

The ING Bank Śląski S.A. Group has the following regulations governing the remuneration policy:

- 1) ING Bank Śląski S.A. Group Remuneration Policy,
- 2) Variable Remuneration Policy for Identified Staff,
- 3) ING Bank Śląski S.A. Supervisory Board and Management Board Members Remuneration Policy,
- 4) Executive Remuneration Bylaw for Members of the Management Board,
- 5) General Conditions of Remunerating the Employees with enclosures:
 - General Conditions of Employee Evaluation (Step Up), and
 - General Conditions of Identified Staff Evaluation.

Since 2017 the ING Bank Śląski S.A. Group has been using the Step up Performance Management system, which intuitively combines job performance assessment, creation of a solid corporate culture and our ambitions. The Step up system is tied to the annual bonus for employees, which is determined based on the evaluation of balanced and risk-matching results, considering the quantitative and qualitative criteria.

As part of the Step up, each employee is assigned goals in the following dimensions:

- 1) **Performance** – standard job requirements tied to the job description and everyday employee's duties, they may be financial and non-financial, individual, collective and across the Bank.
- 2) **Orange Code** – Orange Code Behaviours supporting task performance by a given job,
- 3) **Stretch ambitions** – goals going beyond employee's standard duties. Stretch ambitions require employees to perform extra tasks; they enable delivery of the ING strategy and should take into account the employee's potential and professional aspirations.

The annual bonus follows the assessment of all 3 Step up dimensions (driven by the level of goal accomplishment).

The ING Bank Śląski S.A. Group Remuneration Policy does not provide for any form of remuneration that could be an incentive for employees to favour their own interests or interests of the Bank while at the same time acting to the detriment of clients.

Separate rules of variable remuneration, laid down in the Variable Remuneration Policy for Identified Staff, apply to the group of employees holding managerial positions having material impact on the risk profile of the Bank (including Members of the Management Board). The Policy defines the components of variable remuneration that may be awarded to Identified Staff and the principles of that remuneration payout.

The most important ones are:

- a) financial and non-financial criteria as well as risk-adjusted criteria are used to assess individual performance; non-financial criteria should account for at least 50% of all goals, excluding employees responsible for control functions,
- b) financial criteria are not used for employees responsible for control functions. The goals for those persons stem from the functions held by them and they are not tied to the performance of the areas controlled by them,
- c) a deferral of a part of variable remuneration, which is settled in five instalments during the period of work performance verification, to assess the impact of employee actions on the Bank's long-term results,
- d) allocation of a part of variable remuneration (at least 50%) in phantom shares, entitling to receive cash conditional upon the price of ING Bank Śląski S.A. shares.

The remuneration policy of ING Bank Śląski S.A. is based on performance management and it supports delivery of the business strategy and long-term interests of the Bank and its clients. Moreover, it supports proper and effective risk management in order to maintain and protect the sound capital base of the Bank; the Policy does not promote excessive risk taking beyond the risk appetite approved by the Supervisory Board of ING Bank Śląski S.A.



The remuneration policy is consistent with the sustainability strategy adopted for a given period by the Bank. It also supports the corporate social responsibility, the fact which is reflected in the individual objectives set for staff for a given year. At the same time, the Policy does not support the activities which are not compatible with the sustainable growth.



PROGRAMME - ASSESSMENT YEAR	MANAGEMENT BOARD									OTHER IDENTIFIED STAFF							
	Total variable remuneration awarded [PLN million]	CASH			PHANTOM SHARES				Total variable remuneration awarded [PLN million]	CASH			PHANTOM SHARES				
		Awarded [PLN million]	Non - deferred [PLN million]	Deferred [PLN million]	Non - deferred (1 year retention)		Deferred			Awarded [PLN million]	Non - deferred [PLN million]	Deferred [PLN million]	Non - deferred (1 year retention)		Deferred		
					Value as at the day of award [PLN million]	No	Value as at the day of award [PLN million]	No					Value as at the day of award [PLN million]	No	Value as at the day of award [PLN million]	No	
2020	6,77	3,38	1,95	1,43	1,95	11 338	1,43	8 336	16,04	8,01	4,86	3,15	4,88	26 742	3,15	17 480	
2019	7,68	3,84	2,20	1,64	2,20	10 812	1,64	8 028	22,89	11,42	6,91	4,51	6,96	32 339	4,51	21 080	
2018	5,20	2,60	1,52	1,08	1,52	7 932	1,08	5 643	22,83	11,40	6,89	4,50	6,93	35 132	4,50	22 993	
2017	6,64	3,32	1,91	1,41	1,91	8 806	1,41	6 532	22,35	11,16	6,73	4,43	6,76	31 238	4,43	20 453	

Data on the implementation of the variable remuneration scheme are presented as at 15 April 2021.