



Bank Polski

**Report on the remuneration of Members of the
Management Board and of the Supervisory Board
of PKO Bank Polski S.A.
for 2021**

INTRODUCTION

This Report on the remuneration of members of the Management and Supervisory Boards of PKO Bank Polski S.A. for 2021 (the Report) has been prepared in accordance with the legal regulations relating to remuneration in public companies, pursuant to Article 90g of the Act of 29 July 2005 on public offer and the conditions for introducing financial instruments to the organized trading system, and on public companies (Journal of Laws from 2021, item 1983, as amended) and the Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement.

The Report is a comprehensive review of remuneration received by Members of the Management Board and Supervisory or approved for payment as well as those not approved for payment to particular members of the Management Board and Supervisory Board of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna (PKO Bank Polski S.A. or the Bank), granted in accordance with the Policy for remunerating members of the Supervisory Board and Management Board of PKO Bank Polski S.A. (Remuneration Policy) in 2021.

REMUNERATION THE MANAGEMENT BOARD OF PKO BANK POLSKI S.A.

In 2021, remuneration paid and payable to Members of the Management Board and the Supervisory Board of the Bank was sustainable, supported the pursuit of the Bank's strategic goals and its long-term development in view of the current financial position. The total amount of fixed and variable remuneration was determined according to the Remuneration Policy and the principles for calculating the amount thereof, the Principles of employing and remunerating members of the Management Board of the Bank, and with the regulations binding for the banking sector and legal regulations on the principles for calculating remuneration of managers of certain companies.

The total remuneration is consistent with the adopted Remuneration Policy as regards:

- the level of remuneration, which was tailored to the strategic goals of PKO Bank Polski S.A. and of the Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna (PKO Bank Polski S.A. Group or the Bank's Group);
- creating an incentive mechanism for Members of the Management Board to take responsibility for the tasks and managerial goals to be achieved;
- a system for creating and awarding variable remuneration components that account for the net profit or loss and economic and financial indicators of the Bank and the Bank's Group.

The total amount of remuneration was determined based on the mechanisms included in the Remuneration Policy dependent on unbiased criteria linked to the strategic goals of the Bank:

- decisions on determining and granting variable remuneration are taken by independent bodies of the Bank – the Bank's Supervisory Board and the General Shareholders' Meeting, based on a pre-approved Bank's Directors' Report and the Bank's financial statements for the given financial year;
- the process of calculating and awarding variable remuneration is based on the management by objectives system, taking into consideration the achievement of financial goals by the Bank, at the same time introducing limits in the form of depriving of the right to the remuneration or reducing its amount due to circumstances which could lead to the Bank not achieving its strategic goals, such as incorrect execution of tasks, negligence in compliance with the law or Customer service standards;
- the amount of fixed remuneration complies with the requirements following from the provisions of the Act of 9 June 2016 on the rules of determining the remuneration of persons managing certain companies (Journal of Laws of 2020, item 1907, as amended).

Therefore, the remuneration granted to Members of the Bank's Management Board contributed to the achievement of long-term results by PKO Bank Polski S.A.

In accordance with the Remuneration Policy, fixed remuneration of Members of the Bank's Management Board is determined as an amount ranging from 7- to 15- times the basis of measurement representing the average monthly remuneration in the enterprise sector, excluding profit sharing schemes in the fourth quarter of the previous year, as announced by the President of the Central Statistical Office. Starting from 1 December 2021, fixed remuneration of Members of the Bank's Management Board is as follows:

- in the case of the President of the Management Board: 15 times;
- in the case of remaining Members of the Management Board: 14.5 times;

of the average monthly remuneration in the enterprise sector, excluding profit sharing schemes, in the fourth quarter of the preceding year, as announced by the President of the Central Statistical Office.

The amount of **variable remuneration** of Members of the Management Board of the Company granted in the form of bonuses in 2021 for 2020 depended on the unbiased and measurable criteria set by the Bank's Supervisory Board with reference to the financial and non-financial results. The amount of remuneration was specified according to the set management objectives:

- achieving net profit by the Bank and the Bank's Group;
- achieving specified economic and financial results;
- pursuing the Bank's and the Bank Group's strategy;
- maintaining the market position of the Bank.

Measures and weights are assigned to each management objective; they were assessed individually with respect to each of the members of the Bank's Management Board. On this basis the degree of achievement of the objective during the bonus period and the respective bonus were estimated.

