

**POWER OF ATTORNEY TO ATTEND
THE ORDINARY GENERAL MEETING
OF BANK HANDLOWY W WARSZAWIE S.A.
TO BE HELD ON JUNE 17, 2021
for the entities other than natural persons**

I, the undersigned / We, the undersigned, (*Name and surname*) acting on behalf of:
....., with its registered office in represent that
..... (*Name and surname/business name of the
shareholder*) (hereinafter the **Shareholder**) holds (*Please specify the
number*) common bearer shares of Bank Handlowy w Warszawie S.A. z siedzibą w Warszawie (hereinafter
the **Bank**) and I/we hereby authorise:

Mr./Mrs./Ms., passport/identity document/other official
identity document no.,

or

..... (*business name of the entity*), with its registered office in
..... and address,

to represent the Shareholder at the Ordinary General Meeting of the Bank convened at 11:00 a.m. on June
17, 2021, in Warsaw, ul. Traugutta 7/9 (hereinafter the **Ordinary General Meeting**), in particular to attend
and make statements at the Ordinary General Meeting, to sign the attendance list and to exercise voting
rights on behalf of the Shareholder from (*number*) shares / from all shares as per the instructions
as to the mode of voting / at the proxy's discretion and present objectives.

[Name and surname, title and date]

[Name and surname, title and date]

**POWER OF ATTORNEY TO ATTEND
THE ORDINARY GENERAL MEETING
OF BANK HANDLOWY W WARSZAWIE S.A.
TO BE HELD ON JUNE 17, 2021
for natural persons**

I, the undersigned (*Name and surname*), holding the identity document no., residing in (*Address*), represent that I am a shareholder of Bank Handlowy w Warszawie S.A. holding (*Please specify the number*) common bearer shares of Bank Handlowy w Warszawie S.A. z siedzibą w Warszawie (hereinafter the **Bank**) and I hereby authorise

Mr./Mrs./Ms., passport/identity document/other official identity document no.,

or

..... (*Business name of the entity*), with its registered office in and address in

to represent the Shareholder at the Bank's Ordinary General Meeting convened at 11.00AM on June 4, 2020 in Warsaw, ul. Traugutta 7/9 (hereinafter the **Ordinary General Meeting**), in particular to attend and make statements at the Ordinary General Meeting, to sign the attendance list and to exercise voting rights on behalf of the Shareholder from (*number*) shares/from all shares as per the voting instructions/at the proxy's discretion and present objectives.

[Name and surname, title and date]

NOTES TO THE SHAREHOLDER

1. In the event of a discrepancy between the data of a Bank Shareholder shown in the power of attorney and the data appearing on the list of shareholders drawn up on the basis of the list obtained from the National Depository for Securities (KDPW) and forwarded to the Bank pursuant to Article 406 (3) of the Code of Commercial Companies, the Bank Shareholder may not be admitted to attend the Ordinary General Meeting.
2. The instructions provided below for voting on individual resolutions in the course of the Ordinary General Meeting are a confidential document between the Bank Shareholder and his proxy and shall not be disclosed to third parties, in particular the Bank, either before or after the Ordinary General Meeting.
3. Casting of a vote by the proxy in the manner inconsistent with the instructions given by the Bank Shareholder shall not affect validity of the vote.
4. Utilisation of this form shall be at the sole and exclusive discretion of the Bank Shareholder. The Shareholder has the right to grant the power of attorney in another manner provided that the content of such power of attorney enables:
 - a) Identification of the Shareholder casting the vote and his proxy;
 - b) Casting of the vote within the meaning of Article 4 § 1 Section 9 of the Code of Commercial Companies;
 - c) Filing of an objection by the Shareholders voting against the resolution; and
 - d) Provision of voting instructions for each of the resolutions on which the Shareholder's proxy is to vote.
5. The notice of granting or revoking of the power of attorney in the electronic format shall be filed by 15:00 on the working day preceding the date of the Ordinary General Meeting, at the latest.
6. The risk inherent in the use of the means of electronic communication shall rest with the Shareholder.
7. In order to verify validity of the power of attorney granted in the electronic format and to identify the Shareholder and proxy, the Bank, upon receipt of the notice of granting of the power of attorney in the electronic format, shall check whether the scans of the documents enabling identification and verification of the shareholder and of the proxy have been enclosed and whether, for legal persons and organisational units, the rules of representation applicable to such entities have been complied with. Furthermore, the Bank shall have the right to contact by telephone using the telephone number designated by the Shareholder or send a return message in order to verify the fact of granting by a given Shareholder of the power of attorney in the electronic format. The Bank shall have the right to contact both the shareholder and the proxy.
8. All documents sent to the Bank by electronic means shall be scanned down to PDF format.

TO: [NAME AND SURNAME OF THE PROXY]

INSTRUCTIONS ON EXERCISE OF VOTING RIGHTS THROUGH A PROXY

Applicable to the Ordinary General Meeting of Bank Handlowy w Warszawie S.A. to be held at 11:00 a.m. on June 17, 2021 in Warsaw, ul. Traugutta 7/9.

Draft of resolutions of the Ordinary General Meeting of 17 June 2021

Draft Resolution to Item 2 of the Agenda of the Ordinary General Meeting held on 17 June 2021

**RESOLUTION No 1/2021
of the Ordinary General Meeting
of the Bank Handlowy w Warszawie Spółka Akcyjna
of 17 June 2021
on election of the Chairperson of the Meeting**

The Ordinary General Meeting appoints ... to be a Chairman of the Ordinary General Meeting.

__ For	__ Against	__ Abstaining	__ At the proxy's discretion
	__ Objection filed		
Number of shares: _____	Number of shares: _____	Number of shares: _____	Number of shares: _____
Comments:			

Draft Resolution to Item 4 of the Agenda of the Ordinary General Meeting held on 17 June 2021

**RESOLUTION No 2/2021
of the Ordinary General Meeting
of the Bank Handlowy w Warszawie Spółka Akcyjna
of 17 June 2021
on adoption of the agenda**

The Ordinary General Meeting approves the Agenda of the Ordinary General Meeting.

__ For	__ Against	__ Abstaining	__ At the proxy's discretion
	__ Objection filed		
Number of shares: _____	Number of shares: _____	Number of shares: _____	Number of shares: _____
Comments:			

*Draft Resolution to Item 5 Sub-point 1) of the Agenda
of the Ordinary General Meeting held on 17 June
2021*

**RESOLUTION No 3/2021
of the Ordinary General Meeting
of the Bank Handlowy w Warszawie Spółka Akcyjna
of 17 June 2021**

**on consideration and approval of the annual financial statements of Bank for the financial year ended
December 31, 2020**

Pursuant to Article 395 § 2 Item 1) of the Commercial Companies Code and § 9 Section 1 Item 1 of the Bank's Articles of Association, the Ordinary General Meeting of Bank Handlowy w Warszawie S.A., having considered the annual financial statements of Bank Handlowy w Warszawie S.A. for the financial year ended 31 December 2020, has resolved to approve the annual financial statements of Bank Handlowy w Warszawie S.A. for the financial year ended 31 December 2020 comprising:

- a) statement of financial position prepared as at 31 December 2020 showing a balance sheet total of PLN 60,632,397 thousand;
- b) income statement for the year 2020 showing a net profit of PLN 158,085 thousand;
- c) statement of comprehensive income for the year 2020 showing a total comprehensive income of PLN 491,502 thousand;
- d) statement of changes in equity for the year 2020 showing an equity balance of PLN 7,515,205 thousand;
- e) cash flow statement for the year 2020 showing a net cash balance of PLN 4,519,581 thousand;
- f) additional information and explanatory notes together with the independent auditor's report on the audit of the financial statements.

__ For	__ Against	__ Abstaining	__ At the proxy's discretion
	__ Objection filed		
Number of shares: _____	Number of shares: _____	Number of shares: _____	Number of shares: _____
Comments:			

Draft Resolution to Item 5, Sub-point 2) of the Agenda of the Ordinary General Meeting held on 17 June 2021

RESOLUTION No 4/2021
of the Ordinary General Meeting
of the Bank Handlowy w Warszawie Spółka Akcyjna
of 17 June 2021

on consideration and approval of the annual consolidated financial statements of the Capital Group of Bank for the financial year ended December 31, 2020

Pursuant to Article 395 § 5 of the Commercial Companies Code in conjunction with Article 55 Paragraph 5 and Article 53 Paragraph 1 of the Accounting Act of 29 September 1994, the Ordinary General Meeting of Bank Handlowy w Warszawie S.A., having considered the annual consolidated financial statements of the Capital Group of Bank Handlowy w Warszawie S.A. for the financial year ended 31 December 2020, has resolved to approve the annual consolidated financial statements of the Capital Group of Bank Handlowy w Warszawie S.A. for the financial year ended 31 December 2020, comprising:

- a) consolidated statement of financial position prepared as at 31 December 2020 showing a balance sheet total of PLN 60,941,538 thousand;
- b) consolidated income statement for the year 2020 showing a net profit of PLN 172,395 thousand;
- c) consolidated statement of comprehensive income for the year 2020 showing a total comprehensive income of PLN 506,312 thousand;
- d) consolidated statement of changes in equity for the year 2020 showing an equity balance of PLN 7,580,967 thousand;
- e) consolidated cash flow statement for the year 2020 showing a net cash balance of PLN 4,519,640 thousand;
- f) additional information and explanatory notes together with the independent auditor's report on the audit of the financial statements.

__ For	__ Against	__ Abstaining	__ At the proxy's discretion
	__ Objection filed		
Number of shares: _____	Number of shares: _____	Number of shares: _____	Number of shares: _____
Comments:			

Draft Resolution to Item 5, Sub-point 3) of the Agenda of the Ordinary General Meeting held on 17 June 2021

RESOLUTION No 5/2021
of the Ordinary General Meeting
of the Bank Handlowy w Warszawie Spółka Akcyjna
of 17 June 2021

on consideration and approval of the report on the activity of the Bank and the Capital Group of the Bank

Pursuant to Article 395 § 2 Item 1) and § 5 of the Commercial Companies Code and § 9 Section 1 Item 1 of the Bank's Articles of Association, the Ordinary General Meeting of Bank Handlowy w Warszawie S.A., after consideration has resolved to approve the Report on activities of the Capital Group of Bank Handlowy w Warszawie S.A. in the year 2020 including the Report on activities of Bank Handlowy w Warszawie S.A. and together with the Report on non-financial information of Bank Handlowy w Warszawie S.A. and the Capital Group of Bank Handlowy w Warszawie S.A. for the financial year ended 31 December 2020.

__ For	__ Against __ Objection filed	__ Abstaining	__ At the proxy's discretion
Number of shares: _____	Number of shares: _____	Number of shares: _____	Number of shares: _____
Comments:			

*Draft Resolutions to Item 5, Sub-point 4) of the
Agenda of the Ordinary General Meeting held on 17
June 2021*

RESOLUTION No 6/2021
of the Ordinary General Meeting
of the Bank Handlowy w Warszawie Spółka Akcyjna
of 17 June 2021

**on granting of approval of the performance by the member of the Bank's Management Board
of duties in 2020**

Pursuant to Art. 395 § 2 point 3) of the Commercial Companies Code and § 9, Section 1, Item 3 of the Bank's Articles of Association, the Ordinary General Meeting resolved to grant the approval of the performance of duties in 2020 by the President of the Management Board of the Bank Handlowy w Warszawie S.A. - Sławomir Stefan Sikora.

__ For	__ Against	__ Abstaining	__ At the proxy's discretion
	__ Objection filed		
Number of shares: _____	Number of shares: _____	Number of shares: _____	Number of shares: _____
Comments:			

RESOLUTION No 7/2021
of the Ordinary General Meeting
of the Bank Handlowy w Warszawie Spółka Akcyjna
of 17 June 2021

on granting of approval of the performance by the member of the Bank's Management Board of duties in 2020

Pursuant to Art. 395 § 2 point 3) of the Commercial Companies Code and § 9, Section 1, Item 3 of the Bank's Articles of Association, the Ordinary General Meeting resolved to grant the approval of the performance of duties in 2020 by the Vice President of the Management Board of the Bank Handlowy w Warszawie S.A. – Natalia Bożek.

__ For	__ Against	__ Abstaining	__ At the proxy's discretion
	__ Objection filed		
Number of shares: _____	Number of shares: _____	Number of shares: _____	Number of shares: _____
Comments:			

RESOLUTION No 8/2021
of the Ordinary General Meeting
of the Bank Handlowy w Warszawie Spółka Akcyjna
of 17 June 2021

on granting of approval of the performance by the member of the Bank's Management Board of duties in 2020

Pursuant to Art. 395 § 2 point 3) of the Commercial Companies Code and § 9, Section 1, Item 3 of the Bank's Articles of Association, the Ordinary General Meeting resolved to grant the approval of the performance of duties in 2020 by the Vice President of the Management Board of the Bank Handlowy w Warszawie S.A. – Dennis Hussey.

