

This report is an integral part of Management Board Report on the activity of Bank Millennium and Capital Group of Bank Millennium for the 12-month period ended 31 December 2018

REPORT CONCERNING THE PRINCIPLES OF CORPORATE GOVERNANCE IN BANK MILLENNIUM IN 2018

I. PRINCIPLES OF CORPORATE GOVERNANCE AT BANK MILLENNIUM

1. Statement on the Principles of Corporate Governance applied in 2018.

Corporate governance is a set of rules addressed to governing bodies of companies and their members as well as defining relations with shareholders and investors.

The set of rules covering the area of Polish financial institutions and companies listed on the Warsaw Stock Exchange (GPW) are in particular „Best Practice for GPW Listed Companies 2016” adopted by the Board of the Warsaw Stock Exchange, binding from 1 January 2016, as well as the “Principles of Corporate Governance for Supervised Institutions” adopted by the Polish Financial Supervision Authority by its resolution of 22 July 2014, which have been binding since 1 January 2015.

The application of corporate governance principles guarantees the transparency of company operations and strengthens the protection of shareholder rights, also with respect to issues not regulated by generally applicable laws.

The complete text of the document „Best Practice for GPW Listed Companies 2016” is published on the GPW website, https://www.gpw.pl/pub/GPW/o-nas/DPSN2016_EN.pdf and the Bank’s website <https://www.bankmillennium.pl/about-the-bank/corporate-bodies-and-governance>

The most important standard of the above-mentioned Best Practice is the „comply or explain” rule, which means that a company is obliged to apply the principles stipulated in the document. However, in the event of deviation from use of a particular principle the company must clarify the causes of such conduct and make this fact publicly known in the form of a report by using the GPW Electronic Information Database.

Like in previous years, in 2018 the Bank observed the principles contained in Best Practice. As regards recommendation IV.R.2 item 2 and 3, regarding ensuring for the shareholders the opportunity to participate in a General Meeting of Shareholders (hereinafter, also “General Meeting” or “GMS”) with the use of real-time bilateral electronic communication where shareholders may take the floor during a General Meeting of Shareholders from a location other than the General Meeting and exercise, in person or through a plenipotentiary, their voting rights in the course of the GMS - in the Bank’s opinion - the implementation of this rule during a General Meeting carries with itself technical and legal risks to the correct and efficient conducting of a General Meeting. Avoiding these risks constitutes a bigger value for the shareholders than the implementation of the rule from part IV, Recommendation IV.R.2, item 2 of Best Practice. The Bank, ever since 2008, has been providing real-time online broadcasts of the proceedings of General Meetings, in accordance with the requirement specified in part IV, Recommendation IV.R.2 item 1 of Best Practice. Meanwhile, the Bank does not rule out the possibility of ensuring to the shareholders real-time bilateral communication during the proceedings of General Meetings in future, should factual or legal circumstances change.

Guided by the principle of transparency of its actions in shaping corporate and investor relations as well as the highest quality of communication with shareholders, the Bank complied with the principles of Best Practice in 2018. The confirmation of employing the recommendations contained in Best Practice is the document “A statement on the company’s compliance with the corporate governance recommendations and principles contained in Best Practice for GPW Listed Companies 2016” published on the Bank’s website.

The Bank as a financial institution has been subject, since the beginning of 2015, also to the „Principles of Corporate Governance for Supervised Institutions” referred to at the outset, which are available on the website of the Polish Financial Supervision Authority https://www.knf.gov.pl/knf/en/komponenty/img/principles_of_corporate_governance_39736.pdf and on the Bank’s website <https://www.bankmillennium.pl/about-the-bank/corporate-bodies-and-governance>.

The Bank’s Management Board and the Supervisory Board took resolutions on the application of the Principles, with the exception of those stipulated in:

- 1) § 8 sect. 4 - principle mandating the provision of the possibility to actively electronically participate in a meeting of a decision-making body,
- 2) § 16 sect. 1 and § 24 sect. 1 - principles concerning the holding of meetings of the Bank’s governing bodies (Management Board and Supervisory Board) in the Polish language.

With reference to lack of the possibility to actively electronically participate in a GMS, the position of the Management Board and Supervisory Board repeats the statement made with respect to the principle existing in Best Practice - as referred to above.

The knowledge of the English language by members of the Management Board enables full mutual understanding and a proper level of communication during meetings. Moreover, the practically implemented

principle of holding meetings of the Supervisory Board both in Polish and in English, with the assurance of essential assistance of an interpreter, also ensures mutual understanding and a proper level of communication.

The General Meeting in its resolution passed on 21 May 2015 expressed a positive opinion regarding the position of the Management Board and Supervisory Board of the Bank about the scope of application of the Principles. At the same time the GMS in the aforementioned resolution regarding the principles addressed to the shareholders stated that it is of the view that exercising them should remain within the framework of generally applicable legal regulations, and whenever the Management Board or the Supervisory Board, acting within their powers, submit matters covered by these principles, requesting a consideration of specific matters by the GMS, then they will be considered taking into account the circumstances of such submission. In successive years General Meetings accepted the assessment of employing the Principles and assessment of the manner of carrying out the information duties relating to the employment of Best Practice. Likewise, in 2018 the General Meeting by its Resolution of 26 March 2018 accepted the assessment of compliance with the Principles and of the manner of carrying out the information duties regarding the compliance with Best Practice, as performed by the Supervisory Board in the Report on activities of the Supervisory Board of Bank Millennium S.A. in 2017. The Bank's Supervisory Board by its Resolution No 2/2018 of 1 February 2018 found that the Bank had correctly implemented the Corporate Governance Principles for institutions supervised by the Polish Financial Supervision Authority.

During the reporting period the Bank for the eleventh consecutive time (starting from 2008) was included in the group of companies in the GPW RESPECT Index - Central and Eastern Europe's first index of socially responsible companies. In its 2018 edition the Index comprised 31 companies from among all the companies listed on GPW. The companies included in the Index operate on the basis of best standards of corporate governance, information policy and investor relations, including ecological, social and employee issues.

2. Shareholders and General Meeting of Shareholders

The General Meeting is the highest body of the Bank's authorities. It operates in particular on the basis of the Code of Commercial Companies and the Banking Law, as well as the Bank's internal regulations, i.e. the Articles of Association and the Regulations of the General Meeting. The Bank's Articles of Association and Regulations of the General Meeting are available from the Bank's website on the tab: "About the Bank > Corporate bodies and governance". Link to website <https://www.bankmillennium.pl/about-the-bank/corporate-bodies-and-governance>. These documents describe in detail the functioning of the General Meeting and scope of its competencies as well as indicate specific rights of the shareholders during the deliberations of a General Meeting. The competencies of the General Meeting include inter alia making amendments to the Articles of Association, including change in the amount of the share capital.

As of 31 December 2018, the Bank's shareholders' equity was PLN 1 213 116 777 and was divided into 1,213,116,777 shares (with the nominal value of PLN 1 each). In the reporting period no shares were converted from registered shares to bearer shares. Below please find information, in accordance with the data held by the Bank, about the shareholders holding directly or indirectly substantial blocks of shares together with the indication of the number of shares held by them, their participation in shareholders' equity and in the total number of votes at the Bank's General Meeting. Due to the fact that the Bank is a public company whose shares are traded on a Stock Exchange the Bank does not have detailed information about the structure of shareholders holding less than 5% of the shares in shareholders' equity. According to information available, as of 31 December 2018, the Bank had four shareholders holding more than 5% of the votes at a General Meeting.

Banco Comercial Portugues S.A., the largest private Portuguese bank - as the strategic investor - holds 50.10% of all the shares of the Bank. The Bank's significant shareholders are also: Nationale-Nederlanden Otwarty Fundusz Emerytalny (former ING OFE), which as of 31 December 2018 held 8,66% of the Bank's shares, Otwarty Fundusz Emerytalny PZU „Złota Jesień”, which as of 31 December 2018 had 6,29% of the Bank's shares and AVIVA Otwarty Fundusz Emerytalny AVIVA Santander (former Aviva OFE BZ WBK) holding 5,61% of the Bank's shares.

The remaining shares i.e. 29,34% of the share capital, are dispersed among Polish and foreign shareholders, both institutional and private.

Shareholders of the Bank as of 31 December 2018.

Shareholder	Number of shares	% stake in shareholders' equity	Number of votes	% participation in votes at GMS
Banco Comercial Portugues S.A.	607 771 505	50,10	607 771 505	50,10
Nationale-Nederlanden OFE	105 018 325	8,66	105 018 325	8,66
Otwarty Fundusz Emerytalny PZU „Złota Jesień”	76 301 553	6,29	76 301 553	6,29
AVIVA Otwarty Fundusz Emerytalny AVIVA Santander	68 043 397	5,61	68 043 397	5,61

Shareholders of the Bank as of 31 December 2017.

