



Bank Polski

**Report on the remuneration of members of the  
Management Board and of the Supervisory Board  
of PKO Bank Polski S.A.  
for the years 2019–2020**

## INTRODUCTION

This 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 2020, item 2080) 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 of particular members of the Management Board and Supervisory Board of the Company Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna (PKO Bank Polski S.A. or the Bank) approved for disbursement and not approved for disbursement, granted in accordance with the Policy for remunerating members of the Supervisory Board and Management Board of PKO Bank Polski S.A. (Remuneration Policy), during the past two financial years 2019-2020.

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

In the financial years 2019 and 2020, remuneration paid and payable to members of the Management Board and the Supervisory Board of the Bank was balanced, 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 tools and level of remuneration, which were 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 cost of risk, cost of capital and liquidity risk of the Bank and of other entities from 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 from 2020, consolidated text, item 1907).

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 the years 2019 and 2020 **fixed remuneration** of the President of the Bank's Management Board did not change, whereas with respect to:

- the member of the Bank's Management Board responsible for risk, in the period from January to August 2019, 14-times the basis of measurement was used, and as of September 2019, 14.5-times the basis of measurement of the remuneration as specified in the Act of 9 June 2016 on the principles for determining remuneration of persons managing certain companies;
- other members of the Bank's Management Board, in the period from January to August 2019, 13-times the basis of measurement was used, and as of September 2019, 14-times the basis of measurement of the remuneration as

specified in the Act of 9 June 2016 on the principles for determining remuneration of persons managing certain companies.

In accordance with the Remuneration Policy, the fixed remuneration of the President of the Management Board of the Bank did not change, whereas as a specific amount in the service agreement and may not be higher than:

- in the case of the President of the Management Board: – 15 times;
- in the case of the member of the Management Board in charge of the risk management area who substitutes the President of the Management Board: – 14.5 times;
- in the case of remaining members of the Management Board: – 14 times;

the basis of measurement specified in the Act of 9 June 2016 on the principles for determining remuneration of persons managing certain companies.

The amount of **variable remuneration** of members of the Management Board of the Company granted in the form of bonuses 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

Goal	Weight	Settlement for 2018	Settlement for 2019
Net profit/loss of the Bank’s Group	20% - 30%	119%	120%
Result on business activities	30% - 40%	92% - 120%	112% - 120%
ROE of the Bank’s Group	10% - 20%	112%	120%
C/I (cost to income ratio) of the Bank’s Group	10% - 30%	115%	120%
Cost of risk of the Bank’s Group	30%	120%	120%
Deviation from the benchmark rate for the investment securities portfolio of the Treasury Department	10%	120%	116%
TCR of the Bank’s Group	10%	119%	98%
General assessment of SREP	10% - 20%	100%	100%
Customer satisfaction indicator	10% - 30%	120%	120%
Level of reliability of critical systems	30%	120%	120%
Pursuit of the Bank’s Strategy	20% - 30%	120%	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 50% cash / 50% phantom shares	Deferred variable remuneration 50% cash / 50% phantom shares
With reference to remuneration of up to PLN 700 thousand	60% of the base remuneration - in the first year after the assessment period	40% of the base remuneration - in equal instalments over consecutive years after the first year after the assessment period
With reference to remuneration of over PLN 700 thousand	PLN 420 thousand plus 40% of the excess over PLN 700 thousand	PLN 280 thousand plus 60% of the excess over PLN 700 thousand

Variable remuneration is deferred for five years on a calendar basis.

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.

Table 3. Changes in the determination of variable remuneration following from the resolution of the Bank's Supervisory Board on approving the amount of disbursements of variable components of remuneration for the years 2016-2019 to the members of the Bank's Management Board in 2020, including to determine whether there are premises for reducing the amounts or limiting the funds to be disbursed.

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% <sup>1)</sup>		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
Basis for determining variable remuneration in the form of a financial instrument (phantom shares) for the years 2016-2019	Average value of the Bank's shares from Q4 of the bonus period		Average value of the Bank's shares April 2020	
Basis for converting phantom shares to cash values to be disbursed for the years 2016-2019	The average value of the Bank's shares from Q3 of the calendar year preceding the year in which the disbursement is made		Average value of the Bank's shares from April of the calendar in which the disbursement is made	

<sup>1)</sup> 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 packages, life and health insurance, 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 the years 2019-2020.

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 the financial years 2019-2020 is shown in Tables 4-5. Variable remuneration of members of the Bank's Management Board approved for disbursement and not approved for disbursement as at the end of 2019 and 2020 is shown in Tables 6-7.

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Table 4. Remuneration paid to the members of the Management Board of PKO Bank Polski S.A. in 2020 (in PLN'000)

THE BANK'S MANAGEMENT BOARD	Period of performing function	Fixed remuneration	Variable remuneration					TOTAL variable remuneration disbursed	Other benefits - contributions to PPE <sup>2)</sup>	Total amount of remuneration and benefits disbursed	Proportion of variable to fixed remuneration	
			Components of variable remuneration	Remuneration in cash	Remuneration in the form of a financial instrument - phantom shares							
					Number of financial instruments subject to conversion	Remuneration in the form of a financial instrument after conversion into cash <sup>1)</sup>	Date of disbursement and exercising shares					
Zbigniew Jagiełło	2009.10.01 - to date	793	bonus	388	15 776	632	02.01.2020	1 020	63	1 876	129%	
			<i>including<sup>3)</sup>:</i>									
				For 2019	127							
				For 2018	53	5 875	236					
				For 2017	103	2 556	102					
				For 2016	104	3 881	156					
			For 2015	3 464	139							
Rafał Antczak	2017.07.02 - to date	740	bonus	172	4 671	187	02.01.2020	359	39	1 138	49%	
			<i>including<sup>3)</sup>:</i>									
				For 2019	113							
				For 2018	38	4 124	165					
				For 2017	22	547	22					
				For 2016								
			For 2015									
Rafał Kozłowski	2018.01.01 - to date	740	bonus	159	5 092	204	02.01.2020	363	39	1 142	49%	
			<i>including<sup>3)</sup>:</i>									
				For 2019	113							
				For 2018	46	5 092	204					
				For 2017								
				For 2016								
			For 2015									
Maks Kraczkowski	2016.07.04 - to date	740	bonus	263	7 918	317	02.01.2020	580	46	1 366	78%	
			<i>including<sup>3)</sup>:</i>									
				For 2019	113							
				For 2018	44	4 888	196					
				For 2017	74	1 831	73					
				For 2016	32	1 199	48					
			For 2015									

