

Justification to draft resolutions of the Ordinary General Shareholders Meeting of Bank Handlowy w Warszawie S.A. to be held on June 27, 2025

Justification to resolutions of the Ordinary General Meeting of the Bank Handlowy w Warszawie Spółka Akcyjna of 27 June 2025 on distribution of the net profit for year 2024 and on distribution of the undistributed net profit from previous years (point 5 sub point 9 and 10 of the agenda of the Ordinary General Shareholders Meeting):

Taking into consideration the Strategy for the years 2025 – 2027 adopted on December 5, 2024, the Bank will continue to allocate most of its profits to dividend payments.

The Management Board of the Bank recommended to the Annual General Meeting in 2025 to distribute the profit for 2024 in the amount of PLN 1,791,978,477.05 as follows:

- 1) dividend: PLN 1,342,776,931.65 which means that the dividend per share amounts to PLN 10.29
- 2) leave net profit in the amount of PLN 449,201,545.40 undistributed.

The Management Board of the Bank proposed to set the dividend date for July 7, 2025 (the dividend day) and the date of dividend payment for July 14, 2025 (the dividend payment date).

The dividend amount per share was calculated by dividing the dividend amount for shareholders by the total number of shares in the Bank reduced by the number of treasury shares held by the Bank. As a result, 130,493,385 shares participate in the dividend distribution.

The Bank's equity amounted to PLN 9.9 bn as of December 31, 2024 and TLAC TREA Ratio amounted to 24.1%.

On March 13, 2025 Bank received a letter from the Polish Financial Supervision Authority ("PFSA") with a dividend recommendation for the Bank.

According to the letter, as at December 31, 2024, the Bank met the requirements qualifying it for the payment of up to 75% of the dividend from the Bank's profit generated in the period from January 1, 2024 to December 31, 2024. However the maximum payout amount cannot exceed the amount of annual net profit reduced by the profit earned in 2024 and already included in own funds. The proposal of pay dividend payment presented above, representing 74.93% of net profit for 2024, is in line with this recommendation of the Polish Financial Supervision Authority

At the same time, the PFSA recommended the Bank to reduce the risk in its business activity by way of not undertaking, without prior consultation with the supervisory authority, any other actions outside the scope of the current business and operating activities, which could result in a reduction of the own funds, including possible dividend payments from undistributed profit from previous years as well as own share buybacks and buyouts.

Taking into account the expectations of the PFSA, changes in the banking sector environment and regulations regarding the minimum requirement for own funds and eligible liabilities (MREL) for the Capital Group of Bank Handlowy w Warszawie S.A., the Management Board of the Bank, on May 19, 2025, adopted a resolution on the proposed distribution of the net profit for the year 2024.

The above recommendation of the Bank's Management Board was approved by the Supervisory Board of the Bank. The final decision on the distribution of the net profit for 2024 will be made by the General Meeting of the Bank.

Moreover, taking into consideration the recommendation of the Polish Financial Supervision Authority of March 13, 2025, in which the PFSA recommended the Bank to not take any other

actions without prior consultation with the supervisory authority, in particular those outside the scope of current business and operational activities that could result in a decrease in own funds, including possible dividends from previous years' retained earnings as well as own share buybacks and buyouts, the Bank's Management Board proposes to allocate the entire undistributed net profit of the Bank from previous years in the amount of PLN 1,091,283,635.71 which consists of:

- 1) undistributed profit generated in 2018 in the amount of PLN 163,279,653.78
- 2) undistributed profit generated in 2019 in the amount of PLN 478,802,436.53
- 3) undistributed profit generated in 2024 in the amount of PLN 449,201,545.40

to the dividend capital provided that it is established by the General Meeting of Shareholders.

At the same time, bearing in mind the fact that the pursuit of a stable dividend policy is recognized by the Bank's shareholders as one of its key strengths, the Bank's Management Board – in line with the implemented Strategy - will take actions to allocate most of the profits to dividend payments in the future.

The final decision on distribution of undistributed profits from previous years is included in competence of the Ordinary General Meeting of the Bank.

Justification to resolutions of the Ordinary General Meeting of the Bank Handlowy w Warszawie Spółka Akcyjna of 27 June 2025 on consideration and approval of the Bank's Supervisory Board's report on its activity for 2024, assessment of the remuneration policy applied at the Bank, assessment of the effectiveness of the Supervisory Board's operation for 2024 and assessment of the adequacy of internal regulations regarding the functioning of the Supervisory Board in this period and on opinion to the Supervisory Board's report on remuneration of the Management Board members and members of the Supervisory Board of Bank Handlowy w Warszawie S.A. in the years 2024 (point 5 sub point 5-6 of the agenda of the Ordinary General Shareholders Meeting)