__ For	__ Against	__ Abstaining	__ At the proxy's discretion
	__ Objection filed		
Number of shares: _____	Number of shares: _____	Number of shares: _____	Number of shares: _____
Comments:			

RESOLUTION No 9/2021
of the Ordinary General Meeting
of the Bank Handlowy w Warszawie Spółka Akcyjna
of 17 June 2021
on granting of approval of the performance by the member of the Bank's Management Board
of duties in 2020

Pursuant to Art. 395 § 2 point 3) of the Commercial Companies Code and § 9, Section 1, Item 3 of the Bank's Articles of Association, the Ordinary General Meeting resolved to grant the approval of the performance of duties in 2020 by the Vice President of the Management Board of the Bank Handlowy w Warszawie S.A. – Maciej Kropidłowski.

__ For	__ Against	__ Abstaining	__ At the proxy's discretion
	__ Objection filed		
Number of shares: _____	Number of shares: _____	Number of shares: _____	Number of shares: _____
Comments:			

RESOLUTION No 10/2021
of the Ordinary General Meeting
of the Bank Handlowy w Warszawie Spółka Akcyjna
of 17 June 2021
on granting of approval of the performance by the member of the Bank's Management Board
of duties in 2020

Pursuant to Art. 395 § 2 point 3) of the Commercial Companies Code and § 9, Section 1, Item 3 of the Bank's Articles of Association, the Ordinary General Meeting resolved to grant the approval of the performance of duties in 2020 by the Vice President of the Management Board of the Bank Handlowy w Warszawie S.A. – Barbara Sobala.

__ For	__ Against	__ Abstaining	__ At the proxy's discretion
	__ Objection filed		
Number of shares: _____	Number of shares: _____	Number of shares: _____	Number of shares: _____
Comments:			

RESOLUTION No 11/2021
of the Ordinary General Meeting
of the Bank Handlowy w Warszawie Spółka Akcyjna
of 17 June 2021

**on granting of approval of the performance by the member of the Bank's Management Board
of duties in 2020**

Pursuant to Art. 395 § 2 point 3) of the Commercial Companies Code and § 9, Section 1, Item 3 of the Bank's Articles of Association, the Ordinary General Meeting resolved to grant the approval of the performance of duties in 2020 by the Vice President of the Management Board of the Bank Handlowy w Warszawie S.A. – James Foley.

__ For	__ Against	__ Abstaining	__ At the proxy's discretion
	__ Objection filed		
Number of shares: _____	Number of shares: _____	Number of shares: _____	Number of shares: _____
Comments:			

RESOLUTION No 12/2021
of the Ordinary General Meeting
of the Bank Handlowy w Warszawie Spółka Akcyjna
of 17 June 2021

**on granting of approval of the performance by the member of the Bank's Management Board
of duties in 2020**

Pursuant to Art. 395 § 2 point 3) of the Commercial Companies Code and § 9, Section 1, Item 3 of the Bank's Articles of Association, the Ordinary General Meeting resolved to grant the approval of the performance of duties in 2020 by the Member of the Management Board of the Bank Handlowy w Warszawie S.A. – Katarzyna Majewska.

__ For	__ Against	__ Abstaining	__ At the proxy's discretion
	__ Objection filed		
Number of shares: _____	Number of shares: _____	Number of shares: _____	Number of shares: _____
Comments:			

RESOLUTION No 13/2021
of the Ordinary General Meeting
of the Bank Handlowy w Warszawie Spółka Akcyjna
of 17 June 2021

on granting of approval of the performance by the member of the Bank's Management Board of duties in 2020

Pursuant to Art. 395 § 2 point 3) of the Commercial Companies Code and § 9, Section 1, Item 3 of the Bank's Articles of Association, the Ordinary General Meeting resolved to grant the approval of the performance of duties in 2020 by the Vice President of the Management Board of the Bank Handlowy w Warszawie S.A. – David Mouillé.

__ For	__ Against	__ Abstaining	__ At the proxy's discretion
	__ Objection filed		
Number of shares: _____	Number of shares: _____	Number of shares: _____	Number of shares: _____
Comments:			

Draft Resolution to Item 5, Sub-point 5) of the Agenda of the Ordinary General Meeting held on 17 June 2021

RESOLUTION No 14/2021
of the Ordinary General Meeting
of the Bank Handlowy w Warszawie Spółka Akcyjna
of 17 June 2021

on consideration and approval of the Bank's Supervisory Board's report on its activity for the period from the date of the Bank's Ordinary General Meeting in 2020 to the date of the Bank's Ordinary General Meeting in 2021 containing: assessment of reports on activities and financial statements of the Bank and the Capital Group of the Bank in year 2020, assessment of the Management Board's motion on the distribution of the net profit for year 2020, reports and assessments as defined in approved for

use by the Bank the Principles of Corporate Governance for Supervised Institutions and the Best Practice for GPW Listed Companies 2016, assessment of the functioning of the Remuneration Policy in the Bank as well as reports on remuneration of the Management Board members and members of the Supervisory Board of Bank Handlowy w Warszawie S.A. in the years 2019-2020

The Ordinary General Meeting:

- 1) resolved to approve the Bank Handlowy w Warszawie S.A. Supervisory Board’s report on its activity for the period of time from the date of the Bank’s Ordinary General Meeting in 2020 to the date of the Bank’s Ordinary General Meeting in 2021 containing: assessment of reports on activities and financial statements of the Bank and its Capital Group in year 2020, assessment of the Management Board’s motion on distribution of the net profit for year 2020, reports and assessments as defined in approved for use by the Bank the Principles of Corporate Governance for Supervised Institutions and the Best Practice for GPW Listed Companies 2016 and assessment of the functioning of the remuneration policy in the Bank as well as reports on remuneration of the Management Board members and members of the Supervisory Board of Bank Handlowy w Warszawie S.A. in the years 2019-2020,
- 2) based on an assessment as contained in the report of the Supervisory Board states that the established remuneration policy contributes to the development and security of the operations of the Bank.

__ For Number of shares: _____	__ Against __ Objection filed Number of shares: _____	__ Abstaining Number of shares: _____	__ At the proxy’s discretion Number of shares: _____
Comments:			

REPORT

on the activities of the Supervisory Board of Bank Handlowy w Warszawie S.A.

for the period from the date of the Annual General Meeting of Shareholders in 2020
to the date of the Annual General Meeting of Shareholders in 2021

1. Members of the Supervisory Board

1.1. In the reporting period, the Supervisory Board was composed of:

Mr. Andrzej Olechowski	Chairman of the Board	entire reporting period
Mr. Frank Mannion	Vice Chairman of the Board	entire reporting period
Mr. Shirish Apte	Member of the Board	until 01 December 2020
Ms. Kristine Braden	Member of the Board	from 02 December 2020
Mr. Igor Chalupiec	Member of the Board	entire reporting period
Ms. Jenny Grey	Member of the Board	entire reporting period
Mr. Marek Kapuściński	Member of the Board	entire reporting period
Mr. Gonzalo Luchetti	Member of the Board	entire reporting period
Ms. Anna Rulkiewicz	Member of the Board	entire reporting period
Ms. Barbara Smalska	Member of the Board	entire reporting period
Mr. Stanisław Sołtysiński	Member of the Board	entire reporting period
Mr. Zdenek Turek	Member of the Board	entire reporting period
Mr. Stephen R. Volk	Member of the Board	entire reporting period

1.2. Independent Members of the Supervisory Board

In the opinion of the Supervisory Board, the Independent Members of the Supervisory Board within the meaning of the Articles of Association of the Bank are as follows:

Mr. Igor Chalupiec	Member of the Board
Mr. Marek Kapuściński	Member of the Board
Ms. Barbara Smalska	Member of the Board
Ms. Anna Rulkiewicz	Member of the Board

1.3. Evaluation of the composition of the Supervisory Board

Assessment of suitability and independence.

The Supervisory Board wants to emphasize that, during the entire reporting period, it was composed of persons demonstrating the extensive knowledge of law, economics, banking, management and finance. Members of the Supervisory Board have practical knowledge acquired as managers in international economic institutions. Members of the Supervisory Board have adequate knowledge, skills and experience. In the Supervisory Board's opinion, the expertise of its Members ensures due performance of its tasks resulting from applicable laws and regulations and the composition of the Bank's Supervisory Board accommodates a broad range of competencies required to govern all material areas of the Bank's activity. In addition, the Supervisory Board positively assesses the composition of the Board taking into consideration the diversities introduced to ensure an adequate level of collective Bank management supervision.

The structure of the Board, including its committees, is designed so that the Board and its committees could make the most of the expertise of its Members contributing to the accomplishment of goals and objectives assigned to the Supervisory Board.

1.4. During the reporting period, the Committees of the Supervisory Board were composed of:

1.4.1. Audit Committee

Ms. Barbara Smalska	Chairperson of the	entire reporting period
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Mr. Frank Mannion	Committee Vice Chairman of the Committee	entire reporting period
Mr. Shirish Apte	Member of the Committee	until 01 December 2020
Ms. Kristine Braden	Member of the Committee	from 04 December 2020
Mr. Igor Chalupiec	Member of the Committee	entire reporting period
Mr. Marek Kapuściński	Member of the Committee	entire reporting period
Ms. Anna Rulkiewicz	Member of the Committee	entire reporting period

The Supervisory Board considers the following persons to be members of the Audit Committee of the Supervisory Board of Bank Handlowy w Warszawie S.A. having knowledge and skills in accounting and audit of financial accounts:

- 1) Ms. Barbara Smalska due to her professional experience: Ms. Smalska was a Vice President of the Management Board of Alior Bank S.A., held various managerial positions in PZU Group and was also on supervisory boards of various insurance companies.
- 2) Mr. Shirish Apte due to the following: (i) education – he earned a diploma of Chartered Accountant from the Institute of Chartered Accountants in England and Wales and a bachelor's degree in commerce. Mr. Shirish Apte also has an MBA from London Business School; (ii) professional experience;
- 3) Ms. Kristine Braden due to the following: (i) education – she graduated from the school of accounting and trade finance at the master's degree at Johns Hopkins University, School of Advanced International Studies, Washington; (ii) professional experience;
- 4) Mr. Frank Mannion due to the following: (i) education – he graduated from the National University of Ireland in Galway, earning a degree in commerce. He has also earned the title of Chartered Accountant; (ii) professional experience;
- 5) Mr. Igor Chalupiec due to the following: (i) education – he is a graduate of the Foreign Trade Department of the Warsaw School of Economics (SGH) and of Faculty of Law and Administration of the University of Warsaw; (ii) professional experience.
- 6) Ms. Anna Rulkiewicz due to the following: (i) education – completed the Stanford Executive Program at the Stanford University's Graduate School of Business; (ii) professional experience.

The following members of the Audit Committee are independent within the meaning of Article 129(3) of the Act of 11 May 2017 on auditors, audit firms and public supervision: Mr. Igor Chalupiec, Mr. Marek Kapuściński, Ms. Barbara Smalska and Ms. Anna Rulkiewicz.

1.4.2. Nomination and Remuneration Committee

Mr. Andrzej Olechowski	Chairman of the Committee	entire reporting period
Ms. Jenny Grey	Vice Chairperson of the Committee	entire reporting period
Zdenek Turek	Member of the Committee	entire reporting period
Mr. Stanisław Sołtysiński	Member of the Committee	entire reporting period

1.4.3. Strategy and Management Committee

Mr. Zdenek Turek	Chairman of the Committee	entire reporting period
Mr. Stanisław Sołtysiński	Vice Chairman of the Committee	entire reporting period
Mr. Shirish Apte	Member of the Committee	until 01 December 2020
Ms. Kristine Braden	Member of the Committee	from 04 December 2020
Mr. Igor Chalupiec	Member of the Committee	entire reporting period
Ms. Jenny Grey	Member of the Committee	entire reporting period
Mr. Marek Kapuściński	Member of the Committee	entire reporting period
Mr. Frank Mannion	Member of the Committee	entire reporting period

Mr. Gonzalo Luchetti	Member of the Committee	entire reporting period
Mr. Andrzej Olechowski	Member of the Committee	entire reporting period
Ms. Anna Rulkiewicz	Member of the Committee	entire reporting period
Ms. Barbara Smalska	Member of the Committee	entire reporting period
Mr. Stephen R. Volk	Member of the Committee	entire reporting period

1.4.4. Risk and Capital Committee

Mr. Frank Mannion	Chairman of the Committee	entire reporting period
Mr. Igor Chalupec	Vice Chairman of the Committee	entire reporting period
Mr. Marek Kapuściński	Member of the Committee	entire reporting period
Mr. Gonzalo Luchetti	Member of the Committee	entire reporting period
Mr. Andrzej Olechowski	Member of the Committee	entire reporting period
Ms. Barbara Smalska	Member of the Committee	entire reporting period
Mr. Zdenek Turek	Member of the Committee	entire reporting period
Mr. Stephen R. Volk	Member of the Committee	entire reporting period

1.5. Meetings of the Supervisory Board and its Committees

In the reporting period, the Supervisory Board held four meetings, and its Committees: Audit Committee – 3, Risk and Capital Committee – 3, Nomination and Remuneration Committee – 4, Strategy and Management Committee – 3.

