

**The report on the evaluation of the payroll policy
at ING Bank Śląski S.A. in 2023**

The remuneration policy at ING Bank Śląski S.A. is evaluated on the basis of §28.3 of the *Principles of Corporate Governance for Supervised Institutions*.

At ING Bank Śląski S.A., the core principles of the remuneration policy have been laid down in the *ING Bank Śląski S.A. Group Remuneration Policy* which was introduced in 2017. The document lays down the key assumptions for shaping the principles of remuneration so as to attract and retain employees, by ensuring the remuneration that is competitive versus the market. The Policy also defines remuneration components.

The principles of the Policy have been further detailed in the other regulations governing the remuneration policy at ING Bank Śląski S.A.:

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

I. RULES OF SHAPING THE REMUNERATION POLICY AT ING BANK ŚLĄSKI S.A.

1. In 2023, the Policy remained unchanged vis-à-vis the previous year. Invariably, the Policy furthered delivery of the business strategy and long-term interests of the Bank and its clients, including the sustainability strategy and corporate social responsibility. The said premise was mirrored in the targets set for employees for a given year.
2. As far as remuneration of members of the Bank governing bodies – that is members of the Supervisory Board and of the Management Board – is concerned, the Bank upheld the policy supporting sustainable growth of the bank, which is understood as actions taken in the areas that are meaningful for the society and for the economy, as well as responsibility for and care of the deliverables of those actions, which is part and parcel of the business strategy. Details of remuneration of ING Bank Śląski S.A. Supervisory Board and Management Board Members can be found in the Report compiled as per Article 90g of the Act on Public Offering and Terms and Conditions of Introduction of Financial Instruments into the Organised Trading and on Public Companies.

II. REMUNERATION COMPONENTS



1. The approach to remuneration components (divided into fixed and variable ones) did not change in 2023. Fixed remuneration is such a large part of the total remuneration that it allows one to pursue a fully flexible policy of variable remuneration components, including the option of reducing or not granting any variable remuneration at all.
2. Variable remuneration encompasses any and all forms of remuneration and other benefits provided in return for performance.

Variable remuneration encompasses the annual bonus which is set per employee, based on the evaluation of balanced and risk-based performance, considering the quantitative- and qualitative criteria. As part of the variable remuneration, high-performing employees may also be awarded an individual cash reward, the aim of which is to recognize and appreciate their extraordinary achievements at work and high potential.

3. Separate rules of variable remuneration, laid down in the *Variable Remuneration Policy for Identified Staff of ING Bank Śląski S.A.*, apply to the group of employees holding managerial positions that have material impact on the risk profile of the Bank (Identified Staff). 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 include:

- 1) 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, save for the persons responsible for control functions,
 - 2) financial criteria are not used for the persons 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,
 - 3) 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,
 - 4) (at least 50% of) variable remuneration is awarded in financial instruments, with own shares (previously phantom stock) being the primary instrument since 1 July 2022,
 - 5) with a view to ensuring long-term stability of ING Bank Śląski S.A. and tying further the risk management minimum standards to individual remuneration, since 2019 the Bank has had a *Procedure regarding risk requirements for Identified Staff being Risk Takers*. The Procedure enables the Management Board Member responsible for the risk area (the CRO) to take a decision to apply a risk modifier for variable remuneration. Following the requirements, all Identified Staff members being Risk Takers receive written information providing for the specific risk requirements for a given calendar year. After the end of the year, satisfaction of risk requirements is assessed and the assessment result may reduce the variable remuneration of the employee, should risk requirements not be satisfied.
4. Fringe benefits provided under the Bank's remuneration policy cover a package of benefits and wellbeing activities structured under four pillars: Health, Activity, Energy and Finance.