The subject of the Ordinary General Meeting will be the consideration and approval of the report on the activity of the Supervisory Board of Bank Handlowy w Warszawie S.A. for 2024 (hereinafter: "Report of the Bank's Supervisory Board") and making an assessment of (item 5 of the agenda of the Ordinary General Shareholders Meeting):

1. the effectiveness of the activities of the Supervisory Board for 2024 and the assessment of the adequacy of internal regulations regarding the functioning of the Supervisory Board in this period. The basis for this assessment will be the self-assessment made by the Supervisory Board, which is included in the Report of the Bank's Supervisory Board,
2. whether the established remuneration policy is conducive to the development and security of operation of the supervised institution, pursuant to § 28.4 of the Principles. The basis of this evaluation will be the report on the assessment of the functioning of the remuneration policy in the Bank made by the Supervisory Board. The Report of the Bank's Supervisory Board includes above-mentioned assessment.

The report of the Bank's Supervisory Board includes, among others: information and assessments required by the Commercial Companies Code, with particular emphasis on the requirements that entered into force on October 13, 2022, and the requirements resulting from adopted by the Best Practice for GPW Listed Companies 2021 ("Best Practices") and the Principles of Corporate Governance for Supervised Institutions of the Polish FSA ("Principles").

The Report of the Bank's Supervisory Board also includes a report on the remuneration of members of the Management Board and members of the Supervisory Board of the Bank Handlowy w Warszawie S.A. for 2024.

Pursuant to article 90g section 6 of the Act of July 29, 2005 on public offering and the conditions for introducing financial instruments to an organized trading system and on public companies, the Ordinary General Meeting will express an advisory opinion on the abovementioned remuneration report constituting part of the Report of the Bank's Supervisory Board (item 6 of the agenda of the Ordinary General Shareholders Meeting).

Justification to resolution of the Ordinary General Meeting of the Bank Handlowy w Warszawie Spółka Akcyjna of 27 June 2025 on creation of a capital reserve for the purpose of dividend payout, including advance dividend (point 5 sub point 8 of the agenda of the Ordinary General Shareholders Meeting)

The primary objective is to provide the company with financial flexibility in terms of distributing the company's profit to shareholders, in particular authorizing the Management Board to dispose of the dividend capital in order to pay advances on dividends, in accordance with Article 349 § 2 of the Commercial Companies Code.

Justification to resolution of the Ordinary General Meeting of the Bank Handlowy w Warszawie Spółka Akcyjna of 27 June 2025 on amendment to the Articles of Association of Bank Handlowy w Warszawie S.A. (point 5 sub point 11 of the agenda of the Ordinary General Shareholders Meeting)

Amendment No. 1 (draft resolution No. 29/2025):

As of January 1, 2025, *the Act of December 6, 2024 amending the accounting act, the act on statutory auditors, audit firms and public oversight and certain other acts* amended art. 66 section 4 of *the act of September 29, 1994 on accounting*, supplementing it with the rules for selecting an audit firm to attest sustainability reporting.

A similar solution has been introduced mirroring the process for selection an audit firm to audit the financial statements, i.e. the body authorized to select an audit firm to audit the financial statements and to select an audit firm to attest sustainability reporting is the body approving the entity's financial statements (General Shareholders Meeting), unless the articles of association, agreement or other legal provisions binding the entity provide otherwise.

Bearing in mind that, in accordance with the currently applicable Articles of Association of Bank Handlowy w Warszawie S.A. (hereinafter referred to as: AoA) the selection of the audit firm for auditing or reviewing financial statements is made by the Supervisory Board, it is recommended that the selection of the audit firm for attesting sustainability reporting should be entrusted to the same body.

The remaining changes consist in deleting from the AoA activities not performed by the Bank continuously for a period of 12 months, i.e.:

1. In the area of brokerage activities:
 - a) providing services in the performance of concluded issue guarantee agreements or concluding and performing other agreements of a similar nature, if their subject matter is financial instruments,
 - b) providing of additional services related to the issue guarantee agreement.
2. Grant and confirm sureties,
3. Acting as investment company agent, in the name and on behalf of investment company, within the scope of agency for the activity of this company.

In accordance with art. 34 section 4 of the banking law, if the bank ceases to perform the activity specified in the AoA for a continuous period of 12 months, the bank shall immediately apply for KNF permission to amend the AoA to delete the unperformed activity. The bank performed the review for the period March 2024 - February 2025.

The Bank received the consent of the Polish Financial Supervision Authority for the above-mentioned changes to the AoA.

Amendment No. 2 (draft resolution No. 30/2025):

The project concerns the introduction of an amendment to the Bank's AoA, the purpose of which is to authorize the Management Board to pay advances on dividends.

The proposed amendments are intended to complement the Bank's ability to pay dividends. This will ensure the flexibility of the Bank, depending on its financial situation and other circumstances affecting its ability to pay dividends.