2. ASSESSMENT OF THE FINANCIAL RESULTS AND GENERAL CONDITION OF THE COMPANY

2020 was marked by a global recession triggered by the COVID-19 pandemic, as a result of which the global Gross Domestic Product (“GDP”) fell by 3.6% compared to a 2.7% growth in 2019.

In 2020, economic conditions as well as economic environment the Polish banking sector had to face, considerably worsened in comparison to 2019. The fast-spreading SARS-COV-2 virus led to the freezing of economic activity in Poland, thus denting Poland's GDP growth by 2.8% in 2020 in comparison to its 4.5% growth in 2019. It had been the worst result for almost 30 years in the Polish economic history. In response to the economic crisis, the regulators made non-precedent decisions. The Monetary Policy Council (the “MPC”) decided to considerably slash the reference rate in a short-term horizon (between March and May 2020) from 1.5% to a new historic low of 0.1%. At the same time, the mandatory reserve rate was reduced from 3.5% to 0.5% and the National Bank of Poland commenced a bond purchase program. As part of its structural open market operations, the central bank has purchased bonds amounting to about PLN 108 billion (approx. 4.8% of GDP) since mid-March.

In such difficult economic conditions, the net profit of the banking sector dropped by 44% in 2020 compared with 2019, to the level of PLN 7.8 billion, and the loan dynamics in the non-financial sector waned from 4.6% y/y in 2019 to 1.0% y/y in 2020.

In 2020, the Bank's efforts were aimed to ensure business continuity and client support. The main areas of the Bank's activity consisted in supporting client liquidity by the Bank's involvement in business stimulating and support programs such as Financial Shield of the Polish Development Fund and the Liquidity Guarantee Fund of Bank Gospodarstwa Krajowego. At the same time, the Bank focused its activities on the promotion and development of digital tools enabling safe contacts with the Bank, and it invested in the security of such tools.

The Bank's net profit amounted to PLN 158.2 million in 2020 and the following profits and losses had their share in the result.

Operating revenues of the Bank amounted to PLN 2,025 million in 2020 and were lower by PLN 166 million (or 7.6%) as compared to 2019. The decrease concerned, above all, interest income, as a result of the interest rates slashed by the MPC. On the other hand, the Bank reported clear dynamics in business activity in the Bank's strategic areas related to financial markets (FX transactions, investment banking and custody services), and Wealth Management for natural persons.

In 2020, general administrative expenses and depreciation & amortization amounted to PLN 1,196 million and increased slightly (i.e. 0.5%) from 2019. As regards the cost management strategy, on the one hand the Bank's efforts were focused on cost effectiveness by launching automated processes and, on the other hand, it invested in client business growth areas. In 2020, the Bank was the only bank in Poland that offered three main banking products to natural persons (credit card, cash loans and personal account) based on biometric solutions not requiring any physical contact with the Bank. At the same time, the Bank opened a new foreign exchange platform – Citi Kantor. In the Corporate Bank, the Bank's efforts were focused on process digitization in cash management, bringing a surge in the number of transactions processed electronically by 7% y/y.

In 2020 the result on expected credit losses was at PLN 191 million. Despite the unprecedented situation caused by the COVID-19 pandemic, the quality of the Bank's loan portfolio remained stable. The NPL ratio at the end of 2020 amounted to 3.7%, while the coverage ratio amounted to 77% – much better than in the banking sector, where the above-mentioned ratios were at 6.9% and 59% respectively.

In 2020, the Bank's lending activity languished 8% y/y and the drop resulted from the uncertainty as to whether enterprises would be willing to assume obligations given the COVID-19 pandemic and restrictions in conducting business during the pandemic. In the case of natural persons, the impact of freezing the economy and changes in their behavior and habits put further strain on slackening demand for consumer loans.

The total capital ratio (TCR) of the Bank was 22.2%, i.e. significantly above the regulatory levels. The Supervisory Board believes that the level of capitals maintained by the Bank is sufficient to ensure its financial security, as well as the security of deposits entrusted to it, and to stimulate its further growth.

The most important risk factor in 2021 is further development and potential escalation of the COVID-19 pandemic invoking more cyclical lockdowns in Poland and Europe, therefore the Supervisory Board will still strictly collaborate with the Management Board to evaluate the impact of the above-mentioned risk factors on the Bank's position. Simultaneously, the Supervisory Board will monitor developments in the area of FX-denominated mortgage loans and its effect on Poland's banking sector.

Taking into consideration the financial results achieved, the safe position of the Bank, the stable capital and liquidity ratios and the consistent and coherent strategy of the Bank, the Supervisory Board's assessment of the activities of the Bank in 2020 is positive. Simultaneously, the Supervisory Board is convinced that both already started and planned initiatives will contribute to an increase in shareholder value by allowing the Bank to achieve optimal financial results and market position despite a challenging market environment.

3. ASSESSMENT OF RATIONALITY OF THE BANK'S POLICY IN THE AREA OF CORPORATE SOCIAL RESPONSIBILITY AND SPONSORING

3.1. Corporate social responsibility of the Bank

The Bank is an institution which, since the beginning of its 150-year history, has considered social and environmental aspects in its decisions, and which follows the expectations of both its business and social partners.

The Kronenberg Foundation at Citi Handlowy is an entity which comprehensively implements the Bank's Corporate Social Responsibility strategy. In 2020, the Program of the Foundation was revised to address the challenges connected to the SARS-COV-2 pandemic. The Foundation decided not to implement activities that required the Team and volunteers to engage in offline activities, and also shifted the focus

of the programs by highlighting the aspects that could help the beneficiaries in finding their place in the pandemic reality.

Having regard to the new situation, the Foundation identified several support areas in which it saw its role as a strong social partner for:

- paramedics and healthcare staff, who are the first line of defense in the fight against COVID-19;
- teachers and students who had to face the challenge of “remote education”,
- entrepreneurs, and particularly those who have participated in the Foundation’s acceleration programs or programs co-financed by the Foundation in the recent years,
- social partners in the volunteering program or through a micro-grant program.

In our #CisiBohaterowie (Silent Heroes) campaign we demonstrated our support for medical services, launched in cooperation with Citi volunteers in the first days of the pandemic. Under the campaign, almost 8300 hot meals were delivered to 350 paramedics from Warsaw and Olsztyn. In addition, in order to boost the effectiveness of the campaign, a quick payment gate was implemented that increased the commitment of private participants of the initiative and fostered such campaigns as, among others, collaboration with business partners (1% of FX transactions paid to #SilentHeroes). As a result of the #SilentHeroes campaign, we managed to purchase, in cooperation with the Emergency Services Support Foundation and the Polish Center for International Aid, the following: protective clothing for hospitals, 2 mobile respirators, 7 portable ultrasound devices and an advanced videolaryngoscope.

Addressing the challenges related to the pandemic, Citi Handlowy Foundation designed and implemented the CyberMocn@ Szkoła (CyberStrong School) project for teachers. The pandemic clearly brought to light the lack of support for teachers in providing them with adequate tools they could use in their daily work. Moreover, the necessity of children and teenagers to use computer equipment for online lessons and, as a result, longer time spent in the virtual world, have revealed many threats and dangers they are not prepared for. In response to the identified areas, a program was developed for teachers with the aim to support them in their daily work. As part of virtual classes, almost 600 teachers were trained.

The Foundation also continued initiatives in the field of the protection of national heritage. In 2020 we celebrated the round 150th anniversary of Bank Handlowy. The Foundation continued celebrating activities related to the anniversary and their major part was carried forward to 2021. One of the projects delivered in the anniversary year of 2020 was, however, a green monument – #Las na Zawsze (Forest Forever). In order to emphasize the importance of this anniversary and leave a permanent mark, we celebrated the 150th anniversary of the Bank by planting, together with volunteers and clients, almost 2 hectares of forest near Warsaw and Olsztyn. To that end, seeds of coniferous and deciduous shrubs and trees were used – indigenous species supporting biodiversity of the Polish forests.

One of the actions being part of the celebration of the 150th anniversary of Bank Handlowy carried forward to 2021 is the publication of the anniversary report – 150 years of Bank Handlowy's influence on Poland's development.

In 2020, the Professor Aleksander Gieysztor Award was granted shortly before the pandemic outbreak in Poland. The award was granted to Jerzy Limon, the founder of the Gdańsk Shakespeare Theatre. The Jury decided to postpone the next, 22nd edition of the Award to 2021 due to the epidemiological situation.

Under the Grant Program in 2020, as part of the Bank’s anniversary celebrations, the Museum of the History of Polish Jews POLIN received a subsidy for its project “Pragmatists and Visionaries – Polish Jews and their Legacy”.

The activities in the area of entrepreneurship and economic education required in 2020 cooperation with social partners. The Foundation supported substantially the implementation of projects financed by Citi Foundation funds such as: Shesnnovation Academy to support young female scientists in the commercialization of their ideas (“Perspektywy” Educational Foundation), Hello Entrepreneurship supporting migrants in creating social enterprises (Ashoka Polska), Business in women's hands to support women in creating their own businesses (Entrepreneurial Women Network), the Entrepreneurship Development program addressed to young people interested in creating their own business (THINK! Foundation).

While supporting the entrepreneurs, the Foundation organized an online conference “Virus-Proof Company” together with its partners. Almost 1000 persons took part. At a several hour meeting they could listen to conversations with high-level experts and practitioners in the field of: e-commerce development, dispersed and creative teams management and client relation building in a virtual world. During the conference, the winners of the 2019 Citi Micro-Entrepreneurship Award were presented. The title went to SVEP+ – manufacturer of pneumatic light masts used when saving people’s lives – mainly in the vehicles of emergency medical services and during medical emergencies. During the event, the finalists of the Business in Women’s Hands competition were also announced.

In 2020, the Foundation implemented a very successful Employee Volunteering Program. The Citi Global Community Day, which took on a unique form this year (of a 6-month campaign), gathered in Poland over 1,700 volunteers. It is the best result among all Central and Eastern European and African countries (within Citi). The Foundation managed to engage Citi employees in virtual volunteering (such as online private lessons for kids and programming lessons for students) as well as in activities organized in new formats, such as joint fundraising, collections of specific items and preparing packages for those in need, as well as planting plants. Volunteers, for example, sewed 1,000 face masks for seniors and veterans, delivered nearly 1,000 packages for seniors in nursing homes, prepared for use and donated more than 100 computers. The Foundation funded the implementation of these initiatives through micro-grants and also supported it in terms of the logistics – it helped volunteers implement the projects during a strict sanitary regime.

70 Citi volunteers were involved in long-term mentoring carried out under programs: IT for SHE (supporting young women, IT students on the Labor Market), Women in Tech Summit 2020 (the largest event of this type in Central Europe, this year over 8,300 participants, held entirely online) and projects carried out by the Citi Foundation and social partners.

Full description of its activities is available in the Bank’s Annual Report and on the website www.kronenberg.org.pl

3.2. Sponsoring

Due to the outbreak of the pandemic, sponsoring activities were restricted and the Bank focused in that unprecedented period on the best fulfilment of its corporate social role. The majority of events and conferences in which Citi Handlowy intended to participate or which Citi Handlowy supported in the previous years as part of its sponsoring activities, were canceled or postponed. Some of such events were organized online. In the above format the Bank continued collaboration with the European Financial Congress – the Bank’s representatives took part in debates organized by the Gdańsk Academy of Banking, debates of the European Financial Congress and the Club of Responsible Finance, where the Bank is one of its founding members.

Last year was the second year of Citi Handlowy’s partnership with the Polish Paralympic Committee. This partnership is a part of Citi’s global initiative to support the Paralympic movement and the aspirations to change social attitude towards disability. Bank Handlowy also supports, as part of the global project, two outstanding sportspersons – Natalia Partyka, a four-time Paralympic female champion in table tennis, and Maciej Lepiato, a two-time Paralympic champion and a four-time World Champion for the disabled in high jump.

To support change in perceiving disabilities, Citi Handlowy also took part in Poland Business Run 2020. Citi in Poland along with the employees has been an active participant of the said charity event since its first edition in 2014. Last year’s run was dedicated to persons after limb amputation. Despite its virtual format, 6 teams from the Bank took part in the run joined by paralympic champions Natalia Partyka and Maciej Lepiato.

