



Principles of Corporate Governance at Bank Millennium



1. PRINCIPLES OF CORPORATE GOVERNANCE AT BANK MILLENNIUM

1.1. STATEMENT ON THE PRINCIPLES OF CORPORATE GOVERNANCE APPLIED IN 2019

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” (hereinafter referred to also as „Best Practice”) 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” (hereinafter referred to as the “Principles”) 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 and Principles 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 (in the case of Best Practice) or by means of a website (in the case of the Principles).

Like in previous years, in 2019 the Bank 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. 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.

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 two-way electronic communication where shareholders may address 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 General Meeting - in the Bank’s opinion - the implementation of this rule during a General Meeting carries 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. At the same time, the Bank does not rule out the possibility of ensuring to the shareholders real-time two-way communication during the proceedings of General Meetings in future, should factual or legal circumstances change.

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:

- 1) § 8 sect. 4 - 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 - 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 General Meeting, the position of the Management Board and Supervisory Board reiterates 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 General Meeting 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 General Meeting, 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 2019 the General Meeting by its Resolution of 25 March 2019 accepted the Report on the Activity of the Bank Millennium S.A. Supervisory Board in 2018 covering the assessment of compliance with the “Principles of Corporate Governance for Supervised Institutions” and of assessment the manner of carrying out the information duties regarding the compliance with the “Code of Best Practice for WSE Listed Companies (2016)”, the Bank’s Supervisory Board by its Resolution No 2/2019 of 1 February 2019 found that the Bank in 2018 correctly implemented the Principles to the extent established by resolutions of the Bank’s governing bodies.

In 2019 the Bank for the twelfth consecutive time (starting from 2008) was included in the GPW RESPECT Index - Central and Eastern Europe’s first index of socially responsible companies. In its 2019 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.

On September 3, 2019 the Warsaw Stock Exchange announced in a communiqué that it launched the publication of a new index WIG-ESG comprising 60 companies included in the WIG20 and mWIG40 indices. Weights of companies in WIG-ESG depend on the number of free float shares adjusted for the results of the ESG ranking prepared by Sustainalytics and the assessment of the application of the principles of corporate governance.

According to the GPW communique of 3 September 2019, which announced the portfolio of the WIG-ESG index, Bank Millennium was among the 4 top-scoring companies. Bank Millennium reached the highest score both in the assessment of the application of environmental, social and corporate

governance factors (the ESG ratio of 1,0) and in the assessment of compliance with the principles of the Code of Best Practice (KDP ratio of 1,0).

At the same time, WSE informed that as of 1 January 2020 it would end the publication of the RESPECT Index. Until the end of 2019 WSE was simultaneously publishing the WIG-ESG and RESPECT Index indices.

WIG-ESG will be the underlying instrument for the passive fund managed by NN Investment Partners TFI.

1.2. SHAREHOLDERS AND GENERAL MEETING OF SHAREHOLDERS

The General Meeting is the highest governing body of the Bank's authorities operating 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 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 2019, the Bank's share capital was PLN 1 213 116 777 and was divided into 1 213 116 777 shares (with the nominal value of PLN 1 each). 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 the share capital 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 the Warsaw Stock Exchange the Bank does not have detailed information about the structure of shareholders holding less than 5% of the shares in the share capital. According to information available, as of 31 December 2019, 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 2019 held 8,24% of the Bank's shares, AVIVA Otwarty Fundusz Emerytalny AVIVA Santander (former Aviva OFE BZ WBK), which as of 31 December 2019 held 6,33% of the Bank's shares, and Otwarty Fundusz Emerytalny PZU „Złota Jesień”, which as of 31 December 2019 held 5,57% of the Bank's shares.

The remaining shares, i.e. 29,76% of the share capital, are dispersed among Polish and foreign shareholders, both institutional and private.

Shareholders of the Bank as of 31 December 2019

Shareholder	Number of shares	% stake in share capital	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	100 000 368	8,24	100 000 368	8,24
AVIVA Otwarty Fundusz Emerytalny AVIVA Santander	76 760 317	6,33	76 760 317	6,33
Otwarty Fundusz Emerytalny	67 593 025	5,57	67 593 025	5,57

PZU „Złota Jesień”

Shareholders of the Bank as of 31 December 2018

Shareholder	Number of shares	% stake in share capital	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
AVIVA Otwarty Fundusz Emerytalny AVIVA BZ WBK	76 301 553	6,29	76 301 553	6,29
Otwarty Fundusz Emerytalny PZU „Złota Jesień”	68 043 397	5,61	68 043 397	5,61

Data in the tables were ascertained according to the rules described below. With respect to Banco Comercial Portugues S.A. (hereinafter also referred to as “BCP”) these are data collected in connection with the registration of shareholders authorised to take part in the Bank’s Extraordinary General Meeting and General Meeting convened for, respectively, 27 August 2019 and 26 March 2018.