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THE BANK'S MANAGEMENT BOARD	Period of performing function	Fixed remuneration	Variable remuneration					TOTAL variable remuneration disbursed	Other benefits - contributions - to PPE <sup>2)</sup>	Total amount of remuneration and benefits disbursed	Proportion of variable to fixed remuneration	
			Components of variable remuneration	Remuneration in cash	Remuneration in the form of a financial instrument - phantom shares							
					Number of financial instruments subject to conversion	Remuneration in the form of a financial instrument after conversion into cash <sup>1)</sup>	Date of disbursement and exercising shares					
Mieczysław Król	2016.06.06 - to date	740	bonus	266	8 195	329	02.01.2020	595	47	1 382	80%	
			<i>including<sup>3)</sup>:</i>									
				For 2019	113							
				For 2018	46	5 092	204					
				For 2017	70	1 724	69					
	For 2016	37	1 379	55								
	For 2015											
Adam Marciniak	2017.10.01 - to date	740	bonus	171	5 379	216	02.01.2020	387	39	1 166	52%	
			<i>including<sup>3)</sup>:</i>									
				For 2019	113							
				For 2018	46	5 092	204					
				For 2017	12	287	12					
	For 2016											
	For 2015											
Piotr Mazur	2013.01.08 - to date	766	bonus	316	12 368	496	02.01.2020	812	55	1 633	106%	
			<i>including<sup>3)</sup>:</i>									
				For 2019	120							
				For 2018	50	5 483	220					
				For 2017	77	1 901	76					
	For 2016	70	2 597	104								
	For 2015		2 387	96								
Jakub Papierski	2010.03.22 - to date	740	bonus	303	11 907	477	02.01.2020	780	53	1 573	105%	
			<i>including<sup>3)</sup>:</i>									
				For 2019	113							
				For 2018	46	5 092	204					
				For 2017	74	1 831	73					
	For 2016	70	2 597	104								
	For 2015		2 387	96								

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THE BANK'S MANAGEMENT BOARD	Period of performing function	Fixed remuneration	Variable remuneration					TOTAL variable remuneration disbursed	Other benefits - contributions to PPE <sup>2)</sup>	Total amount of remuneration and benefits disbursed	Proportion of variable to fixed remuneration	
			Components of variable remuneration	Remuneration in cash	Remuneration in the form of a financial instrument - phantom shares							
					Number of financial instruments subject to conversion	Remuneration in the form of a financial instrument after conversion into cash <sup>1)</sup>	Date of disbursement and exercising shares					
Jan Emaryk Rościszewski	2016.07.18 - to date	740	bonus	255	7 797	313	02.01.2020	568	46	1 354	77%	
		<i>including<sup>3)</sup>:</i>										
			For 2019	113								
			For 2018	46	5 041	202						
			For 2017	67	1 652	66						
	For 2016	30	1 104	44								
	For 2015											
Piotr Alicki	2010.11.02 - 2016.10.30	-	bonus	57	4 516	181	02.01.2020	238	8	246	0%	
		<i>including<sup>3)</sup>:</i>										
			For 2019									
			For 2018									
			For 2017									
	For 2016	57	2 129	85								
	For 2015		2 387	96								
Janusz Derda	2016.12.01 - 2017.08.09	-	bonus	32	817	33	02.01.2020	65	-	65	0%	
		<i>including<sup>3)</sup>:</i>										
			For 2019									
			For 2018									
			For 2017	29	719	29						
	For 2016	3	98	4								
	For 2015											
Bartosz Drabikowski	2008.05.20 - 2017.12.21	-	bonus	161	7 782	312	02.01.2020	473	11	484	0%	
		<i>including<sup>3)</sup>:</i>										
			For 2019									
			For 2018									
			For 2017	80	1 980	79						
	For 2016	81	3 025	121								
	For 2015		2 777	111								



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THE BANK'S MANAGEMENT BOARD	Period of performing function	Fixed remuneration	Variable remuneration					TOTAL variable remuneration disbursed	Other benefits - contributions - to PPE <sup>2)</sup>	Total amount of remuneration and benefits disbursed	Proportion of variable to fixed remuneration
			Components of variable remuneration	Remuneration in cash	Remuneration in the form of a financial instrument - phantom shares						
					Number of financial instruments subject to conversion	Remuneration in the form of a financial instrument after conversion into cash <sup>1)</sup>	Date of disbursement and exercising shares				
Jarosław Mjyak	2008.12.15 - 2016.03.22	-	bonus	16	2 094	84	02.01.2020	100	4	104	0%
		<i>including<sup>3)</sup>:</i>		For 2019							
				For 2018							
				For 2017							
				For 2016	16	584	23				
		For 2015		1 510	61						
Jacek Obłękowski	2011.06.30 - 2016.03.21	-	bonus	15	2 961	119	02.01.2020	134	5	139	0%
		<i>including<sup>3)</sup>:</i>		For 2019							
				For 2018							
				For 2017							
				For 2016	15	574	23				
		For 2015		2 387	96						

<sup>1)</sup> Share prices adopted for second conversion: phantom shares->cash

deferred remuneration for 2015 - 2018

Q3 2019 share price

share price PLN 40.08

<sup>2)</sup> Other benefits apart from PPE also include compensation for abiding by the non-competition clause, there were none during the period analysed.

<sup>3)</sup> 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; the discrepancies between the total amounts of phantom shares and the sum of the number of shares result from rounding each instalment up to a full number of shares.

