



Report on remuneration
of Members of the Management Board
and of the Supervisory Board
of Bank Millennium SA

in 2023

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Introduction

This report on the remuneration of Members of the Management Board and of the Supervisory Board of Bank Millennium SA (hereinafter "the Bank") has been prepared in keeping with the requirements presented in the Act of 29 July 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies (hereinafter "the Act on public offering"). The Report covers 2023 financial year and contains a review of remuneration awarded in keeping with internal regulations in force as well as principles of Corporate Governance, in particular with the "Remuneration policy with regard to members of the Management Board and Supervisory Board of Bank Millennium SA " (hereinafter: the "Remuneration Policy"). Additional rules considering payment of remuneration resulting from Risk Takers status are stated in the "Remuneration Policy with Respect to Risk Takers in the Bank Millennium S.A. Group („RT Remuneration Policy") which is integral part of the Remuneration Policy.

The Remuneration Policy supports the implementation of the strategy of the Bank and its subsidiaries (hereinafter: the " BM Group ") and the protection of its long-term interests. In particular, by providing competitive base salaries and additional benefits on the market, the Bank strives to attract and retain key people in the Bank. By granting variable remuneration, depending on key financial indicators and other qualitative indicators, the Bank strives to motivate Management Board Members to achieve strategic goals. The Remuneration Policy applied is also part of the Bank's overall strategy, enabling the acquisition, retention and motivation of the best managers and specialists in key areas of specialization for the Bank.

Context of evaluation of Management Board performance with regard to the remuneration policy execution:

On July 15, 2022, the Bank's Management Board decided to launch the Recovery Plan and, additionally, the Bank developed and submitted to the Polish Financial Supervision Authority a Capital Protection Plan, anticipating a negative impact on the Bank's financial situation, particularly on the Bank's and Group's capital ratios due to the so-called credit holidays introduced by the Polish government in July 2022. Actions were taken in accordance with Art. 60 section 1 of the Act of 5 August 2015 on macroprudential

supervision over the financial system and crisis management in the financial system (Journal of Laws of 2022, item 963, i.e. of May 6, 2022, as amended). The Polish Financial Supervision Authority approved this plan on October 28, 2022.

The adoption of both plans and, additionally, the obligation for the Bank Millennium to meet the minimum MREL requirements by December 31, 2023 according to the decisions of the Bank Guarantee Fund ("BFG"), had a significant impact on the priorities of the Management Board's activities. Management of capital, liquidity and risk ratios in the period covered by the report were crucial to achieving the Bank's goals.

Both the Recovery Plan and the Capital Protection Plan provided for an increase in capital ratios well above the required minimum level through a combination of improvements in operating profitability and capital optimization initiatives such as risk-weighted asset management (including securitizations). The implementation of the two plans has triggered a series of measures to increase capital ratios and operating profitability. In 4Q22, the Bank/BM Group already showed improved capital ratios, placing them clearly above then minimum regulatory requirements. The Bank maintained and further improved capital ratios above the required minimum levels throughout 2023.

In September 2023, Bank Millennium issued €500 million worth of MREL-compliant bonds (4NC3), which, combined with the above-mentioned improvement in capital ratios, more than contributed to the elimination of the shortfall against the MREL + CBR interim and final requirements. As a result, in October 2023 the BFG repealed an administrative procedure against the Bank that, among other things, prohibited the Bank from distributing profits in excess of the maximum distributable amount associated with the minimum requirement for own funds and eligible liabilities (M-MDA), including restrictions on the payment of variable remuneration to employees with significant/relevant influence on the Bank's risk profile.

Review of financial results of the Bank and Group in 2023

As stated in the Annual Financial Consolidated Report of the Bank Millennium S.A. Capital Group for the 12-month period ending on 31st December 2023, the BM Group posted consolidated net profit of PLN 576 million. This was a very positive development given that the positive result was achieved despite the still elevated costs related to the legacy FX-mortgage portfolio ('FX-mortgage costs'). In 2023 the latter totalled PLN3,338 million and were up +41% y/y). 2023 net profit adjusted for these costs and other non-recurrent items (e.g. PLN528 million after tax positive impact from bancassurance agreement with TU Europa Group) but with a hypothetical asset tax ('bank tax') would be PLN2,993 million, up 34% y/y, well above the PLN2bn net profit before FX-cost originally targeted for 2024.

Positive operating trends in the core business with solid growth in operating income in particular (+10 y/y) were the main factor offsetting the FX-mortgage costs. In 4Q23, the number of active customers crossed the 3 million mark, a target initially set for YE24. This represented 300 thousand or 11% growth of customers' number since YE21 (2023 alone: +116 thousand). Also the share of digitally active customers exceeded 90% (84% at YE21), ahead of the plan.