Shareholder	Number of shares	% stake in shareholders' equity	Number of votes	% participation in votes at GMS
Banco Comercial Portugues S.A.	607 771 505	50,10	607 771 505	50,10
Nationale-Nederlanden OFE	109 020 881	8,99	109 020 881	8,99
AVIVA Otwarty Fundusz Emerytalny AVIVA BZ WBK	66 018 868	5,44	68 018 868	5,44

Data in the tables were ascertained according to the rules described below. With respect to BCP these are data collected in connection with the registration of shareholders authorised to take part in the Bank's General Meetings convened for, respectively, 26 March 2018 and 31 March 2017.

However, as regards Nationale-Nederlanden Otwarty Fundusz Emerytalny and Aviva Otwarty Fundusz Emerytalny Aviva Santander the number of shares and their stake in the Bank's share capital were calculated on the basis of the Annual Structure of Assets of the above-mentioned Funds as of 31 December 2018 and 29 December 2017. (as published on the websites: www.nn.pl and www.aviva.pl, respectively).

Data relating to Otwarty Fundusz Emerytalny PZU „Złota Jesień” were calculated on the basis of the Annual Structure of Assets of the Fund as of 31 December 2018 (published on the website www.pzu.pl).

For the purpose of making the above-mentioned calculations the volume weighted average price (VWAP) of the Bank's shares was taken: for 2018 at the level of 8,8258 PLN, and for 2017 at the level of 8,9053 PLN.

Banco Comercial Portugues S.A., as the majority shareholder, exercises a shareholder's rights specified in the Act of 15 September 2000 - the Code of Commercial Companies and in the Bank's Articles of Association. BCP holds corporate control over the Bank. By holding a majority of votes at a GMS it can exercise decisive influence over decisions regarding the most important corporate matters such as change of the Bank's Articles of Association, issue of new shares of the Bank, reduction of the shareholders' equity of the Bank, issue of convertible bonds, payout of a dividend and other activities, which in accordance with Code of Commercial Companies require an ordinary or qualified majority of votes at a GMS. BCP also holds a sufficient number of votes to appoint all members of the Supervisory Board, which in turn appoints members of the Management Board. In connection with the above-mentioned corporate rights BCP has the capacity to exercise significant control over the Bank's activity.

The Bank is not aware of any agreements concluded between its shareholders regarding their mutual cooperation and the Bank is not aware of any agreements that, in future, might cause changes in the proportions of shares held by existing shareholders.

The Bank's shareholders exercise their corporate rights in the way and within the limits defined by generally applicable laws, the Articles of Association of the Bank, as well as the Bylaws of the General Meeting of Shareholders. Each share of the Bank entitles to one vote, however registered founder shares in the outstanding number of 61,800 are preferential in as much as one share entitles to two votes at a GMS. Registered founder shares in total accounted for 0.0051% of the Bank's share capital and 0.0102% of the total number of votes at a General Meeting, as of 31 December 2018.

Founder shares are subject to disposal restrictions, i.e. their disposal subject to the consent of, at least, three fourths of the founders, to other founders does not result in their loss of preferential status. A disposal of

registered founder shares in all other cases causes loss of their preferential status. There are no restrictions on exercising voting rights under the Bank's shares and none of the holders of securities issued by the Bank has any special controlling rights with respect to the Bank.

Bank Millennium shares have been listed on the Warsaw Stock Exchange since 13 August 1992 (first bank to be listed). Currently 1 213 008 737 shares with the code ISIN PLBIG0000016 (GPW symbol: MIL; Reuters: MILP.WA; Bloomberg: MIL PW) are traded on the stock exchange.

In addition, shareholders have 108,040 registered shares, of which 61,800 are preferential founder shares (right to two votes at a GMS). Thus, the total number of Bank Millennium shares is 1.213.116.777 and total number of votes at a GMS is 1.213.178.577.

3. Supervisory Board

The Supervisory Board exercises constant supervision over the activity of the Bank. It operates under legal regulations, including the Articles of Association of the Bank, resolutions of the General Meeting as well as the Bylaws of the Supervisory Board available from the Bank's website on the "About the Bank > Corporate bodies and governance" tab.

The meetings of the Supervisory Board are convoked once a quarter and if such need arises. The competences of the Supervisory Board comprise, in particular, the appointment and recalling of Members of the Management Board (by an ordinary majority of votes) and determination of their remuneration principles. Resolutions are adopted by a simple majority of votes with at least half of its members present. In the case of an equal number of votes the Chairman of the Supervisory Board has a casting vote.

The Supervisory Board of the Bank consists of at least five Members, of whom at least half, including the Chairman, are of Polish nationality. Members of the Supervisory Board are appointed at a General Meeting for a three-year term of office.

During the period from 1 January 2018 to 26 March 2018 the Supervisory Board of the Bank consisted of the following persons:

- 1) Bogusław Kott - Chairman of the Supervisory Board
- 2) Nuno Manuel da Silva Amado - Deputy Chairman of the Supervisory Board
- 3) Dariusz Rosati - Deputy Chairman and Secretary of the Supervisory Board
- 4) Julianna Boniuk-Gorzelańczyk - Member of the Supervisory Board
- 5) Miguel de Campos Pereira de Bragança - Member of the Supervisory Board
- 6) Agnieszka Hryniewicz-Bieniek - Member of the Supervisory Board
- 7) Anna Jakubowski - Member of the Supervisory Board
- 8) Grzegorz Jędrzyński - Member of the Supervisory Board
- 9) Andrzej Koźmiński - Member of the Supervisory Board
- 10) Miguel Maya Dias Pinheiro - Member of the Supervisory Board
- 11) Rui Manuel da Silva Teixeira - Member of the Supervisory Board

On 26 March 2018 the General Meeting discharged all Members of the Supervisory Board performing their functions in 2017 from the performance of their duties in the accounting year 2017.

Moreover, the General Meeting of the Bank established that the Supervisory Board would be composed of 12 Members and elected the members of the Supervisory Board for a new term of office. In connection with this the composition of the Supervisory Board as of 31 December 2018 was as follows:

1. Bogusław Kott - Chairman of the Supervisory Board

Mr Bogusław Kott graduated from the Foreign Trade Faculty at SGPiS (present name SGH - Warsaw School of Economics) in Warsaw. For many years he worked at the Ministry of Finance, specializing in foreign trade financing.

He co-founded and co-organised Bank Millennium S.A., and from 1989, when the Bank was established, till 24 October 2013 was the Chairman of the Management Board.

Since 24 October 2013 he has been the Chairman of the Supervisory Board of Bank Millennium S.A.

Mr Bogusław Kott has been a member of the Polish Business Roundtable since 1994. From 16 June 2014 to 2 October 2018 he was a member of Supervisory Board of Yareal Polska Sp. z o.o. Since 1 September 2018 he has been a member of Board of Trustees of Kozminski University in Warsaw.

2. Nuno Manuel da Silva Amado - Deputy Chairman of the Supervisory Board

Mr Nuno Manuel da Silva Amado has a Licenciante Degree in Companies Organization and Management from ISCTE (Instituto Superior de Ciencias do Trabalho e da Empresa) and attended the Advanced Management Programme at INSEAD (France).

From 1980 he worked in consulting (KPMG) and international banks (Citibank and Deutsche Bank) in Portugal, between 2006 - 2012 he was Chairman of the Executive Committee and Vice-Chairman of the Board of Directors of Banco Santander Totta (Portugal). From 2012 to 2018 he was Vice-Chairman of the Board of Directors and CEO of the Executive Committee of Banco Comercial Portugues (BCP), Portugal. Since July 2018 he has been Chairman of the Board of Directors of BCP.

Since 20 April 2012 Deputy Chairman of the Supervisory Board of Bank Millennium S.A.

3. Dariusz Rosati - Deputy Chairman and Secretary of the Supervisory Board

Mr Dariusz Rosati graduated in International Trade from the Main School of Planning and Statistics - SGPiS (now the SGH Warsaw School of Economics) in Warsaw. Professor of Economic Sciences, in the position of Full Professor in European Union Unit of the SGH Institute of Foreign Trade Policy and European Studies at SGH.

In 1978 - 1979 he was a consultant at Citibank in New York. In 1985 - 1986 and 1987 - 1988 - founder and Director of the World Economy Research Institute at SGH.

In 1986 - 1987 he was a Fulbright scholar at the University of Princeton (USA). In 1988 - 1991 he was the director of the Foreign Trade Research Institute. Since 1990 Professor of Economic Sciences at SGH. In 1991 - 1995 he worked in the UN Economic Commission for Europe in Geneva (Switzerland) as Head of the Central and Eastern European Section. In 1995 - 1997 the Minister of Foreign Affairs of the Republic of Poland. In 1978 - 1991, UNIDO consultant and member of numerous missions to developing countries. In 1988 - 1991 many times worked as an expert of the World Bank, the United Nations University World Institute for Development Economics Research (WIDER), International Labour Organisation and European Commission. Member of the Economic Reform Commission (1987 - 1989), team of the economic advisors to the Prime Minister (1988 - 1989), the Socio-Economic Strategy Council at the Council of Ministers (1994 - 1998). Since 1997 Member of the Committee of Economics at the Polish Academy of Sciences. In 1998 - 2004 Member of the Monetary Policy Council of the National Bank of Poland. In 2001 - 2004 he was a member of the Group of Economic Policy Advisors to the President of the EU Commission. From 2003 to 2005 Rector of Lazarski University in Warsaw. In years 2004 - 2009 and currently (elected in 2014) Member of the European Parliament. Member of Parliament of the Republic of Poland of 7th term - he was the Chairman of the Public Finance Committee. Author of more than 200 scientific papers and publications, including five books on economic policy.