Table 1. Quantitative and qualitative criteria of awarding variable remuneration to Members of the Management Board of the Bank

Target	Weight	Settlement for 2020
Net profit/loss of the Bank's Group	20% - 30%	120%
C/I (cost to income ratio) of the Bank's Group	10% - 30%	120%
ROE of the Bank's Group	10% - 20%	120%
Result on business activities of specific areas	30% - 40%	101% - 120%
Deviation from the benchmark rate for the investment securities portfolio of the Treasury Department	10%	120%
Cost of risk of the Bank's Group, taking into account loans measured at FVPL	30%	120%
General assessment of SREP	10%	100%
Alternative target (understood as a selection of the more favourable target after the final settlement) A. Customer satisfaction indicator presented based on Entry into Inactivity and Customer Exit Rate as defined by Finalta B. Satisfaction level measured by reference to: - Relational NPS (60%) - Employee NPS (30%) - Entry into Inactivity and Customer Exit Rate as defined by Finalta (10%)	10% - 20%	120%
Failure-free operation of critical systems	30%	120%
Implementation of the Bank's Strategy	20% - 30%	100% - 120%

The manner of awarding variable remuneration is specified in the "Principles of employing and remunerating members of the Management Board of the Bank". Variable remuneration components for particular bonus periods (calendar years) are awarded after accounting for the bonus targets, in accordance with the table below.

Table 2. Form and proportions of the variable remuneration, following from the "Principles of employing and remunerating members of the Management Board of the Bank"

Amount of variable remuneration	Non-deferred variable remuneration - in the first year after the assessment period	Deferred variable remuneration in equal instalments over the next years following the first year after the assessment period
	50% cash / 50% phantom shares	50% cash / 50% phantom shares
Up to PLN 700,000 (inclusive)	60% of the variable remuneration basis	40% of the variable remuneration basis
Over PLN 700,000	PLN 420,000 plus 40% of the excess over PLN 700,000	PLN 280,000 plus 60% of the excess over PLN 700,000

Variable remuneration is deferred for five calendar years.

Due to the state of COVID-19 epidemic being announced in the territory of Poland on 20 March 2020 and its consequences for the business activities in the country and its impact on the further operation of the banking sector, the Bank's Supervisory Board decided, among other things, to change the proportions of deferred and non-deferred remuneration of Members of the Management Board of the Bank and to change the deferral period, disbursement date, and the basis for determining variable remuneration in the form of phantom shares, as well as the manner of converting the phantom shares into the amount to be disbursed for the years 2016–2019. Therefore in 2020 the Bank, basing on the position of the Office of the Polish Financial Supervision Authority dated 17 April 2020 on variable components of remuneration in banks and insurance companies, complied with the Remuneration Policy in accordance with its purposes, in consideration of all external and internal factors with an impact on its financial position and long-term goals. The change described above was maintained in 2021 in respect of variable remuneration for 2016-2019.

Moreover, on 27 May 2021, by Resolution No. 69/ 2021 of the Supervisory Board on the approval of the amount of payments to members of the Bank's Management Board in 2021 and January 2022 of the variable remuneration components for 2016-2020 and on the determination whether there are premises for reducing the amounts or limiting the funds for these payments with respect to the variable remuneration of the Management Board for 2020, the amount of funds for the non-deferred component of the remuneration was reduced by 21% due to the uncertain economic situation.

Table 3. Changes in the determination of variable remuneration following from the resolutions of the Supervisory Board on approving the amount of payment of variable components of remuneration for the years 2016–2019 to the members of the Bank's Management Board in 2020, including determination whether there are premises for reducing the amounts or limiting the funds to be paid, and Resolution no. 69/2021 referred to above.

Specification	Amount following from internal regulations		Amount following from extraordinary resolutions passed in 2020, i.e. respectively:	
Proportion between the non-deferred and deferred variable remuneration for 2019	Non-deferred 60% Deferred 40% ¹⁾		Non-deferred 40% Deferred 60%	
Proportion between variable remuneration for 2019 in cash / in the form of a financial instrument	Cash 50% Financial instrument 50%		Cash 40% Financial instrument 60%	
Deadline for disbursement of the amount following from the conversion of phantom shares to cash for non-deferred remuneration for 2019 in the form of a financial instrument	2 January 2021		1 July 2021	
Deadline for disbursement of deferred variable remuneration with respect to non-disbursed instalments for the years 2016-2019	cash	1 July	cash	1 July (unchanged)
	Financial instrument	2 January	Financial instrument	1 July

¹⁾ Pursuant to internal regulations, up to PLN 700,000 the proportion is 60% to 40%, and above this amount 40% to 60%.

During the period of performing their functions Members of the Bank's Management Board were covered with liability insurance for directors and officers (D&O), but due to the scope of the insurance which also covered other persons employed by the Bank, it is impossible to indicate individual amounts of cover for each of the Members of the Bank's Management Board.

In addition, Members of the Bank's Management Board could independently finance:

- healthcare, life and health insurance package and insurance of loss of remuneration resulting from the inability to work as a result of illness or an accident – such packages paid for with their own funds could also cover members of their families;
- the cost of use of company cars for private purposes.

The Remuneration Policy does not stipulate a duty to refund variable remuneration that has already been awarded and disbursed, but it entitles the Bank's Supervisory Board to adopt additional resolutions according to which, among other things, the Bank may demand that the variable remuneration be refunded. No such demand occurred in 2021.

REPORT ON THE REMUNERATION OF MEMBERS OF THE MANAGEMENT BOARD
AND OF THE SUPERVISORY BOARD OF PKO BANK POLSKI S.A. FOR 2021

The total remuneration of the Members of the Management Board of the Bank granted and disbursed in accordance with the adopted Remuneration Policy and the principles set out therein in 2021 is shown in Table 4. Variable remuneration approved for payment and not approved for payment to the Members of the Bank's Management Board is presented in Table 5.