While origination of cash loans remained solid throughout the year (full year origination up 16% y/y) early quarters of the year were marred by deteriorating economic background and hence lowering appetite for mortgages and corporate borrowing. However, the final quarters, particularly the 4Q23 brought a strong revival of origination of PLN mortgages.

The programme of amicable settlements with FX-mortgage borrowers continued successfully. The number of settlements signed to date totalled 21.4 thousand (2023: 3.7 thousand), an equivalent of 35% of the number of loan agreements active at moment of the full roll-out of amicable settlements programme. Additionally, the number of in-court settlements continued to increase at a steady pace. In 4Q23 alone, over 185 such settlements were achieved (17% of total) while in 2023 overall 529 (14%).

Last but not least, capital ratios improved considerably. The Group's T1 capital ratio increased to 14.7% at end of 2023 from 11.3% at the end of 2022. The 345bps (30%) improvement of the Groups' T1 ratio in 2023, achieved through a combination of securitisations as well capital and RWA optimisations, was remarkable and probably unprecedented on the Polish market. At YE23, Group's T1 ratio was 488bps above the required minimum level. The Bank met its YE23 MREL targets through, among others, a successful issuance of EUR500mn EMTN bonds on international markets.

Challenges facing the governing bodies resulting from the strategy adopted for 2022-2024:

- After the significant improvements in the financial results and capital ratios of the Bank / Group in 2023 as above described, as well as fulfilment of MREL requirements, the year 2024 (which is the last from the Strategy cycle 2022-2024) will be a more “business-as-usual” year focused on the achievement of the strategic goals while dedicating substantial attention and effort to the fulfilment of multiple regulatory requirements and further solving the problems connected with the FX mortgage loans legal risk. The Bank continues to have as top priority the permanent and safe fulfilment of capital adequacy and MREL requirements, while preserving its business growth and improvement of profitability and efficiency. In this context, the Bank / Group will be pursuing:
 - 1) Preservation and development of core business.
 - 2) Continuation of the growth of the retail and small business customer base
 - 3) Rebounding corporate banking development pace after the period of withhold due to capital restrictions.
 - 4) Further progress in the digitalization strategy.
- The Bank will also remain committed to the natural environment and society and pursuing ESG strategic target swill actively engage in supporting customers in their decarbonisation efforts.

Remuneration Policy

In keeping with the requirements i.e. of the Act on Public Offering, the Bank applies to Members of the Management Board the Remuneration Policy, on base of which fixed and variable remuneration is offered, including:

- 1) Base Salary,
- 2) Other remuneration and benefits included in the income from the employment relationship,

- 3) Additional benefits granted in accordance with the provisions of Labour Law,
- 4) Variable Remuneration.

The components of remuneration paid in 2023 were determined in accordance with the applicable Remuneration Policy and reflected its assumptions.

Management Board Members are appointed by the Supervisory Board. Remuneration of Members of the Management Board is paid on the basis of employment contracts concluded for the duration of the term of office. Certain elements of remuneration of Management Board Members are granted on the basis of internal regulations applicable to all employees of the Bank.

Members of the Supervisory Board are appointed by the General Meeting of Shareholders for a term of office. No contracts are concluded with members of the Supervisory Board in connection with the performance of their functions on the Supervisory Board. The remuneration is due by virtue of the appointment. The remuneration granted for the function is paid on the basis of the "Remuneration Policy for Members of the Management and Supervisory Boards of Bank Millennium SA" accepted by resolution 27 of General Shareholders Meetings of 24th of March 2021, while the amounts result from the General Meeting's resolution on remuneration of members of the Supervisory Board of 21st May 2015 determining the amount of components of this remuneration. The principles regarding the remuneration of Members of the Supervisory Board are presented in the section "Remuneration of Members of the Supervisory Board".

Remuneration of Members of the Management Board

Base salary

The Bank shall pay a base salary to Members of the Management Board. The level of this salary shall be determined taking into account:

- a) level of education, professional experience, specialist knowledge and skills adequate for the role in the organisation,
- b) complexity of tasks and impact upon the institution's risk profile as well as constraints (e.g. social, economic, cultural or other important factors),
- c) scale of operation and remuneration levels in similar positions in institutions representing similar profiles and scale of operations as the Bank.

The following rules shall apply to base salaries of Members of the Bank's Management Board:

- a) Members of the Management Board are appointed by the Supervisory Board for joint term of office,
- b) for the duration of the term of office an employment contract or other contract is signed with the Member of the Management Board regulating the scope of duties in connection with the performance of the function for the duration of its term of office,
- c) the periods and conditions for terminating the agreements referred to in item b) above may be each time specified individually in these agreements in accordance with the arrangements of the parties,

- d) a non-competition agreement are concluded with Members of the Management Board¹ providing for compensation for refraining from competitive activity after termination of the agreement referred to in point b).
- e) the contracts referred to in point b) above provide for termination payments.