4. REPORT ON REMUNERATION OF THE MEMBERS OF THE MANAGEMENT BOARD AND THE MEMBERS OF THE SUPERVISORY BOARD OF BANK HANDLOWY W WARSZAWIE S.A.

The Supervisory Board of Bank Handlowy w Warszawie S.A. is required to draw up the remuneration report on Members of the Management Board and Members of the Supervisory Board of the Bank based on Article 90g, point 1 of the Act of 29 July 2005 on public offering, conditions governing the introduction of financial instruments to organized trading, and on public companies (“the Act”).

The principles for remunerating Members of the Management Board and Members of the Supervisory Board of the Bank are provided for in the Remuneration policy for Members of the Management Board and Members of the Supervisory Board of Bank Handlowy w Warszawie S.A. (the "Policy"), adopted by way of resolution of the General Meeting of Shareholders dated June 4, 2020. The Policy implements provisions regarding shaping of the rules of remuneration set forth in the Act.

This remuneration report covers a comprehensive overview of remuneration, including all benefits, regardless of their form, received by individual members of the Management Board and the Supervisory Board or due to individual members of the Management Board and the Supervisory Board of the Bank, and is presented jointly for 2019 and 2020. It should be noted this report presents remuneration in various ways (i.e. paid out in a given year or granted in a given year), depending on the requirements of the Act. In particular, remuneration paid out in 2019 and 2020 could have been granted in the years preceding the year of payout. On the other hand, remuneration granted in 2019 and 2020 could have been subject to partial deferral, i.e. it could be paid out in the future reporting periods.

This is the first remuneration report drawn up based on requirements of the Act and thus no resolutions have been adopted by the General Meeting of Shareholders on the remuneration report of an advisory nature that could be included in this report.

4.1. Total remuneration of the Management Board and the Supervisory Board Members split out by component and the relative proportion of those components

The table below presents value of fixed remuneration components (in PLN thousand) paid out in 2019 to the Members of the Management Board of the Bank and its share in the total compensation (expressed as %).

	Base salary		Other benefits	
	value	share	value	share
Sławomir S. Sikora	2 391	46%	363	7%
Maciej Kropidłowski	1 733	41%	279	7%
David Mouillé	1 444	40%	554	15%
Barbara Sobala	867	59%	106	7%
James Foley - since 01.02.2019	1 018	75%	341	25%
Katarzyna Majewska	852	61%	104	7%
Natalia Bożek	867	74%	89	8%
<i>Former Management Board Members</i>				
Czesław Piasek - till 31.03.2018	0	0%	25	7%
Witold Zieliński - till 19.02.2018	0	0%	151	32%
Brendan Carney - till 22.06.2015	0	0%	0	0%
Iwona Dudzińska - till 31.07.2015	0	0%	4	7%
	9 172	47%	2 017	10%

The table below presents value of variable remuneration components in the form of cash awards (in PLN thousand) paid out in 2019 to the Members of the Management Board of the Bank and its share in the total compensation (expressed as %).

	Cash awards for:							
	2018		2017		2016		2015	
	value	share	value	share	value	share	value	share
Sławomir S. Sikora	445	9%	198	4%	331	6%	347	7%
Maciej Kropidłowski	560	13%	244	6%	148	4%	265	6%
David Mouillé	586	16%	139	4%	133	4%	53	1%
Barbara Sobala	166	11%	39	3%	39	3%	35	2%
Katarzyna Majewska	168	12%	39	3%	38	3%	0	0%
Natalia Bożek	152	13%	0	0%	0	0%	0	0%
<i>Former Management Board Members</i>								
Czesław Piasek - till 31.03.2018	55	14%	49	13%	48	13%	47	12%
Witold Zieliński - till 19.02.2018	27	6%	50	11%	53	11%	57	12%
Brendan Carney - till 22.06.2015	0	0%	0	0%	0	0%	71	52%
Iwona Dudzińska - till 31.07.2015	0	0%	0	0%	0	0%	30	50%
	2 159	11%	758	4%	791	4%	906	5%

The table below presents value of variable remuneration components in the form of share-based awards (in PLN thousand) paid out in 2019 to the Members of the Management Board of the Bank and its share in the total compensation (expressed as %).

	Share-based awards for:									
	2018		2017		2016		2015		change vs. value at grant date	
	value	share	value	share	value	share	value	share		
-										
Stawomir S. Sikora	0	0%	566	11%	267	5%	306	6%	-9%	
Maciej Kropidłowski	464	11%	173	4%	119	3%	233	6%	-16%	
David Mouillé	486	13%	98	3%	107	3%	46	1%	-17%	
Barbara Sobala	138	9%	27	2%	31	2%	31	2%	-16%	
Katarzyna Majewska	139	10%	28	2%	31	2%	0	0%	-18%	
Natalia Bożek	65	6%	0	0%	0	0%	0	0%	-17%	
<i>Former Management Board Members</i>										
Czesław Piasek	- till 31.03.2018	46	12%	35	9%	39	10%	42	11%	-15%
Witold Zieliński	- till 19.02.2018	0	0%	36	8%	43	9%	50	11%	-14%
Brendan Carney	- till 22.06.2015	0	0%	0	0%	0	0%	64	48%	-2%
Iwona Dudzińska	- till 31.07.2015	0	0%	0	0%	0	0%	27	44%	-2%
		1 338	7%	962	5%	637	3%	799	4%	-13%

The table below presents value of fixed remuneration components (in PLN thousand) paid out in 2020 to the Members of the Management Board of the Bank and its share in the total compensation (expressed as %).

	Base salary		Other benefits		
	value	share	value	share	
Stawomir S. Sikora	2 391	52%	321	7%	
Maciej Kropidłowski	1 733	45%	256	7%	
Dennis Hussey	- since 01.04.2020	1 083	40%	1 602	60%
Barbara Sobala	900	60%	110	7%	
James Foley	1 200	60%	237	12%	
Katarzyna Majewska	862	62%	105	8%	
Natalia Bożek	867	77%	86	8%	
<i>Former Management Board Members</i>					
David Mouille	- till 31.01.2020	120	5%	954	36%
Czesław Piasek	- till 31.03.2018	0	0%	12	7%
Witold Zieliński	- till 19.02.2018	0	0%	7	4%
		9 157	46%	3 689	18%

The table below presents value of variable remuneration components in the form of cash awards (in PLN thousand) paid out in 2020 to the Members of the Management Board of the Bank and its share in the total compensation (expressed as %).

	Cash awards for:								
	2019		2018		2017		2016		
	value	share	value	share	value	share	value	share	
Stawomir S. Sikora	470	10%	141	3%	204	4%	339	7%	
Maciej Kropidłowski	468	12%	295	8%	252	7%	152	4%	
Barbara Sobala	173	12%	39	3%	40	3%	40	3%	
James Foley	327	16%	0	0%	0	0%	0	0%	
Katarzyna Majewska	138	10%	39	3%	40	3%	39	3%	
Natalia Bożek	82	7%	18	2%	0	0%	0	0%	
<i>Former Management Board Members</i>									
David Mouille	- till 31.01.2020	526	20%	137	5%	143	5%	136	5%
Czesław Piasek	- till 31.03.2018	0	0%	13	7%	50	27%	50	26%
Witold Zieliński	- till 19.02.2018	0	0%	0	0%	52	30%	55	32%
		2 184	11%	682	3%	780	4%	810	4%

The table below presents value of variable remuneration components in the form of share-based awards (in PLN thousand) paid out in 2020 to the Members of the Management Board of the Bank and its share in the total compensation (expressed as %).

	Share-based awards for:										
	2019		2018		2017		2016		change vs. value at grant date		
	value	share	value	share	value	share	value	share			
-											
Stawomir S. Sikora	0	0%	369	8%	140	3%	201	4%		-25%	
Maciej Kropidłowski	332	9%	167	4%	127	3%	90	2%		-36%	
Barbara Sobala	123	8%	22	1%	20	1%	24	2%		-33%	
James Foley	232	12%	0	0%	0	0%	0	0%		-29%	
Katarzyna Majewska	98	7%	22	2%	20	1%	23	2%		-34%	
Natalia Bożek	59	5%	10	1%	0	0%	0	0%		-31%	
<i>Former Management Board Members</i>											
David Mouille	- till 31.01.2020	374	14%	77	3%	72	3%	81	3%		-34%
Czesław Piasek	- till 31.03.2018	0	0%	7	4%	25	14%	29	16%		-41%
Witold Zieliński	- till 19.02.2018	0	0%	0	0%	26	15%	32	19%		-40%
		1 219	6%	675	3%	432	2%	481	2%		-32%

In 2019 and 2020 remuneration of the Management Board Members did not cover cash or non-cash benefits granted to the benefit of relatives. Column "Other benefits" may cover value of the medical insurance for the family members.

The table below presents value of total compensation (in PLN thousand) paid out in 2019 to the Members of the Supervisory Board of the Bank split out by component and its relative proportion (expressed as % of total compensation).

	Remuneration for function in the Supervisory Board		Remuneration for participation in Supervisory Board committees		Return of social contributions	
	value	share	value	share	value	share
Andrzej Olechowski	192	48%	210	52%	0	0%
Igor Chalupec	12	35%	23	65%	0	0%
Stanisław Sołtysiński	96	44%	120	56%	0	0%
Shirish Apte	96	44%	120	56%	0	0%
Marek Kapuściński	96	34%	180	64%	7	3%
Anna Rulkiewicz - since 05.06.2019	47	68%	22	32%	0	0%
Barbara Smalska - since 05.06.2019	47	55%	39	45%	0	0%
<i>Former Supervisory Board Members</i>						
Marek Belka - till 04.06.2019	36	39%	56	61%	0	0%
Grzegorz Bielicki - till 04.06.2019	49	31%	107	69%	0	0%
	671	43%	877	56%	8	0%

In 2019 Members of the Supervisory Board were not granted variable remuneration. Other Supervisory Board Members did not receive remuneration in 2019.

The table below presents value of total compensation (in PLN thousand) paid out in 2020 to the Members of the Supervisory Board of the Bank split out by component and its relative proportion (expressed as % of total compensation).

	Remuneration for function in the Supervisory Board		Remuneration for participation in Supervisory Board committees		Return of social contributions	
	value	share	value	share	value	share
Andrzej Olechowski	192	48%	210	52%	0	0%
Igor Chalupec	96	34%	180	63%	9	3%
Stanisław Sołtysiński	96	44%	120	56%	0	0%
Shirish Apte	96	44%	120	56%	0	0%
Marek Kapuściński	96	34%	180	64%	3	1%
Anna Rulkiewicz	96	43%	120	54%	8	4%
Barbara Smalska	96	31%	210	69%	0	0%
	768	40%	1 140	59%	20	1%

In 2020 Members of the Supervisory Board were not granted variable remuneration. Other Supervisory Board Members did not receive remuneration in 2020.

In 2019 and 2020 remuneration of the Management Board Members did not cover cash or non-cash benefits granted to the benefit of relatives.

4.2. Total remuneration of the Management Board and the Supervisory Board Members vs. the adopted remuneration policy

The Bank differentiates the amount of fixed compensation of Management Board Members taking into account the relevant professional experience, requirements in terms of competencies and role in the management process, which allows for attracting and retain talented managers who support Bank's development and lead the Bank to success.

Variable remuneration, granted to the Management Board Members in 2019 and 2020, was determined in such a way that it promotes prudent management of the Bank, is based on financial and non-financial results and does not reward excessive risk in decision-making. The pool allocated for annual awards for the Management Board Members was subject to verification whether the Bank has a sound and strong capital base justifying the payment of variable remuneration at the proposed level, it does not limit the Bank's ability to increase its capital base and it is sustainable according to the financial standing of the Bank.

In order to align decisions regarding compensation of the Management Board Members with shareholder interest, effectively manage risk and reflect regulatory guidance part of variable remuneration:

- was granted in the form of phantom shares value of which is linked to the value of the Bank's shares on the Warsaw Stock Exchange, and
- was subject to deferral over 3 or 5 years, i.e. proportionate division into 3 or 5 tranches respectively with the possibility to acquire rights to a given tranche after each year of deferral; pay-out takes place no sooner than after a 6 or 12-month retention period from the moment of acquiring rights to a given deferred tranche.

The acquisition of rights to deferred variable remuneration in 2019 and 2020 was subject to verification, in particular, in terms of the Bank's financial condition and compliance by individual members of the Management Board with the standards concerning the guarantee of safe and prudent Bank management, i.e.:

- Head of HR confirmed information regarding employment and potential misconduct in connection with employment duties,
- Head of Finance confirmed information regarding financial standing of the Bank and financial standing,
- Head of Risk confirmed information regarding risk management processes.