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Table 5. Remuneration paid to the members of the Management Board of PKO Bank Polski S.A. in 2019 (in PLN'000)

THE BANK'S MANAGEMENT BOARD	Period of performing function	Fixed remuneration	Variable remuneration					TOTAL variable remuneration disbursed <sup>2)</sup>	Other benefits - contributions - to PPE <sup>3)</sup>	Total amount of remuneration and benefits disbursed	Proportion of variable to fixed remuneration	
			Components of variable remuneration	Remuneration in cash	Remuneration in the form of a financial instrument - phantom shares							
					Number of financial instruments subject to conversion	Remuneration in the form of a financial instrument after conversion into cash <sup>1)</sup>	Date of disbursement and exercising shares					
Zbigniew Jagiełło	2009.10.01 - to date	793	bonus	914	18 362	753	-	1 667	22	2 482	210%	
			<i>including</i> <sup>4)</sup> :	For 2018	238							
			For 2017	475	9 276	380	08.03.2019					
			For 2016	104	3 881	159	02.01.2019					
			For 2015	97	3 464	142	02.01.2019					
			For 2014		1 741	71	02.01.2019					
Rafał Antczak	2017.07.02 - to date	705	bonus	287	2 459	101	-	388	2	1 095	55%	
			<i>including</i> <sup>4)</sup> :	For 2018	167							
			For 2017	121	2 459	101	08.03.2019					
			For 2016									
			For 2015									
			For 2014									
Rafał Kozłowski	2018.01.01 - to date	705	bonus	206	-	-	-	206	2	913	29%	
			<i>including</i> <sup>4)</sup> :	For 2018	206							
			For 2017									
			For 2016									
			For 2015									
			For 2014									
Maks Kraczkowski	2016.07.04 - to date	705	bonus	617	9 025	370	-	987	-	1 692	140%	
			<i>including</i> <sup>4)</sup> :	For 2018	198							
			For 2017	387	7 826	321	08.03.2019					
			For 2016	32	1 199	49	02.01.2019					
			For 2015									
			For 2014									

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THE BANK'S MANAGEMENT BOARD	Period of performing function	Fixed remuneration	Variable remuneration					TOTAL variable remuneration disbursed <sup>2)</sup>	Other benefits - contributions - to PPE <sup>3)</sup>	Total amount of remuneration and benefits disbursed	Proportion of variable to fixed remuneration	
			Components of variable remuneration	Remuneration in cash	Remuneration in the form of a financial instrument - phantom shares							
					Number of financial instruments subject to conversion	Remuneration in the form of a financial instrument after conversion into cash <sup>1)</sup>	Date of disbursement and exercising shares					
Mieczysław Król	2016.06.06 - to date	705	bonus	618	8 992	369	-	987	5	1 697	140%	
			<i>including<sup>4)</sup>:</i>	For 2018	206							
			For 2017	374	7 613	312	08.03.2019					
			For 2016	37	1 379	57	02.01.2019					
			For 2015									
For 2014												
Adam Marciniak	2017.10.01 - to date	705	bonus	269	1 288	53	-	322	2	1 029	46%	
			<i>including<sup>4)</sup>:</i>	For 2018	206							
			For 2017	63	1 288	53	08.03.2019					
			For 2016									
			For 2015									
For 2014												
Piotr Mazur	2013.01.08 - to date	749	bonus	754	14 241	584	-	1 338	14	2 101	179%	
			<i>including<sup>4)</sup>:</i>	For 2018	222							
			For 2017	396	7 965	327	08.03.2019					
			For 2016	70	2 597	107	02.01.2019					
			For 2015	67	2 387	98	02.01.2019					
For 2014		1 292	53	02.01.2019								
Jakub Papierski	2010.03.22 - to date	705	bonus	730	14 296	586	-	1 316	16	2 037	187%	
			<i>including<sup>4)</sup>:</i>	For 2018	206							
			For 2017	387	7 826	321	08.03.2019					
			For 2016	70	2 597	107	02.01.2019					
			For 2015	67	2 387	98	02.01.2019					
For 2014		1 486	61	02.01.2019								

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THE BANK'S MANAGEMENT BOARD	Period of performing function	Fixed remuneration	Variable remuneration					TOTAL variable remuneration disbursed <sup>2)</sup>	Other benefits - contributions to PPE <sup>3)</sup>	Total amount of remuneration and benefits disbursed	Proportion of variable to fixed remuneration		
			Components of variable remuneration	Remuneration in cash	Remuneration in the form of a financial instrument - phantom shares								
					Number of financial instruments subject to conversion	Remuneration in the form of a financial instrument after conversion into cash <sup>1)</sup>	Date of disbursement and exercising shares						
Jan Emeryk Rościszewski	2016.07.18 - to date	705	bonus	598	8 535	350	-	948	5	1 658	134%		
			<i>including<sup>4)</sup>:</i>	For 2018	204								
			For 2017	364	7 431	305	08.03.2019						
			For 2016	30	1 104	45	02.01.2019						
			For 2015										
For 2014													
Piotr Alicki	2010.11.02 - 2016.10.30	-	bonus	124	5 976	245	-	369	13	382	-		
			<i>including<sup>4)</sup>:</i>	For 2018									
			For 2017										
			For 2016	57	2 129	87	02.01.2019						
			For 2015	67	2 387	98	02.01.2019						
For 2014		1 460	60	02.01.2019									
Janusz Derda	2016.12.01 - 2017.08.09	-	bonus	161	3 334	137		298	-	298	-		
			<i>including<sup>4)</sup>:</i>	For 2018									
			For 2017	159	3 236	133	08.03.2019						
			For 2016	3	98	4	02.01.2019						
			For 2015										
For 2014													
Bartosz Drabikowski	2008.05.20 - 2017.12.21	-	severance	172	-	-	-	172	16	1 383	-		
			bonus	564	15 391	631	-					1 195	
			<i>including<sup>4)</sup>:</i>	For 2018									
			For 2017	405	8 124	333	08.03.2019						
			For 2016	81	3 025	124	02.01.2019						
For 2015	78	2 777	114	02.01.2019									
For 2014		1 465	60	02.01.2019									