Benefits

The Bank provides additional benefits to the Members of the Management Board. It is a provision in the form of a package of private medical care services offered by the Bank to the Members of the Management Board. Members of the Management Board are also entitled on a voluntary basis to participate in Employee Capital Plans (hereinafter referred to as "PPK"). Four Members benefited from participation in the PPK. The Bank does not provide for other forms of long-term retirement benefits. The above-mentioned benefits are offered on the terms specified internally for all employees of the Bank.

In addition, Members of the Management Board are entitled to benefits aimed at enabling and improving the performance of their functions in the Bank. Members of the Management Board, coming from outside Poland, are entitled to benefits enabling them to move to Poland together with their families in order to effectively and without interruption perform their function at the Bank, i.e. covering the costs of accommodation and utilities, reimbursement of the costs of flights to the country and tuition fees.

Variable remuneration

In accordance with the Remuneration Policy, Members of the Management Board are entitled to a variable component of remuneration. It can take the form of bonuses, guaranteed components of variable remuneration - limited to the first year of employment, or non-recurring severance payments.

The annual bonus may be granted after an assessment of the Bank's performance as a whole in combination with qualitative and quantitative indicators relating to principles and behaviours conducive to prudential risk management, as well as an assessment of the Bank's risk profile.

The relation of variable remuneration to fixed remuneration p.a. shall not exceed 100%. In justified cases, with the consent of the Bank's General Meeting of Shareholders, the ratio of variable remuneration to fixed remuneration per year may be increased, but not more than to 200%.

In 2023, the Bank did not provide for guaranteed components of variable remuneration or one-off retirement severance payments for Management Board Members.

The amount of the bonus is determined on the basis of the bonus pool. The pool is determined based on the following criteria:

- 1) Results attained by the Bank on the solo and consolidated level - level of the Bank's net profit in absolute terms as well as level of execution of the net profit plan, result on banking activity, cost-to-income, ROE
- 2) Level of solvency ratio at the solo and consolidated level

¹ refers to Board Members with Polish citizenship

3) Levels of risk ratios illustrating the Bank's liquidity

The bonus pool for Management Board Members should not exceed a certain percentage of consolidated net profit for the BM Group and 100% of the total fixed remuneration of Management Board Members. The final decision on the bonus pool for Management Board Members is made by the Personnel Committee of the Supervisory Board.

The final amount of the bonus is determined on the basis of a set of quantitative and qualitative criteria. The results of the quantitative and qualitative criteria shall be a percentage of the base salary that should be awarded as a result of the evaluation process.

The Personnel Committee of the Supervisory Board conducted a detailed assessment of both financial and qualitative results of the Bank's Management Board for 2022 on a meeting of 3 November 2023. The Committee took into account in particular the following area of evaluation:

Quantitative criteria - the base for recommendation of the bonus pool granted in 2023 for 2022

Qualitative evaluation - which may influence adjustment of the bonus pool

In particular:

1. Capital Management
2. Liquidity
3. Risk (in particular: Credit, Legal, Business Risk - AML)
4. ESG
5. Other non-financial management goals

Credit Risk:

At the end of December 2022, the cost of risk was at the level of 44 bps with a very good performance in corporate and mortgage loans, much better than the 50 bps budgeted for the year 2022. December NPL ratio was 4,5% on better level than internally defined safety ratio, with an 70% NPL coverage ratio.

Liquidity:

Bank Millennium Group was characterized by solid liquidity position:

- the loans-to-deposits ratio was at the level of 78%,
- the supervisory and internal liquidity measures were maintained above minimum limits:
 - a) at the end 2022 the LCR reached the level of 223% that comply with the minimum limit set by Supervisor on the level of 100%,
 - b) the NFSR measure was at level 156%, well above internally defined safety level,
 - c) all internal liquidity indicators were positive and well above the defined minimum limits.

Capital:

As above mentioned, during the second half of the 2022 year, Bank Millennium launched the recovery plan and got approval for the Capital Protection Plan presented to the PFSA.

During the 4th quarter 2022, with the positive net income generated, even after booking provisions for the CHF mortgage legal risk, the reduction of the mark-to-market losses of the bond portfolio, and the effort done by the Bank to reduce RWA via securitization and reduction of portfolio, the capital ratios as

of 31 December 2022 for the Bank Millennium Group as well as for the Bank were higher than KNF minimum required capital ratios. The minimum required capital ratios also were reduced in December 2022:

	<i>KNF requirement (Bank solo)</i>	<i>Bank Millennium Group</i>	<i>Bank Millennium Solo</i>
TCR	12.70%	14.42%	14.53%
Tier1	10.22%	11.28%	11.37%

The assessment is made in the perspective of 3 calendar years preceding a given year. The model of quantitative criteria is presented in the table below.