For the avoidance of conflict of interest, for the Head of Finance and the Head of Risk the above mentioned information, which are within the scope of their responsibility, were confirmed by the President of the Management Board.

In 2019 and 2020 decisions regarding grant of variable remuneration and acquisition of rights to deferred variable remuneration for previous years were made by the Supervisory Board of the Bank based on recommendations and opinions of the Nomination and Remuneration Committee of the Supervisory Board, dictated by cautious and stable risk, capital and liquidity management, and paying special attention to long-term interests of the Bank, the interest of the Bank's shareholders and investors.

For the avoidance of conflict of interest, in 2019 and 2020 no variable compensation (subject to performance) was granted to the Supervisory Board Members.

4.3. Application of the performance criteria in the remuneration of the Management Board and the Supervisory Board Members

The results are verified prior granting variable remuneration (ex-ante) as well as at the stage of making decisions regarding vesting of deferred variable remuneration (ex-post).

In 2019 and 2020 the Bank applied the following ex-ante risk adjustment criteria:

Performance criteria applicable to determine the pool allocated for annual awards for the Management Board Members granted in 2019 and 2020 were described under point 2) of this report.

Variable remuneration was granted to the Management Board Members, on a discretionary basis, taking into account quantitative and qualitative criteria, such as risk and compliance behavior, to reflect Management Board Members' performance and reduce incentives to take risks beyond the general risk appetite determined by the Bank.

Value of the granted variable remuneration depends on the individual performance and the financial results of the Bank or specific organizational unit. The performance assessment is based on the data from three financial years, which takes into account the business cycle of the Bank and risk of its economic activities. In case of individuals employed for less 3 years performance assessment covers the timeframe from establishing work relationship.

In 2019 and 2020 the Bank applied the following ex-post risk adjustment criteria:

Vesting of variable remuneration and its pay-out were subject to meeting criteria at the individual level and to the financial standing of the Bank.

The amount of deferred portion of the award to be paid out may have been decreased or completely reduced based on decision of Supervisory Board if:

- standards concerning the guarantee of safe and prudent Bank management have not been met which is verified by determination if:
 - the Management Board Members engaged in gross misconduct in connection with his/her employment duties, in particular participated in or was responsible for conduct which resulted in significant losses to the Bank; or
 - the Management Board Members knowingly engaged in providing materially inaccurate information to the financial statements of the Bank; or
 - the Bank suffered a material failure of risk management; or
 - the Management Board Members materially violate any risk limits.
- In a situation set forth in Art. 142 sec. 1 of the Banking Law, or
- In case the Management Board Members received the Variable Remuneration based on materially inaccurate financial statements, or
- In case the Bank has suffered a material downturn in its financial performance; or
- In case of balance sheet loss, threat of insolvency or loss of liquidity by the Bank.

The acquisition of the right to each tranche of deferred variable remuneration depended on the Bank's results in the calendar year directly preceding the date of awarding of the right to given tranche ("Year Concerning the Results").

If the Bank would suffer a loss calculated as a loss before tax for the Year Concerning the Results, then the tranche of the deferred variable remuneration in phantom shares, to which the right may have been earned during the calendar year following the end of the Year Concerning the Results, would be reduced (but not below zero) by a percentage defined as:

- (i) the absolute value of the loss before tax suffered by the Bank in the given Year Concerning the Results, divided by
- (ii) the absolute value of the highest profit before tax made by the Bank in the period covering three calendar years before the proper Year Concerning the Results. Irrespective of the

above, if the Bank would suffer any loss calculated as the loss before tax for the Year Concerning the Results, the minimum percentage reduction of 20% would be applied.

The amount of profit (or loss) before tax for each adequate Year Concerning the Results will be the total value of profit (loss) before income tax for the current operations of the Bank. The results for 2019 and 2020 were defined on a basis of the local IFRS statements, covering the audited results for the first three quarters (in accordance with the report to WSE and adequate public authorities), and the last quarter of the year consisted of the actual results for the first two months of this quarter and the estimates for the last month. The estimates were defined by the Financial Department of the Bank and they were final and binding regardless of the actual final results.

If the absolute value of the loss before tax suffered by the Bank for the Year Concerning the Results would equal or exceed the total value of the highest profit before tax in the Group's calendar year in the Measurement Period, then the Management Board Members would have not earned the rights to the given tranche.

In 2019 and 2020 there were no reductions of variable remuneration within the correction connected with the results in reference to any of the Management Board Members.

In accordance with the Policy, in 2019 and 202 the Supervisory Board Members were granted only fixed remuneration, the value of which is subject to Bank's performance. No variable remuneration was granted, therefore no performance criteria were applied in reference to remuneration of the Supervisory Board Members.

4.4. Change of remuneration of the Management Board and the Supervisory Board Members, of the performance of the company and of average remuneration of employees other than the Management Board and the Supervisory Board Members over at least the five most recent financial years

The table below presents a summary of changes, since 2015 till 2020, of remuneration of the Management Board and the Supervisory Board Members holding their functions in 2019 or in 2020, of the performance of the Bank and of average remuneration of employees other than the Management Board and the Supervisory Board Members.

		2015	2016	2017	2018	2019	2020
Change of remuneration of the Management Board Members							
Sławomir S. Sikora		23%	-16%	-13%	14%	-2%	-12%
Maciej Kropidłowski	- since 19.03.2014	198%	-8%	27%	1%	9%	-8%
James Foley	- till 01.02.2019	n/a	n/a	n/a	n/a	n/a*	47%
Barbara Sobala		10%	2%	5%	2%	4%	1%
Katarzyna Majewska	- since 11.01.2016	n/a	n/a*	-2%	7%	10%	-1%
Natalia Bożek	- since 21.03.2018	n/a	n/a	n/a	n/a*	75%	-4%
<i>Former Management Board Members</i>							
David Mouillé	- since 01.07.2015 till 31.01.2020	n/a*	105%	25%	11%	0%	-28%
Czesław Piasek	- since 20.05.2014 till 31.03.2018	83%	-3%	5%	-43%	-62%	-52%
Witold Zieliński	- till 19.02.2018	4%	1%	-4%	-20%	-67%	-63%
Brendan Carney	- till 22.06.2015	-9%	-67%	-39%	-30%	-63%	n/a**
Iwona Dudzińska	- till 31.07.2015	-24%	-61%	-67%	-5%	-62%	n/a**
Misbah Ur-Rahman-Shah	- till 18.03.2014	-38%	-55%	-26%	n/a**	n/a	n/a
Robert Daniel Massey JR	- till 19.06.2013	-40%	-45%	-70%	n/a**	n/a	n/a
Sonia Wędrychowicz-Horbatowska	- till 13.05.2012	-40%	-37%	n/a**	n/a	n/a	n/a
Change of remuneration of the Supervisory Board Members							
Andrzej Olechowski		19%	0%	0%	0%	0%	0%
Igor Chalupiec		14%	0%	0%	-1%	-87%	700%
Stanisław Sołtysiński		14%	0%	0%	0%	0%	0%
Shirish Apte		n/a*	-3%	-2%	-10%	0%	0%
Marek Kapuściński	- sine 22.09.2016	n/a	n/a*	461%	20%	3%	-1%
Anna Rulkiewicz	- till 22.06.2017 and since 05.06.2019	32%	0%	-44%	n/a**	n/a*	225%
Barbara Smalska	- since 05.06.2019	n/a	n/a	n/a	n/a	n/a*	258%
<i>Former Supervisory Board Members</i>							
Grzegorz Bielicki	- since 06.12.2017 till 04.06.2019	n/a	n/a	n/a	n/a*	-46%	n/a**
Marek Belka	- since 22.06.2017 till 04.06.2019	n/a	n/a	n/a*	273%	-63%	n/a**
Mirosław Gryszka	- till 05.12.2017	22%	0%	-10%	-94%	n/a**	n/a
Dariusz Mioduski	- till 30.06.2016	48%	-42%	n/a**	n/a	n/a	n/a
Change of average remuneration of other employees		0%	7%	-12%	20%	6%	5%
Change of performance of the Bank		-36%	-3%	-11%	22%	-27%	-67%

Explanations and comments to the table:

- 1) Data indicated for a given year refer to the change in value between the year for which the data are presented and the preceding year.
- 2) For 2015-2018 calculation of changes of remuneration of members of the Management Board and Supervisory Board of the Bank was carried out on the basis of data consistent with the values indicated in the reports on the Bank's activities for the relevant years. The calculation of changes of the average remuneration of other employees was carried out on the basis of the income earned by these employees in a given year and the total number of FTEs; remuneration of members of the Management Board and of the Supervisory Board are shown on individual basis only.
- 3) Calculation of changes of the Bank's results was carried out based on the Bank's net result for the relevant years.
- 4) Individual data does not cover those individuals, who currently hold functions in the Bank but in years covered by the analysis had no remuneration from the Bank.
- 5) Payments to former members of the Management Board made after the termination of the contract are related to the payments of tranches of deferred variable remuneration in the form of cash and in the form of phantom shares
- 6) „*” means the first year of holding function in the Bank; for individuals not holding function for the whole year the % change of remuneration is largely driven by to the fact that in the following year the salary was paid for the entire year of holding the function

- 7) „***” mans the first year in which the Management Board or the Supervisory Board Member, after termination of his/her function, did not receive remuneration.

4.5. Remuneration of the Management Board and the Supervisory Board Members from entities belonging to the same capital group

Members of the Management Board of the Bank supervising Bank's subsidiaries did not receive remuneration for their services in 2019 and 2020.

Members of the Supervisory Board of the Bank did not hold functions in management or supervisory bodies of the Bank's subsidiaries and thus did not receive remuneration from those entities in 2019 and 2020.

4.6. Remuneration of the Management Board and the Supervisory Board Members in the form of financial instruments

The Management Board Members are granted variable remuneration in the form of phantom shares.

Phantom shares are financial instruments value of which is linked to the value of the Bank's shares; they are not actual shares of the Bank, are not redeemable for actual shares of the Bank, and are not entitled to vote or to receive dividends or other distributions from the Bank to which holders of actual shares of the Bank may be entitled to receive; they do not represent an ownership interest of any kind in the Bank or any other entity nor in any assets; they have no independent value, they only stand as a measure of the cash value of Variable Remuneration by reference to the market price of the Bank's Shares.

On the settlement date, the Management Board Member is paid the amount of cash which is the product of the number of phantom shares vested and the mean average of the high and low price of the Bank's Shares on the Warsaw Stock Exchange on the maturity date (end of Retention Period). Each time, vesting of the award is confirmed by a decision of the Supervisory Board. During the deferral period and retention period, Management Board Members are entitled to dividend equivalent payments in respect of any dividends that are declared and paid to holders of ordinary Bank's shares.

The table presents information on phantom shares granted (including those granted conditionally) in 2019 (for 2018) to the Management Board Members which may be paid out in 2019-2025.

	Number of phantom units	Grant date	Grant price	
Sławomir S. Sikora	16 088,42	14.01.2019	69,10	
Maciej Kropidłowski	20 260,50	14.01.2019	69,10	
David Mouillé	14 130,43	14.01.2019	69,10	
Barbara Sobala	4 000,72	14.01.2019	69,10	
Katarzyna Majewska	4 052,10	14.01.2019	69,10	
Natalia Bożek	1 905,04	14.01.2019	69,10	
<i>Former Management Board Members</i>				
Czesław Piasek	- till 31.03.2018	1 327,63	14.01.2019	69,10

Shares presented in the table above, only the part paid out in 2019, are included in point 1) of this report in the table presenting share-based awards paid out in 2019. The remaining shares may be paid in subsequent reporting periods.

The table presents information on phantom shares granted (including those granted conditionally) in 2020 (for 2019) to the Management Board Members which may be paid out in 2020-2026.

	Number of phantom units	Grant date	Grant price
Sławomir S. Sikora	22 355,40	14.01.2020	52,56
Maciej Kropidłowski	22 238,90	14.01.2020	52,56
Barbara Sobala	5 499,61	14.01.2020	52,56
Katarzyna Majewska	4 366,44	14.01.2020	52,56
Natalia Bożek	2 610,62	14.01.2020	52,56
James Foley	10 358,95	14.01.2020	52,56
<i>Former Management Board Members</i>			
David Mouillé - till 31.01.2020	16 689,12	14.01.2020	52,56

Shares presented in the table above, only the part paid out in 2020, are included in point 1) of this report in the table presenting share-based awards paid out in 2020. The remaining shares may be paid in subsequent reporting periods.

In 2019 and 2020 the Supervisory Board Members were not granted remuneration in the form of financial instruments.

4.7. Information on the use of the possibility to reclaim variable remuneration

The Remuneration policy for Members of the Management Board and Members of the Supervisory Board of Bank Handlowy w Warszawie S.A. does not provide for the possibility to reclaim variable remuneration.