Since 27 May 2004 Member of the Supervisory Board of Bank Millennium S.A.

4. Miguel de Campos Pereira de Bragança - Member of the Supervisory Board

Mr Miguel de Campos Pereira de Bragança has a Licenciante Degree in Management and Administration from the Catholic University of Portugal and an MBA from INSEAD (France).

Since 1989 he has worked at banks in Portugal, Brazil and Great Britain. Between 2008-2012 he was Director, responsible for the Financial, Accounting and Management Control, Marketing and Products Areas, at Banco Santander Totta and Banco Santander de Negocios (Portugal). Since 2012 Member of the Board of Directors and Vice-Chairman of the Executive Committee of Banco Comercial Portugues (BCP), Portugal.

Since 20 April 2012 he has been Member of the Supervisory Board of Bank Millennium S.A.

5. Agnieszka Hryniewicz-Bieniek - Member of the Supervisory Board (independent member)

Ms Agnieszka Hryniewicz-Bieniek graduated in Economics from the Warsaw School of Economics and completed post-graduate studies in Public Relations at the same School.

She built her career in new technologies as well as marketing and sales in international corporations. Her many years of marketing experience cover a variety of industries: from FMCG (Johnson&Johnson), telecommunications (Deutsche Telekom), publishing (Gruner&Jahr) and entertainment (Disney). In 2008 she joined Google and currently oversees the company's strategy and business in Poland as Country Director. Her main responsibility is to manage Google's ads business in Poland across products and channels, and directly lead key customers and partners. In October 2018 she also acquired the additional function Head of Google for Startups in Poland and Central-Eastern Europe.

Ms A. Hryniewicz-Bieniek is a member of the Advisory Board of "Leadership Academy for Poland". Actively supports women in new technology by serving as a mentor and coach for future women leaders in business. Since 21 May 2015 Member of the Supervisory Board of Bank Millennium S.A.

6. Anna Jakubowski - Member of the Supervisory Board (independent member)

Ms Anna Jakubowski graduated with a Bachelor of Business Administration (1990) from Wilfrid Laurier University, Waterloo, Ont. Canada.

Her professional career started with Procter & Gamble Canada (1991 - 1993), where she was the National Account Manager. Between 1993 and 1998 she held different positions, from Pharmacy Channel Manager to Trade Marketing Manager and Area Sales Manager in P&G Poland. In 1998 she became Regional Customer Business Development Manager in P&G Central Eastern Europe while between 1999 and 2007 she was New Business Development Manager and (from 2002) Strategy, Business Development Director in P&G Western Europe. She continued her career in Switzerland in the P&G the Fabric Care Division (2007 - 2009) as an Associate Director: Marketing. Between 2011 and 2016 she connected her professional career with The Coca-Cola Company where she held the following positions: the International Group Marketing/Strategy Director in Coca-Cola Hellenic Bottling Company (2011 - 2013), Business Capability Director in the Coca-Cola Company (2013) and from 2013 - 2016 Management Board Member - Managing Director in Coca-Cola Poland Services Sp z o.o. and Franchise General Manager - Poland/Baltics in The Coca-Cola Company, Management Board Member in Multivita Sp. z o. o, Management Board Member - Managing Director in Coca-Cola Balti Jookide AS. Since 2018 she has been General Manager for Poland and Baltics for Marie Brizard Wine & Spirits Sp. z o.o.

She has also been involved with the following organizations and associations: Women's International Networking Leadership Forum - Board of Advisors (2004 - 2012), Organization of Women in International Trade - Board of Directors (2005 - 2010) and in 2008 as an Executive Vice President as well as in 2009 as the President (2005 - 2010) in Geneva Women in International Trade, across 2015 - 2016 she served also as a Member of the Board of Directors of the American Chamber of Commerce in Poland. Currently she serves as a Management Board Member of the International Association of Advertising (IAA) in Poland (Warsaw, Poland), Patron Member in the Polish - Canadian Chamber of Commerce and Adviser and Mentor in the Global Shapers - Mentor4Starters initiative.

In 2011 she was awarded the TIAW - The World of Difference 100 Award (Recognizes individuals whose efforts have advanced the economic empowerment of women) and in 2016 she was awarded Woman of Charisma: Business & Social Enterprise Award (Poland).

Since 21 May 2015 Member of the Supervisory Board of Bank Millennium S.A.

7. Grzegorz Jędrys - Member of the Supervisory Board (independent member)

Mr Grzegorz Jędrys graduated from the Production Economics Faculty of the Warsaw School of Economics and from a post-graduate course at the Warsaw School of Economics in Strategic Marketing Management as well as real estate agency operation. Moreover, Mr G. Jędrys attended many courses and training sessions, i.a. for candidates for members of supervisory boards of State Treasury companies (2008). He began his professional career in 1994 in the Housing Finance and Municipal Advisory Programme for Poland/PADCO - a joint Poland-USAIID programme. In 1996 he worked as Manager of the Building Projects Financing Team in Polsko-Amerykański Bank Hipoteczny S.A. From 1997 to 1999 he was employed in Jedenasty Narodowy Fundusz Inwestycyjny S.A., initially as an Investment Analyst, then as Project Director. Between 1999 and

2005 he was Investment Director in Trinity Management Sp. z o.o. - a company which managed the assets of Jupiter NFI S.A. as well as Pekao Fundusz Kapitałowy Sp. z o.o. From 1997 to 2005 he was a Member of Supervisory Boards of many companies. Starting from 2005 he has been Head of the Poland's Representative Office of the Polish American Freedom Foundation.

Since 11 April 2013 Member of the Supervisory Board of Bank Millennium S.A.

8. Andrzej Koźmiński - Member of the Supervisory Board

Mr Andrzej Koźmiński graduated from the Main School of Planning and Statistics (now Warsaw School of Economics) in Economics in 1963 and in 1964 graduated from Warsaw University in Sociology.

Correspondent Member of the Polish Academy of Sciences, for eighteen years Rector of Kozminski University in Warsaw, currently its President, Chairman of the ALK Board of Trustees, President of the Management Board of Międzynarodowa Szkoła Zarządzania S.A., Head of the ALK Interdisciplinary Centre, Head of the Management Chair until 2014. In 1981 - 1987 he was Dean of the Management Faculty at Warsaw University and in 1991 - 1996 he was the Director of the International Management Centre of Warsaw University. In 1990 - 1996 he was a lecturer at the University of California in Los Angeles, invited every year for a semester. In 1982 - 1989 he was a lecturer at the University in Orleans, France. Visiting professor in many renowned foreign universities. Professor of economic sciences, with specialisation in "organisation and management", he has published over 400 research papers in this area in many languages, including 50 books. He is an elected Member of the International Academy of Management, Academie Europeene and Academie des Sciences Commerciales in Paris and Warsaw Scientific Society. He is an Honorary Vice-President of the Central and East European Management Development Association (CEEMAN), until 2008 he was a member of the Accreditation Committee of the European Foundation for Management Development (EFMD) in Brussels and Member of the International Committee of the American Association of Collegiate Schools of Business (AACSB). Member of the Scientific Board of UNESCO CEPES (European Center for Higher Education in Bucharest). He is a Member of the Presidium of the Committee of Organisation and Management Sciences at the Polish Academy of Sciences. Since 2012 Chairman of the Scientific Council in the OPI Information Processing Centre of the Ministry of Science and Higher Education; since 2009 member of the Board of Arbiters of the Polish Chamber of Commerce and member of the Programme Council in the Leopold Kronenberg Banking Foundation; in 2014 - 2018 Chairman of the Team for Identification of Council Members of the National Science Centre of the Ministry of Science and Higher Education. In May 2015 he received the title of Doctor Honoris Causa from Szczecin University and in December 2017 the title of Doctor Honoris Causa from the Board of Governors of ESCP Europe in Paris.

Since 1 August 2000 Member of the Supervisory Board of Bank Millennium S.A.

9. Alojzy Nowak - Member of the Supervisory Board (independent member)

Mr Alojzy Nowak in 1984 graduated from the Warsaw School of Economics; earned a Ph.D in 1991 and Habilitation in 1995; and in 1992 he studied economics at the University of Illinois at Urbana - Champaign, USA, M.A. in economics. In 1993 he completed studies in banking, finance and capital markets at Exeter, UK, in 1996 economic studies at the Free University of Berlin, and in 1997 in International Economics at RUCA. In 2002 he became Professor of Economics.