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THE BANK'S MANAGEMENT BOARD	Period of performing function	Fixed remuneration	Variable remuneration					TOTAL variable remuneration disbursed <sup>2)</sup>	Other benefits - contributions - to PPE <sup>3)</sup>	Total amount of remuneration and benefits disbursed	Proportion of variable to fixed remuneration
			Components of variable remuneration	Remuneration in cash	Remuneration in the form of a financial instrument - phantom shares						
					Number of financial instruments subject to conversion	Remuneration in the form of a financial instrument after conversion into cash <sup>1)</sup>	Date of disbursement and exercising shares				
Jarosław Mjyak	2008.12.15 - 2016.03.22	-	bonus	58	3 387	139	-	197	7	204	-
		<i>including <sup>4)</sup>:</i>		For 2018							
				For 2017							
				For 2016	16	584	24	02.01.2019			
				For 2015	42	1 510	62	02.01.2019			
		For 2014		1 293	53	02.01.2019					
Jacek Obłękowski	2011.06.30 - 2016.03.21	-	bonus	82	4 416	181	-	263	10	273	-
		<i>including <sup>4)</sup>:</i>		For 2018							
				For 2017							
				For 2016	15	574	24	02.01.2019			
				For 2015	67	2 387	98	02.01.2019			
		For 2014		1 455	60	02.01.2019					

<sup>1)</sup> Share prices adopted for second conversion: phantom shares->cash

deferred remuneration for 2014 - 2017

Q3 2018 share price

share price PLN 41.00

<sup>2)</sup> Pursuant to the resolution of the Supervisory Board the remuneration of the Bank's Management Board in 2019 accounts for the payment of the non-deferred variable remuneration (in cash and in financial instrument form) for 2017, which 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.

<sup>3)</sup> Other benefits apart from PPE, payable as of December 2019, also include compensation for abiding by the non-competition clause, there were none during the period analysed.

<sup>4)</sup> 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; the discrepancies between the total amounts of phantom shares and the sum of the number of shares result from rounding each instalment up to a full number of shares.

With respect to the remuneration shown in Tables 4 and 5, 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 the years 2014 – 2019, whose basis until 20 June 2017 was the fixed remuneration which was not yet governed by the “Chimney Act” (as of 21 June 2017 fixed remuneration was reduced);
- it accounts for the fair interest rate<sup>1</sup> upon disbursement of the deferred component of variable remuneration.

In addition, pursuant to the resolution of the Bank’s Supervisory Board, in 2019 (Table 5) non-deferred variable remuneration (in cash and in financial instrument form) for 2017 was paid; according to the principles for remunerating members of the Bank’s Management Board it should have been paid in 2018.

The remuneration shown in Tables 4 and 5 does not account for the remuneration which was paid to the Vice-President Rafał Kozłowski in the years 2019-2020 for performing the function of Member of the Management Board of PKO Bank Hipoteczny S.A. (a member of the same Group) before the period covered by this report, including:

- variable remuneration for the years 2016–2017 of PLN 160 thousand paid in 2020;
- variable remuneration for the years 2015–2017 of PLN 370 thousand paid in 2019.

The remuneration from members of the same Group within the meaning of the Accounting Act of 29 September 1994 (Journal of Laws from 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 2020, in the part relating to benefits for managers and supervisors.

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<sup>1</sup> 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, calculated by the Investment and Insurance Products Department based on the Report of the Management Information Office.

REPORT ON THE REMUNERATION OF MEMBERS OF THE MANAGEMENT BOARD  
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Table 6. Variable remuneration of members of the Management Board of the Bank approved and not approved for disbursement for the years 2016-2019, as at 31.12.2020 (in PLN'000)

THE BANK'S MANAGEMENT BOARD	Period of performing function	Components of variable remuneration	Variable remuneration in cash				Variable remuneration in the form of financial instruments - phantom shares								Other potentially receivable benefits	Total potentially receivable variable remuneration
							disbursement deadlines				Cash convertible to financial instrument					
			2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024		
			disbursement deadlines				disbursement deadlines				disbursement deadlines					
Zbigniew Jagiełło	2009.10.01 - to date <i>including</i> <sup>2)</sup> :	bonus	398				942				42 857				-	1 340
		For 2019	63	63	63		190	95	95	95	8 655	4 328	4 328	4 328		
		For 2018	53	53			53	53	53		2 405	2 405	2 405			
		For 2017	102				102	102			4 654	4 654				
		For 2016					103				4 696					
Rafał Antczak	2017.07.02 - to date <i>including</i> <sup>2)</sup> :	bonus	265				578				26 288				-	843
		For 2019	56	56	56		169	85	85	85	7 694	3 848	3 848	3 848		
		For 2018	37	37			37	37	37		1 688	1 688	1 688			
		For 2017	22				22	22			995	995				
		For 2016														
Rafał Kozłowski	2018.01.01 - to date <i>including</i> <sup>2)</sup> :	bonus	261				560				25 486				-	821
		For 2019	56	56	56		169	85	85	85	7 694	3 848	3 848	3 848		
		For 2018	46	46			46	46	46		2 084	2 084	2 084			
		For 2017														
		For 2016														
Maks Kraczkowski	2016.07.04 - to date <i>including</i> <sup>2)</sup> :	bonus	330				733				33 354				-	1 063
		For 2019	56	56	56		169	85	85	85	7 694	3 848	3 848	3 848		
		For 2018	44	44			44	44	44		2 001	2 001	2 001			
		For 2017	73				73	73			3 333	3 333				
		For 2016					32				1 451					