According to this Policy, amount of deferred portion of the award to be paid out to the Management Board Members may be decreased or completely reduced based on decision of Supervisory Board with application of ex-post risk adjustment criteria described under point 3) of this report. In 2019 and 2020 there were no reductions of variable remuneration within the correction connected with the results in reference to any of the Management Board Members.

In 2019 and 2020 the Supervisory Board Members were not granted variable remuneration.

4.8. Information on any deviations from the procedure for the implementation of the Policy and from applying the Policy

The Remuneration policy for Members of the Management Board and Members of the Supervisory Board of Bank Handlowy w Warszawie S.A. was approved by the Supervisory Board after considering opinion of the Nomination and Remuneration Committee of the Supervisory Board, and afterwards it was adopted by way of resolution of the General Meeting of Shareholders dated June 4, 2020. By end of 2020 there were no changes (in particular no material changes), which would require to be incorporated into the Policy.

Remuneration of the Management Board and Supervisory Board Members were granted and paid out in accordance with the Policy.

Since the adoption of the Policy on June 4, 2020, there have been no deviations from the Policy implementation procedure or its application.

5. THE ASSESSMENT OF FUNCTIONING OF REMUNERATION POLICY AT BANK HANDLOWY W WARSZAWIE S.A.

Supervisory Board is required to assess the functioning of the remuneration policy at Bank Handlowy w Warszawie S.A based on §28 point 3 of the Principles of Corporate Governance for Supervised Institutions of the Polish Financial Supervisory Authority, dated 22 July 2014, binding as of 1 January 2015.

In 2020 remuneration-related issues in Bank Handlowy w Warszawie S.A. (the "Bank") were governed by:

- the Remuneration policy for Members of the Management Board and Members of the Supervisory Board of Bank Handlowy w Warszawie S.A. ("Remuneration policy for Management Board and Supervisory Board Members") adopted by way of resolution of the General Meeting of Shareholders dated June 4, 2020,
 - the Remuneration policy for employees of Bank Handlowy w Warszawie S.A. ("Remuneration policy for employees of the Bank") dated 22 December 2017 with subsequent amendments and
 - the Remuneration policy for persons whose professional activities have a material impact on the risk profile of Bank Handlowy w Warszawie S.A. ("Remuneration policy for Identified Staff") dated 22 December 2017 with subsequent amendments,
- jointly referred to as "Remuneration Policy".

Remuneration policy for Management Board and Supervisory Board Members implements provisions regarding shaping of the rules of remuneration set forth in amendment to the Act of 29 July 2005 on public offering, conditions governing the introduction of financial instruments to organized trading, and on public companies dated October 16, 2019. It sets out the principles for remunerating Members of the Management Board and Members of the Supervisory Board of the Bank, contributing to implementation of the strategy of the Bank, effective risk management, it's long-term interest and stability.

Remuneration policy for employees of the Bank implements requirements regarding structuring of the remuneration principles in banks provided for in the provisions of law, the Rules of Corporate Governance for Supervised Institutions adopted by the Polish Financial Supervision Authority ("Rules of Corporate Governance"), the Code of Best Practice for WSE Listed Companies 2016, recommendations of the Polish Financial Supervision Authority covering banking sector and takes into account Guidelines of the European Banking Authority on sound remuneration policies under Articles 74(3) and 75(2) of Directive 2013/36/EU and disclosures under Article 450 of Regulation (EU) No 575/2013, Guidelines of the European Banking Authority on remuneration policies and practices related to the sale and provision of retail banking products and services, Guidelines of European Securities and Markets Authority on remuneration policies and practices (MiFID). It covers remuneration procedures and rules in the Bank and sets out the principles for remunerating other employees of the Bank, including in particular Key Persons, persons whose professional activities have a material impact on the risk profile of the Bank, employees involved in selling Bank's products and services and persons employed in control functions.

Remuneration policy for Identified Staff implements the provisions regarding the shaping of the rules of remuneration set forth in the Act of 29 August 1997 Banking Law, in the Regulation of the Minister of Development and Finance of March 6, 2017 on the Risk Management System and the System of Internal Control, Remuneration Policy and Detailed Method of Estimating Internal Capital in banks and takes into account the Guidelines of the European Banking Authority on sound remuneration policies under Articles 74(3) and 75(2) of Directive 2013/36/EU and disclosures under Article 450 of Regulation (EU) No 575/2013. It covers persons whose professional activities have a material impact on the risk profile of the Bank and specifies the rules of remunerating this category of staff provided for in the Remuneration policy for employees of the Bank.

The assessment of the functioning of the Remuneration Policy is as follows:

- 1) According to the requirements the Remuneration Policy covers all employees of the Bank and defines population of Key Persons indicated in the Rules of Corporate Governance.

- 2) The Remuneration Policy properly sets out general principles for persons whom it covers, including Key Persons, in terms of the form, structure and manner of determination of their remuneration.
- 3) The Bank's implementation of the Remuneration Policy and the governance of the Remuneration Policy ensure that the structure of remuneration of persons whom it covers, including the Key Persons, helps to bring about long-term stability of the Bank and is aligned with the Bank's strategy, objectives, values and long-term interests, such as, in particular, sustainable growth of the Bank, and is also aimed at eliminating the potential negative impact of the remuneration systems on the proper risk management.
- 4) The Bank implemented all the guidelines relating to the construe of the fixed remuneration provided in the Remuneration Policy in a proper way. In particular Bank differentiates level of fixed remuneration of persons covered by the Remuneration Policy, including Key Persons, primarily based on professional experience, required competences and the role in the management process in the Bank.
- 5) The Bank ensures the appropriate level of remuneration of internal audit and compliance unit employees, intended to ensure hiring and retaining highly qualified and experienced specialists at those organizational units. The compensation level of Internal Audit and Compliance employees was a subject of the review of Audit Committee and got its positive opinion.
- 6) Though the Remuneration Policy the Bank promotes sound and effective risk management and does not encourage risk-taking that would exceed the tolerated risk level. To this effect, remuneration schemes which are based on financial and non-financial results do not reward excessive risk in decision-making. In particular, the remuneration of the members of the Management Board is determined in such a way that it promotes prudent management of the Bank, is based on financial and non-financial results, and does not reward failure.
- 7) In the process of setting and approving the pool allocated for annual awards and awards from motivational fund for 2020 for Bank's employees, including the Key Persons, the Bank made a proper verification whether, the Bank has a sound and strong capital base, that justifies the grant of variable remuneration at the proposed level and it does not limit the Bank's ability to increase its capital base and if it is sustainable according to the financial standing of the Bank
- 8) Detailed rules on variable remuneration awarded to the employees whose professional activities have a material impact on the risk profile of the Bank ("Identified Staff"), including the Key Persons, are provided in the Remuneration policy for Identified Staff. Those rules have been properly applied to granting variable remuneration to Identified Staff, including the Key Persons in January 2021 (awards for 2020 Performance Year), i.e.:
 - a) The role of the Nomination and Remuneration Committee of the Supervisory Board established in the Bank is to provide recommendations and opinions on the levels and conditions of variable remuneration of employees covered by the Remuneration policy for Identified Staff. It gives its opinion on the changes to the Remuneration policy for Identified Staff, including the amounts and components of remuneration, taking into account a cautious and stable risk, capital and liquidity management, and paying special attention to long-term interests of the Bank, the interest of the Bank's shareholders and investors. In 2020 there were five meetings of the Nomination and Remuneration Committee of the Supervisory Board.
 - b) The level of the variable remuneration for 2020 was based on the assessment of the financial and non-financial criteria, including the cost of the Bank's risk, the cost of capital,

and liquidity risk in the long-term perspective. The variable remuneration set out in such a way was granted to Key Persons on January 11, 2021. Immediate cash award is paid out no later than in the month subsequent to the month in which it has been granted. Short-term phantom share awards is subject to 6 or 12 months retention period and is paid out after retention period ends. Deferred variable remuneration is divided into three or five tranches, which may vest respectively in years 2021-2024 or in years 2022-2026. Tranches of deferred cash award and of long-term phantom award (provided it have vested) are paid out after 6 or 12 months retention period ends.

- c) In 2020 there were no reductions nor decision on forfeiture of deferred variable remuneration granted conditionally under Remuneration policy for Identified Staff was made within the correction connected with the results or in accordance with the provisions of this policy regarding the termination of employment contracts.
- 9) In 2020 the Bank properly analyzed the roles and the responsibilities of its employees in relation to the key manageable risks in the Bank as well as quantitative and qualitative criteria described in Commission Delegated Regulation (EU) No 604/2014 of 4 March 2014 supplementing Directive 2013/36/EU of the European Parliament and of the Council with regard to regulatory technical standards with respect to qualitative and appropriate quantitative criteria to identify categories of staff whose professional activities have a material impact on an institution's risk profile and on this basis set the list of employees, who has a material impact on the risk profile of the Bank and therefore should be the subject to the provisions of the Remuneration Policy for Identified Staff. In 2020 the list of the employees covered by the Remuneration Policy for Identified Staff covered 85 people.
- 10) The Remuneration Policy adopted by the Bank sets the proper remuneration rules for employees involved in selling Bank's products and services that encourage them to act honestly, fairly, transparently and professionally, taking account of the rights and interests of all of the Bank's clients, in the short, mid and long term.

The Supervisory Board positively assesses the functioning of the Remuneration Policy applied in the Bank.

6. ASSESSMENT OF ACTIVITIES OF THE SUPERVISORY BOARD

6.1. Corporate Governance

As part of the implementation for application, in 2014 by the Management Board and Supervisory Board of the Bank and, next, in 2015 by the General Meeting of Shareholders, of the document Principles of Corporate Governance for Supervised Institutions, issued by the Polish Financial Supervision Authority (KNF), the Supervisory Board read, at its meeting on 24-25 March 2020 the "2020 Report – Assessment of Application of the Principles of Corporate Governance for Supervised Institutions issued by the Polish Financial Supervision Authority at Bank Handlowy w Warszawie S.A.", prepared by the Compliance Department and including an independent assessment of application of the "Principles of Corporate Governance for Supervised Institutions".

On the basis of the above Report of the Compliance Department containing an independent assessment of the application of the "Principles of Corporate Governance for Supervised Institutions" and taking into consideration a positive recommendation issued by the Audit Committee of the Supervisory Board, the Supervisory Board assessed independently and found that in 2020 the Bank applied the rules resulting from the Principles of Corporate Governance for Supervised Institutions, with the exception of those principles that the Bank decided not to apply. The resolution was adopted unanimously.

The Bank sustained its decision not to apply three principles:

- 1) Article 11.2 (transactions with related parties) – this principle shall not be used with respect to contracts tied to day-to-day operations, in particular to contracts tied to liquidity, due to the nature of transactions and the number of contracts being concluded.
- 2) Article 8.4 (electronic General Meeting) – currently available IT solutions do not guarantee a secure and efficient electronic form of holding a General Meeting. However, the Management Board does see the importance of such form of shareholders' participation in the Bank's General Meeting, and therefore a separate decision on that matter shall be made before each General Meeting.
- 3) Article 16.1 (meetings of the Management Board of the Bank held in the Polish language) – meetings of the Management Board attended by foreigners, and especially foreigners who are members of the Management Board and do not speak Polish, are held in the English language. Simultaneously, motions submitted to the Management Board, all materials and minutes of meetings are drafted and kept in Polish.

6.2. Settlements between the Bank and Citigroup

In the reporting period, the Supervisory Board's business included issues related to the outsourcing of actual operation in the area of banking outsourcing. Such supervision covered payments resulting from agreements for the provision of operational support, production support and IT application development services to the Bank.

6.3. Amendments to the Articles of Association and the Regulations of the Bank

On September 24, 2020, the Supervisory Board amended the Regulations of the Nomination and Remuneration Committee to specify in more details that the autonomy of a member of the Nomination and Remuneration Committee is assessed in accordance with the Principles of Corporate Governance for Supervised Institutions adopted by the Polish Financial Supervision Authority.

6.4. Miscellaneous

As part of its authority, the Supervisory Board considered reports from the Audit Department for the consecutive reporting periods and the reports from the Team of Supervisors concerning the operation of the Bank's system for the supervision of custody business compliance. In addition, the Supervisory Board handled the issues concerning the acquisition of the right to Deferred Variable Remuneration for the members of the Management Board of the Bank, examined reports of the Management Board of the Bank concerning the implementation of the bancassurance policy, and the report concerning the level of the retail credit risk run by the Bank (unsecured and mortgage secured).

By resolution no. 1/VII/O/2020 of July 18, 2020, the Supervisory Board approved the "Stand-Alone Recovery Plan for Bank Handlowy w Warszawie S.A." and the "Group Recovery Plan for the Capital Group of Bank Handlowy w Warszawie S.A."