Weights and quantitative criteria for the assessment of Management Board Members for 2022

<i>Criterion description*</i>	<i>Weight of criterion</i>	<i>Results of assessment done in 2023 (based on 2022 financial performance)</i>
Result on Banking Activity vs. plan	10,0%	126,2%
Cost/Income vs. plan	7,5%	108,4%
Net result (adjusted for extraordinary events) vs. plan	20,0%	163,6%
ROE vs plan	7,5%	170,8%
ROE (adjusted) vs Peers	10,0%	30,2%
Cost/Income vs Peers	10,0%	74,6%
TSR ¹ vs Market	15,0%	77,2%
Growth of net profit	20,0%	66,2%

* results, cost-to-income and ROE are adjusted for impacts of extraordinary events

¹Total rate of return for shareholders

Summary of results attained - decision on % of variable remuneration (annual bonus) of Management Board Members

<i>Year</i>	<i>Results of quantitative criteria assessment</i>	<i>Results of qualitative assessment</i>	<i>Corresponding variable remuneration ratio as a % of annual base remuneration</i>
results for 2022	101,60%	positive	80%

Overall evaluation level in Quantitative Criteria

<i>Quantitative results in scope:</i>		<i>% of recommended bonus</i>
0%	80%	discretionary decision
80%	90%	50%
90%	100%	60%
100%	110%	80%
110%	120%	90%
120%		100%

Taking into account the above factors and also the fact that the Bank managed to fulfil the MREL requirements and subsequently the Banking Guarantee Fund repealed the restrictions mentioned above, the Personnel Committee of Supervisory Board decided on the meeting of 3 November 2023 to grant the Bank's Management Board variable remuneration pool for 2022 in the total amount of PLN 7,875 mln, paid 50% in cash/50% in financial instruments. 50% of the variable remuneration is deferred - to be transferred after reassessment in equal tranches within 5 years from the award decision.

The Personnel Committee also approved the transfer of rights of the deferred parts of the variable remuneration for previous years.

By linking the remuneration of the Bank Millennium Board Members to the achievement of indicators reflecting Bank Millennium's strategy, the remuneration of Board Members contributes to the Bank long-term performance.

Opinion of the Supervisory Board relating to long-term provisions for the CHF mortgage loan portfolio reducing the Bank's financial performance, in the context of awarding variable remuneration to Board Members for performance in 2022:

The risk associated with the portfolio of CHF loans granted by Bank Millennium in 2006-2008, is largely beyond the control of the Bank and the Management Board - it depends on jurisprudence, decisions of the national courts and of the European Court of Justice, inflow of court cases and settlements with borrowers.

At the same time, the process of mitigating the potential impact to the extent that it is manageable is being carried out very effectively - it is characterized by a faster-than-market-average pace of reducing the number of FX mortgage contracts in the portfolio. Bank Millennium launched the process of amicable settlements and large-scale negotiations with borrowers as early as 2020, before the recommendation of the PFSA in this regard. By the end of 2022, 17 754 settlements had been signed with borrowers, including nearly 8 000 in 2022 alone. At the same time, the value of the CHF loan portfolio had decreased significantly since the beginning of 2020. The Bank's foreign currency mortgage portfolio decreased by 17% during 2022 (in CHF, gross, without the impact of the allocated legal risk reserve). The Supervisory Board, in awarding variable remuneration to the Management Board in 2023, appreciated the commitment and proactive approach to risk management and the efforts made to mitigate the risks related to FX mortgage portfolio, as well as the measurable results in reducing its impact on Bank Millennium's financial performance.

As a rule, the annual bonus granted to the Members of the Management Board is paid in parts:

- 50% in cash
- 50% in a financial instrument

<i>Financial instrument:</i>		
	Part non-deferred:	Deferred parts for previous years:
2023	phantom shares (2022)	phantom shares (2021) phantom shares (2019)

The purpose of the Remuneration Policy is to link variable remuneration with the stable results of the Bank, which is why each of the above-mentioned parts of the bonus is subject to deferral. 50% of each form of bonus is paid upon taking the decision (in the year in which the bonus is granted) and 50% of each form of bonus is deferred.

With regard to the deferred bonus for 2019, to which the Management Board Members acquired rights in 2023, the deferral period of the Deferred Bonus Part was 3 years in accordance with the following scheme:

- 33% of Deferred Part after 1 year of deferral
- 33% of Deferred Part after 2 years of deferral
- 34% of Deferred Part after 3 years of deferral

From 2020, changes have been made to the bonus rights transfer scheme consisting in extending the deferral period to 5 years. The right to the Deferred Part shall be acquired in 5 consecutive years:

- 20% of Deferred Part after 1 year of deferral
- 20% of Deferred Part after 2 years of deferral
- 20% of Deferred Part after 3 years of deferral
- 20% of Deferred Part after 4 years of deferral
- 20% of Deferred Part after 5 years of deferral

5-years deferral period has been applied to the Deferred Part of bonus granted for years 2021 and 2022. In order to emphasize the long-term perspective required in the work of Management Board Members and in accordance with applicable regulations, the part of the Bonus granted in the form of a financial instrument is subject to an additional 12-month retention period counting from the date of acquisition of the right to the instrument.