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THE BANK'S MANAGEMENT BOARD	Period of performing function	Components of variable remuneration	Variable remuneration in the form of financial instruments - phantom shares												Other potentially receivable benefits	Total potentially receivable variable remuneration
			Variable remuneration in cash				Cash convertible to financial instrument				Number of shares after converting at the share price from April 2020 <sup>1)</sup> (first conversion cash -> phantom shares)					
			disbursement deadlines				disbursement deadlines				disbursement deadlines					
			2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024		
Mieczysław Król	2016.06.06 - to date	bonus	330				735				33 433				-	1 065
	<i>including</i> <sup>2)</sup> :	For 2019	56	56	56		169	85	85	85	7 694	3 848	3 848	3 848		
		For 2018	46	46			46	46	46		2 084	2 084	2 084			
		For 2017	69				69	69			3 139	3 139				
		For 2016					37				1 669					
	For 2015															
Adam Marciniak	2017.10.01 - to date	bonus	272				583				26 528				-	855
	<i>including</i> <sup>2)</sup> :	For 2019	56	56	56		169	85	85	85	7 694	3 848	3 848	3 848		
		For 2018	46	46			46	46	46		2 084	2 084	2 084			
		For 2017	12				12	12			521	521				
		For 2016														
	For 2015															
Piotr Mazur	2013.01.08 - to date	bonus	354				818				37 232				-	1 172
	<i>including</i> <sup>2)</sup> :	For 2019	60	60	60		180	90	90	90	8 175	4 088	4 088	4 088		
		For 2018	49	49			49	49	49		2 244	2 244	2 244			
		For 2017	76				76	76			3 460	3 460				
		For 2016					69				3 143					
	For 2015															
Jakub Papierski	2010.03.22 - to date	bonus	334				776				35 295				-	1 110
	<i>including</i> <sup>2)</sup> :	For 2019	56	56	56		169	85	85	85	7 694	3 848	3 848	3 848		
		For 2018	46	46			46	46	46		2 084	2 084	2 084			
		For 2017	73				73	73			3 333	3 333				
		For 2016					69				3 143					
	For 2015															



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THE BANK'S MANAGEMENT BOARD	Period of performing function	Components of variable remuneration	Variable remuneration in cash		Variable remuneration in the form of financial instruments - phantom shares										Other potentially receivable benefits	Total potentially receivable variable remuneration			
					Cash convertible to financial instrument					Number of shares after converting at the share price from April 2020 <sup>1)</sup> (first conversion cash -> phantom shares)									
			disbursement deadlines					disbursement deadlines					disbursement deadlines						
			2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024					
Jan Emeryk Rościszewski	2016.07.18 - to date	bonus	326				720				32 772				-	1 046			
	<i>including</i> <sup>2)</sup> :	For 2019	56	56	56		169	85	85	85	7 694	3 848	3 848	3 848					
		For 2018	45	45			45	45	45		2 063	2 063	2 063						
		For 2017	66				66	66			3 007	3 007							
		For 2016					29				1 335								
		For 2015																	
Piotr Alicki	2010.11.02 - 2016.10.30	bonus	0				57				2 576				-	57			
	<i>including</i> <sup>2)</sup> :	For 2019																	
		For 2018																	
		For 2017																	
		For 2016					57				2 576								
		For 2015																	
Janusz Derda	2016.12.01 - 2017.08.09	bonus	29				60				2 736				-	89			
	<i>including</i> <sup>2)</sup> :	For 2019																	
		For 2018																	
		For 2017	29				29	29			1 309	1 309							
		For 2016					3				118								
		For 2015																	
Bartosz Drabikowski	2008.05.20 - 2017.12.21	bonus	79				239				10 871				-	318			
	<i>including</i> <sup>2)</sup> :	For 2019																	
		For 2018																	
		For 2017	79				79	79			3 605	3 605							
		For 2016					81				3 661								
		For 2015																	

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THE BANK'S MANAGEMENT BOARD	Period of performing function	Components of variable remuneration	Variable remuneration in cash				Variable remuneration in the form of financial instruments - phantom shares								Other potentially receivable benefits	Total potentially receivable variable remuneration
							Cash convertible to financial instrument				Number of shares after converting at the share price from April 2020 <sup>1)</sup> (first conversion cash -> phantom shares)					
			disbursement deadlines				disbursement deadlines				disbursement deadlines					
			2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024		
Jarosław Myjak	2008.12.15 - 2016.03.22	bonus	0				16				706				-	16
	<i>including</i> <sup>2)</sup> :	For 2019														
		For 2018														
		For 2017														
		For 2016					16				706					
		For 2015														
Jacek Obłękowski	2011.06.30 - 2016.03.21	bonus	0				15				695				-	15
	<i>including</i> <sup>2)</sup> :	For 2019														
		For 2018														
		For 2017														
		For 2016					15				695					
		For 2015														

<sup>1)</sup> Share price adopted in the conversion: cash accrued-> phantom shares:

variable remuneration for 2019                      share price from April 2020    share price: 21,98105

<sup>2)</sup> 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; the discrepancies between the total amounts of phantom shares and the sum of the number of shares result from rounding each instalment up to a full number of shares.

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Table 7. Variable remuneration of members of the Management Board of the Bank approved and not approved for disbursement for the years 2015-2018, as at 31.12.2019 (in PLN'000)

THE BANK'S MANAGEMENT BOARD	Period of performing function	Components of variable remuneration	Variable remuneration in cash				Variable remuneration in the form of financial instruments								Other potentially receivable benefits	Total potentially receivable variable remuneration
							Cash convertible to financial instrument				Number of shares after converting (first conversion cash-> phantom shares) <sup>1)</sup>					
			disbursement deadlines				disbursement deadlines				disbursement deadlines					
			2020	2021	2022	2023	2020 <sup>2)</sup>	2021	2022	2023	2020	2021	2022	2023		
Zbigniew Jagiełło	2009.10.01 - to date <i>including</i> <sup>3)</sup> :	bonus	466				1 098				28 686				-	1 564
		For 2019														
		For 2018	53	53	53		236	53	53	53	5 875	1 306	1 306	1 306		
		For 2017	102	102			102	102	102		2 556	2 556	2 556			
		For 2016	103				156	103			3 881	3 881				
	For 2015					139				3 464						
Rafał Antczak	2017.07.02 - to date <i>including</i> <sup>3)</sup> :	bonus	155				342				8 515				-	497
		For 2019														
		For 2018	37	37	37		165	37	37	37	4 124	917	917	917		
		For 2017	22	22			22	22	22		547	547	547			
		For 2016														
	For 2015															
Rafał Kozłowski	2018.01.01 - to date <i>including</i> <sup>3)</sup> :	bonus	137				341				8 487				-	478
		For 2019														
		For 2018	46	46	46		204	46	46	46	5 092	1 132	1 132	1 132		
		For 2017														
		For 2016														
	For 2015															
Maks Kraczkowski	2016.07.04 - to date <i>including</i> <sup>3)</sup> :	bonus	310				627				16 038				-	937
		For 2019														
		For 2018	44	44	44		196	44	44	44	4 888	1 087	1 087	1 087		
		For 2017	73	73			73	73	73		1 831	1 831	1 831			
		For 2016	32				48	32			1 199	1 199				
	For 2015															