At the meeting on September 24, 2020, the Supervisory Board approved the "Qualification Assessment Policy for Members of the Management Board and Key Officers of Bank Handlowy w Warszawie S.A." The Supervisory Board also adopted a resolution concerning the independent assessment of compliance of the Internal Audit function's activities with standards of the International Institute of Internal Auditors and with Recommendation H conducted by Ernst & Young spółka z ograniczoną odpowiedzialnością Business Advisory spółka komandytowa.

On November 4, 2020, the Supervisory Board considered the motion of the Management Board for convening the Extraordinary General Meeting of the Bank on December 2, 2020.

At the next meeting held on December 4, 2020, the Supervisory Board approved amendments to the "Remuneration Policy for Persons whose Professional Activity Significantly Influences the Risk Profile of Bank Handlowy w Warszawie S.A." and also approved the Audit Plan for 2021. As the next item on the agenda, the Supervisory Board was presented the preliminary Financial Plan of the Bank for 2021.

On January 19, 2021, the Supervisory Board confirmed that, as part of its powers, it would exercise proper supervision over implementation of the recommendation of KNF to refrain from paying out dividend in H1 2021 (including also retained profit from previous years) and refrain from taking other actions falling outside the scope of ongoing business and operating activity in H1 2021 if they could result in the reduction of the capital base, including repurchase of own shares, without prior consultation with the supervision authority.

At the meeting held on March 24-25, 2021, the Supervisory Board acknowledged the information concerning assessment of effectiveness and adequacy of the risk management system, taking into account the implementation of selected risk management policies.

After that, the Supervisory Board accepted the overall acceptable risk level (overall risk appetite) for 2021 and changes in the document "Rules of prudent and stable management of risk at Bank Handlowy w Warszawie S.A. Group". Moreover, the Supervisory Board had acknowledged the report on the implementation of the "Internal Audit Department Strategy in 2020". The Supervisory Board also adopted a resolution concerning the assessment of application by the Bank of the rules set out in the document "Principles of Corporate Governance for Supervised Institutions" issued by the Polish Financial Supervision Authority and was presented information on the final Financial Plan for the Bank's Group on a consolidated basis for 2021. Furthermore, the Supervisory Board approved the annual "Report on Performance of Compliance Activities and on Management of Non-compliance Risk at Bank Handlowy w Warszawie S.A. in 2020" and the "Annual Plan of the Bank's Operations Compliance in 2021".

7. ASSESSMENT OF THE FINANCIAL STATEMENTS OF THE BANK

At the meeting held on March 24, 2021, the Bank's Supervisory Board, acting in accordance with the provisions of Article 382.3 of the Code of Commercial Companies and in accordance with the provisions of Article 70.1(14) and Article 71.1(12) of the Regulation of the Finance Minister of March 29, 2018 regarding current and periodic information provided by issuers of securities and the conditions for recognizing the information required by legal regulations of a non-member state as equivalent, assessed positively:

- 1) annual consolidated financial statements of the Capital Group of Bank Handlowy w Warszawie S.A. for the financial year ending 31 December 2020,
- 2) annual stand-alone financial statements of Bank Handlowy w Warszawie S.A. for the financial year ending 31 December 2020,
- 3) report of the Management Board of Bank Handlowy w Warszawie S.A. on the activity of the Capital Group of Bank Handlowy w Warszawie S.A. in 2020 prepared together with the report of the Management Board of Bank Handlowy w Warszawie S.A. on the activity of Bank Handlowy w Warszawie S.A. together with the Non-Financial Report of Bank Handlowy w Warszawie S.A. and the Capital Group of Bank Handlowy w Warszawie S.A. for the financial year ending 31 December 2020

with respect to their compliance with accounting records, documents and the actual status.

The assessment of the Supervisory Board was made on the basis of contents of financial accounts presented by the Management Board of Bank Handlowy w Warszawie S.A., statutory auditor's reports from the audit of stand-alone financial statements and consolidated financial statements, and recommendations of the Audit Committee of the Supervisory Board.

The financial statements were audited by an audit firm KPMG Audyt Spółka z ograniczoną odpowiedzialnością spółka komandytowa with its registered office in Warsaw. In the statutory auditor's opinion, both stand-alone financial statements and consolidated financial statements of Bank Handlowy w Warszawie S.A. and of Bank Handlowy w Warszawie S.A. Capital Group, present a fair and clear view of the economic and financial situation as of 31 December 2020, financial performance, and cash flows for the financial year ended that day and they were prepared in accordance with International Financial Reporting Standards adopted by the European Union and in accordance with the adopted accounting principles (policy). In addition, stand-alone financial statements and consolidated financial statements

comply, in all material aspects, as to their form and content, with applicable legal provisions and with the Articles of Association of Bank Handlowy w Warszawie S.A.

In the statutory auditor's opinion, also the Report of the Management Board of Bank Handlowy w Warszawie S.A. on the Activity of Bank Handlowy w Warszawie S.A. Capital Group in 2020 prepared together with the Report of the Management Board of Bank Handlowy w Warszawie S.A. on the Activity of Bank Handlowy w Warszawie S.A., was prepared in all material aspects in accordance with legal provisions and it complies with the information contained in the consolidated financial statements.

On January 19, 2021, the Management Board of Bank Handlowy w Warszawie S.A. adopted a resolution to corroborate the adoption for implementation, in the scope resulting from the competence of the Management Board of the Bank, of the recommendation from the Polish Financial Supervision Authority contained in the letter of January 13, 2021. In the letter, KNF recommends that the Bank refrain from paying out dividend in H1 2021 (including also retained profit from previous years) and refrain from taking other actions falling outside the scope of ongoing business and operating activity in H1 2021 if they could result in the reduction of the capital base, including repurchase of own shares, without prior consultation with the supervision authority.

On January 19, 2021, in reference to the above-mentioned resolution of the Management Board of the Bank, the Supervisory Board corroborates that as part of its competence it will exercise the due oversight of the implementation of the said recommendation.

Taking the above into consideration, the Supervisory Board finds that in the reporting period it accomplished its goals, assigned to it under applicable laws and regulations.

This report was examined and accepted by way of resolution on May 20, 2021 in order to submit it to the Annual General Meeting of Shareholders of the Bank.

*Draft Resolution to Item 5, Sub-point 6) of the
Agenda of the Ordinary General Meeting held on
17 June 2021*

**RESOLUTION No 15/2021
of the Ordinary General Meeting
of the Bank Handlowy w Warszawie Spółka Akcyjna
of 17 June 2021**

**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 2019-2020**

Pursuant to Art. 395 § 2(1) of the Commercial Companies Code and 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 gives its positive 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 2019-2020.

__ For	__ Against	__ Abstaining	__ At the proxy's discretion
	__ Objection filed		
Number of shares: _____	Number of shares: _____	Number of shares: _____	Number of shares: _____
Comments:			

*Draft Resolutions to Item 5, Sub-point 7) of the
Agenda of the Ordinary General Meeting held on
17 June 2021*

**RESOLUTION No 16/2021
of the Ordinary General Meeting
of the Bank Handlowy w Warszawie Spółka Akcyjna
of 17 June 2021**

**on granting of approval of the performance by the member of the Bank's Supervisory Board
of duties in 2020**

Pursuant to Art. 395 § 2 point 3) of the Commercial Companies Code and § 9, Section 1, Item 3 of the Bank's Articles of Association, the Ordinary General Meeting resolved to grant the approval of the performance of duties in 2020 by the Chairman of the Supervisory Board of the Bank Handlowy w Warszawie S.A. - Andrzej Olechowski.

__ For	__ Against	__ Abstaining	__ At the proxy's discretion
	__ Objection filed		
Number of shares: _____	Number of shares: _____	Number of shares: _____	Number of shares: _____
Comments:			

RESOLUTION No 17/2021
of the Ordinary General Meeting
of the Bank Handlowy w Warszawie Spółka Akcyjna
of 17 June 2021

on granting of approval of the performance by the member of the Bank's Supervisory Board of duties in 2020

Pursuant to Art. 395 § 2 point 3) of the Commercial Companies Code and § 9, Section 1, Item 3 of the Bank's Articles of Association, the Ordinary General Meeting resolved to grant the approval of the performance of duties in 2020 by the Vice Chairman of the Supervisory Board of the Bank Handlowy w Warszawie S.A. - Frank Mannion.

__ For	__ Against	__ Abstaining	__ At the proxy's discretion
	__ Objection filed		
Number of shares: _____	Number of shares: _____	Number of shares: _____	Number of shares: _____
Comments:			

RESOLUTION No 18/2021
of the Ordinary General Meeting
of the Bank Handlowy w Warszawie Spółka Akcyjna
of 17 June 2021

on granting of approval of the performance by the member of the Bank's Supervisory Board of duties in 2020

Pursuant to Art. 395 § 2 point 3) of the Commercial Companies Code and § 9, Section 1, Item 3 of the Bank's Articles of Association, the Ordinary General Meeting resolved to grant the approval of the performance of duties in 2020 by the Member of the Supervisory Board of the Bank Handlowy w Warszawie S.A. – Kristine Braden.

__ For	__ Against	__ Abstaining	__ At the proxy's discretion
	__ Objection filed		
Number of shares: _____	Number of shares: _____	Number of shares: _____	Number of shares: _____
Comments:			

RESOLUTION No 19/2021
of the Ordinary General Meeting
of the Bank Handlowy w Warszawie Spółka Akcyjna
of 17 June 2021

on granting of approval of the performance by the member of the Bank's Supervisory Board of duties in 2020

Pursuant to Art. 395 § 2 point 3) of the Commercial Companies Code and § 9, Section 1, Item 3 of the Bank's Articles of Association, the Ordinary General Meeting resolved to grant the approval of the performance of duties in 2020 by the Member of the Supervisory Board of the Bank Handlowy w Warszawie S.A. – Igor Chalupec.

__ For	__ Against	__ Abstaining	__ At the proxy's discretion
	__ Objection filed		
Number of shares: _____	Number of shares: _____	Number of shares: _____	Number of shares: _____
Comments:			

RESOLUTION No 20/2021
of the Ordinary General Meeting
of the Bank Handlowy w Warszawie Spółka Akcyjna
of 17 June 2021

on granting of approval of the performance by the member of the Bank's Supervisory Board of duties in 2020

Pursuant to Art. 395 § 2 point 3) of the Commercial Companies Code and § 9, Section 1, Item 3 of the Bank's Articles of Association, the Ordinary General Meeting resolved to grant the approval of the performance of duties in 2020 by the Member of the Supervisory Board of the Bank Handlowy w Warszawie S.A. – Jenny Grey.

__ For	__ Against	__ Abstaining	__ At the proxy's discretion
	__ Objection filed		
Number of shares: _____	Number of shares: _____	Number of shares: _____	Number of shares: _____
Comments:			

RESOLUTION No 21/2021
of the Ordinary General Meeting
of the Bank Handlowy w Warszawie Spółka Akcyjna
of 17 June 2021

on granting of approval of the performance by the member of the Bank's Supervisory Board of duties in 2020

Pursuant to Art. 395 § 2 point 3) of the Commercial Companies Code and § 9, Section 1, Item 3 of the Bank's Articles of Association, the Ordinary General Meeting resolved to grant the approval of the performance of duties in 2020 by the Member of the Supervisory Board of the Bank Handlowy w Warszawie S.A. – Marek Kapuściński.

__ For	__ Against	__ Abstaining	__ At the proxy's discretion
	__ Objection filed		
Number of shares: _____	Number of shares: _____	Number of shares: _____	Number of shares: _____
Comments:			

RESOLUTION No 22/2021
of the Ordinary General Meeting
of the Bank Handlowy w Warszawie Spółka Akcyjna
of 17 June 2021

on granting of approval of the performance by the member of the Bank's Supervisory Board of duties in 2020

Pursuant to Art. 395 § 2 point 3) of the Commercial Companies Code and § 9, Section 1, Item 3 of the Bank's Articles of Association, the Ordinary General Meeting resolved to grant the approval of the performance of duties in 2020 by the Member of the Supervisory Board of the Bank Handlowy w Warszawie S.A. – Gonzalo Luchetti.

__ For	__ Against	__ Abstaining	__ At the proxy's discretion
	__ Objection filed		
Number of shares: _____	Number of shares: _____	Number of shares: _____	Number of shares: _____
Comments:			

RESOLUTION No 23/2021
of the Ordinary General Meeting
of the Bank Handlowy w Warszawie Spółka Akcyjna
of 17 June 2021

on granting of approval of the performance by the member of the Bank's Supervisory Board of duties in 2020

Pursuant to Art. 395 § 2 point 3) of the Commercial Companies Code and § 9, Section 1, Item 3 of the Bank's Articles of Association, the Ordinary General Meeting resolved to grant the approval of the performance of duties in 2020 by the Member of the Supervisory Board of the Bank Handlowy w Warszawie S.A. – Anna Rulkiewicz.