However, as regards Nationale-Nederlanden Otwarty Fundusz Emerytalny, Aviva Otwarty Fundusz Emerytalny Aviva Santander and Otwarty Fundusz Emerytalny PZU „Złota Jesień” 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 2019 and as of 31 December 2018 (as published on the websites: www.nn.pl, www.aviva.pl and www.pzu.pl respectively).

For the purpose of making the above-mentioned calculations the volume weighted average price (VWAP) of the Bank’s shares was taken: for 2019: 5,8339 PLN, and for 2018: 8,8258 PLN.

Banco Comercial Portugues S.A., as the majority shareholder, exercises a shareholder’s rights specified in 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 General Meeting 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 share capital of the Bank, issue of convertible bonds, payment of a dividend and other activities, which in accordance with Code of Commercial Companies require an ordinary or qualified majority of votes at a General Meeting. 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 Regulations of the General Meeting of Shareholders. Each share of the Bank entitles to one vote, however registered founder shares in the outstanding number of 61.600 items are preferential in as much as one share entitles to two votes at a General Meeting. 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 2019.

Registered 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 1 213 008 937 shares with the code ISIN PLBIG0000016 (GPW symbol: MIL; Reuters: MILP.WA; Bloomberg: MIL PW) are traded on the stock exchange.

Shareholders have 107.840 registered shares, of which 61.600 are preferential founder shares (right to two votes at a General Meeting). Thus, the total number of Bank Millennium shares is 1.213.116.777 and total number of votes at a General Meeting of Shareholders is 1.213.178.377.

1.3. SUPERVISORY BOARD

The Supervisory Board exercises constant supervision over the activity of the Bank operating 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.

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 a simple 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 a 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.

The composition of the Supervisory Board of the current term of office was determined by the General Meeting on 26 March 2018 and as of 31 December 2019 remained unchanged and 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. From 31 May 2019 to the day of merger with Bank Millennium S.A., i.e. 1 October 2019, also the Chairman of the Supervisory Board of Euro Bank S.A.

Mr Bogusław Kott has been a Member of the Polish Business Roundtable since 1994. 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 Business Degree 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 auditing (KPMG) and in international banks (Citibank, Deutsche Bank and Banco Santander) in Portugal. Between 2006 - 2012 he was Vice-Chairman of the Board of Directors and CEO of Banco Santander Totta (Portugal). From 2012 to 2018 he was Vice-Chairman of the Board of Directors and CEO 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 Emeritus of Economic Sciences, Institute of International Economic Policy 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 he was Minister of Foreign Affairs of the Republic of Poland. In 1998 - 2004 Member of the Monetary Policy Council of the National Bank 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 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 2014 - 2019 Member of the European Parliament. Member of Parliament of the Republic of Poland of 7th term in 2011 - 2014 - he was the Chairman of the Public Finance Committee - and of 9th term, elected in 2019. Author of more than 200 scientific papers and publications, including six 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 Licentiate 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 a Member of the Supervisory Board of Bank Millennium S.A. From 31 May 2019 to the day of merger with Bank Millennium S.A. i.e. 1 October 2019, also Member of the Supervisory Board of Euro Bank 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 where until June 2019 she supervised the company's strategy and business in Poland as Country Director. Her main responsibility was 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 of Head of Google for Startups in Poland and Central-Eastern Europe. Since July 2019 she became the Global Director of Google for Startups, where she leads the company's programs and partnerships to support startups around the world.

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. In 2018 she held the role of General Manager for Poland and Baltics for Marie Brizard Wine & Spirits Sp. z o.o. Currently she holds the role of General Manager of Avon Cosmetics Polska 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, 2015 - 2018 as a Management Board Member, Vice President International Association of Advertising (IAA) in Poland (Warsaw, Poland). Currently is a Member of the Board of the Polish - Canadian Chamber of Commerce, an Adviser and Mentor in the Global Shapers - Mentor4Starters initiative, and a mentor of the CFA Society Poland.

