

Report of the Nomination and Remuneration Committee of the Supervisory Board
of Bank Handlowy w Warszawie S.A.
for the year 2020

The Remuneration Committee is a standing advisory body to the Supervisory Board. The Committee consists of 3 (three) or more members of the Supervisory Board, including two independent members of the Supervisory Board. All Members of the Committee, including its Chairman and Vice Chairman, are elected by the Supervisory Board. Members of the Committee have the powers as set out in the Regulations under Article 390 of the Commercial Companies Code.

The Remuneration Committee was established under a resolution of the Bank Council dated October 23, 1997. The resolution of the Supervisory Board of May 17, 2017 changed the name of the Committee to the Nomination and Remuneration Committee.

In 2005, the Supervisory Board passed the Remuneration Committee Regulations, in line with the "Good Practices in Public Companies in 2005", which were adopted by all governing bodies of the Bank at that time. The Regulations were amended upon the resolutions of the Supervisory Board dated March 20, 2008, December 9, 2011, November 7, 2013, May 17, 2017, May 30, 2018 and September 24, 2020.

The Regulations of the Nomination and Remuneration Committee are available on the Bank's websites: www.citbank.pl.

In the reporting period the Nomination and Remuneration Committee was composed of: Andrzej Olechowski, PhD – Chairman of the Committee, Jenny Grey – Vice Chairperson of the Committee and the Members: Professor Stanisław Sołtysiński, Zdenek Turek.

The Nomination and Remuneration Committee is currently composed of:

- 5) Andrzej Olechowski, PhD – Chairman of the Committee,
- 6) Jenny Grey – Vice Chairperson of the Committee,
- 7) Professor Stanisław Sołtysiński – Member of the Committee,
- 8) Zdenek Turek – Member of the Committee.

The Nomination and Remuneration Committee met on the following dates during the discussed reporting period coinciding with the calendar year:

- 6) 14 January 2020,
- 7) 24 March 2020,
- 8) 26 May 2020,
- 9) 24 September 2020,
- 10) 04 December 2020.

The tasks performed by the Nomination and Remuneration Committee within its powers in the reporting period included:

- assessment of the remuneration paid to members of the Bank's Management Board;

- submission of recommendations concerning the amounts of remuneration of members of the Bank's Management Board to the Supervisory Board;
- assessment of the remuneration paid to members of the Bank's Management Board as compared to their duties and performance;
- assessment if the Bank's policy of remuneration of its non-Board executives is correct;
- expressing opinions on the policy of variable components of remuneration, including the amounts and components of remuneration, of holders of managerial positions at the Bank, following the rules of prudent and stable management of risk, capital and liquidity and with especial care of long-term interests of the Bank and its shareholders, investors and members;
- expressing opinions and monitoring variable remuneration of holders of managerial positions at the Bank in charge of managing risk and ensuring compliance of the Bank's operations with laws and internal regulations as well as the managers of the internal audit unit and the compliance risk management unit;
- conducting preliminary assessments of qualifications of candidates for members of the Supervisory Board and preparing recommendations whether or not to appoint them;
- conducting preliminary assessments of qualifications of members of the Supervisory Board and preparing recommendations if a re-assessment is required.

By exercising the above powers, the Committee, at the meeting held on 14 January 2020, adopted a resolution that contained a positive opinion on the acquisition by Eligible Persons of the right to instalments of the Deferred Variable Remuneration granted for the years 2016-2018.

At the next meeting, on 24 March 2020, the Committee carried out an assessment of the functioning of the "Employee Remuneration Policy of Bank Handlowy w Warszawie S.A.". Next, the Committee adopted a resolution to present its recommendation for the Supervisory Board of the Bank concerning the appointment of members of the Management Board.

At the meeting held on 26 May 2020, the Nomination and Remuneration Committee approved the "Report of the Nomination and Remuneration Committee of the Supervisory Board of Bank Handlowy w Warszawie S.A. for 2019".

On November 26, 2020, under the Qualifications Assessment Policy for Members of the Supervisory Board of the Bank, the Committee assessed the qualifications of candidates for members of the Supervisory Board.

At the meeting held on December 3, 2019, the Committee adopted a resolution concerning amendments to the "Remuneration Policy for Persons whose Professional Activity Significantly Influences the Risk Profile of Bank Handlowy w Warszawie S.A." and adopted a report on the current list of the Eligible Persons. Next, the Committee carried out an annual suitability assessment of Members of the Bank's Supervisory Board and discussed issues related to the succession plan.

The Nomination and Remuneration Committee states that it performed its mandate correctly in the year ended December 31, 2020.

Pursuant to § 2.2 of the Nomination and Remuneration Committee Regulations, the Committee hereby submits this report to the Supervisory Board. This report will soon after be released to our shareholders on the Bank's websites.

Andrzej Olechowski, PhD
Chairman of the Nomination and Remuneration Committee