, objectives, corporate culture and values as well as long-term interests of the Bank, including assessment of the need to adjust remunerations for ex-post risk,
- 3) analyze possible scenarios to examine how the remuneration policies adopted at the Bank and the remuneration practice respond to external and internal events, and perform back-testing of the criteria used to determine remuneration levels and to adjust remunerations for ex-ante risk on the basis of actual risk-based results,
- 4) recommend candidates for the Management Board, selected from among a sufficiently broad group of potential candidates, taking into account the necessary knowledge, competence and experience of the Management Board as a whole, that are necessary to manage the Bank, and ensuring diversity on the Management Board,
- 5) identify the scope of duties for a candidate to the Management Board, as well as the requirements in terms of knowledge and competence, and the expected time commitment necessary to serve in that capacity,
- 6) identify the target representation of the gender underrepresented on the Management Board and develop a policy of diversity on the Management Board with the aim of achieving that target,
- 7) make periodic evaluation, at least once a year, of the structure, size, composition and effectiveness of the Management Board and recommend changes in that regard to the Supervisory Board,
- 8) make periodic evaluation, at least once a year, of the knowledge, competence and experience of the Management Board as a whole and of individual Management Board members, and inform the Management Board of the evaluation results,
- 9) review periodically the Management Board's policy on selection and appointment of Bank managers and present recommendations in that regard to the Management Board,
- 10) assess, based on market conditions, the remunerations received by members of the Management Board,
- 11) assess the remuneration paid to members of the Bank's Management Board as compared to their duties and performance;
- 12) submit recommendations for remuneration of Management Board members to the Supervisory Board, each time prior to its determination or revision,
- 13) review and monitor variable remuneration components of the persons whose professional activities have a significant impact on the Bank's risk profile, including in particular those responsible for risk management, management of the compliance unit, management of the internal audit unit, and key persons, as identified in the Employee Remuneration Policy of Bank Handlowy w Warszawie S.A.,
- 14) make a preliminary assessment of the qualifications of candidates for members of the Supervisory Board selected from among a sufficiently wide group of potential candidates, taking into account diversity in the composition of the Supervisory Board, the necessary knowledge, competences and experience of individual candidates and the Supervisory Board as a whole, and prepare recommendations for their selection,
- 15) perform a preliminary assessment of the qualifications of members of the Supervisory Board taking into account diversity in the composition of the Supervisory Board, the necessary knowledge, competences and experience of individual Supervisory Board

members and the Supervisory Board as a whole, and make recommendations when a reassessment is required.

In performing the above mentioned duties, the Committee, at its meeting on January 11, 2024, adopted resolutions concerning the scope of duties and the requirements in terms of knowledge, competences and commitment of time, as required to perform the function of a Vice President of the Bank's Management Board; concerning the recommendation to evaluate a candidate for Vice President of the Bank's Management Board and the collective evaluation of the Management Board as a whole, and concerning a recommendation to be submitted to the Supervisory Board relating to appointment of Mr. Patrycjusz Wójcik to the Bank's Management Board for a 3-year term. The Committee also adopted a resolution on an increase in the basic remuneration for the Head of the Audit Department. Under the next items, the Committee adopted resolutions on the granting of Variable Remuneration for 2023, the acquisition and end date of the retention period for Deferred Variable Remuneration of Identified Staff for the years 2020-2022; resolutions on the acquisition and end date of the retention period for Deferred Variable Remuneration for the former President of the Management Board for the years 2018-2020; resolutions on the conversion of phantom shares into a Financial Instrument for current and former members of the Bank's Management Board for the years 2020-2021, for the President of the Bank's Management Board for the year 2021 and for the former President of the Bank's Management Board for the years 2018-2020.

At the next meeting on February 15, 2024, the Committee dealt with resolutions on the agreement for the conversion of phantom shares to a Financial Instrument with a Member of the Management Board; granting Variable Remuneration for 2023 to current and former Members of the Management Board; and basic remuneration for a Member of the Management Board.

During the next meeting of the Committee, held on March 21, 2024, the Committee passed a resolution to approve the Report on the Activities of the Nomination and Remuneration Committee in 2023 and made the annual assessment of the Management Board of Bank Handlowy w Warszawie S.A.

At the meeting held on March 21, 2024, the Committee issued a positive opinion and made a recommendation that the Supervisory Board approve the "Report on the remuneration of members of the Management Board and members of the Supervisory Board of Bank Handlowy w Warszawie S.A. for 2023" and issued a positive opinion and made a recommendation that the Supervisory Board approve the assessment of the functioning of the Remuneration Policy in 2023. The Committee also dealt with issues related to the rights to the so-called Transactional Award and Deferred Variable Remuneration. In addition, the Committee adopted a resolution on the recommendation regarding the assessment of the qualifications of the Vice President of the Bank's Management Board responsible for material risk management and the Vice President of the Bank's Management Board responsible for finance, and the collective assessment of the Management Board as a whole in connection with the planned change in the internal division of powers within the Bank's Management Board. As the next item on the agenda, the Committee adopted a resolution on determining the scope of duties for a candidate for the Bank's Management Board, and the requirements in terms of knowledge and competences and the expected commitment of time required to perform the function of the President of the Bank's Management Board, and on issuing a recommendation to positively evaluate Ms. Elżbieta Światopełk-Czetwertyńska as a candidate for the President of the Bank's Management Board and the collective evaluation of the Management Board as a whole, and on a recommendation to be submitted to the Supervisory Board relating to appointment of Ms. Elżbieta Światopełk-Czetwertyńska to the Bank's Management Board for the next term.

During the meeting held on June 11, 2024, the Committee passed resolutions concerning preliminary assessments of qualifications of eight candidates for members of the Supervisory Board and the adoption of recommendations concerning their appointments.

During the next meeting, held on 19 September 2024, the Committee dealt with the recommendation regarding the assessment of the qualifications of the Vice President of the Bank's Management Board responsible for operations and technology and the collective evaluation of the Management Board as a whole in connection with the planned change in the internal division of powers within the Bank's Management Board and benefits concerning the President of the Management Board.

During the meeting of the Nomination and Remuneration Committee held on December 5, 2024, the Committee adopted a resolution on amendments to the "Remuneration Policy for employees of Bank Handlowy w Warszawie S.A." and the "Remuneration Policy for persons whose professional activities have a material impact on the risk profile of Bank Handlowy w Warszawie S.A." Next, the Committee acknowledged information on the current list of Identified Staff and a resolution on the recommendation regarding the assessment of the qualifications of the Vice President of the Bank's Management Board responsible for finance and the collective evaluation of the Management Board as a whole in connection with the planned change in the internal division of powers within the Bank's Management Board. At the end of the meeting, as part of an annual suitability assessment, the Committee positively assessed the suitability of members of the Supervisory Board of the Bank.

The Nomination and Remuneration Committee states that it performed its mandate correctly in the year ended December 31, 2024.

Pursuant to § 2.2 of the Nomination and Remuneration Committee Regulations, the Committee hereby submits this report to the Supervisory Board. This report will soon after be released to our shareholders on the Bank's websites.

Anna Rulkiewicz
Chairperson of the Nomination and Remuneration Committee