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. From 31 May 2019 to the day of merger with Bank Millennium S.A. i.e. 1 October 2019, also Member of the Supervisory Board of Euro Bank 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-USAID 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. From 31 May 2019 to the day of merger with Bank Millennium S.A., i.e. 1 October 2019, also Member of the Supervisory Board of Euro Bank 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 the 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 other 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. From 31 May 2019 to the day of merger with Bank Millennium S.A., i.e. 1 October 2019, also Member of the Supervisory Board of Euro Bank 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. Moreover in 1992 - as part of an annual scholarship from the A. Mellon Foundation - he studied economics at the University of Illinois at Urbana-Champaign, USA; in 1993, as a scholarship holder of the United Kingdom Government under the Know-How Fund, he studied banking, finance and capital markets at the University of Exeter; in 1996, as part of a semester scholarship from the German Government, he studied economics at Freie Universität in Berlin, and in 1997 as part of a semester scholarship of the Belgian Government, he studied international economics at the RUCA University in Antwerp. 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 many 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*". Author of over 300 publications in Poland and abroad.

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 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 Vice-Rector for Research and Liaison, 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 Council of the Foundation 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 risk control, ALM, financial markets research and capital markets areas in 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 Business Organization and Management, having also completed the 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 manufacturing SME industry. Joined Banco Português do Atlântico in 1990, institution where he assumed functions in the corporate banking area and led the coordination of the Economic and Financial Research Office.

Between 1996 and 2007 he assumed several senior management functions within BCP Group both in Portugal and Spain, namely head of the Corporate Banking Marketing of BCP, Coordinator of the retail banking network of NovaRede, CEO of Manager Land in Barcelona, head of Innovation and Commercial Division of BCP. From 2007 to 2009 he was Head of the Office of the Chairman of the Executive Board of Directors of BCP. In 2009 Mr Miguel Maya was appointed 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 he was Chairman of the Board of Directors of Banco Millennium Angola, S.A. and 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 still holds. From 2012 to 2019 Mr Miguel Maya was Chairman of the Board of Directors of Interfundos - Gestao de Fundos de Investimento Imobiliario, S.A.

Currently Mr Miguel Maya holds the following functions: Chief Executive Officer (CEO) and Vice-Chairman of the Board of Directors of BCP, Manager of BCP Africa, SGPS, Lda and Member of the Board of Directors of Banco Internacional de Moçambique, S.A.

Since 21 May 2015 he has been a 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., Chairman of the Board of Directors of Longrun Portugal, SGPA,S.A. and since November 2019 Member of the Board of Directors of Luz Saude, S.A.

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

Standing Committees of the Supervisory Board

The Supervisory Board may establish standing or ad hoc committees to carry out specific tasks. The Standing Committees of the Supervisory Board are: the Audit Committee, Personnel Committee, Strategic Committee and Risk Committee. The compositions of the committees of the present term of office, referred to below, were established by the Supervisory Board as of 26 March 2018 and remained unchanged as of 31 December 2019.

Detailed information regarding the issues raised during the meetings of the Committees in 2019 is to be found in the „*Report on activities of the Supervisory Board of Bank Millennium S.A. in 2019*”, published on Bank Millennium's website.

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 auditing of financial statements, 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 of 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 of 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 of financial statements are provided for the Bank by an audit firm.

In 2019 seven meetings of the Audit Committee of the Supervisory Board took place on the following days: 31 January 2019, 21 February 2019, 6 May 2019, 17 June 2019, 25 July 2019, 23 October 2019 and an additional one - "by circulation" - of 4 April 2019.

Detailed information regarding the issues raised during the meetings of the Committee in 2019 is to be found in the „*Report on activities of the Supervisory Board of Bank Millennium S.A. in 2019*” in the chapter „*Activities of the Audit Committee in the reporting period*”.

From 1 January 2019 to 31 December 2019 the Audit Committee of the Supervisory Board of Bank Millennium SA was composed of the following members:

1. Grzegorz Jędrzyński - 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 of 11 May 2017 on Statutory Auditors, Audit Firms and Public Oversight.

Personnel Committee

The Personnel Committee has existed at the Bank since 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.