In order to eliminate the detrimental impact of certain events on the Bank's results, based on the Remuneration Policy, the Bank may apply the "malus" clause to the deferred part of the Bonus. Making decisions in 2023, the Bank reviewed the criteria related to the "malus" clause, allowing the Bank to make a possible decision not to pay or suspend the Bonus until the next year or to reduce the deferred part of the Bonus in the event of events that may adversely affect the Bank's situation. The Bank did not identify such events in 2023.

Taking into account the rules regarding the payment of the Bonus, the Bank decided to present in the following tables the amounts of remuneration rights to which were acquired in a given year.

**Fixed remuneration (base salary and benefits) of Management Board Members in 2023
(in thous. PLN)**

<i>Name and surname</i>	<i>Base salary</i>	<i>Medical care</i>	<i>PPK</i>	<i>Additional benefits *</i>
Joao Bras Jorge	2 430,64	29,67	63,53	1 225,10
Fernando Bicho	1 710,02	29,63	26,45	53,11
Wojciech Haase	1 407,21	15,76	-	-
Andrzej Gliński	1 407,21	29,67	-	-
Wojciech Rybak	1 407,21	4,53	-	-
Antonio Pinto Junior	1 407,21	4,53	35,01	565,12
Jarosław Hermann	1 407,21	8,59	21,52	-
Total:	11 176,73	122,38	146,51	1 843,33

* additional benefits are mainly related to the costs of stay of foreign Members of the Management Board

Variable remuneration transferred in 2023 to Members of the Management Board

<i>Name and surname</i>	<i>Rewards paid for the years: 2019, 2021 and 2022 (in PLN thous.)</i>	
	<i>in cash</i>	<i>in phantom shares*</i>
Joao Bras Jorge	621,52	749,69
Fernando Bicho	450,20	551,50
Wojciech Haase	366,83	449,37
Andrzej Gliński	366,83	449,37
Wojciech Rybak	366,83	449,37
Antonio Pinto Junior	366,83	449,37
Jarosław Hermann	366,83	449,37
Total:	2 905,87	3 548,04

* Part of the awarded non-deferred bonus in phantoms shares for 2022 and the deferred bonus for 2019, 2021 in phantoms shares is subject to retention for a period of 12 months calculated from the vesting date, i.e. from 03.11.2023. The amounts are given according to the transfer value (vesting), i.e. as at November 3, 2023, calculated as the average price of 1 Bank's share on the WSE at the time of closing of the 20 sessions preceding the transfer date.

In detail: transferred variable remuneration by tranche of each year

Variable remuneration transferred in 2023 Board Members in thous. PLN

	<i>Year for which remuneration was granted</i>		<i>in Cash</i>	<i>share of the bonus granted for given year</i>	<i>in phantom shares *</i>	<i>share of the bonus granted for given year</i>	<i>phantom share price at the moment of granting</i>	<i>phantom share price at the date of vesting</i>
Joao Bras Jorge	2019	deferred	102,82	8,4%	225,2	8,4%	3,187	6,980
	2020	deferred	0,00		na			
	2021	deferred	91,20	5,0%	96,99	5,0%	6,563	6,980
	2022	undeferred	427,50	25,0%	427,5	25,0%	6,980	6,980
Fernando Bicho	2019	deferred	81,65	8,4%	178,83	8,4%	3,187	6,980
	2020	deferred	0,00		na			
	2021	deferred	64,80	5,0%	68,92	5,0%	6,563	6,980
	2022	undeferred	303,75	25,0%	303,75	25,0%	6,980	6,980
Wojciech Haase	2019	deferred	66,53	8,4%	145,72	8,4%	3,187	6,980
	2020	deferred	0,00		na			
	2021	deferred	52,80	5,0 %	56,15	5,0%	6,563	6,980
	2022	undeferred	247,50	25,0%	247,5	25,0%	6,980	6,980
Andrzej Gliński	2019	deferred	66,53	8,4%	145,72	8,4%	3,187	6,980
	2020	deferred	0,00		na			
	2021	deferred	52,80	5,0 %	56,15	5,0%	6,563	6,980
	2022	undeferred	247,50	25,0%	247,5	25,0%	6,980	6,980
Wojciech Rybak	2019	deferred	66,53	8,4%	145,72	8,4%	3,187	6,980
	2020	deferred	0,00		na			
	2021	deferred	52,80	5,0 %	56,15	5,0%	6,563	6,980
	2022	undeferred	247,50	25,0%	247,5	25,0%	6,980	6,980
Antonio Pinto Junior	2019	deferred	66,53	8,4%	145,72	8,4%	3,187	6,980
	2020	deferred	0,00		na			
	2021	deferred	52,80	5,0%	56,15	5,0%	6,563	6,980
	2022	undeferred	247,50	25,0%	247,5	25,0%	6,980	6,980
Jarosław Hermann	2019	deferred	66,53	8,4%	145,72	8,4%	3,187	6,980
	2020	deferred	0,00		na			
	2021	deferred	52,80	5,0 %	56,15	5,0%	6,563	6,980
	2022	undeferred	247,50	25,0%	247,5	25,0%	6,980	6,980
TOTAL			2 905,87		3 548,04			