III. SUPERVISION OVER REMUNERATION POLICY

1. Compliance with the remuneration policy at the Bank is supervised by the following bodies:
 - 1) General Meeting,
 - a) evaluate annually whether or not the remuneration policy established is conducive to the development and safety of the Bank's business,



- b) pass amendments to the ING Bank Śląski S.A. Supervisory Board and Management Board Members Remuneration Policy,
 - c) provide opinion on the remuneration of the Members of the Management Board and the Supervisory Board.
 - 2) The ING Bank Śląski S.A. Supervisory Board:
 - a) approve the ING Bank Śląski S.A. Group Remuneration Policy and the Variable Remuneration Policy for Identified Staff of ING Bank Śląski S.A.
 - b) supervise compliance with the aforesaid Policies,
 - c) develop and submit to the General Meeting the report on the evaluation of the remuneration policy at the Bank and the report on the remuneration of Supervisory Board and Management Board Members.
 - 3) The ING Bank Śląski S.A. Supervisory Board Remuneration and Nomination Committee monitor the implementation of the Policy.
 - 4) Control functions actively participate and cooperate in the review of the Bank's remuneration policy to ensure its coherence with the risk management strategy and framework. Control functions also assess correctness of the capital base and fulfilment of conditions necessary for the bonus pool disbursement.
2. The Polish Financial Supervision Authority supervise the compliance of the Bank's activity with the regulations concerning the variable remuneration components policy.

IV. REPORT ON THE EVALUATION OF THE REMUNERATION POLICY AT THE BANK IN 2023

1. The remuneration policy at the Bank complies with the Bank's strategy, values and risk appetite as well as it supports the long-term interests of the Bank and its clients. Furthermore, it promotes and supports the process of effective risk management in order to maintain and protect the sound capital base of the Bank. It does not promote excessive risk-taking behaviour that is beyond the risk propensity accepted by the Supervisory Board of the Bank and it is based on performance management combining individual goals with the long-term business strategy and ensuring sustainable growth.
2. Pay rises

In 2023, ING Bank Śląski S.A. kept its remuneration policy whose aim is to support the strategic goals and systematically mark the pays to the market, considering the economic challenges encountered on the market in the aftermath of the war in Ukraine, economic crisis and rising inflation.

The salaries of ING Bank Śląski S.A. staff were reviewed as part of a standard annual procedure. The Remuneration and Nomination Committee was updated on the level of market salaries vis-à-vis the salaries of the employees of ING Bank Śląski S.A. The update was prepared on the basis of the Hay Group reports. Bearing in mind the results of the payroll review, the Bank Management Board decided to implement a pay rise exercise, starting April 2023.

Pay rises were awarded both automatically and on a discretionary basis. The total pay rise budget stood at 10.2% of the base salary fund. Pay rises comprised an automatic part (for which 5.9% of the budget was allocated) and a discretionary part – decided upon by the manager (4.3% of the budget). The core assumptions behind the pay rise exercise were the following:

- 1) increasing the minimum wage up to PLN 5 000 gross (full-time FTEs),



2) introducing a new base salary table in which the amounts of minimum salaries were raised in 11 through 14 pay grades.

3. Annual performance bonus

2023 was another year of functioning of the annual Step Up goals settlement system, which combines job performance assessment, creation of a solid corporate culture and our ambitions. Performance evaluation directly translates into payout of bonuses to employees. In keeping with the General Terms and Conditions of ING Bank Śląski S.A. Employee Evaluation (Step Up), the Bank Management Board determined, in consultation with the Supervisory Board, the variable remuneration pool for employees. Based on the predefined amount, the Management Board in liaison with the Supervisory Board resolved to apply the adjustment multiplier of 0.95%, whereby bonus amount was reduced by 5%. In February 2023, the bonus was paid out to Bank employees from the specific provision.

4. Identified Staff annual bonus

In March 2023, the bonus for Identified Staff was settled in accordance with the *Variable Remuneration Policy for Identified Staff of ING Bank Śląski S.A.*:

- 1) variable remuneration for 2022 was set and the non-deferred portion of the bonus was awarded,
- 2) following positive verification of the assessment with consideration of *ex-post* risk and capital test, the Bank awarded the relevant portions of deferred variable remuneration for 2018, 2019 and 2020.