During the period from 1 January 2019 to 31 December 2019 the composition of the Committee was as 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 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 2019 to 31 December 2019 the 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. Dariusz Rosati
8. Lingjiang Xu

Risk Committee

The Risk Committee was 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 2019 to 31 December 2019 the Committee consisted of the following persons:

1. Dariusz Rosati - Chairman
2. Miguel de Campos Pereira de Bragança
3. Grzegorz Jędrzys
4. Bogusław Kott
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 General Meeting, 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 General Meeting 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 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 2019 (in PLN ths):

Name and surname	Remuneration for 2019	Other benefits	Total (in PLN ths)
Bogusław Kott	330,0	21,58	351,58
Nuno Manuel Da Silva Amado	145,0	0,0	145,0
Dariusz Rosati	180,0	0,0	180,0
Miguel De Campos Pereira De Bragança	200,0	0,0	200,0
Agnieszka Hryniewicz-Bieniek	130,0	0,15	130,15
Anna Jakubowski	160,0	0,0	160,0
Grzegorz Jędrys	205,0	0,0	205,0
Andrzej Koźmiński	160,0	0,0	160,0
Alojzy Nowak	150,0	0,0	150,0
José Miguel Bensliman Schorcht da Silva Pessanha	145,0	0,0	145,0
Miguel Maya Dias Pinheiro	120,0	0,0	120,0
Lingjiang Xu	130,0	0,0	130,0
TOTAL:	2 055,0	21,73	2 076,73

In 2019, Members of the Supervisory Board did not receive any remuneration or additional benefits from the Bank's subsidiary companies.

The Bank's shares held by Supervisory Board Members (performing their functions on 31 December 2019):

Name and surname	Function	Number of shares 31.12.2019	Number of shares 31.12.2018
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	0	0

of the Supervisory Board			
Miguel de Campos Pereira de Bragança	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	0
Andrzej Koźmiński	Member of the Supervisory Board	0	0
José Miguel Bensliman Schorcht da Silva Pessanha	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	0

1.4. 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 a simple majority of votes of the Management Board Members 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 Bank's Management Board during the period from 1 January 2019 to 31 December 2019 remained unchanged and 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) Jarosław 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. From 3 June 2019 until the day of merger with Bank Millennium S.A. i.e. 1 October 2019, also First Deputy Chairman of the Management Board of Euro Bank S.A., Acting Chairman of the Management Board.

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 - Chief Financial Officer) and since 20 April 2012 Deputy Chairman of the Management Board. From 3 June 2019 until the day of merger with Bank Millennium S.A., i.e. 1 October 2019, also Deputy Chairman of the Management Board of Euro Bank S.A.

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 - Portassisst 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 a 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. From 3 June 2019 until the day of merger with Bank Millennium S.A., i.e. 1 October 2019, also Deputy Chairman of the Management Board of Euro Bank S.A.

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 the Management Board of ActivoBank.

Since 20 April 2018 Member of the Management Board of Bank Millennium S.A. From 3 June 2019 until the day of merger with Bank Millennium S.A., i.e. 1 October 2019, also Deputy Chairman of the Management Board of Euro Bank 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.

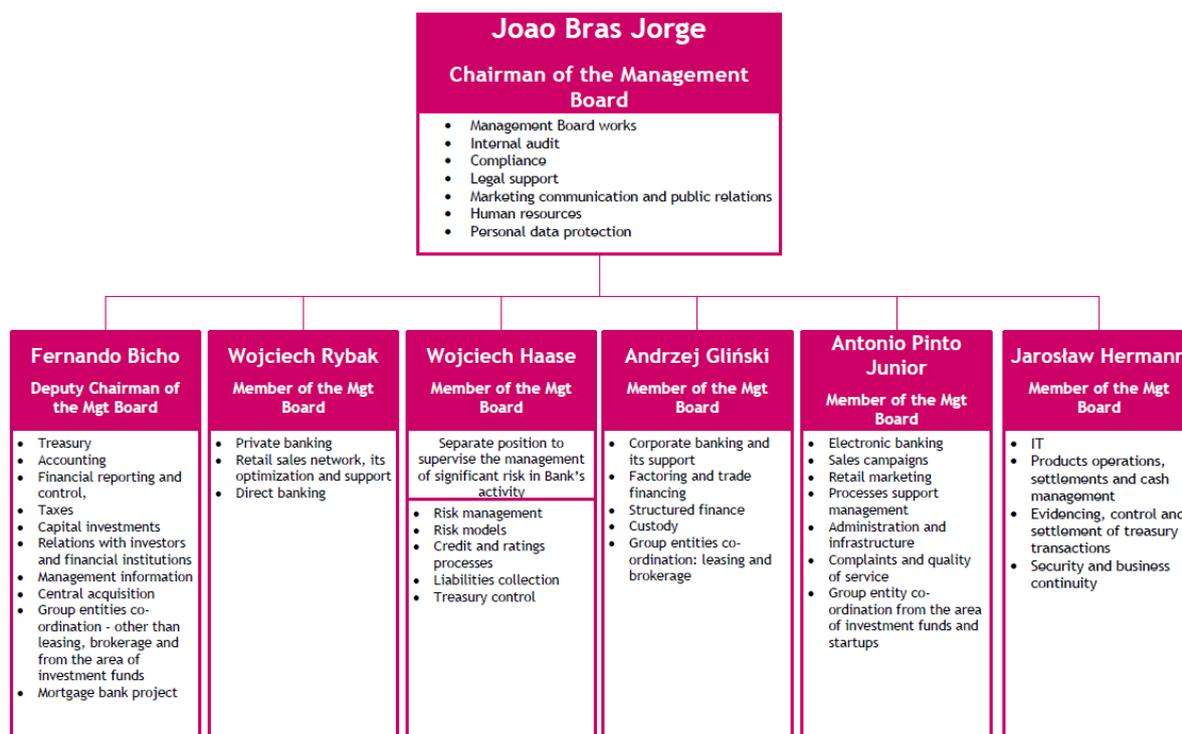
Between 2005-2010 he was Board Member of First Data Poland responsible for providing IT and operational services for card acquiring and financial solutions business lines.