* value at the date of vesting. Phantom shares will be paid out after one-year retention period calculated from vesting date, i.e. from November 3rd, 2023.

Total: fixed and variable remuneration of Management Board Members in 2023 (in PLN thous.)

<i>Name and surname</i>	<i>Fixed remuneration</i>	<i>Variable remuneration paid in 2023*</i>	<i>Total annual remuneration</i>	<i>% variable / fixed</i>	<i>% base / fixed</i>
Joao Bras Jorge	3 748,95	1 371,20	5 120,15	37%	64,8%
Fernando Bicho	1 819,21	1 001,70	2 820,91	55%	94,0%
Wojciech Haase	1 422,98	816,19	2 239,17	57%	98,9%
Andrzej Gliński	1 436,89	816,19	2 253,08	57%	97,9%
Wojciech Rybak	1 411,75	816,19	2 227,94	58%	99,7%
Antonio Pinto Junior	2 011,88	816,19	2 828,07	41%	69,9%
Jarosław Hermann	1 437,33	816,19	2 253,52	57%	97,9%
	13 288,99	6 453,85	19 742,84	49%	84,1%

* the amount of variable remuneration transferred in 2023 includes the non-deferred part of the 2022 bonus in cash and phantom shares, the 3rd deferred tranche for 2019 in cash and phantom shares, and the 1st tranche for 2021 in cash and phantom shares - at value as of November 3, 2023.

Remuneration in the form of a financial instrument

Details of the financial instruments provided in the reported years are presented in the table below. The following table shows the conversion price that was used to calculate the number of shares at the time of allocation. Phantom shares are subject to a one-year retention period.

Total number of phantom shares relating to the deferred tranche from previous bonus program and transferred to Management Board Members in 2023.

<i>Type of financial instrument</i>	<i>Total number of transferred units of the financial instrument</i>	<i>Conversion price</i>	<i>Transfer price</i>
Phantom shares for 2019	162 264	3,1868	6,980
Phantom shares for 2021	63 995	6,563	6,980

The date of acquisition of the rights to phantom shares was 3 November 2023, i.e. on the date of assessment of the Management Board Members in relation to the results of work for previous years.

Total number of phantom shares granted for 2022 to which Management Board Members acquired rights in 2023

<i>Name and surname</i>	<i>Number of shares to which Management Board Members acquired rights</i>	<i>Share conversion price (PLN)</i>	<i>Value of shares at conversion price (in PLN thous.)</i>
Joao Bras Jorge	61 246	6,980	427,50
Fernando Bicho	43 517	6,980	303,75
Wojciech Haase	35 458	6,980	247,50
Andrzej Gliński	35 458	6,980	247,50
Wojciech Rybak	35 458	6,980	247,50
Antonio Pinto Junior	35 458	6,980	247,50
Jarostaw Hermann	35 458	6,980	247,50

Total number of shares from programs of previous years, converted into phantom shares, transferred to Management Board Members in 2023 - the 3rd deferred tranche for 2019 (parity 1:1)

<i>Name and surname</i>	<i>Number of shares to which Management Board Members acquired rights</i>	<i>Share conversion price (PLN)</i>	<i>Transfer price (PLN)</i>	<i>Value of shares at conversion price (in PLN thous.)</i>
Joao Bras Jorge	32 263	3,1868	6,980	225,20
Fernando Bicho	25 621	3,1868	6,980	178,83
Wojciech Haase	20 876	3,1868	6,980	145,72
Andrzej Gliński	20 876	3,1868	6,980	145,72
Wojciech Rybak	20 876	3,1868	6,980	145,72
Antonio Pinto Junior	20 876	3,1868	6,980	145,72
Jarostaw Hermann	20 876	3,1868	6,980	145,72

Total number of shares from programs of previous years, converted into phantom shares, transferred to Management Board Members in 2023 - the 1st deferred tranche for 2021 (parity 1:1)