The base terms and conditions of variable remuneration disbursement were satisfied. The Remuneration and Nomination Committee gave positive advice and, in consequence, the non-deferred 2022 bonus portion and the deferred bonus portions for 2018, 2019 and 2020 were paid out to the Identified Staff. An analogical adjustment multiplier was applied to the variable remuneration of Identified Staff.

No bonus shall be due should the employment contract be terminated under Article 52 of the Polish Labour Code. The Supervisory Board may also decide to reduce the annual bonus or not to pay it out in a given bonus award period based on verification of assessment of bonus tasks execution, taking *ex post* risk into account.

5. Incentive Programme for Identified Staff

In line with Ordinary General Meeting Resolution No. 29 of 7 April 2022, the Bank set up an incentive programme for identified staff of the Bank and of the consolidated Bank Group companies, save for ING Bank Hipoteczny S.A.

The programme was launched on 1 July 2022 and it superseded the earlier solution, whereunder a portion of variable remuneration was paid out in the financial instrument; i.e. phantom stock; the new programme is based on own shares.

For the period from 1 January 2022 to 30 June 2022, the variable remuneration portion was paid out in phantom stock, on the terms laid down in the earlier programme, and in own shares. For the period from 1 July 2022 to 31 December 2022, it was paid on the terms laid down in the new programme, pro rata to the period of applicability of the earlier and new programmes. The period from 1 January 2023 to 31 December 2023 is the first full evaluation period for which a variable portion of remuneration will be paid based on own shares. Own shares are awarded free of charge as an element of variable remuneration for Identified Staff within the meaning of the *Regulation of the Minister of Finance, Funds and Regional Policy of 8 June 2021 on the risk management system and internal control system and remuneration policy in banks* (Journal of Laws 2021, item 1045). Programme functioning is preconditioned by acquisition of an adequate number of own shares



from the market. The Ordinary General Meeting of the Bank authorised the Bank Management Board to acquire own shares on the terms and conditions laid down in Resolution No. 29 of 7 April 2022. On 13 March 2023, the Polish Financial Supervision Authority gave permission for ING Bank Śląski S.A. to repurchase the own shares of the Bank (i.e. instruments of the Bank's Tier I capital) in the number of no more than 800,000 (in words: eight hundred thousand), representing in total no more than 0.6% of the Bank's share capital, for the total amount not exceeding PLN 200,000,000 (in words: two hundred million Polish zlotys) in the years 2023-2027, in order to offer the same to selected employees of the Bank and Bank Group under the incentive programme.

Should – for whatever reasons – the share acquisition process from the market prove unfeasible or impossible without taking excessive effort or within the predefined timelines, then for the needs of further performance of Bank's obligations under the Programme, the Bank Management Board – upon the consent of the Supervisory Board – can take a decision to replace own shares with another financial instrument whose value is shaped by the value of Bank shares or to otherwise perform Bank obligations under the Programme.

The rights to phantom stock allotted before the commencement date of the new programme will be exercised in the manner applicable to date. Notably, the deferred portions of remuneration awarded in phantom stock will not be converted into own shares.

Under the transactions made under the repurchase of the first tranche of own shares (from 12 May 2023 to 3 July 2023) and of the second tranche of own shares (from 5 December 2023 to 29 December 2023), the Bank acquired 47,731 own shares in total for the total amount of PLN 10,312,204.00 representing in total approximately 0.03669% of the share capital and approximately 0.03669% of the total number of votes at the Bank General Meeting. A portion of own shares being non-deferred shares allotted under the annual bonus set for 2022 was transferred to individual brokerage accounts of Management Board Members and Identified Staff in the following numbers:

Bank Management Board	Identified Staff
7 772 own shares	17 159 own shares

The rights to phantom stock allotted before the commencement date of the new programme will be exercised in the manner applicable to date. Notably, the deferred portions of remuneration awarded in phantom stock will not be converted into own shares.