__ For	__ Against	__ Abstaining	__ At the proxy's discretion
	__ Objection filed		
Number of shares: _____	Number of shares: _____	Number of shares: _____	Number of shares: _____
Comments:			

RESOLUTION No 24/2021
of the Ordinary General Meeting
of the Bank Handlowy w Warszawie Spółka Akcyjna
of 17 June 2021

on granting of approval of the performance by the member of the Bank's Supervisory Board of duties in 2020

Pursuant to Art. 395 § 2 point 3) of the Commercial Companies Code and § 9, Section 1, Item 3 of the Bank's Articles of Association, the Ordinary General Meeting resolved to grant the approval of the performance of duties in 2020 by the Member of the Supervisory Board of the Bank Handlowy w Warszawie S.A. – Barbara Smalska.

__ For	__ Against	__ Abstaining	__ At the proxy's discretion
	__ Objection filed		
Number of shares: _____	Number of shares: _____	Number of shares: _____	Number of shares: _____
Comments:			

RESOLUTION No 25/2021
of the Ordinary General Meeting
of the Bank Handlowy w Warszawie Spółka Akcyjna
of 17 June 2021

on granting of approval of the performance by the member of the Bank's Supervisory Board of duties in 2020

Pursuant to Art. 395 § 2 point 3) of the Commercial Companies Code and § 9, Section 1, Item 3 of the Bank's Articles of Association, the Ordinary General Meeting resolved to grant the approval of the performance of duties in 2020 by the Member of the Supervisory Board of the Bank Handlowy w Warszawie S.A. – Stanisław Sołtysiński.

__ For	__ Against	__ Abstaining	__ At the proxy's discretion
	__ Objection filed		
Number of shares: _____	Number of shares: _____	Number of shares: _____	Number of shares: _____
Comments:			

RESOLUTION No 26/2021
of the Ordinary General Meeting
of the Bank Handlowy w Warszawie Spółka Akcyjna
of 17 June 2021

on granting of approval of the performance by the member of the Bank's Supervisory Board of duties in 2020

Pursuant to Art. 395 § 2 point 3) of the Commercial Companies Code and § 9, Section 1, Item 3 of the Bank's Articles of Association, the Ordinary General Meeting resolved to grant the approval of the performance of duties in 2020 by the Member of the Supervisory Board of the Bank Handlowy w Warszawie S.A. – Zdenek Turek.

__ For	__ Against	__ Abstaining	__ At the proxy's discretion
	__ Objection filed		
Number of shares: _____	Number of shares: _____	Number of shares: _____	Number of shares: _____
Comments:			

RESOLUTION No 27/2021
of the Ordinary General Meeting
of the Bank Handlowy w Warszawie Spółka Akcyjna
of 17 June 2021

on granting of approval of the performance by the member of the Bank's Supervisory Board of duties in 2020

Pursuant to Art. 395 § 2 point 3) of the Commercial Companies Code and § 9, Section 1, Item 3 of the Bank's Articles of Association, the Ordinary General Meeting resolved to grant the approval of the performance of duties in 2020 by the Member of the Supervisory Board of the Bank Handlowy w Warszawie S.A. – Stephen R. Volk.

__ For	__ Against	__ Abstaining	__ At the proxy's discretion
	__ Objection filed		
Number of shares: _____	Number of shares: _____	Number of shares: _____	Number of shares: _____
Comments:			

RESOLUTION No 28/2021
of the Ordinary General Meeting
of the Bank Handlowy w Warszawie Spółka Akcyjna
of 17 June 2021

on granting of approval of the performance by the member of the Bank's Supervisory Board of duties in 2020

Pursuant to Art. 395 § 2 point 3) of the Commercial Companies Code and § 9, Section 1, Item 3 of the Bank's Articles of Association, the Ordinary General Meeting resolved to grant the approval of the performance of duties in 2020 by the Member of the Supervisory Board of the Bank Handlowy w Warszawie S.A. - Shirish Apte.

__ For	__ Against	__ Abstaining	__ At the proxy's discretion
	__ Objection filed		
Number of shares: _____	Number of shares: _____	Number of shares: _____	Number of shares: _____
Comments:			

Draft Resolutions to Item 5, Sub-points 8)-9) of the Agenda of the Ordinary General Meeting held on 17 June 2021

As at the date of the announcement on convening the Ordinary Shareholders Meeting, the Bank sustains its position set out in its resolution dated 19 January 2021, confirming, within Management Board competencies, the acceptance of the recommendation of the Polish Financial Supervision Authority expressed in the letter of 13 January 2021. This letter recommended refraining from dividend payout in the first half of 2021 (including any undivided profits from previous years) and not to undertake in the first half of 2021, without prior consultation with the Authority, any actions beyond its core business and operational activity that can result in lowering the capital base.

Meanwhile, the Bank will consult with the Polish Financial Supervision Authority on the possibility to distribute profit for 2020 (or a part of it) and any undivided profits for previous years. Given this, the exact split between the amounts set out in points 1)-3) of the drafts of the resolutions below (No. 29/2021 and No. 30/2021) will be announced on 16 June 2021 the latest, once the Bank obtains the Polish Financial Supervision Authority's opinion on it.

**RESOLUTION No 29/2021
of the Ordinary General Meeting
of the Bank Handlowy w Warszawie Spółka Akcyjna
of 17 June 2021
on distribution of the net profit for year 2020**

Pursuant to Article 395 § 2 Item 2) of the Commercial Companies Code and § 9 Section 1 Item 2, and § 30 Section 1 of the Bank's Articles of Association, the Ordinary General Meeting of Bank Handlowy w Warszawie S.A. has resolved as follows:

- I. To distribute the net profit for the year 2020 in the amount of PLN 158,085,123.29 as follows:
 - 1) Dividend for shareholders PLN [•], which means that the dividend per share amounts to PLN [•];
 - 2) Allocation for the reserve capital PLN [•]; and
 - 3) leave PLN [•] as undivided.
- II. To set the date for determining the right to the dividend for [•], 2021 (the dividend day) and to set the date of payment of the dividend for [•], 2021 (the dividend payment date).

__ For	__ Against __ Objection filed	__ Abstaining	__ At the proxy's discretion
Number of shares: _____	Number of shares: _____	Number of shares: _____	Number of shares: _____
Comments:			

RESOLUTION No 30/2021
of the Ordinary General Meeting
of the Bank Handlowy w Warszawie Spółka Akcyjna
of 17 June 2021
on distribution of the undivided net profit for the year 2019

Pursuant to Article 395 § 2 Item 2) of the Commercial Companies Code and § 9 Section 1 Item 2, and § 30 Section 1 of the Bank's Articles of Association, the Ordinary General Meeting of Bank Handlowy w Warszawie S.A. has resolved as follows:

- I. To distribute the undivided net profit for the year 2019 in the amount of PLN 478,802,436.53 as follows:
 - 1) Dividend for shareholders PLN [•], which means that the dividend per share amounts to PLN [•];
 - 2) Allocation for the reserve capital PLN [•]; and
 - 3) leave PLN [•] as undivided.
- II. To set the date for determining the right to the dividend for [•], 2021 (the dividend day) and to set the date of payment of the dividend for [•], 2021 (the dividend payment date).

__ For	__ Against __ Objection filed	__ Abstaining	__ At the proxy's discretion
Number of shares: _____	Number of shares: _____	Number of shares: _____	Number of shares: _____
Comments:			

*Draft Resolutions to Item 5, Sub-point 10) of the
Agenda of the Ordinary General Meeting held on
17 June 2021*

RESOLUTION No 31/2021
of the Ordinary General Meeting
of the Bank Handlowy w Warszawie Spółka Akcyjna
of 17 June 2021

on determining the number of members of the Supervisory Board of the Bank

§ 1

The Ordinary General Meeting of the Bank acting pursuant to § 14 section 2 of the Bank's Articles of Association, determines the number of the Bank's Supervisory Board to be maximum ... persons.

§ 2

The Resolution no 6 of the Extraordinary General Meeting of the Bank Handlowy w Warszawie Spółka Akcyjna as of 5 December 2006 is hereby repealed.

<input type="checkbox"/> For	<input type="checkbox"/> Against	<input type="checkbox"/> Abstaining	<input type="checkbox"/> At the proxy's discretion
	<input type="checkbox"/> Objection filed		
Number of shares: _____	Number of shares: _____	Number of shares: _____	Number of shares: _____
Comments:			

RESOLUTION No 32/2021

of the Ordinary General Meeting

of the Bank Handlowy w Warszawie Spółka Akcyjna

of 17 June 2021

on appointment of a member of the Bank's Supervisory Board for the new term of office

The Ordinary General Meeting of the Bank acting pursuant to Art. 22aa of the Banking Law Act and the Policy for the assessment of the Supervisory Board Members in Bank Handlowy w Warszawie S.A. as well as taking into account the preliminary assessment of qualifications and recommendations on appointment, issued by the Nomination and Remuneration Committee of the Supervisory Board of the Bank concludes that Mr./Ms. ... satisfies the requirements referred to in Art. 22aa of the Banking Law Act,

as well as concludes that Mr./Ms. ... has collective qualifications appropriate to ensure the correctness of the performance of tasks by the Supervisory Board of the Bank

therefore, acting on the basis of § 9 section 2.7 in conjunction with § 14 section 1 of the Bank's Articles of Association, the Ordinary General Meeting of the Bank appoints Mr./Ms., as of 18 June 2021, ... as a member of the Supervisory Board of the Bank for a common term of office of three years.

<input type="checkbox"/> For	<input type="checkbox"/> Against	<input type="checkbox"/> Abstaining	<input type="checkbox"/> At the proxy's discretion
	<input type="checkbox"/> Objection filed		
Number of shares: _____	Number of shares: _____	Number of shares: _____	Number of shares: _____
Comments:			

*Draft Resolution to Item 5, Sub-point 11) of the
Agenda of the Ordinary General Meeting held on
17 June 2021*

RESOLUTION No 33/2021
of the Ordinary General Meeting
of the Bank Handlowy w Warszawie Spółka Akcyjna
of 17 June 2021
on amendment to the Articles of Association of Bank Handlowy w Warszawie S.A.

§ 1

Acting pursuant to § 9 section 2 sub-section 2 of the Articles of Association of the Bank and Article 430 § 1 of the Commercial Companies Code, the Ordinary General Meeting of the Bank has resolved as follows:

1. § 16 section 2 of the Bank's Articles of Association shall now read as follows:
 2. *The Supervisory Board shall adopt its regulations, which shall in detail provide for its proceedings and inform the General Meeting of Shareholders of the adopted regulations.*
2. In § 18, in section 1 of the Articles of Association of the Bank new sub-sections 36)-43) shall be added as follows:
 - 36) *approving the general rules for introducing changes to the organizational structure adopted by the Management Board,*
 - 37) *approving the policy of identifying key functions in the Bank developed by the Management Board including the rules of appointment and dismissal of persons performing these functions,*
 - 38) *approving the ethical principles adopted by the Management Board, defining norms and ethical standards of conduct of members of bodies and employees of the Bank, as well as other persons through whom the Bank conducts its business,*
 - 39) *approving the conflict of interest management policy developed by the Management Board,*
 - 40) *approving the principles of remuneration in the Bank developed by the Management Board,*
 - 41) *approving the dividend policy of the Bank developed by the Management Board and specifying the conditions enabling the payment of dividends from the profit generated by the Bank within a specified period of time, taking into account the maintenance of capital at a level adequate to the risk incurred,*
 - 42) *approving the risk culture principles developed by the Management Board, unless they are included in the risk management strategy, covering the whole Bank, based on a full understanding of the risk which the Bank is exposed to and the method of managing this risk, taking into account the adopted risk appetite,*
 - 43) *approving a new product approval policy, developed by the Management Board, covering the development of new products, services and markets, and significant changes to the existing products, services and markets.*

§ 2

The Ordinary General Meeting of the Bank has resolved, based on Article 430 § 5 of the Code of Commercial Companies, to authorize the Supervisory Board of the Bank Handlowy w Warszawie S.A. to adopt a consolidated text of the Articles of Association of Bank Handlowy w Warszawie S.A. following the

registration of the amendment referred to in paragraph 1 of the Resolution by the Court of Commercial Register.

§ 3

The Resolution shall be effective upon registration of the aforementioned amendment by the Court of Commercial Register. Pursuant to Article 34 point 2 of Act on Banking Law of 29 August 1997 the aforementioned amendment to the Articles of Association of the Bank Handlowy w Warszawie S.A. shall require the consent of the Financial Supervision Authority.

__ For Number of shares: _____	__ Against __ Objection filed Number of shares: _____	__ Abstaining Number of shares: _____	__ At the proxy's discretion Number of shares: _____
Comments:			