He has won a number of prestigious awards, including the Rector's Award for Scientific Achievements (annually since 1997), Award of the Minister of Education for the book "Integracja europejska. Szansa dla Polski?" and the book „Banki a gospodarstwa domowe - dynamika rozwoju”. Member of scientific organizations and professional editorial boards of periodicals, among others "Foundations of Management" (member of the editorial board), "Journal of Interdisciplinary Economics" (editor-in-chief), "Yearbook on Polish European Studies", "Mazovia Regional Studies"; "Gazeta Bankowa" and a reviewer in PWE SA Warszawa publishing company. For many years committee member of "Teraz Polska" Award and scientific council member of "Studia Europejskie".

He gained his professional experience working among others as Head of the International Business Relations Section at the Management Faculty, University of Warsaw, Head of the National Economy Chair at the Management Faculty, University of Warsaw, Director of European Center at the University of Warsaw, Deputy Dean in charge of foreign cooperation at the Management Faculty, University of Warsaw, dean at the Management Faculty, University of Warsaw and Deputy Rector in charge of scientific research and

cooperation, University of Warsaw. He is a lecturer at the University of Warsaw, and also in France, UK, USA, Russia, China and Korea.

Further, he worked as: advisor to the Prime Minister, to the Minister of Agriculture, CEO of the University Sports Association in Poland and at the University of Warsaw, member of the NewConnect advisory committee at the Management Board of the Warsaw Stock Exchange, member of the Foundation Council of the National Bank of Poland, chairman of the Scientific Council of the National Bank of Poland.

Over the years he sat on supervisory boards of various institutions, including among others: PZU S.A., PTE WARTA S.A., PKO BP S.A., JSW S.A., Chairman and Deputy Chairman of the Supervisory Board in EUROLOT S.A.

He is a member of the National Development Council appointed by President Andrzej Duda. Since December 2018 he has been a member of the Scientific Council of the Institute of New Structural Economics at the University of Beijing, where he is among 22 outstanding scientists from around the world, including 4 Nobel laureates in the field of economic sciences.

Since 26 March 2018 Member of the Supervisory Board of Bank Millennium S.A..

10. José Miguel Bensliman Schorcht da Silva Pessanha - Member of the Supervisory Board

Mr José Miguel Bensliman Schorcht da Silva Pessanha has a Master's Degree in Economics from Université Catholique de Louvain and a Master's Degree in Operational Investigation (academic portion) from Instituto Superior Técnico and also has a Licentiate Degree in Economics, Universidade Católica Portuguesa. He attended the PADE (Corporate Senior Management Programme) at Associação de Estudos Superiores de Empresa (AESE), the Eureka Program in INSEAD, he had a Scholarship from InvoTan (NATO) and received a scholarship linked to the Award Joseph Bech, granted by the Government of Luxembourg for commitment to the European Union.

From 1982 to 1989 he worked as a financial services advisor - Banco Português do Atlântico, Banco Nacional Ultramarino, Banco Espírito Santo, Manufacturers Hannover Trust, between 1982 - 1995 he was Professor in charge of the courses of Statistics I and II and Econometrics - Universidade Católica Portuguesa. He was responsible for the risk control, ALM, financial markets research and capital markets areas of the Financial Division - Banco Português do Atlântico, S.A. from 1989 to 1995 and Advisor to the Chairman of the Plan National Council from 1990 to 1993. Between 1993 and 2002 he was a Member of the Board of Directors of Corretora Atlântico - Soc. Financeira de Corretagem S.A. and of Servimédia - Sociedade Mediadora de Capitais, S.A. and Chairman of the Board of Directors of Servimédia - Sociedade Corretora S.A. and Head of the Assets and Liabilities Management Division of BPA (1995 - 1998), and of BCP (1998 - 2000). At Banco Comercial Português, S.A. he was Head for the "Year 2000" Project of Group BCP (1999 - 2000) and was responsible for the design, development and launching of the "cidadebcp" bank website (2000 - 2002). From 1998 to 2003 he coordinated the Investment Products Unit of Banco Comercial Português, S.A. From 2003 to 2015 he was the Group Risk Officer of Banco Comercial Português, S.A. In 2014 he was a lecturer responsible for the banking in a global context course at Universidade Católica Portuguesa. Currently he is a Member of the Board of Directors and of the Executive Committee of Banco Comercial Português, S.A. Chairman of the Audit Board of Millennium bcp Ageas Grupo Segurador, SGPS, S.A., Vice-Chairman of the Board of Directors and Chairman of the Audit Board of Ocidental - Companhia Portuguesa de Seguros de Vida, S.A. and Vice-Chairman of the Board of Directors and Chairman of the Audit Committee of Ocidental - Sociedade Gestora de Fundos de Pensões, S.A. (formerly Pensões Gere - Sociedade Gestora de Fundos de Pensões, S.A.). He is also Member of the Board of Directors of BIM - Banco Internacional de Moçambique, S.A., Member of Board of Directors of Banque Privée BCP (Suisse), S.A. and Member of the Board of Directors and Chairman of the Audit Committee of Banco Millennium Atlântico, S.A.

Since 26 March 2018 Member of the Supervisory Board of Bank Millennium S.A.

11. Miguel Maya Dias Pinheiro - Member of the Supervisory Board

Mr Miguel Maya Dias Pinheiro graduated from Instituto Superior das Ciências do Trabalho e da Empresa (ISCTE) with a Licentiate Degree in Corporate Organization and Management. He also completed the Corporate Senior Management Programme (PADE) - AESE, the Advanced Management Programme - INSEAD and the Corporate Governance Programme - AESE.

From 1987 to 1990 he held commercial and financial functions in the SME industry sector. Between 1990 and 1995 he was employed by Banco Português do Atlântico, with functions in the commercial and companies areas, in charge of coordinating the Economic and Financial Research Office.

Since 1990 he has been working for BCP Group in several functions in Portugal and Spain. During the 2007 - 2009 period he was Head of the Office of the Chairman of the Executive Board of Directors of BCP. Between 2009 and 2012 he held the position of Member of the Executive Board of Directors of BCP and Member of the Board of Directors of Fundação Millennium BCP. Throughout the period from 2012 to 2016 Mr Miguel Maya held the position of Chairman of the Board of Directors of Banco Millennium Angola, S.A. In 2016, following the merger of this institution with Banco Privado Atlantico, S.A. which resulted in the creation of Banco Millennium Atlantico, S.A., Mr Miguel Maya was appointed Vice-Chairman and Member of the Board of Directors of the new entity - position that he currently holds. Moreover, he also holds the following functions: Chief Executive Officer (CEO) and Vice-Chairman of the Board of Directors of BCP, Chairman of the Board of Directors of Interfundos - Gestao de Fundos de Investimento Imobiliario, S.A., Manager of BCP Africa, SGPS, Lda and Member of the Board of Directors of Banco Internacional de Moçambique, S.A.

Since 21 May 2015 Member of the Supervisory Board of Bank Millennium S.A.

12. Lingjiang Xu - Member of the Supervisory Board

Mr Lingjiang Xu has a Bachelor's Degree in German from the Foreign Studies University of Beijing, a Master's Degree in World Economics from the Nan Kai University, Tianjin and a Master's Degree in Finance from the London Business School.

From July 1993 to February 1995 he worked as Desk Officer at the European Affairs Department of the Chinese Ministry of Foreign Trade and Economic Cooperation in Beijing. He was Third Secretary of the Commercial Office of the Chinese Consulate General in Hamburg from February 1995 to October 1998. Between October 1998 and February 2006 he was the Division Director of the European Affairs Department of Chinese Ministry of Commerce in Beijing. From February 2006 to January 2010 he was the First Secretary of the Commercial Office of the Chinese Embassy in London. In September 2011 he was elected Associate Director of Vermilion Partner LLP (London) (to March 2012). From March 2012 to December 2013 was Partner to RH Regent Investment Management Co Ltd (Shanghai). During the years of 2015 to 2017, he was -Non-Executive Director of Luz Saúde, S.A. and Non-executive Director of Multicare - Seguros de Saúde, S.A., as well as Non-executive Director of the Board of Directors of Fidelidade Assistência - Companhia de Seguros S.A. From 18 October 2016 to 31 March 2017 he held the position of Non-executive Member of the Board of Directors of Chiado (Luxembourg) S.à.r.l. From 2015 to 2018 he also held the managerial position in Fosun Management (Portugal), Lda. Currently he is Non-executive Member of the Board of Directors, Member of the Committee for Nominations and Remunerations and Chairman of the Committee for Corporate Governance, Ethics and professional Conduct of Banco Comercial Português, S.A. He is also Non-executive Member of the Board of Directors of Fidelidade - Companhia de Seguros, S.A. and Chairman of the Board of Directors of Longrun Portugal, SGPA,S.A.

Since 26 March 2018 Member of the Supervisory Board of Bank Millennium S.A.