Table 4. Remuneration paid to the members of the Management Board of PKO Bank Polski S.A. in 2021 (in PLN'000)

THE BANK'S MANAGEMENT BOARD	Period of performing function	Fixed remune- ration	Variable remuneration				Total variable remune- ration disbursed	Other benefits - PPE, non- competi- tion clause	Total amount of remune- ration and benefits disbursed	Proportion of variable to fixed remune- ration
			Compo- nents of variable remune- ration	Remune- ration in cash ¹⁾	Remuneration in the form of a financial instrument - phantom shares					
					Number of financial instruments subject to conversion	Remune- ration after conversion into cash ²⁾				

Members of the Management Board who performed the function as at 31.12.2021

Iwona Duda	2021.10.23 - to date	162	bonus	-	-	-	-	-	162	0%					
Bartosz Drabikowski	2008.05.20 - 2017.12.21 2021.06.15 - to date	423	bonus	81	7 266	239	320	26	769	76%					
											including ³⁾ :	for 2017	81	3 605	118
											for 2016	-	3 661	120	
Marcin Eckert	2021.06.08 - to date	438	bonus	-	-	-	-	-	438	0%					
Wojciech Iwanicki	2021.10.14 - to date	179	bonus	-	-	-	-	-	179	0%					
Maks Kraczkowski	2016.07.04 - to date	760	bonus	313	14 479	476	789	54	1 603	104%					
											including ³⁾ :	for 2020	137	-	-
											for 2019	56	7 694	253	
											for 2018	45	2 001	66	
											for 2017	75	3 333	110	
for 2016	-	1 451	48												
Mieczysław Król	2016.06.06 - to date	760	bonus	346	14 586	479	825	55	1 640	109%					
											including ³⁾ :	for 2020	172	-	-
											for 2019	56	7 694	253	
											for 2018	46	2 084	68	
											for 2017	71	3 139	103	
for 2016	-	1 669	55												
Artur Kurcweil	2021.09.14 - to date	240	bonus	-	-	-	-	-	240	0%					
Piotr Mazur	2013.01.08 - to date	784	bonus	364	17 022	559	923	60	1 767	118%					
											including ³⁾ :	for 2020	176	-	-
											for 2019	60	8 175	269	
											for 2018	50	2 244	74	
											for 2017	78	3 460	114	
for 2016	-	3 143	103												

Members of the Management Board who performed and ceased to perform their functions in 2021

Zbigniew Jagiełło	2009.10.01 - 2021.06.07	346	bonus	402	20 410	671	1 073	439	1 858	310%					
											including ³⁾ :	for 2020	181	-	-
											for 2019	64	8 655	284	
											for 2018	53	2 405	79	
											for 2017	104	4 654	153	
for 2016	-	4 696	154												

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Rafał Antczak	2017.07.02 - 2021.10.14	583	bonus	289	10 377	341	630	139	1 352	108%	
			<i>including</i> ³⁾ :								
			for 2020	172	-	-					
			for 2019	56	7 694	253					
			for 2018	38	1 688	55					
			for 2017	22	995	33					
Rafał Kozłowski	2018.01.01 - 2021.06.15	339	bonus	275	9 778	321	596	379	1 314	176%	
			<i>including</i> ³⁾ :								
			for 2020	172	-	-					
			for 2019	56	7 694	253					
			for 2018	46	2 084	68					
Adam Marciniak	2017.10.01 - 2021.08.13	453	bonus	287	10 299	338	625	263	1 341	138%	
			<i>including</i> ³⁾ :								
			for 2020	172	-	-					
			for 2019	56	7 694	253					
			for 2018	46	2 084	68					
			for 2017	12	521	17					
Jakub Papierski	2010.03.22 - 2021.10.14	583	bonus	350	16 254	534	884	148	1 615	152%	
			<i>including</i> ³⁾ :								
			for 2020	172	-	-					
			for 2019	56	7 694	253					
			for 2018	46	2 084	68					
			for 2017	75	3 333	110					
			for 2016	-	3 143	103					
Jan Emeryk Rościszewski	2016.07.18 - 2021.10.22	606	bonus	342	14 099	463	805	135	1 546	133%	
			<i>including</i> ³⁾ :								
			for 2020	172	-	-					
			for 2019	56	7 694	253					
			for 2018	46	2 063	68					
			for 2017	68	3 007	98					
			for 2016	-	1 335	44					

Other Members of the Management Board who ceased to perform their functions in previous years

Piotr Alicki	2010.11.02 - 2016.10.30	-	bonus	-	2 576	85	85	3	88	0%	
			<i>including</i> ³⁾ :								
			for 2016	-	2 576	85					
Janusz Derda	2016.12.01 - 2017.08.09	-	bonus	29	1 427	47	76	-	76	0%	
			<i>including</i> ³⁾ :								
			for 2017	29	1 309	43					
			for 2016	-	118	4					
Jarosław Myjak	2008.12.15 - 2016.03.22	-	bonus	-	706	23	23	1	24	0%	
			<i>including</i> ³⁾ :								
			for 2016	-	706	23					
Jacek Obłękowski	2011.06.30 - 2016.03.21	-	bonus	-	695	23	23	1	24	0%	
			<i>including</i> ³⁾ :								
			for 2016	-	695	23					