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. From 3 June 2019 until the day of merger with Bank Millennium S.A., i.e. 1 October 2019, also Deputy Chairman of the Management Board of Euro Bank 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 the 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 2019 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 2019):

Name and surname	Function	Number of shares 31.12.2019	Number of shares 31.12.2018
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	0
Wojciech Rybak	Member of the Management Board	0	0
Jarosław Hermann	Member of the Management Board	0	0

1.5. INTERNAL AND EXTERNAL AUDIT AND COMPLIANCE POLICY

Internal Control System

The Bank's internal control system is organised in the framework of the so-called three independent lines of defence, which comprise:

- 1st line - the Bank's operating units not belonging to the 2nd and 3rd line of defence,
- 2nd line - Compliance Department and other units managing particular risks,
- 3rd line - Internal Audit Department.

The internal control system covers all organisational units of the Bank and subsidiaries belonging to the capital group.

The main objectives of the internal control system are to ensure:

- effectiveness and efficiency of the Bank's operations,
- credibility of financial information (including: completeness, correctness and comprehensiveness of administrative and accounting procedures and fair and true internal and external reporting),
- observance of risk management principles at the Bank,
- compliance of the Bank's activity with laws, internal regulations and market standards.

Based on the developed selection criteria the Bank identified material processes, and then linked them to the general and specific objectives of the internal control system. For material processes the Bank selected controls (control mechanisms) functioning within such processes and selected out of them certain controls of key importance for achieving the objectives of the internal control system assigned to a given process. Key controls have been covered by the monitoring of their observance, such monitoring performed independently by organisational units belonging to the 1st and the 2nd line of defence in the internal control system.

The linking of the general objectives of internal control and specific objectives isolated as part of them with material processes functioning at the Bank and key controls and principles of independent monitoring of their observance is documented in the form of the Control Function Matrix. The Bank in the Matrix also specified the responsibility of particular organizational units for employing control mechanisms, as well as their independent monitoring.

The Bank has a formalized path of reporting about the results of monitoring controls, ascertained irregularities and status of implementing remedial and disciplining measures. From time to time this information is also transferred to the Internal Audit Department, the Bank's Management Board and Audit Committee of the Supervisory Board.

The Bank's Management Board is responsible for the implementation and functioning of an adequate, effective and efficient internal control system.

The Bank's Supervisory Board exercises supervision and performs the annual evaluation of the implementation and ensuring that the internal control system is adequate, effective and efficient, as a whole and in its parts (including the control function, Compliance Department, Internal Audit Department).

Internal Audit (3rd line of defence)

The Internal Audit Department is within the internal control system a specialized unit of the 3rd line of defence which carries out an independent review of processes and internal control in the Bank and the capital group, verifying the implementation of tasks assigned to the 1st and 2nd line of defence.