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THE BANK'S MANAGEMENT BOARD	Period of performing function	Components of variable remuneration	Variable remuneration in the form of financial instruments												Other potentially receivable benefits	Total potentially receivable variable remuneration
			Variable remuneration in cash				Cash convertible to financial instrument				Number of shares after converting (first conversion cash-> phantom shares) <sup>1)</sup>					
			disbursement deadlines				disbursement deadlines				disbursement deadlines					
			2020	2021	2022	2023	2020 <sup>2)</sup>	2021	2022	2023	2020	2021	2022	2023		
Mieczysław Król	2016.06.06 - to date	bonus	312				641				16 417				-	953
	<i>including</i> <sup>3)</sup> :	For 2019														
		For 2018	46	46	46		204	46	46	46	5 092	1 132	1 132	1 132		
		For 2017	69	69			69	69	69		1 724	1 724	1 724			
		For 2016	37				55	37			1 379	1 379				
	For 2015															
Adam Marciniak	2017.10.01 - to date	bonus	160				376				9 348				-	536
	<i>including</i> <sup>3)</sup> :	For 2019														
		For 2018	46	46	46		204	46	46	46	5 092	1 132	1 132	1 132		
		For 2017	12	12			12	12	12		287	287	287			
		For 2016														
	For 2015															
Piotr Mazur	2013.01.08 - to date	bonus	369				865				22 423				-	1 234
	<i>including</i> <sup>3)</sup> :	For 2019														
		For 2018	49	49	49		220	49	49	49	5 483	1 219	1 219	1 219		
		For 2017	76	76			76	76	76		1 901	1 901	1 901			
		For 2016	69				104	69			2 597	2 597				
	For 2015					96				2 387						
Jakub Papierski	2010.03.22 - to date	bonus	353				830				21 561				-	1 183
	<i>including</i> <sup>3)</sup> :	For 2019														
		For 2018	46	46	46		204	46	46	46	5 092	1 132	1 132	1 132		
		For 2017	73	73			73	73	73		1 831	1 831	1 831			
		For 2016	69				104	69			2 597	2 597				
	For 2015					96				2 387						

REPORT ON THE REMUNERATION OF MEMBERS OF THE MANAGEMENT BOARD  
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THE BANK'S MANAGEMENT BOARD	Period of performing function	Components of variable remuneration	Variable remuneration in cash		Variable remuneration in the form of financial instruments										Other potentially receivable benefits	Total potentially receivable variable remuneration			
					Cash convertible to financial instrument					Number of shares after converting (first conversion cash-> phantom shares) <sup>1)</sup>									
			disbursement deadlines					disbursement deadlines					disbursement deadlines						
			2020	2021	2022	2023	2020 <sup>2)</sup>	2021	2022	2023	2020	2021	2022	2023			2020	2021	2022
Jan Emeryk Rościszewski	2016.07.18 - to date <i>including</i> <sup>3)</sup> :	bonus	298				611				15 566				-	909			
		For 2019																	
		For 2018	45	45	45		202	45	45	45	5 041	1 121	1 121	1 121					
		For 2017	66	66			66	66	66		1 652	1 652	1 652						
		For 2016	29				44	29			1 104	1 104							
Piotr Alicki	2010.11.02 - 2016.10.30 <i>including</i> <sup>3)</sup> :	bonus	57				238				6 645				-	295			
		For 2019																	
		For 2018																	
		For 2017																	
		For 2016	57				85	57			2 129	2 129							
For 2015					96				2 387										
Janusz Derda	2016.12.01 - 2017.08.09 <i>including</i> <sup>3)</sup> :	bonus	60				93				2 353				-	153			
		For 2019																	
		For 2018																	
		For 2017	29	29			29	29	29		719	719	719						
		For 2016	3				4	3			98	98							
For 2015																			
Bartosz Drabikowski	2008.05.20 - 2017.12.21 <i>including</i> <sup>3)</sup> :	bonus	239				551				14 767				-	790			
		For 2019																	
		For 2018																	
		For 2017	79	79			79	79	79		1 980	1 980	1 980						
		For 2016	81				121	81			3 025	3 025							
For 2015					111				2 777										

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THE BANK'S MANAGEMENT BOARD	Period of performing function	Components of variable remuneration	Variable remuneration in cash		Variable remuneration in the form of financial instruments										Other potentially receivable benefits	Total potentially receivable variable remuneration					
					Cash convertible to financial instrument					Number of shares after converting (first conversion cash-> phantom shares) <sup>1)</sup>											
					disbursement deadlines					disbursement deadlines							disbursement deadlines				
					2020	2021	2022	2023	2020 <sup>2)</sup>	2021	2022	2023	2020	2021			2022	2023			
Jarosław Myjak	2008.12.15 - 2016.03.22	bonus	16				100					2 678					-	116			
	<i>including</i> <sup>3)</sup> :	For 2019																			
		For 2018																			
		For 2017																			
		For 2016	16				23	16					584	584							
		For 2015					61						1 510								
Jacek Obłękowski	2011.06.30 - 2016.03.21	bonus	15				134					3 535					-	149			
	<i>including</i> <sup>3)</sup> :	For 2019																			
		For 2018																			
		For 2017																			
		For 2016	15				23	15					574	574							
		For 2015					96						2 387								

<sup>1)</sup> Share price adopted in the first conversion: cash accrued-> phantom shares:

variable remuneration for 2015, with payment dates in the years 2021-2023

Q4 2015 share price

share price: 27,74

variable remuneration for 2016, with payment dates in the years 2021-2023

Q4 2016 share price

share price: 26,60

variable remuneration for 2017, with payment dates in the years 2021-2023

Q4 2017 share price

share price: 40,02

variable remuneration for 2018, with payment dates in the years 2021-2023

Q4 2018 share price

share price: 40,48

<sup>2)</sup> The amount of remuneration resulting from the conversion of the number of shares at the rate of 40.08 from Q3 2019 - variable remuneration approved for payment for the years 2015-2018 with the payment date in January 2020.