¹⁾ Variable remuneration in cash paid in July 2021

²⁾ Variable remuneration in the form of an instrument paid in July 2021, after conversion of phantom shares into cash at the rate applicable in April 2021: 32.8636

³⁾ Discrepancies between the total amounts of variable remuneration in cash form and in the form of shares, and the totals of particular instalments of the remuneration result from rounding for presentation purposes.

With respect to the remuneration shown in Table 4, the proportion of variable remuneration to fixed remuneration of particular Members of the Management Board of the Bank results primarily from:

- the fact that variable remuneration disbursed (in the form of a financial instrument) was higher than that initially calculated as a result of an increase in the share price in the retention period;
- disbursement of deferred remuneration for 2016-2017 which, until 20 June 2017, was based on fixed remuneration not yet covered by the statutory regulations putting a cap on top management remuneration (since 21 June 2017, fixed remuneration was reduced);
- it accounts for the fair interest rate¹ upon disbursement of the deferred component of variable remuneration.

Members of the Bank's Management Board do not receive remuneration from entities belonging to the same group due for the period covered by the Report. The remuneration from members of the same Group within the meaning of the Accounting Act of 29 September 1994 (Journal of Laws of 2021, item 217) does not include remuneration from associated entities and joint ventures. Respective disclosures may be found in the Directors' Report of the PKO Bank Polski S.A. Group for 2021, in the part relating to benefits for managers and supervisors.

^{1.} The fair interest rate is considered to be the average interest expense on the Bank's offer of term deposits for individuals, without taking into consideration structured deposits and the investment account IKE, as at the last day of January. The fair interest rate is applied for the period from the date of payment of the cash component of non-deferred variable remuneration for a given bonus period until the date of payment of each of the instalments of the cash component of deferred remuneration. Interest on the cash component is calculated per annum on the outstanding part of the deferred remuneration, at the fair interest rate which is established by the Bank in January of a given calendar year. Capitalized interest on the part of the cash component which is not paid in the form of an instalment of the deferred remuneration is added to the deferred part which remains to be paid in subsequent years on a compound interest basis.

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Table 5. Variable remuneration approved and not approved payable to Members of the Management Board of PKO Bank Polski S.A. for the years 2017–2020 as at 31.12.2021
(in PLN'000)

THE BANK'S MANAGE- MENT BOARD	Period of performing function	Components of variable remuneration	Variable remuneration in cash				Remuneration in the form of a financial instrument - phantom shares								Total variable remuneration receivable and potentially receivable	
			disbursement deadlines				Cash convertible to financial instrument				Number of shares after conversion ¹⁾					Amount allocated for payment ²⁾
			disbursement deadlines				disbursement deadlines				disbursement deadlines					disbursement deadlines
			2022	2023	2024	2025	2022	2023	2024	2025	2022	2023	2024	2025		2022
Members of the Management Board who performed the function as at 31.12.2021																
Bartosz Drabikowski	2008.05.20 - 2017.12.21 2021.06.15 - to date	bonus	-				79				3 605				-	79
		<i>including³⁾</i> : for 2017	-	-	-	-	79	-	-	-	3 605	-	-	-	-	
Maks Kraczkowski	2016.07.04 - to date	bonus	272				530				28 657				210	1 012
		<i>including³⁾</i> : for 2020	38	38	38	-	-	38	38	38	5 302	1 492	1 492	1 492	210	
		for 2019	56	56	-	-	85	85	85	-	3 848	3 848	3 848	-	-	
		for 2018	44	-	-	-	44	44	-	-	2 001	2 001	-	-	-	
		for 2017	-	-	-	-	73	-	-	-	3 333	-	-	-	-	
Mieczysław Król	2016.06.06 - to date	bonus	310				566				31 418				264	1 140
		<i>including³⁾</i> : for 2020	51	51	51	-	-	51	51	51	6 675	1 964	1 964	1 964	264	
		for 2019	56	56	-	-	85	85	85	-	3 848	3 848	3 848	-	-	
		for 2018	46	-	-	-	46	46	-	-	2 084	2 084	-	-	-	
		for 2017	-	-	-	-	69	-	-	-	3 139	-	-	-	-	
Piotr Mazur	2013.01.08 - to date	bonus	329				604				33 246				270	1 203
		<i>including³⁾</i> : for 2020	53	53	53	-	-	53	53	53	6 836	2 066	2 066	2 066	270	
		for 2019	60	60	-	-	90	90	90	-	4 088	4 088	4 088	-	-	
		for 2018	49	-	-	-	49	49	-	-	2 244	2 244	-	-	-	
		for 2017	-	-	-	-	76	-	-	-	3 460	-	-	-	-	
Members of the Management Board who ceased to perform their functions in 2021																
Zbigniew Jagiełło	2009.10.01 - 2021.06.07	bonus	347				661				35 953				277	1 285
		<i>including³⁾</i> : for 2020	56	56	56	-	-	56	56	56	6 998	2 169	2 169	2 169	277	
		for 2019	63	63	-	-	95	95	95	-	4 328	4 328	4 328	-	-	
		for 2018	53	-	-	-	53	53	-	-	2 405	2 405	-	-	-	
		for 2017	-	-	-	-	102	-	-	-	4 654	-	-	-	-	