6. Hybrid work model

In March 2022, the Bank launched a hybrid work model as a permanent work model. Under the model, company duties are performed in office and from home alternately. In 2023, we changed our approach to payment of the adaptation allowance; two types of allowance were introduced instead of one:

- 1) allowance for remote work – compensating for the costs of remote work, and
- 2) office allowance – supporting commuting employees.

In December 2023, by analogy to the previous year, we paid our employees higher allowances of PLN 1,500 gross. All eligible employees were paid the same allowance amount, regardless of their working time. All employees hired on the employment contract basis as at 31 December 2023 received the allowance. The following persons were not eligible for the payment: persons on maternity leaves, parental leaves, childcare leaves and unpaid leaves (including sabbaticals) as well as persons with whom we closed cooperation. Persons returning from long-term absence and employed in 2024 will receive the allowance on a pro rata basis, calculated from the month of their return to work or from the hiring month. Eligible persons will be verified and the allowance will be paid after the end of a given quarter.



7. Additional allowance / benefits

The offer of fringe benefits has been structured into four pillars (Health, Energy, Activity and Finance), which define the holistic approach to the benefit package supplementing fixed and variable remuneration which is offered to employees.

2023 was yet another year during which we focused on communication with and education of employees on the offer of benefits and the wellbeing offer. To that end, we continued periodical workshop meetings with employees during which we discussed our offer and received feedback as to the staff expectations. Approximately 1,100 employees from various bank areas took part in the 12 meetings in 2023. With a view to making the offer more transparent and improving the knowledge of its availability among the staff, we started a new initiative – we send employees a monthly Wellbeing Newsletter in which we communicate details of the offer, present events planned for the following month and inform employees of the sites where they can find information of use and interest from the benefits area. Information about benefits and planned events are grouped under defined pillars of our wellbeing strategy.

1) Health

Our goal under the Health pillar is:

- to ensure that every employee has access to top quality medical services (along with the package of dental services and refunding programme offer),
- to eliminate the increase in prices of services rendered by the medical services provider (since 2022 the prices have gone up by nearly 90% of the initial price) – price increase was covered by the employer, whereby employees were not encumbered with the extra cost,
- to provide employees with preventive care programmes, including the offer of a comprehensive health check-up, flu vaccinations and cancer prevention programme with a unique feature, whereby employees may take part in the Genetic Testing procedures.

Under the Health pillar, in 2023:

- we promoted the preventive health screening initiatives and we encouraged employees to do the check-ups. In total, more than 2,100 employees took advantage of the offer.
- we continued the programme of co-funding of the HPV vaccination procedures for children of 9-18 years of age. Additionally, we launched refunding of vaccinations against tick-borne encephalitis. 530 persons made use of the refunding programme.
- as part of the cancer prevention programme, the Bank cooperates with renowned diagnostics and care centres all over Poland. It was for the fourth time that year that we offered our employees co-funding of genetic testing during which the risk of cancer is estimated – the ING Genetic Testing programme. Furthermore, we propagate health education among employees. Under the Pink October campaign, a cancer prevention programme webinar concerning breast cancer prevention was organised for women.
- Employees could enrol for massage, consultations with a dietician or a personal trainer and physiotherapist. In October, we had an eye month during which employees could have consultations with an optometrist.

2) Energy

Our goal under the Energy pillar is to ensure psychological support for our employees. Our flagship products are extra days off (for special occasions, for holiday, voluntary activity or



to care for their next of kin), the offer for staff children, psychological care and support in difficult everyday situations.

The package of benefits provides for extra days off due to child birth or wedding and their number is higher than the statutory limits (higher than the number of days off provided under the applicable laws). A Day Off for Family is a unique product in the days off offer; employees can take advantage of that day off, and either take an entire day off or take an hour or more hours off, depending on their needs.