<i>Name and surname</i>	<i>Number of shares to which Management Board Members acquired rights</i>	<i>Share conversion price (PLN)</i>	<i>Transfer price (PLN)</i>	<i>Value of shares at conversion price (in PLN thous.)</i>
Joao Bras Jorge	13 896	6,563	6,980	96,99
Fernando Bicho	9 874	6,563	6,980	68,92
Wojciech Haase	8 045	6,563	6,980	56,15
Andrzej Gliński	8 045	6,563	6,980	56,15
Wojciech Rybak	8 045	6,563	6,980	56,15
Antonio Pinto Junior	8 045	6,563	6,980	56,15
Jarostaw Hermann	8 045	6,563	6,980	56,15

In 2023, the Members of the Management Board did not receive remuneration from other entities from the Bank Millennium SA Group.

Remuneration of Members of the Supervisory Board

Remuneration of Members of the Supervisory Board is determined by the Bank's General Meeting with a resolution. Members of the Supervisory Board receive remuneration for their work in the Supervisory Board and Committees of the Supervisory Board adequate to the function and scale of operations of the Bank Millennium Group. The remuneration of Members of the Supervisory Board is paid monthly.

In addition to the remuneration for performing the function of a Member of the Supervisory Board, the Bank provides additional remuneration related to the performance of functions within the Committees of the Supervisory Board. Additional remuneration for performing functions within the Committees is paid on the basis of attendance at meetings of the Committee and may not exceed 100% of the remuneration provided for performing the function of a Member of the Supervisory Board. In addition, the Bank provided the Chairman of the Supervisory Board with a private medical care package. In accordance with the applicable regulations, all Members of the Supervisory Board were entitled to participate in PPK.

Members of the Supervisory Board are not entitled to variable remuneration components for performing their functions - at least every prevents conflicts of interest and contributes to achieving long-term results in accordance with the Bank's strategy.

Remuneration of Supervisory Board Members in 2023 (in thous. PLN)

<i>Name and surname</i>	<i>Remuneration for performing functions in the Supervisory Board</i>	<i>Remuneration for participation in Committees</i>	<i>Other benefits</i>	<i>Total</i>
<i>Bogusław Kott</i>	240	20	25,53	285,53
<i>Nuno Manuel Da Silva Amado</i>	120	0	0	120
<i>Dariusz Rosati</i>	120	50	0	170
<i>Miguel De Campos Pereira De Bragança</i>	120	85	0	205
<i>Olga Grygier-Siddons</i>	120	55	0	175
<i>Anna Jakubowski</i>	120	60	0	180
<i>Grzegorz Jędrys</i>	120	105	0	225
<i>Alojzy Nowak</i>	120	80	0	200
<i>José Miguel Bensliman Schorcht da Silva Pessanha</i>	120	65	0	185
<i>Miguel Maya Dias Pinheiro</i>	120	0	0	120
<i>Beata Stelmach</i>	120	20	0	140
<i>Lingjiang Xu</i>	120	0	0	120
TOTAL	1 560	540	25,53	2 125,53

Remuneration from other entities from the Bank Millennium SA Group (in thous. PLN)

<i>Name and surname</i>	<i>Remuneration for performing functions in the Supervisory Board</i>	<i>Remuneration for participation in Committees</i>	<i>Other benefits</i>	<i>Total</i>
<i>Grzegorz Jędrys</i>	120	20	0	140

In 2023, Grzegorz Jędrys received remuneration for membership in the Supervisory Board of Millennium Bank Hipoteczny.

Exceptions from the rules set out in the Remuneration Policy applicable to Management Board Members and information on the use of the option to claim back variable components of remuneration

There were no exceptions to the principles of the Policy. The Management Board of Bank Millennium is employed on the basis of employment contracts. In light of the Labor Code and the prevailing line of judicial decision-making, as a general rule, the employer does not have the ability to claim reimbursement of variable remuneration components.

Information on changes in the Remuneration Policy and the Bank's results

In 2023, the Bank provided remuneration to the Members of the Management Board and the Supervisory Board on the basis of the functioning remuneration policy adopted by the Bank. In accordance with provisions of the Act of 29 August 1997 Banking Law ("Banking Law"), the Bank is obliged to follow a Remuneration Policy compliant with banking sector regulatory requirements. According to the procedure provided for in the Banking Law, the Management Board is responsible for the implementation of the Remuneration Policy, while the Supervisory Board approves and supervises it.

Binding "Policy for remuneration of Members of the Management Board and the Supervisory Board of Bank Millennium SA" which recapitulates and details-out the to-date solutions regarding remuneration of members of the Bank's bodies has been adopted by General Shareholders Meetings on 24 March 2021.