Standing Committees of the Supervisory Board

As of the day of holding of the General Meeting of the Shareholders of Bank Millennium S.A. approving the financial report for 2017, i.e. as of 26 March 2018, there expired the term of office of the Bank's Supervisory Board and committees operating as its part. The General Meeting of Shareholders after discharging the Members of the Bank's Supervisory Board from their duties for the accounting year 2017 elected the Supervisory Board for the new term of office to end as of the day of holding the General Meeting of Shareholders approving the financial report for 2020. The Supervisory Board for the new term of office, at its first meeting on 26 March 2018, determined the composition of the Standing Committees of the Supervisory Board, i.e. the Audit Committee, Personnel Committee, Strategic Committee and Risk Committee.

Audit Committee

The Audit Committee is a standing committee of the Supervisory Board, established in 2000 and supporting the Supervisory Board in supervision over the execution of the internal audit function in the Bank. Furthermore, the Audit Committee focuses on financial reporting, internal control and risk management at the Bank.

Pursuant to the Act of 11 May 2017 on statutory auditors, audit firms and public oversight the Audit Committee consists of at least three Members. All the Members of the Audit Committee have knowledge and skills in accounting or financial auditing, as well as in the banking sector, which is confirmed by the history of their professional career and the duties hitherto performed by them. The majority of the Members of the Audit Committee, including its Chairman, are independent from the Bank. The Audit Committee meets on a regular basis (once every quarter) upon the initiative of the Chairman of the Committee and in the extraordinary mode it is convened by the Chairman of the Supervisory Board on his own initiative or at the request of a Member of the Supervisory Board or a Member of the Management Board. The main responsibilities of the Audit Committee include specifically: (i) monitoring the process of financial reporting, (ii) monitoring the effectiveness of the internal control systems and risk management systems, and internal audit, including in the area of financial reporting, (iii) monitoring financial audit activities, (iv) preparing for the Supervisory Board opinions providing the basis of performing by the Supervisory Board assessments on the adequacy and effectiveness of the internal control system, including the annual review of the adequacy and effectiveness of the control function, Compliance Department and Internal Audit Department and (v) controlling and monitoring the independence of a statutory auditor and audit firm, particularly in the case when other services than audit are provided for the Bank by an audit firm.

In 2018 six meetings of the Audit Committee of the Supervisory Board took place on the following days: 31 January 2018, 23 February 2018, 19 April 2018, 4 June 2018, 24 July 2018, 25 October 2018 and an additional one, "by circulation", on 18 September 2018.

Detailed information regarding the issues raised during the meetings of the Committee in 2018 is to be found in the „Report on activities of the Supervisory Board of Bank Millennium S.A. in 2018” in the chapter „Activities of the Audit Committee in the reporting period”.

From 1 January 2018 to 26 March 2018 the Audit Committee of the Supervisory Board of Bank Millennium SA was composed of the following members:

1. Grzegorz Jędrzyś - Chairman (independent)
2. Bogusław Kott
3. Miguel de Campos Pereira de Bragança
4. Anna Jakubowski (independent)
5. Agnieszka Hryniewicz-Bieniek (independent)

On 26 March 2018 the Supervisory Board elected the Audit Committee for a new term of office (Resolution no 11/2018 of the Supervisory Board).

Consequently, from 26 March 2018 to 31 December 2018 the Audit Committee of the Bank's Supervisory Board consisted of the following persons:

1. Grzegorz Jędrzyś - Chairman (independent)
2. Bogusław Kott
3. Miguel de Campos Pereira de Bragança
4. Anna Jakubowski (independent)
5. Alojzy Nowak (independent)

The composition of the Audit Committee satisfied the criteria stipulated in Art. 129 section 1 and 3 of the Act on Statutory Auditors.

Personnel Committee

The Personnel Committee is a standing committee of the Supervisory Board, established in 2000. Its responsibilities include in particular: (I) evaluation of candidates for Members of the Management Board, (II) establishment of the terms of employment for newly appointed Members of the Management Board, (III) negotiation of amendments to the terms of employment of the Members of the Management Board, (IV) determining the terms of employment termination for Members of the Management Board and (V) implementation of tasks in the area of policy of variable remuneration components.

In 2018 the composition of the Personnel Committee did not change in connection with the election of the Supervisory Board for the new term of office at the meeting on 26 March 2018. The Supervisory Board elected the same Supervisory Board representatives who performed the duties of the members in the preceding term of

office. Thus, during the period from 1 January to 31 December 2018 the composition of the Personnel Committee was follows:

1. Andrzej Koźmiński - Chairman
2. Nuno Manuel da Silva Amado
3. Miguel de Campos Pereira de Bragança
4. Bogusław Kott

Strategic Committee

The Strategic Committee as a standing committee of the Supervisory Board has existed at the Bank since 2013. The tasks of the Strategic Committee are in particular: (I) examination of macroeconomic trends, (II) analysing new trends and solutions in the banking sector, (III) analysing the Bank's competitive position and reference models, (IV) analysing and recommending a long-term strategy, objectives and tasks of the Bank.

During the period from 1 January to 26 March 2018 the Strategic Committee consisted of the following persons:

1. Bogusław Kott - Chairman
2. Nuno Manuel da Silva Amado
3. Miguel de Campos Pereira de Bragança
4. Agnieszka Hryniewicz-Bieniek
5. Anna Jakubowski
6. Andrzej Koźmiński
7. Miguel Maya Dias Pinheiro
8. Dariusz Rosati

During the period from 26 March to 31 December 2018 the Strategic Committee consisted of the following persons:

1. Bogusław Kott - Chairman
2. Nuno Manuel da Silva Amado
3. Miguel de Campos Pereira de Bragança
4. Agnieszka Hryniewicz-Bieniek
5. Anna Jakubowski
6. Andrzej Koźmiński
7. Lingjiang Xu
8. Dariusz Rosati

Risk Committee

The Risk Committee is a standing committee of the Supervisory Board set up on 4 December 2015. Its competences include the tasks stipulated for such committee in the Banking Law and allocated to it in other regulations applicable to banks as well as supervisory recommendations implemented by the Bank.

During the period from 1 January to 26 March 2018 the Risk Committee consisted of the following persons:

1. Dariusz Rosati - Chairman
2. Miguel de Campos Pereira de Bragança
3. Bogusław Kott
4. Miguel Maya Dias Pinheiro
5. Grzegorz Jędrzyś
6. Julianna Boniuk-Gorzelańczyk

During the period from 26 March to 31 December 2018 the Risk Committee consisted of the following persons:

1. Dariusz Rosati - Chairman
2. Miguel de Campos Pereira de Bragança
3. Bogusław Kott
4. Grzegorz Jędrzyś
5. José Miguel Bensliman Schorcht da Silva Pessanha

According to the „Policy of Remuneration of Members of the Supervisory Board of Bank Millennium S.A.” adopted by the GMS members of the Supervisory Board of the Bank are entitled to monthly remuneration for sitting on the Supervisory Board. The amount of the remuneration is defined by a resolution adopted by the GMS with the consideration of the principles stipulated in the Policy, including the principle of its adequacy to the scale of the Bank's operation. The remuneration may be diversified in view of the function performed in

the Supervisory Board and should be correlated with the involvement in the work of the Supervisory Board and the level of remuneration received by members of supervisory bodies of institutions with a similar scope and scale of operation. Irrespective of the remuneration for sitting on the Supervisory Board, members of standing committees of the Supervisory Board are entitled to separate remuneration in connection with the tasks performed by them as part of these committees. If the Supervisory Board delegates its member to individually exercise supervision on a permanent basis, the Supervisory Board may assign to such Supervisory Board member additional remuneration for the duration of the delegation, however its monthly amount cannot exceed 100% of the base remuneration for sitting on the Supervisory Board. In case of standing committees of the Supervisory Board the remuneration is payable for participation in their meetings. The total remuneration due to a Supervisory Board member for participation in meetings of committees of the Supervisory Board in a given accounting year cannot exceed 100% of his base remuneration for sitting on the Supervisory Board of the Bank. In connection with the remuneration paid the Bank shall make appropriate deductions under relevant legal regulations. Each of the Supervisory Board members may make a declaration to refrain from collection of all or part of the remuneration. Declarations to such effect shall be submitted to the Chairman of the Supervisory Board.

Remuneration paid to members of the Supervisory Board in 2018 (in PLN ths)

Name and surname	Remuneration for 2018	Inne świadczenia	Razem (tys zł)
Bogusław Kott	305,0	21,6	326,6
Andrzej Koźmiński	135,0	0,0	135,0
Dariusz Rosati	165,0	0,0	165,0
Grzegorz Jędryś	200,0	0,0	200,0
Nuno Manuel Da Silva Amado	130,0	0,0	130,0
Miguel De Campos Pereira De Braganca	180,0	0,0	180,0
Miguel Maya Dias Pinheiro	125,0	0,0	125,0
Agnieszka Hryniewicz-Bieniek	135,0	0,0	135,0
Anna Jakubowski	155,0	0,0	155,0
Rui Manuel Da Silva Teixeira (*)	30,0	0,0	30,0
Julianna Boniuk-Gorzelańczyk (*)	35,0	0,0	35,0
Alojzy Nowak (**)	110,0	0,0	110,0
Jose Miguel Pessanha (**)	105,0	0,0	105,0
Lingjiang Xu (**)	95,0	0,0	95,0
RAZEM :	1 905,0	21,6	1 926,6

(*) Member of the Supervisory Board until 26 March 2018

(**) Member of the Supervisory Board since 26 March 2018

In 2018, Members of the Supervisory Board did not receive any remuneration or additional benefits from the Bank subsidiary companies.