We also support parents in that we offer:

- an extra paid maternity leave of 10 days,
- an extra paid paternity leave of 5 days,
- the ability to take advantage of 2 days to care for a child up to 18 years of age.

We dedicate a separate package of extra days off to deal with life situations related to disability; those extra days off include:

- 5 extra vacation days for parents who have a child with a certificate of disability,
- 2 extra days off for employees who take care of family members with disability, and
- 3 extra days off for employees who have a certificate of mild disability.

The extra days off to which staff members are entitled include:

- as many as 5 days per calendar year as a reward,
- a day off for employees who work on a shift basis (that is at night time, on Sundays and statutory holidays),
- a sabbatical leave which is an extended period of time away from work to rest or study, and
- an extra day off to celebrate a jubilee.

In 2023, in view of the developments that we believed had determined the need for psychological support to employees (post-pandemic period and the war in Ukraine), we focused on mental health. As part of those actions, we undertook the following activities:

- Mental Health Platform – it provided the employees with the ability to talk to a therapist, a coach, as well as a financial advisor or a legal advisor. There is a total of approximately 3,000 participants of the Platform. In addition, employees can take part in thematic podcasts, webinars and recordings. Within the Platform, employees have unlimited access to workshops and development sessions. There are live meetings which are also accessible to individuals who were unable to take part in the live meetings. The workshop topics are selected as needed and they are changed on a regular basis. The employees can also invite their loved ones to take advantage of such a form of help. The World Mental Health Day which is celebrated in October is another occasion where we enable our employees to take advantage of 50 extra hours for psychotherapy within the Platform.
- we continued the operation of the Orange Help-Line – it is a dedicated anonymous help-line which is served by certified psychologists who offered the employees the ability to discuss their well-being, their fears or issues. All ING employees and their loved ones can take advantage of the support.

In 2023, we also organised special events dedicated to the children of our employees:

- Children's Day in our office buildings in Katowice and Warsaw – children of our employees from all across Poland were able to take part in multiple workshops, events and competitions. Each visitor also received a gift on the occasion.



- Santa Claus Day – in December, all parents received an extra PLN 50 per child in their Cafeteria account.

In addition, we organised the following events for employees:

- Wellbeing Day

On 8 September which is a World Wellbeing Day we reminded our employees that each and every day they can make small steps to boost their physical health, emotional harmony and good relations with others. On that occasion, the Bank credited Cafeteria accounts of employees with extra 50 points which teams could spend to arrange some special time, by ordering lunch together or going to cinema together for example.

- Energy Days

A week-long event called Energy Days was held in October. Employees took advantage of various relaxation forms, including mindfulness sessions and sound relaxation sessions. There was also an exhibition of illustrations under the theme “Sensitive As a Child” (*Wrażliwe jak dziecko*).

3) Activity

Our goal as part of the Activity Pillar is to encourage employees to take up physical activity. Our flagship products include:

- “Biegnij Warszawo” (“Run, Warsaw”) event for employees and their families which has been implemented since 2017 and which was attended by nearly 5,000 participants in 2023,
- the “Aktywni ING” platform which was implemented in 2021 and which allows employees to take part in sport challenges. Thanks to the active promotion of the platform and regular sport challenges, we closed off 2023 with 1,450 active users.
- *Mocodajnia* – a creative meeting room in our registered office in Katowice, where we organise classes based on the needs reported by our employees, for example: how to prevent back ailments, how to reduce stress and muscle tension. To encourage employees to take up physical activity, in September, we organised the Open Doors of *Mocodajnia* – during those several days, employees based in Katowice were able to take part in more than 20 different classes, such as morning start-up, stretching, Krav Maga, yoga and relaxation, as well as dance classes where they could learn how to dance rumba, cha-cha, etc. Employees also had the ability to take advantage of individual consultations with a personal trainer. Each person who took part in the event received a gift voucher which could be redeemed against healthy, freshly pressed juice.
- Sport budget to support the sport passion of our employees, promote healthy lifestyle and physical activity, as well as to promote and reinforce the image of ING as an employer that takes care of promoting sports among its staff. Employees may apply for reimbursement of competition fees or costs they had incurred to take part in sport leagues or to rent a sport facility for training purposes.
- Football Tournament – 249 players took part in the event; the event was a charity event. As part of promoting sports activity, the winning teams donated the cheques totalling PLN 10,000 to three charities.
- Table Tennis Tournament – the first edition of the Table Tennis Tournament was held in 2023. More than 100 employees took part. They played on 12 tables.