Such authorization is possible under Article 349 of the Commercial Companies Code. Payout of interim dividends is subject to the company having sufficient funds therefor and the Supervisory Board's consent. Moreover, other conditions set forth in the applicable legal regulations must be met. In particular, the Company may pay interim dividend if its approved financial statements for the previous financial year show a profit. The interim payment may amount to no more than half of the profit made from the end of the previous financial year, as shown in the audited financial statements, increased by reserve capitals established from profit which may be used by the Management Board to pay interim dividend, and decreased by uncovered losses and own shares.

In line with the established supervisory practice in this respect, the payout of interim dividend would also require agreeing it with the Polish Financial Supervision Authority (PFSA).

In addition, the Bank also proposed a clarifying change in § 33 of the AoA, consisting in indicating that the reserve capitals are intended to cover the Bank's balance sheet losses or for other purposes, and may be allocated not only to pay dividends, but also to advances on the anticipated dividend for shareholders. The change in § 33 of the AoA is of an orderly nature, which means that the General Meeting may create reserve capital for the purpose of paying advances on the anticipated dividend, without the need to amend the AoA.

Justification to resolution of the Ordinary General Meeting of the Bank Handlowy w Warszawie Spółka Akcyjna of 27 June 2025 on introduction of the share-based incentive plan for persons whose professional activities have a material impact on the Bank's risk profile (point 5 sub point 12 of the agenda of the Ordinary General Shareholders Meeting)

Key terms of the share-based incentive plan for persons whose professional activities have a material impact on the Bank's risk profile:

1. incentive plan participants will be the employees identified by the Bank as persons whose professional activities have a material impact on the Bank's risk profile,
2. incentive plan participants will receive a variable component of their remuneration in the form of financial instruments such as shares in the Bank, subject to the terms and conditions set forth in the resolution of the Ordinary General Shareholders Meeting, Remuneration policy for persons whose professional activities have a material impact on the Bank's risk profile and the Transaction Award Policy,

3. program the incentive plan will be implemented over a period of three (3) years, from 1 January 2026 to 31 December 2028,
4. shares in the Bank will be transferred to the securities accounts of incentive program participants within the timeframe specified in the aforementioned remuneration policies,
5. the Bank may offer phantom shares to incentive plan participants in lieu of Bank's shares in the Bank in the event that the Bank's shares will not be available to be transferred, in particular due to the following reasons: (i) the Bank will not obtain the required approvals from the Financial Supervision Authority (KNF), or (ii) the Bank will not be able to acquire a required number of Bank's shares in accordance with the terms and conditions applicable to the acquisition of Bank's shares set forth in the Buyback resolution, or (iii) the participant of the incentive plan will acquire the right to the fractional part of the financial instrument in accordance with the above-mentioned remuneration policies, or (iv) the incentive plan participant fails to provide the Bank with the documents necessary to transfer the Bank's shares to the relevant incentive plan participant within the deadline set out by the Bank. In the circumstances referred to in item (ii) above, the Bank may make the decision on granting to the incentive plan participants the financial instruments both in the Bank's shares and phantom shares using the same proportion for all the participants, as set forth in the above-mentioned remuneration policies.

Share-based incentive plan for persons whose professional activities have a material impact on the Bank's risk profile, introduced by the Extraordinary General Shareholders Meeting for period from January 1, 2023, to December 31, 2025, has met with significant interest from eligible persons, and it is therefore proposed to adopt the aforementioned plan for subsequent period.

Justification to resolution of the Ordinary General Meeting of the Bank Handlowy w Warszawie Spółka Akcyjna of 27 June 2025 on introduction of the share-based incentive plan for the selected Bank's employees other than persons whose professional activities have a material impact on the Bank's risk profile (point 5 sub point 13 of the agenda of the Ordinary General Shareholders Meeting)

Key terms of the share-based incentive plan for the Bank's selected employees other than persons whose professional activities have a material impact on the Bank's risk profile are as follows:

1. incentive plan participant will be the Bank's employees specified by the Management Board in the form of a resolution; the Management Board will decide on the selection of incentive plan participants on awarding part of remuneration in the form of financial instruments, taking into account, in particular, the amount of the annual award granted to an employee and the employee's relevance to the Bank's business or strategy,
2. incentive plan participants cannot include the employees identified by the Bank as persons whose professional activities have a material impact on the Bank's risk profile,
3. incentive plan participants will receive portion of their annual award in the form of financial instruments such as Bank's shares in the Bank under the terms and conditions set forth in the resolution of the Ordinary General Shareholders Meeting, resolutions of the Bank's Management Board on granting annual awards to individual employees partly in the form of shares in the Bank, and the Employee remuneration policy of the Bank as well as in individual agreements or letters concerning annual awards,
4. the incentive plan will be implemented over a period of three (3) years, from 1 January 2026 to 31 December 2028,
5. shares in the Bank will be transferred to the securities accounts of incentive plan participants within the time limit specified in the resolution of the Bank's Management Board on granting annual awards to individual employees partly in the form of shares in the Bank, and individual agreements or letters concerning annual awards,