The Bank's shares held by Supervisory Board Members (performing their functions on 31 December 2018):

Name and surname	Function	Number of shares at 31.12.2018	Number of shares at 31.12.2017
Bogusław Kott	Chairman of the Supervisory Board	1 000	1 000
Nuno Manuel da Silva Amado	Deputy Chairman of the Supervisory Board	0	0
Dariusz Rosati	Deputy Chairman and Secretary of the Supervisory Board	0	0
José Miguel Bensliman Schorcht da Silva Pessanha	Member of the Supervisory Board	0	-
Miguel de Campos Pereira de Braganca	Member of the Supervisory Board	0	0
Agnieszka Hryniewicz-Bieniek	Member of the Supervisory Board	0	0
Anna Jakubowski	Member of the Supervisory Board	0	0
Grzegorz Jędrzyś	Member of the Supervisory Board	0	0
Alojzy Nowak	Member of the Supervisory Board	0	-
Andrzej Koźmiński	Member of the Supervisory Board	0	0
Miguel Maya Dias Pinheiro	Member of the Supervisory Board	0	0
Lingjiang Xu	Member of the Supervisory Board	0	-

4. Management Board

The Management Board is the executive authority of the Bank and manages the entirety of the Bank's operations. In legal terms, the Management Board operates pursuant to the Code of Commercial Companies and other regulations, the Bank's Articles of Association, resolutions of the General Meeting of Shareholders and the Supervisory Board, as well as provisions of the Bylaws of the Management Board adopted by the Supervisory Board, which are available from the Bank's website on the "About the Bank > Corporate Bodies and Governance" tab. The competences of the Management Board include all matters that are not reserved for other bodies of the Bank.

The Management Board makes decisions in the form of resolutions. Resolutions of the Management Board are adopted by an ordinary majority of votes of those present at the Management Board meeting. In the case of equal votes the Chairman of the Management Board has a casting vote. Resolutions of the Management Board may be adopted, if at least half of the Management Board Members are present at the meeting.

The following persons are authorized to make declarations of will regarding the Bank's property rights and obligations and to sign documents on behalf of the Bank: (I) the Chairman of the Management Board individually; (II) two other Members of the Management Board acting jointly or one Member of the Management Board acting jointly with a registered proxy or two registered proxies; or (III) attorneys-in-fact acting individually or jointly within the scope of the power of attorney granted. The Management Board of the Bank is composed of at least three persons, including the Chairman of the Management Board. At least half of the Members of the Management Board should be Polish nationals. The Management Board is appointed by the Supervisory Board. The term of office of a Management Board is 3 years. A Member of the Management Board may be recalled by the Supervisory Board at any time.

The Supervisory Board of the new term of office, at its first meeting on 26 March 2018 elected the Bank's Management Board in the unchanged composition for the next term of office ending with the holding of the General Meeting approving the financial statement for 2020. As of 20 April 2018 Mrs Maria Jose Henriques Barreto De Matos De Campos tendered her resignation from the position of Member of the Bank's Management Board.

Consequently, the Management Board of the Bank during the period from 1 January 2018 to 20 April 2018 consisted of the following persons:

- 1) Joao Nuno Lima Bras Jorge - Chairman of the Management Board
- 2) Fernando Maria Cardoso Rodrigues Bicho - Deputy Chairman of the Management Board
- 3) Wojciech Haase - Member of the Management Board
- 4) Andrzej Gliński - Member of the Management Board
- 5) Maria Jose Henriques Barreto De Matos De Campos - Member of the Management Board
- 6) Wojciech Rybak - Member of the Management Board

The Supervisory Board, on 20 April 2018, took the decision to increase the number of the Bank's Management Board Members to seven and appointed as the Bank's Management Board Members: as of 20 April 2018 - Mr António Ferreira Pinto Júnior and as of 1 August 2018 - Mr. Jarostlaw Hermann. Consequently,

- the Bank's Management Board during the period from 20 April 2018 to 1 August 2018 consisted of the following persons:

- 1) Joao Nuno Lima Bras Jorge - Chairman of the Management Board
- 2) Fernando Maria Cardoso Rodrigues Bicho - Deputy Chairman of the Management Board
- 3) Wojciech Haase - Member of the Management Board
- 4) Andrzej Gliński - Member of the Management Board
- 5) Wojciech Rybak - Member of the Management Board
- 6) António Ferreira Pinto Júnior - Member of the Management Board

- the Bank's Management Board during the period from 1 August 2018 to 31 December 2018 consisted of the following persons:

- 1) Joao Nuno Lima Bras Jorge - Chairman of the Management Board
- 2) Fernando Maria Cardoso Rodrigues Bicho - Deputy Chairman of the Management Board
- 3) Wojciech Haase - Member of the Management Board
- 4) Andrzej Gliński - Member of the Management Board
- 5) Wojciech Rybak - Member of the Management Board
- 6) António Ferreira Pinto Júnior - Member of the Management Board
- 7) Jarostlaw Hermann - Member of the Management Board

1. Joao Bras Jorge - Chairman of the Management Board



Mr. Joao Nuno Lima Bras Jorge, graduate of the Management Studies at Universidade Catolica Portuguesa and PADE Advance Management Programme under AESE.

He started his professional career as a stockbroker in 1990. In the ensuing 10 years he worked in investment banking, inter alia, as Member of the Management Board at an investment bank. He also sat on the Board of the Lisbon Stock Exchange.

During the 5 years prior to his move to Poland he held the position of Head of the Retail Banking Customer Division and Coordinator of the Retail Network at Millennium bcp.

Since 19 July 2006 - Member of the Management Board of Bank Millennium S.A., in the years 2006-2008 Head of the Retail Banking Division and from 2009 - Head of the Corporate Banking Area. From 22 April 2010 - Deputy Chairman of the Management Board and since 24 October 2013 - Chairman of the Management Board of Bank Millennium S.A. He is responsible for the work of the Management Board, internal audit, compliance, legal support, HR, marketing communication & public relations, and personal data protection.

2. Fernando Bicho - Deputy Chairman of the Management Board



Mr Fernando Maria Cardoso Rodrigues Bicho graduated from the Economic Department at Universidade Catolica Portuguesa in 1984. In 1993 he obtained an MBA from Universidade Catolica Portuguesa.

He gained his professional experience inter alia in the Portuguese Foreign Investment Institute, Lloyds Bank Plc in Lisbon and Uniao de Banco Portugueses (UBP), later renamed to Banco Mello. He performed duties as fund manager and later in the bank, as Head of the Financial Division, he was in charge of inter alia the treasury and capital markets, securities operations, asset and liabilities management, issues on international capital markets, capital management and investor relations. After the purchase of Banco Mello by Banco

Comercial Portugues (BCP) in 2000, Mr Fernando Bicho worked in the BCP Corporate Centre and from June 2001 he was Head of the Asset and Liabilities Management Division of the BCP Group.

Since 1 August 2002 Member of the Management Board of Bank Millennium S.A. (CFO). He supervises treasury, accounting, financial reporting and control, taxes, capital investments, relations with investors and financial institutions, management information and central acquisition, mortgage bank project, as well as coordination of Group entities (other than leasing, brokerage and from the area of investment funds).

3. Wojciech Haase - Member of the Management Board



Mr Wojciech Haase graduated from the Faculty of Production Economics at Gdańsk University.

He worked at the National Bank of Poland in Gdańsk to be then transferred to the group organising Bank Gdański S.A. In 1989-1997 he worked at Bank Gdański S.A. - first in the Credit Department and then in the Treasury Department. From 1993 he was Deputy Chairman of the Management Board of Bank Gdański S.A. and, next, acting Chairman of the Management Board of that Bank.

Since 27 June 1997 Member of the Management Board of Bank Millennium S.A. Since 4 December 2015 the Bank's material risk management supervisor. Moreover, he supervises risk management, risk models, credit and ratings processes, liabilities collection and treasury control.

4. Andrzej Gliński - Member of the Management Board



Mr Andrzej Gliński graduated from the Poznań University of Technology (1994) and completed his post-graduate studies in banking and finance at the Warsaw School of Economics.

From the beginning of his professional career he has worked in the financial sector: at Bank Handlowy S.A. in Warsaw - on management positions as Branch Director and Sales Director in the Assets Financing Department. Between 2001-2004 he was Vice President of Handlowy Leasing S.A. He has been working in the Bank Millennium Group since 2004, first as Chairman of Millennium Leasing Sp. z o.o. and next as Head of Corporate Banking Area at Bank Millennium S.A.