- Move June (*Porusz czerwiec*) – in 2023, we promoted active and healthy lifestyle among employees. We organised an engagement campaign under the theme “Move June” (*Porusz czerwiec*), in which more than 5,000 employees were involved.

4) Finance

Financial security and financial education of our employees are the goals of our activities under the Finance Pillar. Our flagship products under that Pillar include:

- Employee Pension Programme – as part of the programme, the Bank enables employees to accumulate extra funds for their pension, and the Bank finances the basic contribution,
- Group life insurance policy with two insurance companies. The ability to use the employer-sponsored insurance plan is a real benefit for the employees,
- The Cafeteria plan which has operated at the Bank since 2017. Employees have access to sport cards and a flexible benefit offer. The Cafeteria is accessible to all employees, and the number of points depends on their salary level. The Cafeteria plan was subject to a thorough review in 2023 which allowed us to determine new rules of the plan functioning, effective as of 2024. The tool we have offered to the employees is more flexible, and gives them access to all benefits and services without any limits that had previously applied due to the fact that the benefit was tied with the in-house social benefits funds. At the same time, we implemented a rule, whereby the points were awarded based on the salary grade.

In 2023, we implemented a number of educational activities and offered employees support in the form of financial allowances. As part of those actions:

- we educated employees on financial matters and supported their financial well-being by providing them with useful knowledge. Before we launched those activities, we had held a poll among the employees which confirmed that they were interested in such activities. In response to their needs, we focus on the following areas:
 - promoting knowledge of pension schemes to save for their future pension,
 - providing assistance with personal taxes in the form of conferences, chats and brochures prepared by third-party experts,
 - providing them with knowledge and support in regard to the market situation in Poland, finance psychology or household budget.

8. Gender pay equity

The Remuneration Policy of ING Bank Śląski S.A. Group is gender neutral, which means that it does not create conditions for any gender to be favoured in an unjustified manner with regard to terms and conditions of remuneration.

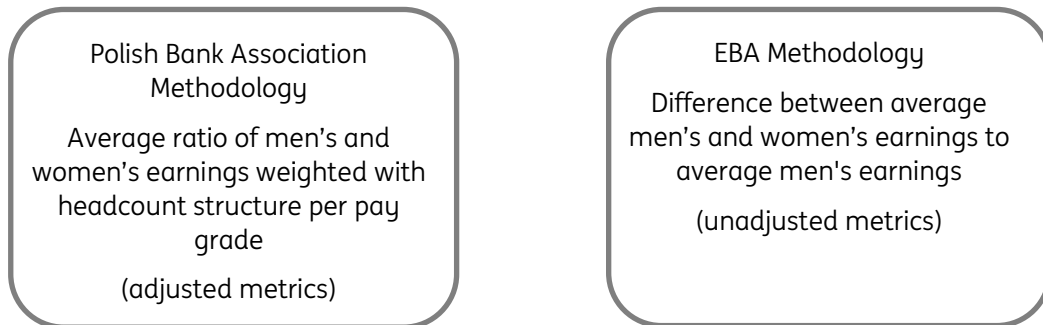
We have monitored the ratio of men's and women's earnings at ING Bank Śląski Capital Group on a regular basis. Starting 2024, the Bank has calculated the ratio of men's and women's earnings based on two methodologies – the existing approach developed jointly by the banking sector at the Polish Bank Association (PBA) and the methodology set out in the European Banking Authority Guidelines EBA/GL/2022/06 (EBA). In 2023, the ratio at the ING Bank Śląski S.A. Group stood at, respectively, 95% and 32%.