An integral part of the aforementioned Policy is the "RT Remuneration Policy", which in 2022 was amended regarding the criteria for determining the bonus pool for Risk Takers and the possibility of converting variable remuneration awarded in a financial instrument, including the Bank's own shares, into phantom shares. The bonus pool can also be determined during the implementation of the recovery plan and capital protection plan, assuming that certain conditions are met. In a situation where a capital protection plan is in effect at the Bank, a condition has been introduced to determine the size of the pool within the predetermined MDA ratio - the maximum amount to be paid out in accordance with Articles 55 and 56 of the Law on Macroeprudential Supervision. The Supervisory Board adopted the amendments to the Policy at its meeting on December 2, 2022.

In accordance with recommendation Z of the Polish Financial Supervision Authority the Bank set the ratio of average total remuneration of a member of the Management Board to average total remuneration of an employee at 40. The ratio has been established in the Employee Remuneration Policy in Bank Millennium Group. In 2023, the calculated ratio is 24.

The General Meeting of Shareholders of 30 March 2023 by resolution expressed a positive opinion on the previous report on the remuneration of the members of the Management Board and Supervisory Board of Bank Millennium SA for 2022.

The table below presents the total remuneration of individual Members of the Management Board, selected financial results of Bank Millennium SA as well as the amount of remuneration of employees other than Members of the Management Board for 2023 and five preceding years. The table includes the annual remuneration of persons acting as a Member of the Management Board in the 2023 year. The percentage change in the value of the indicator in relation to its value in the previous year was presented and selected financial measures were shown. More of the Bank's financial results can be found in the annual financial statements published on the Bank's website.

Summary of changes of total remuneration of Members of the Management Board of Bank Millennium SA against the background of the company's results as well as average remuneration of employees (in % and thous. PLN)

Change vs previous year *	Y-4 vs Y-5	Y-3 vs Y-4	Y-2 vs Y-3	Y-1 vs Y-2	Y vs Y-1	Current year (Y) 2023
Total remuneration						
Joao Bras Jorge	-3,26%	-5,79%	-12,47%	16,44%	3,91%	5 120,15
Fernando Bicho	-4,02%	-8,91%	-19,14%	23,31%	-0,19%	2 820,91
Wojciech Haase	-4,42%	-8,60%	-19,41%	23,06%	-1,21%	2 239,17
Andrzej Gliński	-2,63%	-5,80%	-18,72%	21,59%	-0,03%	2 253,08
Wojciech Rybak	3,36%	-0,77%	-16,72%	21,84%	-0,21%	2 227,94
Antonio Pinto Junior	5,66%	8,28%	-17,06%	31,83%	0,19%	2 828,07
Jarosław Hermann	16,60%	16,00%	-14,78%	39,14%	5,91%	2 253,52
Company results						
Net operating income	27,27%	3,06%	-0,55%	12,66%	67,71%	6 722 524
Operating profit (pre-provision)	19,58%	4,56%	4,98%	-0,03%	146,93%	4 729 568
Total assets	21,87%	-0,75%	6,77%	6,76%	13,14%	125 520 004
Remuneration of other employees						
Average annual remuneration	9,08%	2,84%	1,05%	14,60%	16,37%	119,08

**The increase in the total remuneration y/y may result from the fact that the Member of the Management Board began to perform his function during the year / transfer of rights to part of the deferred bonuses from previous years, in which the deferred parts did not accumulate.*

The level of variable remuneration of Management Board Members is influenced by the business and financial results achieved, and the long-term results of the Bank are also taken into account when assessing the qualitative results of work. The applied process of deferral and acquisition of rights to shares associates variable remuneration with the Bank's medium- and long-term results.

The statement takes into account the composition of the Management Board of Bank Millennium as at the date of preparation of the assessment of the company's remuneration report i.e. as of 31 December 2023.

Data on the remuneration of Management Board Members and selected results of the Group are based on data published in the Management Board's Reports on the activities of the Bank Millennium Group for the years 2018-23, respectively.

The report is drawn up for the year ending on 31 December, 2023.

Acronyms	
Y-5	2018
Y-4	2019
Y-3	2020
Y-2	2021
Y-1	2022
Y	2023
n.a.	not applicable

The Report on remuneration has been prepared by the Supervisory Board in order to satisfy requirements defined in art. 90g sect. 1 of the Act on Public Offering. The Report on remuneration was adopted by the Supervisory Board by resolution no 15/2024 on February 28, 2024 with aim to presentation at a General Meeting of Shareholders to enable the ad option of its advisory resolution.

The Report on Remuneration was assessed by the auditor with respect to information contained therein as required under Art. 90g sec. 1-5 of the Act on public trading. The entity authorised to assess the Report on remuneration is Deloitte Assurance Sp. z o.o.

Signatures of Members of the Bank's Supervisory Board.