Member of the Management Board since 22 April 2010. He supervises corporate banking and its support, factoring and trade financing, structured finance, custody, as well coordination of the Group entities: leasing and brokerage.

5. Wojciech Rybak - Member of the Management Board



Mr Wojciech Rybak graduated in economics from the University of Szczecin (1993) and Tempus - Portassist Programme of the University of Antwerp (1992).

Since the beginning of his professional career he has been associated with banking. From September 1992 until August 1994 he worked in Bank Morski S.A. as a Credit Inspector and, subsequently, Manager of the Business Credit Team. From September until November 1994 - Head of Credit Sub-unit in Bank Przemysłowo-Handlowy S.A., from December 1994 until September 1995 - specialist in the Capital Investment Department of Pomorski Bank Kredytowy S.A., and subsequently until April 1996 - Branch Director at PBB „Invest-Bank” S.A. in Szczecin.

Since May 1996 he has been working in the Bank Millennium S.A. Group, initially as a Branch Director in Szczecin (until March 2000), and, subsequently, as Director in the Customer Relationship Centre at the Bank's Head Office (until August 2003).

From August 2003 he was the Member of the Management Board of Millennium Leasing Sp. z o.o. supervising, inter alia, the sales network and from June 2009 until June 2016 - Chairman of the Management Board of Millennium Leasing Sp. z o.o.

Member of the Management Board of Bank Millennium S.A. since 6 June 2016. He supervises the retail sales network, its optimization and support, private banking and direct banking.

6. António Ferreira Pinto Júnior - Member of the Management Board



Mr António Ferreira Pinto Júnior graduated in Economics (1985-1990) from Oporto University and Corporate Finance from Minho University (1993-1994).

He started his professional career in Banco Português do Atlântico (1990), since 1994 part of Millenniumbcp Group, gaining experience in Retail and Corporate Banking by holding managerial positions in the marketing and sales support areas.

Between 2002 and 2011 he worked in Bank Millennium, S.A., as Head of Departments in charge of Marketing, Quality, Processes and Operations, and, from April 2010, as a Member of the Management Board.

In the following 7 years, he held the position of Head of Retail Banking Marketing Department in Millenniumbcp in Portugal, and between July 2016 and May 2018 was also a non-executive Member of Management Board of ActivoBank.

Since 20 April 2018 Member of the Management Board of Bank Millennium S.A. He supervises electronic banking, sales campaigns, retail marketing, processes support management, administration and infrastructure, complaints and quality of services, coordination of Group entities from the area of investment funds and startups.

7. Jarosław Hermann - Member of the Management Board



Mr Jarosław Hermann graduated from the Applied Mathematics and Physics Faculty at the Warsaw University of Technology in 1994 and Carlson School of Management MBA program in 2002.

He gained broad IT & Operations practice working on managerial positions in PepsiCo, Pioneer Financial Services and Accenture, where he conducted mid / large scale projects in the banking sector in Poland and CEE countries.

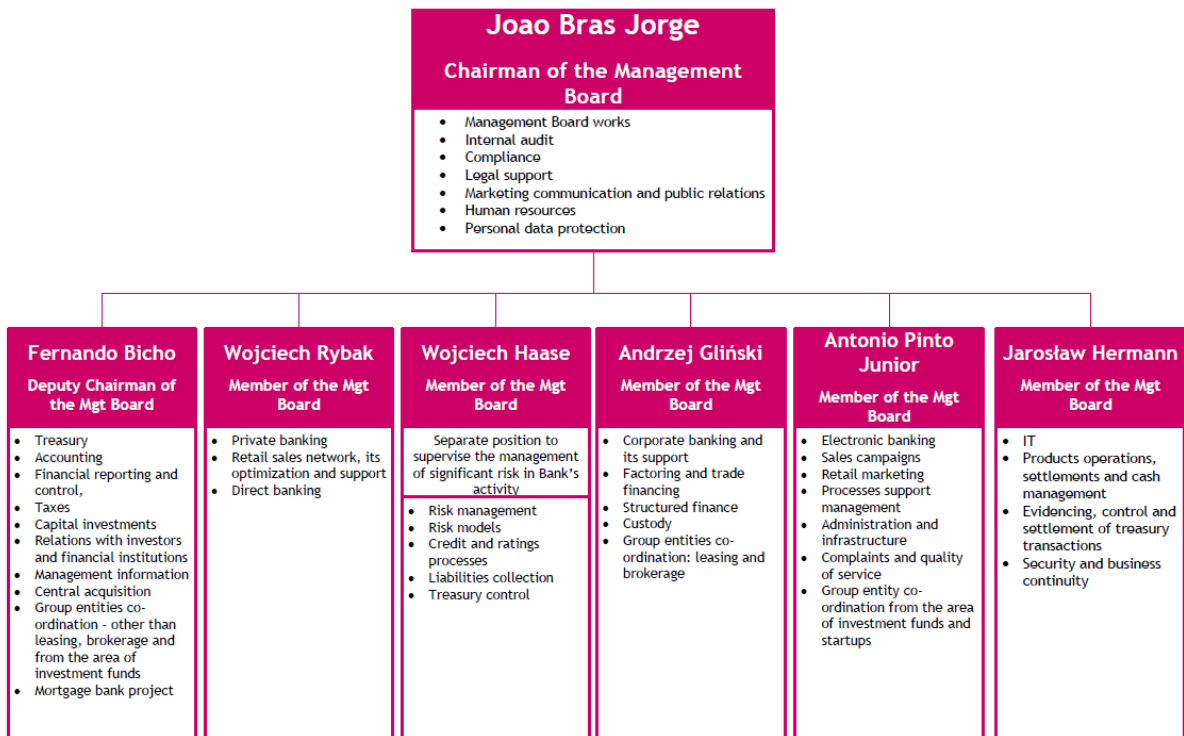
Between 2005-2010 he was Board Member of First Data Poland responsible for providing operational services for card acquiring and financial solutions business lines.

Between 2010-2016 he was Board Member of AXA companies in Poland responsible for IT & Operations.

From 2016 to 2018 he was Vice President of Polskie ePłatności, emerging card acquirer.

Since 1 August 2018 Member of the Management Board of Bank Millennium S.A. He supervises IT, product operations, settlement and cash management, recording, control and settlement of treasury transactions, security and business continuity.

The organizational structure of the Bank is consistent with strategy, modern approach to business and complies with the principles of corporate governance for financial institutions. The division of the tasks between the members of Management Board of the Bank is presented on the following diagram:



The principles of remuneration of the Management Board Members with the amount of salaries, bonuses and other benefits received in 2018 can be found in chapter IX of this report, Part 3 entitled "Remuneration policy".

Bank shares held by Members of the Management Board (performing their functions on 31 December 2018):

Name and surname	Function	Number of shares 31.12.2018	Number of shares 31.12.2017
Joao Bras Jorge	Chairman of the Management Board	111 000	111 000
Fernando Bicho	Deputy Chairman of the Management Board	0	0
Wojciech Haase	Member of the Management Board	7 494	7 494
Andrzej Gliński	Member of the Management Board	0	0
António Ferreira Pinto Júnior	Member of the Management Board	0	-
Wojciech Rybak	Member of the Management Board	0	0
Jarosław Hermann	Member of the Management Board	0	-

5. Internal Control System and external Auditor

Internal Control System

The Bank has an internal control system covering all organizational units of the Bank and its subsidiaries. It is organized in the framework of three independent levels - the so-called three lines of defence.

On the first line of defence risk is managed within the Bank's operational units. The second line of defence consists of units responsible for risk management in the Bank and the Compliance Department in the scope of non-compliance risk management. The third line of defence includes, in turn, the Internal Audit Department. In all three lines of defence, employees (as part of their assigned duties) respectively use controls or independently monitor their functioning.

The Bank's internal control system operates in a manner that ensures the achievement of objectives that include: effectiveness and efficiency of the Bank's operations, credibility of financial reporting, observance of the Bank's risk management principles and compliance of the Bank's operations with law, internal regulations and market standards.

The Bank has controls adjusted to the above-mentioned objectives of the internal control system, complexity degree of processes, risk of irregularities, specificity of the Bank's activity, implemented organizational solutions, employed system solutions and available resources. For identified significant processes there was introduced the documenting of the relationship between key controls and the objectives of the internal control system and the estimated risk of non-achieving them in the form of so-called internal control matrices. Control matrices describe also the way of monitoring key controls. During the annual review of the Bank's internal control system, on the basis of updated internal control matrices for significant processes, the Bank's Internal Control System Matrix is created to be presented to the Audit Committee of the Supervisory Board and the Supervisory Board of the Bank.

Supervision and annual assessment of the implementation and ensuring of the functioning of an adequate and effective internal control system is exercised by the Supervisory Board of the Bank.

Internal Audit (third line of defence)

The Internal Audit Department is within the internal control system a specialized unit of the third line of defence which carries out an independent review of processes and internal control in the Bank and the BM Group, verifying the implementation of tasks assigned to the first and second line of defence.