<sup>3)</sup> 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; the discrepancies between the total amounts of phantom shares and the sum of the number of shares result from rounding each instalment up to a full number of shares.

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

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 8.

Table 8. Remuneration of the members of the Bank's Supervisory Board in 2019 and 2020 (in PLN'000)

THE BANK'S SUPERVISORY BOARD	Period of performing function on the Bank's Supervisory Board	Fixed remuneration disbursed in 2020	Fixed remuneration disbursed in 2019
Mariusz Andrzejewski	2017.06.22 - to date	115	116
Mirosław Barszcz	2016.02.25 - 2020.08.26	86	116
Adam Budnikowski	2016.02.25 - 2020.08.26	86	116
Grzegorz Chłopek	2020.08.26 - to date	30	-
Grażyna Ciurzyńska <sup>1)</sup>	2016.06.30 - to date	139	145
Dariusz Górski	2019.05.06 - 2020.01.29	19	65
Zbigniew Hajtasz	2016.06.30 - to date	137	131
Marcin Izdebski	2020.08.26 - to date	38	-
Wojciech Jasiński	2016.02.25 - to date	115	116
Andrzej Kisielewicz	2016.02.25 - to date	115	116
Rafał Kos	2020.08.26 - to date	30	-
Elżbieta Mączyńska-Ziemacka	2013.06.20 - 2020.08.26	86	116
Krzysztof Michalski	2019.09.17 - to date	115	23
Janusz Ostaszewski	2016.02.25 - 2019.05.06	-	50
Piotr Sadownik	2016.02.25 - to date	147	160

<sup>1)</sup> Other benefits not included in the fixed remuneration - use of company car for private purposes by a member of the Bank's Supervisory Board, in:  
2019 in the amount of PLN 19 thousand  
2020 in the amount of PLN 17 thousand

In accordance with the Remuneration Policy the remuneration of members of the Bank's Supervisory Board 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 persons managing certain companies and an appropriate 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 is increased by 10% if a member of the Bank's Supervisory Board sits on at least one standing committee of the Supervisory Board.

In addition to their remuneration, Members of the Bank's Supervisory Board 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 Bank's Supervisory Board 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 Bank's Supervisory Board. Members of the Bank's Supervisory Board 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 9. Changes in remuneration<sup>2</sup> paid in the years 2014-2020 to members of the Bank's Management Board, who performed their functions in the years 2019-2020

MEMBERS OF THE MANAGEMENT BOARD	PERIOD OF PERFORMING THE FUNCTION	REMUNERATION PAID (in PLN'000)						
		2014	2015	2016	2017 <sup>1)</sup>	2018 <sup>2), 3)</sup>	2019 <sup>4)</sup>	2020
Zbigniew Jagiełło	2009.10.01 - to date	2 575	2 767	2 899	2 467	2 198	2 089	1 813
<i>year to year change</i>		-	7,5%	4,8%	-14,9%	-10,9%	-5,0%	-13,2%
Rafał Antczak	2017.07.02 - to date	-	-	-	342	785	995	1 099
<i>year to year change</i>		-	-	-	-	129,5%	26,8%	10,5%
Rafał Kozłowski	2018.01.01 - to date	-	-	-	-	687	911	1 103
<i>year to year change</i>		-	-	-	-	-	32,6%	21,1%
Maks Kraczkowski	2016.07.04 - to date	-	-	683	1 210	1 225	1 379	1 320
<i>year to year change</i>		-	-	-	77,2%	1,2%	12,6%	-4,3%
Mieczysław Król	2016.06.06 - to date	-	-	786	1 231	1 251	1 387	1 335
<i>year to year change</i>		-	-	-	56,6%	1,6%	10,9%	-3,7%
Adam Marciniak	2017.10.01 - to date	-	-	-	172	739	975	1 127
<i>year to year change</i>		-	-	-	-	329,7%	31,9%	15,6%
Piotr Mazur	2013.01.08 - to date	1 635	1 951	2 082	1 928	1 838	1 768	1 578
<i>year to year change</i>		-	19,3%	6,7%	-7,4%	-4,7%	-3,8%	-10,7%
Jakub Papierski	2010.03.22 - to date	1 954	2 114	2 202	1 958	1 796	1 708	1 520
<i>year to year change</i>		-	8,2%	4,2%	-11,1%	-8,3%	-4,9%	-11,0%
Jan Emaryk Rościszewski	2016.07.18 - to date	-	-	629	1 198	1 191	1 356	1 308
<i>year to year change</i>		-	-	-	90,5%	-0,6%	13,9%	-3,5%
Inactive members of the Management Board	-	7 892	8 419	6 501	4 499	2 811	1 868	1 010
<i>year to year change</i>		-	6,7%	-22,8%	-30,8%	-37,5%	-33,5%	-45,9%
Total members of the Management Board	-	14 056	15 251	15 782	15 005	14 521	14 436	13 213
<i>year to year change</i>		-	8,5%	3,5%	-4,9%	-3,2%	-0,6%	-8,5%

<sup>1-2)</sup> 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

<sup>3-4)</sup> To ensure comparability of remuneration (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 2020, item 2080, as amended), payment of the non-deferred variable remuneration (in cash and in the form of a financial instrument) for 2017 of those members of the Bank's Management Board who as a result of the resolution of the Supervisory Board were paid in 2019, the cash component was recognized in 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 the cash portion should have been paid in 2018.