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Rafał Antczak	2017.07.02 - 2021.10.14	bonus	302				502				28 482				264	1 068	
		<i>including³⁾</i>	<i>for 2020</i>	51	51	51	-	-	51	51	51	6 675	1 964	1 964	1 964	264	
		<i>for 2019</i>	56	56	-	-	85	85	85	-	3 848	3 848	3 848	-	-		
		<i>for 2018</i>	37	-	-	-	37	37	-	-	1 688	1 688	-	-	-		
		<i>for 2017</i>	-	-	-	-	22	-	-	-	995	-	-	-	-		
Rafał Kozłowski	2018.01.01 - 2021.06.15	bonus	311				497				28 279				264	1 072	
		<i>including³⁾</i>	<i>for 2020</i>	51	51	51	-	-	51	51	51	6 675	1 964	1 964	1 964	264	
		<i>for 2019</i>	56	56	-	-	85	85	85	-	3 848	3 848	3 848	-	-		
		<i>for 2018</i>	46	-	-	-	46	46	-	-	2 084	2 084	-	-	-		
Adam Marciniak	2017.10.01 - 2021.08.13	bonus	311				509				28 800				264	1 084	
		<i>including³⁾</i>	<i>for 2020</i>	51	51	51	-	-	51	51	51	6 675	1 964	1 964	1 964	264	
		<i>for 2019</i>	56	56	-	-	85	85	85	-	3 848	3 848	3 848	-	-		
		<i>for 2018</i>	46	-	-	-	46	46	-	-	2 084	2 084	-	-	-		
		<i>for 2017</i>	-	-	-	-	12	-	-	-	521	-	-	-	-		
Jakub Papierski	2010.03.22 - 2021.10.14	bonus	311				571				31 612				264	1 146	
		<i>including³⁾</i>	<i>for 2020</i>	51	51	51	-	-	51	51	51	6 675	1 964	1 964	1 964	264	
		<i>for 2019</i>	56	56	-	-	85	85	85	-	3 848	3 848	3 848	-	-		
		<i>for 2018</i>	46	-	-	-	46	46	-	-	2 084	2 084	-	-	-		
		<i>for 2017</i>	-	-	-	-	73	-	-	-	3 333	-	-	-	-		
Jan Emeryk Rościszewski	2016.07.18 - 2021.10.22	bonus	310				563				31 244				264	1 137	
		<i>including³⁾</i>	<i>for 2020</i>	51	51	51	-	-	51	51	51	6 675	1 964	1 964	1 964	264	
		<i>for 2019</i>	56	56	-	-	85	85	85	-	3 848	3 848	3 848	-	-		
		<i>for 2018</i>	45	-	-	-	45	45	-	-	2 063	2 063	-	-	-		
		<i>for 2017</i>	-	-	-	-	66	-	-	-	3 007	-	-	-	-		

Members of the Management Board who ceased to perform their functions in previous years

Janusz Derda	2016.12.01 - 2017.08.09	bonus	-				29				1 309				-	29
		<i>including³⁾</i>	<i>for 2017</i>	-	-	-	-	29	-	-	-	1 309	-	-	-	-

1) Share price adopted in the conversion: cash accrued-> phantom shares:
variable remuneration for 2020 at the rate applicable in 4Q 2020: 25.8
variable remuneration for prior periods at the rate applicable in April 2020: 21,98105

2) Share prices adopted for conversion: phantom shares->cash approved for payment:
variable remuneration for 2020 at the rate applicable in 3Q 2021: 39.53

Discrepancies between the total amounts of variable remuneration in cash form and in the form of shares, and the totals of particular instalments of the remuneration result from rounding for presentation purposes.

In 2021, due to changes in the composition of the Bank's Management Board, the Supervisory Board granted severance bonuses to Members of the Management Board who ceased to sit on the Management Board. In accordance with the Principles of employing and remunerating members of the Management Board of the Bank, the amount of severance bonuses awarded was determined at three times the fixed portion of monthly remuneration received by a Member of the Management Board on the date of termination of the management contract (Table 6).

Severance bonuses are accounted for and paid in the same manner as any other component of variable remuneration. The allocation of the severance bonus amount between the portion awarded in cash and the portion in the form of a financial instrument will take place in 2022, at the time of awarding bonuses for 2021, and the severance bonuses are not included in the totals of variable remuneration.