The aim of the activities is to provide the Bank's Management with an assessment of the effectiveness and adequacy of the risk management system and the internal control system, as well as adding value and streamlining processes in the Bank and the BM Group. When implementing its mission Internal Audit takes into account the strategic objectives and tasks of the organization, as laid down by the Management Board and Supervisory Board of the Bank. The audit process is performed according to the Audit Charter and Internal Audit Methodology, fostering international standards of internal audit and good banking practices.

The Internal Audit Department is an independent unit, reporting to the Chairman of the Management Board of the Bank and the results of its activities are reported to the Audit Committee of the Supervisory Board and the Supervisory Board of the Bank.

The activity of Internal Audit is a planned and continuous activity, resulting from the implementation of the mission and objectives, as well as the adopted Department Strategy and based on an annual audit plan. The basis of the planning process is the assessment of the risk of particular areas and processes of the Bank in order to identify increased risk and support the specification of priorities and resources for the implementation of tasks. The planning process takes into account consultations with senior management and owners of key processes. The annual audit plan is approved by the Bank's Supervisory Board and implemented on a quarterly basis by experienced and highly qualified professionals.

Internal Audit performs independent and objective assurance and consulting activities. Assurance activity is carried out as part of process audits, independent review function, branch audits, preventive audits and investigations. Assurance activity includes assessment of the adequacy and effectiveness of the risk management system and internal control system in all areas of banking activity. Advisory services are aimed at supporting the organization in achieving its goals and are provided, as far as their nature does not put under threat the independence, effectiveness and objectivity of Internal Audit's assurance activity, nor is related to the designing of control mechanisms and risk management system.

In 2018 Internal Audit Department performed audit tasks in the Bank, its subsidiaries, external entities to which the Bank, to the extent permitted by regulations, outsourced banking and bank-related operations, as well as within the BCP Group. The planned activity of the Department covered among others audits of key

business and support processes and also financial audits, branch audits and those of compliance with external regulatory requirements. The tasks performed by the Internal Audit Department also included investigations and prevention audits.

The results of the review of the functioning of the entire internal control system as well as its selected components, carried out by the Internal Audit Department in cooperation with the External Auditor of the BCP Group, are presented cyclically and are subject to evaluation by the Audit Committee of the Bank's Supervisory Board and once a year to the Bank's Supervisory Board.

Internal Control System with respect to the Process of Preparing Financial Reports

Implemented solutions regarding the internal control system protect to a significant extent the Bank from financial reporting errors and provide the Bank's Management with information which helps evaluate the correctness, efficiency and security of the process of preparing financial reports, also in order to ensure the highest possible effectiveness in managing identified types of risks accompanying the process.

The internal control system, introduced by the Management Board of the Bank and incorporating the financial report preparation process, has been designed to facilitate the control of process risk while maintaining appropriate supervision over the correctness of gathering, processing and presentation of data necessary for the preparation of financial reports in keeping with effective laws.

An important element of the internal control system in the process of preparing financial reports is the cooperation of the Audit Committee of the Bank's Supervisory Board with an audit firm providing financial audit services. The Bank prepared the policy of selecting an audit firm for carrying out an audit and policy for providing by an audit firm carrying out an audit, by entities connected with such audit firm and by a member of an audit firm network - permitted services not being an audit. The above-mentioned scope of information is captured in the document „Policy of Selecting and Cooperation with Audit Firms”, which was approved by the Audit Committee on 26 October 2017. The policy specifies:

1. The principles of selecting the audit firm to conduct:
 - a. statutory audit, i.e. annual audit of the consolidated financial report of the Bank's Capital Group or annual audit of the Bank's financial report whose duty to conduct results from art. 64 of the Accounting Act of 29 September 1994 (Dz. U. of 2016, i.e. item 1047 and 2255 and of 2017, item 61, 245, 791 and 1089) (hereinafter „the Accounting Act”), provisions of other acts or provisions of the EU law,
 - b. voluntary audit, i.e. annual audit of the financial report which is conducted pursuant to the Bank's decision, and not on the basis of art. 64 of the Accounting Act of 29 September 1994, provisions of other acts or provisions of the European Union law, conducted in accordance with national or other audit standards, as well as auditing the consolidated annual financial report of the Bank's Capital Group conducted in accordance with standards other than national audit standards;
2. Principles of providing permitted services not being a statutory or voluntary audit by:
 - c. audit firm conducting a statutory audit or voluntary audit at the Bank or at Millennium BCP,
 - d. entities connected with the audit company conducting a statutory or voluntary audit at the Bank or at Millennium BCP, and
 - e. member of an audit firm network conducting a statutory or voluntary audit at the Bank or at Millennium BCP.
3. Principles of the Bank's communication with audit firms, entities connected with an audit firm or members of an audit firm network with respect to conducting statutory or voluntary audits and providing permitted services.

The External Auditor is selected by the Supervisory Board on the basis of a recommendation issued by the Audit Committee of the Supervisory Board. In addition, in the interest of the quality of financial data presented in the remaining published quarterly reports, the Bank, together with the External Auditor, has implemented cooperation procedures ensuring - on an on-going basis - the consultation of important issues connected with the recognition of economic events in the Bank accounts and financial reports. At the meetings of the Audit Committee of the Supervisory Board the External Auditor presents key findings relative to financial reporting, consults with the Audit Committee draft reports and proposes an approach to the audit of the annual financial statement.

Pursuant to the Supervisory Board decision of October 2017 PricewaterhouseCoopers Sp. z o.o. was the audit firm auditing the financial report of the Bank and the Bank's Group for 2018. The audit was carried out on the basis of the agreement extended for the last fifth year of cooperation. Bearing in mind the mandatory rotation of audit firms resulting from legal regulations and the five-year period of cooperation with PwC, coming to an

end, in 2018 the Bank conducted the process of selecting a new audit firm. The process was conducted in accordance with the „Policy of Selecting and Cooperation with Audit Firms” adopted by the Audit Committee on 26 October 2017. At the meeting of 25 October 2018, the Audit Committee familiarised itself with the report of the Task Force running for the Bank the process of selecting the audit firm containing the conclusions from the selection procedure and indicating the audit firm recommended for conducting the statutory audit. Based on the Report the Audit Committee recommended to the Supervisory Board the selection of Deloitte Sp. Z o.o. Sp. k. as the Statutory Auditor of Bank Millennium S.A. and the Bank Millennium Group for the years 2019-20. This recommendation was formulated on the basis of the selection procedure organised by the Bank meeting the binding criteria. The Supervisory Board on 26 October 2018 approved the selection of Deloitte Sp. Z o.o. Sp. k. as the Statutory Auditor of Bank Millennium S.A. and the Bank Millennium Group for the years 2019-20.

The Bank is covered by the consolidated financial statement of the BCP Group. Therefore, the annual review of the Bank’s internal control system supporting the process of preparing and disclosure of financial information is also subject to the terms and requirements of consolidated supervision, which is performed by the Bank of Portugal and the European Central Bank. The BCP Group External Auditor participated in 2018 in the review of adequacy and effectiveness of the part of the Bank’s internal control system supporting the process of preparing and disclosure of financial information (financial reporting) and issued an appropriate opinion in this respect.

Information on the agreements with the entity authorised to audit financial reports

In 2018 the audit of Bank’s financial statements was performed by PricewaterhouseCoopers sp. z o.o. On 27 October 2017 the Supervisory Board of the Bank adopted a resolution on selection of PricewaterhouseCoopers sp. z o.o. to perform audits of annual financial statements of Bank Millennium and Bank Millennium Group for 2018. The audit agreement was concluded on 5 April 2018.

Remuneration received by auditor on account of services provided to the Capital Group of Bank Millennium S.A under concluded agreements:

Auditor’s Remuneration (in PLN ‘000)	2018		2017	
	Bank	Subsidiaries	Bank	Subsidiaries
Statutory audit within the meaning of art. 2 point 1 of the Act on Certified Auditors	745	321	744	321
Other assurance services	402	113	406	113
Tax advisory services				
Other services			100	

Services other than statutory audit:

- a review of the stand-alone and consolidated interim condensed financial statements of Bank Millennium S.A. drawn up as at June 30, 2018.
- review of the interim condensed financial statements of Millennium TFI SA investment funds prepared as at June 30, 2018.
- audit of the consolidation package prepared as at December 31, 2018, related to the audit of the consolidated financial statements of BCP Group.
- review of the consolidation package as at June 30, 2018 and September 30, 2018, related to the review of the consolidated financial statements of BCP Group.
- verification of the consolidation package prepared as at 31 March 2018.
- attestation service regarding requirements for customer asset retention for 2018 for Bank Millennium S.A. and Dom Maklerski Banku Millennium S.A.
- an assurance service regarding the assessment of the adequacy of the risk management system in 2018 at Millennium TFI S.A.
- consultancy service on regulatory requirements regarding the recovery plan