6. the Bank may offer phantom shares to incentive plan participants in lieu of Bank's shares in the Bank in the event that the Bank's shares will not be available to be transferred, in particular due to the following reasons: (i) the Bank will not obtain the required approvals from the Financial Supervision Authority (KNF), or (ii) the Bank will not be able to acquire a required number of Bank's shares in accordance with the terms and conditions applicable to the acquisition of Bank's shares set forth in the Buyback resolution, or (iii) the participant of the incentive plan will acquire the right to the fractional part of the financial instrument in accordance with the above-mentioned remuneration policy or (iv) the incentive plan participant fails to provide the Bank with the documents necessary to transfer the Bank's shares to the relevant incentive plan participant within the deadline set out by the Bank. In the circumstances referred to in item (ii) above, the Bank may make the decision on granting to the incentive plan participants the financial instruments both in the Bank's shares and phantom shares using the same proportion for all the participants, as set forth in the above-mentioned remuneration policy or resolution of the Bank's Management Board on granting annual awards to individual employees partly in the form of Bank's shares.

Share-based incentive plan for the selected Bank's employees other than persons whose professional activities have a material impact on the Bank's risk profile, introduced by the Extraordinary General Shareholders Meeting for period from January 1, 2023, to December 31, 2025, has met with significant interest from eligible persons, and it is therefore proposed to adopt the aforementioned plan for subsequent period.

Justification to resolution of the Ordinary General Meeting of the Bank Handlowy w Warszawie Spółka Akcyjna of 27 June 2025 on authorization of the Management Board to acquire treasury shares and create a reserve capital for the purposes of the treasury shares buy-back program (point 5 sub point 14 of the agenda of the Ordinary General Shareholders Meeting)

1. the Bank will be allowed to purchase no more than 850 000 Bank's shares (i.e., shares issued by the Bank and fully paid-up, listed on a regulated market operated by the Warsaw Stock Exchange) (the "Treasury Shares"),
2. the purchase price for the Treasury Shares may not be lower than PLN 4 per Treasury Share or higher than PLN 180 per one Treasury Share,
3. in order to finance the acquisition of the Treasury Shares, the General Meeting will resolve to create a reserve capital in the amount of PLN 75 000 000 from funds on the reserve capital created out of profits (which may be used to pay dividends); the total maximum purchase price for all Treasury Shares, plus the cost of their acquisition, will not exceed the amount of the reserve capital specified above,
4. the authorization of the Bank's Management Board to acquire Treasury Shares will remain in force for a period of 3 years, from 1 January 2026 to 31 December 2028, but not longer than until the funds set aside for the acquisition of the Treasury Shares are consummated,
5. upon the expiry of the authorization term or if the Management Board decides to withdraw from the acquisition of the Treasury Shares, the funds allocated to the reserve capital and not used up for the acquisition of the Treasury Shares will be transferred back to reserves/funds from which they were transferred while the reserve capital created pursuant to the resolution for the purpose of the acquisition of the Treasury Shares will be dissolved without the need of a separate resolution being passed by the General Shareholders Meeting.

The introduction of incentive programs for the next period is associated with the need to create reserve capital for the purposes of the treasury shares buy-back program, as well as authorizing the Bank's Management Board to acquire them by the Bank.

Justification to other resolutions of the Ordinary General Meeting of the Bank Handlowy w Warszawie Spółka Akcyjna of 27 June 2025 (point 5 sub point 1-4 and 7 of the agenda of the Ordinary General Shareholders Meeting)

The proposed agenda of the Ordinary general meeting in 2025 includes matters that, pursuant to art. 395 §2, §2(1) and §5 of the Commercial Companies Code should be the subject of the Ordinary General Meeting after each financial year (point 5 sub point 1-4 and 7 of the agenda of the Ordinary General Shareholders Meeting).

In addition, for the first time in the Management Board Report on the activity of the Bank and the Bank's Capital Group in 2024, the Bank included a Sustainability Statement for 2024. This Statement has been prepared in accordance with the requirements of the CSRD Directive and the ESRS reporting standards. In the course of work on the preparation of the Statement, the Bank, with the participation of its stakeholders, conducted a double materiality assessment, which resulted in the determination of material topics subject to reporting. The Sustainability Statement was also subject to independent external limited assurance by a certified auditor. The auditor's report on the limited assurance of the 2024 Sustainability Statement does not contain any issues regarding the disclosures presented by the Bank in the Sustainability Statement.