Table 6. Members of the Management Board who ceased to perform their functions in 2021 (in PLN '000)

THE BANK'S MANAGEMENT BOARD	Period of performing function	Severance bonus amount	Basis
Zbigniew Jagiełło	2009.10.01 - 2021.06.07	198	Resolution no. 70/2021 of the Supervisory Board dated 27.05.2021
Rafał Antczak	2017.07.02 - 2021.10.14	185	Resolution no. 164/2021 of the Supervisory Board dated 26.10.2021
Rafał Kozłowski	2018.01.01 - 2021.06.15	185	Resolution no. 90/2021 of the Supervisory Board dated 15.06.2021
Adam Marciniak	2017.10.01 - 2021.08.13	185	Resolution no. 128/2021 of the Supervisory Board dated 11.08.2021
Jakub Papierski	2010.03.22 - 2021.10.14	185	Resolution no. 163/2021 of the Supervisory Board dated 26.10.2021
Jan Emeryk Rościszewski	2016.07.18 - 2021.10.22	198	Resolution no. 162/2021 of the Supervisory Board dated 26.10.2021

REMUNERATION OF MEMBERS OF THE SUPERVISORY BOARD OF PKO BANK POLSKI SA

Total remuneration of Members of the Supervisory Board of the Bank granted and disbursed in accordance with the adopted Remuneration Policy and the principles set out therein is shown in Table 7.

Table 7. Remuneration of the Members of the Supervisory Board of PKO Bank Polski S.A. in 2021 (in PLN'000)

SUPERVISORY BOARD	Period of performing function on the Supervisory Board	Fixed remuneration paid in 2021
Members of the Board who performed the function as at 31.12.2021		
Mariusz Andrzejewski	2017.06.22 - to date	116
Grzegorz Chłopek	2020.08.26 - to date	116
Wojciech Jasiński	2016.02.25 - to date	130
Dominik Kaczmarski	2021.06.07 - to date	63
Andrzej Kisielewicz	2016.02.25 - to date	116
Rafał Kos	2020.08.26 - to date	116
Tomasz Kuczur	2021.10.12 - to date	16
Maciej Łopiński	2021.06.07 - to date	70
Krzysztof Michalski	2019.09.17 - to date	116
Bogdan Szafranski	2021.10.12 - to date	16
Agnieszka Winnik - Kalemba	2021.06.07 - to date	56
Members of the Board who ceased to perform their functions in 2021		
Grażyna Ciurzyńska ¹⁾	2016.06.30 - 2021.06.07	68
Zbigniew Hajłasz	2016.06.30 - 2021.10.12	123
Marcin Izdebski	2020.08.26 - 2021.06.06	75
Piotr Sadownik	2016.02.25 - 2021.10.11	100

¹⁾ Other benefits not included in fixed remuneration - use of company car for private purposes by a Member of the Supervisory Board in 2021 in the amount of PLN 7 thousand.

REPORT ON THE REMUNERATION OF MEMBERS OF THE MANAGEMENT BOARD
AND OF THE SUPERVISORY BOARD OF PKO BANK POLSKI S.A. FOR 2021

In accordance with the Remuneration Policy, monthly remuneration of Members of the Supervisory Board of the Bank is determined as the product of the basis for measurement referred to in the Act of 9 June 2016 on principles for determining remuneration of managers of certain companies and a relevant multiplier:

- for the Chairman of the Supervisory Board – 2.75;
- for the Deputy Chairman of the Supervisory Board – 2.5;
- for the Secretary of the Supervisory Board – 2.25;
- for the remaining members of the Supervisory Board – 2.

The remuneration shall be increased by 10% if a Member of the Supervisory Board of the Bank sits on at least one standing committee of the Supervisory Board.

In addition to their remuneration, Members of the Supervisory Board of the Bank are entitled to reimbursement for the costs incurred in connection with their function, in particular travel costs from the place of residence to the location of the Supervisory Board's meeting and back, costs of accommodation and food.

Members of the Supervisory Board of the Bank could purchase such benefits as the healthcare package, life and health insurance and insurance of remuneration lost as a result of inability to work due to illness or accident. The possibility to purchase the healthcare package with own funds also covers the families of Members of the Supervisory Board. Members of the Supervisory Board of the Bank could also avail themselves of the possibility of using the company car for private use. In such an instance, a lump-sum amount was added to their revenue, in accordance with the PIT Act.

COMPARISON OF REMUNERATION IN PKO BANK POLSKI S.A.

