



ING BANK ŚLĄSKI S.A. SUPERVISORY BOARD AND MANAGEMENT BOARD MEMBERS REMUNERATION POLICY

ING Bank Śląski S.A. Ordinary General Meeting Resolution
No. 32 of 7 April 2022

CHAPTER 1. GENERAL PROVISIONS

§ 1

1. This ING Bank Śląski S.A. Supervisory Board and Management Board Members Remuneration Policy (hereinafter referred to as the “Policy”) has been developed, upon taking account of:
 - a) the Banking Law Act of 29 August 1997,
 - b) *Principles of Corporate Governance for Supervised Institutions*, as introduced by way of the Polish Financial Supervision Authority Resolution of 22 July 2014, and
 - c) the Act of 29 July 2005 on Public Offering and on the Terms of Introducing Financial Instruments into Organized Trading and on Public Companies.
2. The Policy is aligned with the values and long-term interests of ING Bank Śląski S.A. (hereinafter: the Bank), and – as such – it is conducive to the effective management of the Bank’s risks and to the company’s stability. Furthermore, the Policy supports sustainable growth of the bank, which is understood as actions taken in areas that are meaningful for the society and for the economy, as well as responsibility for and care of the results of those actions, and which is part and parcel of the business strategy. The means to achieve those goals include the following in particular:
 - a) introducing variable remuneration components for the Management Board members the final amount of which is conditional on the Bank’s performance,
 - b) tying the remuneration of the Management Board- and Supervisory Board members with the average remuneration of other Bank employees,
 - c) making the payment of the variable remuneration components to the Management Board members dependent on the Bank’s fulfillment of certain capital requirements, and
 - d) inclusion of criteria arising from the adopted Sustainable Growth Strategy in the non-financial targets which are set by the Supervisory Board for the Management Board members each year.
3. The purpose of this Remuneration Policy is to ensure that the conflicts of interest relating to remuneration are identified and mitigated properly. The process for awarding variable remuneration involves adequate risk-mitigating actions, that is a multi-level decision-making process as well as clear and transparent rules of performance assessment.

CHAPTER 2. TERMS AND CONDITIONS OF THE SUPERVISORY BOARD MEMBERS' REMUNERATION

§ 2

Basis of holding the Supervisory Board Member’s function

1. Each member of the Supervisory Board shall fulfil his/ her function upon his/ her appointment pursuant to a General Meeting resolution.
2. The members of the Supervisory Board shall be appointed for a joint term of office which shall begin on the appointment date and shall last for the next four full financial years.
3. The Bank shall not enter into any employment contracts, work order agreements, contracts for a specific work or any other similar contracts or agreements on account of a person’s membership of the Supervisory Board.
4. A Supervisory Board member may be recalled from his/ her function at any time by way of a General Meeting resolution.

5. Furthermore, the Supervisory Board member mandate shall expire in other cases set out in the Commercial Companies and Partnerships Code and in the Bank's Charter.

§ 3

Criteria of setting the remuneration of the Supervisory Board members

1. The level of the Supervisory Board members' remuneration and allowances for holding additional functions on the Supervisory Board shall be set upon accounting for the market medians for those positions in the banking sector, as well as the scale of the Bank's operations and its financial situation.
2. The monthly fixed remuneration of the individual Supervisory Board members shall represent no more than 10-fold average base remuneration of an employee of ING Bank Śląski S.A.

§ 4

Remuneration of the Supervisory Board members

1. Fixed remuneration of the Supervisory Board members shall be composed of:
 - a) base remuneration, and
 - b) an allowance for additional functions held on the Supervisory Board or its committees, as referred to in item 3 below.
2. The base salary on account of membership on the Supervisory Board shall be PLN 13,300 (in words: thirteen thousand and three hundred zlotys ^{00/100}) per month in gross terms.
3. The monthly allowance for each additional function held by the Supervisory Board members on the Supervisory Board or its committees shall be set as a percentage of the base salary and shall be as follows:
 - a) Chairperson of the Supervisory Board – 100%,
 - b) Deputy Chairperson and Members who are Chairpersons of the Supervisory Board Committees – 25%,
 - c) Members other than Chairpersons of the Supervisory Board Committees – 15%.
4. The remuneration shall be due and payable regardless of the frequency of the Supervisory Board meetings.
5. Members of the Supervisory Board who also hold other functions in ING Bank N.V. shall perform their tasks on the Supervisory Board without payment. Members of the Supervisory Board shall waive their right to remuneration in writing.
6. Members of the Supervisory Board shall not be awarded any variable remuneration.

§ 5

Principles of remuneration payment to the Supervisory Board members

1. The remuneration of a Supervisory Board Member for a given month shall be paid on the last business day of the month.
2. Where the functions of a Supervisory Board Member or additional functions on the Supervisory Board are performed for a period shorter than a full calendar month, the Supervisory Board Member shall be entitled to remuneration on a pro rata basis.
3. The Bank shall withhold the mandatory taxes and contributions from the remuneration on terms and conditions set out in separate regulations.