The aim of the activities is providing 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 capital 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, directly reporting to the Chairman of the Management Board of the Bank and the results of its activities are reported to the Management Board, 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 2019 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 Capital 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 functioning 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 policies are captured in the document „*Policy of Selecting and Cooperation*

with *Audit Firms*”, which was approved by the Audit Committee of the Supervisory Board on 26 October 2017. The policy specifies:

- 1) the principles of selecting the audit firm to conduct:
 - a) statutory audit, i.e. audit of the annual consolidated financial report of the Bank’s capital group or audit of the Bank’s annual financial report whose duty to conduct results from art. 64 of the Accounting Act of 29 September 1994, (hereinafter „**the Accounting Act**”), provisions of other acts or provisions of European Union law,
 - b) voluntary audit, i.e. audit of the annual financial report which is conducted pursuant to the Bank’s decision, and not on the basis of art. 64 of the Accounting Act, provisions of other acts or provisions of European Union law, conducted in accordance with national or other audit standards, as well as auditing the annual consolidated 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:
 - a) audit firm conducting a statutory audit or voluntary audit at the Bank or at Millennium BCP,
 - b) entities connected with the audit company conducting a statutory or voluntary audit at the Bank or at Millennium BCP, and
 - c) 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 cooperation 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 books and financial reports. At meetings of the Audit Committee of the Supervisory Board the external auditor presents key findings relative to financial reporting, consults with the Audit Committee of the Supervisory Board draft reports and proposes an approach to the audit of the annual financial report.

Bearing in mind the mandatory rotation of audit firms resulting from legal regulations and the five-year period of cooperation with PricewaterhouseCoopers Sp. z o.o. (i.e. the entity which up to then audited the Bank’s financial reports), 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 of the Supervisory Board on 26 October 2017. At the meeting of 25 October 2018, the Audit Committee of the Supervisory Board familiarised itself with the report of the task force (dedicated to conducting the bidding procedure) on the procedure of selecting the audit company for conducting statutory audits for Bank Millennium S.A. and the Bank’s capital group containing the conclusions from the selection procedure and indicating the audit firm recommended for conducting statutory audits. Based on the recommendation of the Audit Committee of the Supervisory Board, the Management Board of the Bank recommended to the Supervisory Board the selection of Deloitte Sp. Z o.o. Sp. k. as an entity authorized to audit financial reports of Bank Millennium S.A. and the Bank Millennium capital group for the years 2019 and 2020. 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. in accordance with the presented proposal.

The Bank is covered by the consolidated financial report of the Millennium BCP capital group. In this connection, 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 external auditor of the Millennium BCP capital group participated in 2019 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

On 26 October 2018 the Supervisory Board of the Bank approved the selection of Deloitte Sp. z o.o. Sp. k. as an entity authorised to perform audits of financial reports of Bank Millennium S.A. and the Bank's capital group for the years 2019 and 2020. The audit agreement was concluded on 23 April 2019.

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

Auditor's Remuneration (in PLN '000)	2019		2018	
	Bank	Subsidiaries	Bank	Subsidiaries
Statutory audit within the meaning of art. 2 point 1 of the Act on Statutory Auditors	910	464	745	321
Other assurance services	1 215	220	402	113
Tax advisory services				
Other services				

Services other than statutory audit:

- a review of the stand-alone and consolidated interim condensed financial reports of Bank Millennium S.A. drawn up as at June 30, 2019,
- review of the interim condensed financial reports of Millennium TFI SA investment funds prepared as at June 30, 2019,
- audit of the consolidation documentation and the reporting package of Bank Millennium S.A. capital group for the period of 12 months, ended on 31 December 2019, prepared in accordance with instructions and group rules of BCP capital group,
- procedures for verification of consolidation documentation and the reporting package of the Bank Millennium S.A. capital group for the period of 3 months, ended on 31 March 2019, prepared in accordance with group principles,
- procedures for verification of consolidation documentation and the reporting package of the Bank Millennium S.A. capital group for the period of 3 months, ended 30 September 2019, prepared in accordance with group principles,
- assurance service concerning requirements for safekeeping of customers' assets for 2019 for Bank Millennium S.A. and Dom Maklerski Banku,
- assurance service concerning evaluation of adequacy of the risk management system in 2019 in Millennium TFI S.A.

- assurance service in accordance with MSUA 3000, concerning verification of the internal control system of Bank Millennium S.A. and Millennium Leasing, in accordance with instructions of the group auditor for the period from 1 June 2018 to 31 May 2019,
- assurance service in accordance with MSUA 3000: Statement of the independent auditor issued on behalf of the entity authorized to audit financial statements on the conformity of methods and principles of valuation of the Fund's assets described in the prospectus with the regulations on accounting of investment funds, as well as on the conformity and completeness of these principles with the investment policy adopted by the Fund,
- assurance service in accordance with MSUA 3000: independent verification of the non-financial data presented within CSR Report.