Table 8. Changes in remuneration paid (fixed and variable, excluding severance bonuses) in the years 2016–2021 to Members of the Bank's Management Board who performed their functions in 2021

MEMBERS OF THE BANK'S MANAGEMENT BOARD	Period of performing function	Remuneration paid (in PLN '000)					
		2016	2017 ¹⁾	2018 ^{2), 3)}	2019 ⁴⁾	2020	2021
Members of the Management Board who performed the function as at 31.12.2021							
Iwona Duda	2021.10.23 - to date	-	-	-	-	-	162
change y/y			-	-	-	-	-
Bartosz Drabikowski ⁵⁾	2008.05.20 - 2017.12.21 2021.06.15 - to date	2 430	2 091	1 194	870	473	743
change y/y			-14,0%	-42,9%	-27,1%	-45,6%	57,1%
Marcin Eckert	2021.06.08 - to date	-	-	-	-	-	438
change y/y			-	-	-	-	-
Wojciech Iwanicki	2021.10.14 - to date	-	-	-	-	-	179
change y/y			-	-	-	-	-
Maks Kraczkowski	2016.07.04 - to date	683	1 210	1 225	1 379	1 320	1 549
change y/y			77,2%	1,2%	12,6%	-4,3%	17,3%
Mieczysław Król	2016.06.06 - to date	786	1 231	1 251	1 387	1 335	1 585
change y/y			56,6%	1,6%	10,9%	-3,7%	18,7%
Artur Kurcweil	2021.09.14 - to date	-	-	-	-	-	240
change y/y			-	-	-	-	-
Piotr Mazur	2013.01.08 - to date	2 082	1 928	1 838	1 768	1 578	1 707
change y/y			-7,4%	-4,7%	-3,8%	-10,7%	8,2%

REPORT ON THE REMUNERATION OF MEMBERS OF THE MANAGEMENT BOARD
AND OF THE SUPERVISORY BOARD OF PKO BANK POLSKI S.A. FOR 2021

Members of the Management Board who ceased to perform their functions in 2021

Zbigniew Jagiełło	2009.10.01 - 2021.06.07	2 899	2 467	2 198	2 089	1 813	1 419
change y/y			-14.9%	-10.9%	-5.0%	-13.2%	-21.7%
Rafał Antczak	2017.07.02 - 2021.10.14	-	342	785	995	1 099	1 213
change y/y			-	129.5%	26.8%	10.5%	10.4%
Rafał Kozłowski	2018.01.01 - 2021.06.15	-	-	687	911	1 103	935
change y/y			-	-	32,6%	21,1%	-15,2%
Adam Marciniak	2017.10.01 - 2021.08.13	-	172	739	975	1 127	1 078
change y/y			-	329.7%	31.9%	15.6%	-4.3%
Jakub Papierski	2010.03.22 - 2021.10.14	2 202	1 958	1 796	1 708	1 520	1 467
change y/y			-11.1%	-8.3%	-4.9%	-11.0%	-3.5%
Jan Emeryk Rościszewski	2016.07.18 - 2021.10.22	629	1 198	1 191	1 356	1 308	1 412
change y/y			90.5%	-0.6%	13.9%	-3.5%	8.0%

Other Members of the Management Board who ceased to perform their functions in previous years

Inactive Members of the Management Board	-	4 071	2 408	1 617	998	537	207
change y/y	-		-40.8%	-32.8%	-38.3%	-46.2%	-61.5%
Total members of the Management Board	-	15 782	15 005	14 521	14 436	13 213	14 334
change y/y	-		-4.9%	-3.2%	-0.6%	-8.5%	8.5%

¹⁻²⁾ Change in the remuneration of the Members of the Bank's Management Board in the years 2017-2018 follows, among other things, from compliance with the provisions of the Act of 9 June 2016 on the principles of determining the remuneration of persons managing certain companies, called the "chimney act", i.e. substituting employment contracts with managerial contracts during 2017

³⁻⁴⁾ In order to maintain the comparability of remuneration (pursuant to Article 90g of the Act of 29 July 2005 on public offerings and the conditions for introducing financial instruments to the organized trading system, and on public companies (Journal of Laws of 2020, item 2080), the payment of non-deferred variable remuneration (in cash and in the form of an instrument) for 2017 of the Members of the Bank's Management Board, which was made in 2019 as a result of a resolution of the Bank's Supervisory Board, was included in the cash part of the remuneration paid in 2018 - i.e. according to the standard time schedule for disbursements of variable remuneration following from the principles for remunerating Members of the Bank's Management Board cash portion should have been paid in 2018.

⁵⁾ Changes in remuneration result from periods when the functions in the Bank's Management Board were performed: 20.05.2008 - 21.12.2017 and 23.10.2021 - to date.

Members of the Bank's Supervisory Board do not receive remuneration from entities belonging to the same group within the meaning of the Accounting Act of 29 September 1994 (Journal of Laws of 2019, items 351, 1495, 1571, 1655 and 1680 and of 2020 item 568) for the period covered by the Report.