CHAPTER 3. TERMS AND CONDITIONS OF THE MANAGEMENT BOARD MEMBERS' EMPLOYMENT AND REMUNERATION

§ 6

Employment

1. Employment is based on an employment contract for a specified period of time which shall cover a joint term of office, beginning on the appointment date and lasting for the next four full financial years.
2. The employment contract may be terminated:
 - a) at any time upon consent of the parties thereto;
 - b) by the Management Board member, upon giving a three-month notice and resigning from the function held;
 - c) as a result of the Management Board member's being recalled from his/ her function by the Supervisory Board in which case such a recall shall be treated as contract termination on a three-month notice period;
 - d) without notice pursuant to the procedure set out in Articles 52 and 53 of the Labour Code.

§ 7

Remuneration of the Management Board members

1. The total remuneration of a Management Board member shall be composed of:
 - a) fixed remuneration which includes base remuneration and fringe benefits as set out in the *Executive Remuneration Bylaw for Members of the Management Board of ING Bank Śląski S.A.*;
 - b) variable remuneration which represents the annual bonus. The criteria of awarding the variable remuneration are consistent with the long – term business strategy, values and risk appetite, promote and support effective risk management process as well as support the Bank and its clients' long-term interests. The bonus shall be deferred for five years from the date on which the Supervisory Board determined the variable remuneration (in case of the President of the Management Board, the deferral period is six years). In the case of awarding a Member of the Management Board the variable remuneration below the amount specified by the Supervisory Board in Executive Remuneration Bylaw for Members of the Management Board of ING Bank Śląski S.A., the deferral does not apply. In the case of awarding a member of the Management Board particularly high amount of variable remuneration specified in the above-mentioned regulation for deferral shall be subject to not less than 60% of the awarded variable remuneration.

The fixed remuneration to variable remuneration ratio shall be 1 to 1.

2. The annual non-deferred and deferred annual bonus is sub-divided into two parts (rounded up to the total number of financial instruments):
 - a) at least 50% in shares in ING Bank Śląski S.A. or other financial instruments which entitles the holder to receive funds in an amount conditional on the value of the ING Bank Śląski S.A. shares, and
 - b) the remaining portion shall be paid out in cash.
3. The base remuneration of a Management Board member shall be determined in conjunction with a benchmark according to a selected job valuation methodology, based on a role description in reference to the knowledge, challenges, issues and responsibilities in a given position, as well as the professional experience.

4. When determining the terms of remuneration of the Management Board members, the Supervisory Board shall take into account the market data, including the median for comparable positions at comparable organisations, upon accounting for the Bank's operations and its financial situation.
5. The average annual total gross remuneration of individual members of the Management Board does not exceed 40-fold the average total gross remuneration of other employees in an annual period. The relationship is analyzed annually as part of the remuneration policy review.

CHAPTER 4. FINAL PROVISIONS

§ 8

Policy establishment

1. The draft Policy has been adopted by Management Board and approved by the Supervisory Board following recommendation of the Remuneration and Nomination Committee.
2. The Policy shall be adopted by way of a General Meeting resolution.

§ 9

Policy implementation

The General Meeting shall authorise the Supervisory Board to elaborate further on certain elements of the Policy, within the limits set out by the General Meeting herein, and the applicable laws, notably:

- a) the description of fixed- and variable remuneration components, including bonuses and other financial- and non-financial benefits that may be awarded to the members of the Management Board,
- b) financial- and non-financial criteria concerning the award of variable remuneration components, upon considering the provisions of §1 section 2,
- c) information concerning the payment deferral periods and the bank's ability to demand the return of variable remuneration components;
- d) determination of the vesting periods in case of remuneration in the form of financial instruments, the rules of disposal of those financial instruments, and explanation as to how the award of remuneration in the form of financial instruments helps to implement the business strategy, the long-term interests and the stability of the bank.

§ 10

Policy Review

1. This Policy shall be subject to an annual review by the Centre of Expertise HR which shall also comprise an analysis of market data on salaries.
2. The results of the review along with recommended adequate actions in the remuneration area shall be presented to the Supervisory Board.
3. Any material amendment to the remuneration policy must be adopted by the General Meeting by way of a resolution.
4. Each year, the Supervisory Board shall draw up an report on the implementation of the remuneration policy. The General Meeting shall assess, based on the report, whether or not the Policy is conducive to the development and safety of the Bank's operations.

§ 11

Effective date and publication of the Policy

1. The Policy shall come into force as of the day specified in the resolution of the General Meeting. The resolution concerning the Policy shall be taken not less frequently than every four years.
2. The Bank shall publish, on its website, the Policy and the resolution on its approval, along with the date of resolution adoption and voting results.

Version of the document

Version	Date	Description of the change	Status
[1.0]	[Date of General Meeting]	[change of provisions regarding the period of deferral of variable remuneration and change of nomenclature from phantom shares to financial instruments]	[No ... of the resolution]