The new method for the index calculation derives from the entry into force of the EBA Guidelines and the ensuing duty to report on the pay gap to the Polish Financial Supervision Authority and the National Bank of Poland. At the same time, the Bank continues to calculate the ratio of men's



and women's earnings based on the previously developed approach so as to allow for their comparison over time, and also to account for the Bank's ambitions for the coming years as part of the key priorities of the Bank's business strategies for 2022-2024.

Ratio calculation methodology:



The change in the pay gap from 96% in 2022 to 95% in 2023 was mainly influenced by changes in the workforce structure, particularly transfers of employees between pay grades (promotions). The bonus paid to employees is a major element that affects that ratio as it is not accrued for newly hires and for women who are on long-term leaves of absence (as per the effective regulations).

From 2022 onwards, we started analysing the salaries of employees occupying positions with the same profiles, identifying those who earn statistically more or less for a given profile, also relative to the opposite sex. We use a statistical model developed by ING Group in collaboration with a third-party consultant (Deloitte). With a view to ensuring comparable analyses among individual countries, modelling is made centrally and its deliverables are distributed locally. Each employee whose remuneration is outside of the mid-salary brackets for a given job profile is analysed to see the root causes of the said state of affairs. This is because there are circumstances in which remuneration of employees doing similar job can be diversified; for example when their competence level or their performance are different. Analysis results are later relayed to managers and their are an element of building remuneration policy-related awareness.

9. Review and update of regulations

- 1) As part of the review of the remuneration-related regulations, amendments were proposed to: ING Bank Śląski S.A. Group Remuneration Policy, which stemmed from:
 - the need to account for the changes to the global Step Up Performance Management process,
 - clarification of the provisions regarding the remuneration policy as a fulfilment of the recommendations after the internal audit of the MIFID II implementation,
 - introduction of an allowance for remote work/office allowance in accordance with the General Terms and Conditions of Remunerating the Employees of ING Bank Śląski S.A. as part of an additional benefit constituting part of the Bank's general policy.
- 2) Variable Remuneration Policy for Identified Staff of ING Bank Śląski S.A., which stemmed from:
 - accounting for the changes to the global Step Up Performance Management process,
 - comments submitted by non-CoE HR units and the practice of applying regulations, especially regarding the template of the Agreement for Participation in the Incentive Program and the Agreement for the Acquisition of the Own Shares of ING Bank Śląski S.A.



(and Taking Up of the Phantom Shares) in connection with participation in the Incentive Program.

10. Meetings of the Remuneration and Nomination Committee

In 2023, the Remuneration and Nomination Committee of ING Bank Śląski S.A. held 9 regular meetings and 2 by way of circulation.

11. Inspections and controls

Between 14 August and 8 September 2023, the Internal Audit Department carried out an audit of the process of remunerating identified staff at ING Bank Śląski S.A. The purpose of the audit assignment was to evaluate the design and operating effectiveness of the key internal controls relating to the process of remunerating the identified staff at the Bank.

The audit findings confirmed that the process of determining and payment of the remuneration to Bank employees (including identified staff members at the Bank) had been regulated by internal remuneration policies which are updated, supervised and monitored on a regular basis by the Supervisory Board who are supported by the Remuneration Committee. The audit function did not identify any material risks in the areas being audited, and thus confirmed that the control mechanisms for the process of remunerating the Identified Staff was adequate and effective.

The Supervisory Board are of the view that in 2023 the Bank respected the principles of its remuneration policy.