Table 9. Changes in remuneration paid in the years 2016-2021 to Members of the Supervisory Board who performed their functions in 2021

MEMBERS OF THE SUPERVISORY BOARD	Period of performing function	Remuneration paid (in PLN '000)					
		2016	2017	2018	2019	2020	2021
Members of the Board who performed the function as at 31.12.2021							
Mariusz Andrzejewski	2017.06.22 - to date	-	49	116	116	115	116
change y/y			-	135.2%	0.0%	-0.7%	0.5%
Grzegorz Chłopek	2020.08.26 - to date	-	-	-	-	30	116
change y/y			-	-	-	-	285.5%

REPORT ON THE REMUNERATION OF MEMBERS OF THE MANAGEMENT BOARD
AND OF THE SUPERVISORY BOARD OF PKO BANK POLSKI S.A. FOR 2021

Wojciech Jasiński	2016.02.25 - to date	91	116	116	116	115	130
change y/y			26.6%	0.5%	0.0%	-0.7%	12.6%
Dominik Kaczmarski	2021.06.07 - to date	-	-	-	-	-	63
change y/y			-	-	-	-	-
Andrzej Kisielewicz	2016.02.25 - to date	91	116	116	116	115	116
change y/y			26.6%	0.5%	0.0%	-0.7%	0.5%
Rafał Kos	2020.08.26 - to date	-	-	-	-	30	116
change y/y			-	-	-	-	285.5%
Tomasz Kuczur	2021.10.12 - to date	-	-	-	-	-	16
change y/y			-	-	-	-	-
Maciej Łopiński	2021.06.07 - to date	-	-	-	-	-	70
change y/y			-	-	-	-	-
Krzysztof Michalski	2019.09.17 - to date	-	-	-	23	115	116
change y/y			-	-	-	404.2%	0.5%
Bogdan Szafrąński	2021.10.12 - to date	-	-	-	-	-	16
change y/y			-	-	-	-	-
Agnieszka Winnik - Kalemba ¹⁾	2021.06.07 - to date	58	-	-	-	-	56
change y/y			-	-	-	-	-

Members of the Board who ceased to perform their functions in 2021

Grażyna Ciurzyńska	2016.06.30 - 2021.06.07	71	151	145	145	139	68
change y/y			113.3%	-3.5%	0.0%	-4.0%	-51.2%
Zbigniew Hajłasz	2016.06.30 - 2021.10.12	60	131	131	131	137	123
change y/y			119.7%	-0.1%	0.0%	5.0%	-10.5%
Marcin Izdebski	2020.08.26 - 2021.06.06	-	-	-	-	38	75
change y/y			-	-	-	-	99.4%
Piotr Sadownik	2016.02.25 - 2021.10.11	146	168	160	160	147	100
change y/y			14.9%	-4.9%	0.0%	-7.8%	-32.2%

Other Members of the Board who ceased to perform their functions in previous years

Inactive Members of the Supervisory Board	-	682	512	519	464	276	-
change y/y			-24.8%	1.3%	-10.6%	-40.6%	-
Total Members of the Supervisory Board	-	1 199	1 243	1 304	1 271	1 259	1 297
change y/y			3.7%	4.9%	-2.5%	-1.0%	3.0%

¹⁾ Ms Agnieszka Winnik - Kalemba performed a function in the Supervisory Board also in 2016 (from 25.02.2016 to 30.06.2016)

REPORT ON THE REMUNERATION OF MEMBERS OF THE MANAGEMENT BOARD
AND OF THE SUPERVISORY BOARD OF PKO BANK POLSKI S.A. FOR 2021

Table 10. Comparison of the average remuneration of the Bank's employees who are not members of the Management Board or the Supervisory Board and the Bank's and the Bank Group's results for the years 2016–2021

CHANGE COMPARED TO PRIOR YEAR	2017 vs 2016	2018 vs 2017	2019 vs 2018	2020 vs 2019	2021 vs 2020	2020	2021
	change						
Average remuneration of the Bank's employees ¹⁾ (in PLN '000)	6.5%	2.7%	3.9%	-0.9%	14.8%	92	105
Net profit of the Bank (in PLN million)	-3.9%	20.2%	15.0%	-1.8x	2.6x	-2 944	4 596
Net profit of the Bank's Group (in PLN million)	8.0%	20.5%	7.8%	-1.6x	2.9x	-2 557	4 874
ROE of the Bank's Group	-0.1 p.p.	1.0 p.p.	0.0 p.p.	-16.0 p.p.	18.1 p.p.	-6.0%	12.1%
C/I of the Bank's Group	-1.4 p.p.	-1.8 p.p.	-2.3 p.p.	-0.9 p.p.	-0.4 p.p.	41.0%	40.6%

¹⁾ Average annual remuneration of employees (including base salary, bonuses, awards) with the exclusion of the remuneration of the Members of the Supervisory Board and Management Board.

The data shown in Tables 8 and 9 with respect to the remuneration of Members of the Bank's Management Board and Supervisory Board for the years 2016–2018, adopted for the calculation of the changes shown in the table, were presented in the "by function of expense" format covered by this reporting requirement.

In 2021, the Bank did not withdraw from the procedure of implementing or using the Remuneration Policy.

On 7 June 2021, the Ordinary General Meeting of Shareholders of PKO Bank Polski S.A. adopted Resolution No. 8/2021 on expressing an opinion regarding the "Report on remuneration of the members of the Management Board and Supervisory Board of Powszechna Kasa Oszczędności Bank Polski S.A. for 2019–2020" prepared by the Supervisory Board, whereby the report was given a positive opinion, without any additional comments or reservations. Consequently, the manner of presentation of information on remuneration of Members of the Management Board and Supervisory Board has been followed in this report.

This Report was submitted for assessment by the independent registered auditor.