<sup>2</sup> Variable and fixed remuneration without severance



REPORT ON THE REMUNERATION OF MEMBERS OF THE MANAGEMENT BOARD  
AND OF THE SUPERVISORY BOARD OF PKO BANK POLSKI S.A. FOR THE YEARS 2019-2020

Table 10. Changes in remuneration paid in the years 2014-2020 to members of the Bank's Supervisory Board who performed their functions in the years 2019-2020

MEMBERS OF THE SUPERVISORY BOARD	PERIOD OF PERFORMING THE FUNCTION	REMUNERATION PAID (in PLN'000)						
		2014	2015	2016	2017	2018	2019	2020
Mariusz Andrzejewski	2017.06.22 - to date	-	-	-	49	116	116	115
<i>year to year change</i>		-	-	-	-	135,2%	0,0%	-0,7%
Miroslaw Barszcz	2016.02.25 - 2020.08.26	-	-	91	116	116	116	86
<i>year to year change</i>		-	-	-	26,6%	0,5%	0,0%	-26,3%
Adam Budnikowski	2016.02.25 - 2020.08.26	-	-	91	116	116	116	86
<i>year to year change</i>		-	-	-	26,6%	0,5%	0,0%	-26,3%
Grzegorz Chłopek	2020.08.26 - to date	-	-	-	-	-	-	30
<i>year to year change</i>		-	-	-	-	-	-	-
Grażyna Ciurzyńska	2016.06.30 - to date	-	-	71	151	145	145	139
<i>year to year change</i>		-	-	-	113,3%	-3,5%	0,0%	-4,0%
Dariusz Górski	2019.05.06 - 2020.01.29	-	-	-	-	-	65	19
<i>year to year change</i>		-	-	-	-	-	-	-71,0%
Zbigniew Hajtasz	2016.06.30 - to date	-	-	60	131	131	131	137
<i>year to year change</i>		-	-	-	119,7%	-0,1%	0,0%	5,0%
Marcin Izdebski	2020.08.26 - to date	-	-	-	-	-	-	38
<i>year to year change</i>		-	-	-	-	-	-	-
Wojciech Jasiński	2016.02.25 - to date	-	-	91	116	116	116	115
<i>year to year change</i>		-	-	-	26,6%	0,5%	0,0%	-0,7%
Andrzej Kisielewicz	2016.02.25 - to date	-	-	91	116	116	116	115
<i>year to year change</i>		-	-	-	26,6%	0,5%	0,0%	-0,7%
Rafał Kos	2020.08.26 - to date	-	-	-	-	-	-	30
<i>year to year change</i>		-	-	-	-	-	-	-
Elżbieta Mączyńska-Ziemacka	2013.06.20 - 2020.08.26	120	120	120	116	116	116	86
<i>year to year change</i>			0,0%	0,0%	-3,6%	0,5%	0,0%	-26,3%
Krzysztof Michalski	2019.09.17 - to date	-	-	-	-	-	23	115
<i>year to year change</i>		-	-	-	-	-	-	404,2%
Janusz Ostaszewski	2016.02.25 - 2019.05.06	-	-	91	116	116	50	0
<i>year to year change</i>		-	-	-	26,6%	0,5%	-56,7%	-100,0%
Piotr Sadownik	2016.02.25 - to date	-	-	146	168	160	160	147
<i>year to year change</i>		-	-	-	14,9%	-4,9%	0,0%	-7,8%
Inactive members of the Supervisory Board		1 037	1 077	345	49	54	0	0
<i>year to year change</i>		-	3,9%	-67,9%	-85,7%	9,4%	-100,0%	-
Total members of the Supervisory Board		1 157	1 197	1 199	1 243	1 304	1 271	1 259
<i>year to year change</i>		-	3,5%	0,1%	3,7%	4,9%	-2,5%	-1,0%

Table 11. Comparison of the Bank's employees who are not members of the Bank's Management Board or the Supervisory Board and the Bank's and the Bank Group's results for the years 2014-2020

CHANGE COMPARED WITH THE PREVIOUS YEAR	2015 vs 2014	2016 vs 2015	2017 vs 2016	2018 vs 2017	2019 vs 2018	2020 vs 2019	2020
Average remuneration of the Bank's employees <sup>1)</sup> (in PLN'000)	3,4%	2,4%	6,5%	2,7%	3,9%	-0,9%	92
Net profit of the Bank (in PLN millions)	-16,5%	12,3%	-3,9%	20,2%	15,0%	-176,8%	-2 944
Net profit of the Bank's Group (in PLN millions)	-19,8%	10,1%	8,0%	20,5%	7,8%	-163,4%	-2 557
ROE of the Bank's Group	-3,4 p.p.	0,1 p.p.	-0,1 p.p.	1 p.p.	0 p.p.	-16 p.p.	-6,0%
C/I (cost to income ratio) of the Bank's Group	9,5 p.p.	-9,2 p.p.	-1,4 p.p.	-1,8 p.p.	-2,3 p.p.	-0,9 p.p.	41,0%

<sup>1)</sup> Average annual remuneration of employees (including base salary, bonuses, awards) with the exclusion of the remuneration of the members of the Bank's Supervisory Board and Management Board.

The data shown in Tables 9 and 10 with respect to the remuneration of members of the Bank's Management Board and Supervisory Board for the years 2014-2018, adopted for the calculation of the changes shown in the table, were recognized in the same form and scope as the data included in the report, i.e. for 2019 and 2020.

In the financial years 2019 and 2020, the Bank did not withdraw from the procedure of implementing or using the Remuneration Policy. At the same time, pursuant to the content of the resolution of the Supervisory Board No. 16/2020 dated 25 June 2020, the principles for determining the calculation basis of the fixed component of the remuneration of members of the Bank's Management Board, were in compliance with the principles of the Act of 9 June 2016 on the principles for determining remuneration of persons managing certain companies and the previously mentioned Act on public offer.

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