

## Information on remuneration policy for persons having material impact on the risk profile of BNP Paribas Bank Polska S.A. – 2019

In order to fulfill obligation of providing information arising from Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 below is presented information on Remuneration Policy for 2019.

The Bank applies the “Remuneration Policy for persons having material impact on the risk profile of BNP Paribas Bank Polska S.A.”, “Regulation of Allocation And Payment of Variable Remuneration Components to Members of The Management Board of BNP Paribas Bank Polska S.A.” and “Regulation of Allocation And Payment of Variable Remuneration Components To Persons Having Material Impact On The Risk Profile Other Than Members of The Management Board of BNP Paribas Bank Polska S.A.” Above documents constitutes a document superior towards other documents at the Bank regarding compensation policy and rules applicable to employees whose professional activity has a significant influence on the Bank's risk profile.

The basic assumptions of the Remuneration policy:

- The Remuneration Policy contribute to and supports an appropriate and effective risk management, ensure that Persons identified as having material impact on the Bank's Risk Profile are not encouraged to take excessive and inadequate risk.
- In relation to the remuneration rules for 2019 the Remuneration policy meet the requirements specified in the Regulation of the Minister of Economic Development and Finance of 6 March 2017 on the risk management system and the internal control system, remuneration policy and detailed conditions for estimation of internal capital by banks (Dz.U. 2017 poz. 637), Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/WE and repealing Directives 2006/48/WE and 2006/49/WE.
- Variable remuneration is not paid with the use of structures or methods aimed at avoiding the application of the principles of the Remuneration Policy and applicable laws and regulations;
- The Supervisory Board approves the Remuneration Policy and amendments to the Remuneration Policy and a periodic assessment of the implementation and application of the Policy.
- Human Resources and Remuneration Committee supports the Supervisory Board in the Remuneration Policy approval process and assess its implementation and application in the Bank issue opinions and recommendations on the remuneration of Board members. Human Resources and Remuneration Committee consists of at least two members. Human Resources and Remuneration Committee shall meet at least once a year. In 2019, 4 meetings of the Human Resources and Remuneration Committee took place.
- The amount of variable remuneration is determined on the basis of results of the Bank as a whole, results of organizational unit and individual performance.

- Non-deferred part of variable remuneration is payable after assessment of the level of achievement of the objectives for individual employees identified as having an impact on the risk profile of the Bank for the given period of evaluation and determination of the base value of the variable remuneration. The deferred part of variable remuneration is paid after the end of each annual accounting period falling during the deferral period and the determination of a revised base amount of variable compensation. The amount of deferred variable remuneration is determined taking into account the circumstances specified in the Remuneration Policy, causing a reduction of the amount or the impossibility of acquiring the right to a deferred variable remuneration.
- At least 50% of variable remuneration, is an incentive to the special care of the long-term welfare of the Bank by linking the value of the variable remuneration with financial instruments.
- At least 40% of the variable remuneration is paid after the end of the assessment period, for which this remuneration is receivable, the payment shall be made no earlier than three years in equal annual instalments payable in arrears. In the case of particularly high level of variable remuneration (minimum PLN 2.000.000), 60% of the variable remuneration is deferred and it is possible to use longer than 3 years deferral period (not longer than 5 years) .
- The individuals covered by the Remuneration Policy are obliged not to use their own hedging strategies or assurances with respect to their compensation and responsibility, which would neutralize the measures taken with respect to the individuals under the Remuneration Policy, excluding the obligatory assurances arising from specific law provisions.

### **Aggregate quantitative information for 2019 on the amount of compensation (PLN) paid to individuals covered by the Remuneration Policy.**

The information on compensation presented below includes the total of fixed and variable compensation, as well as benefits paid in 2019 to the employees covered by the Remuneration policy in 2019, whose job positions were identified in 2019 MRT. The amounts presented below represent the remuneration paid for the whole year, regardless of the time of holding a position covered by the Remuneration Policy for persons having material impact on the risk profile of BNP Paribas Bank Polska S.A.

In 2019 there was no employee whose total remuneration paid out in 2019 exceeded 1.000.000 EUR.

Under no circumstances, compensation with deferred payment granted in 2019 did not required revision based on results.

The aggregate quantitative information (PLN) is presented below, broken down by business lines

Area	Compensation and benefits received (paid) in 2019	Including fixed compensation (paid in 2019)	Including variable compensation for 2015 (paid in 2019)	Including variable compensation for 2016 (paid in 2019)	Including variable compensation for 2017 (paid in 2019)	Including variable compensation for 2018 (paid in 2019)	no of persons
Support functions	37 593 628	27 243 435	590 659	1 186 927	2 792 923	5 779 684	98
SME and Corporate banking	9 576 503	7 183 661	60 400	208 552	889 170	1 234 719	
Personal Finance	1 870 041	1 723 986	0	64 045	32 060	49 950	
Retail and Business Banking	6 772 463	5 216 821	32 000	88 223	513 838	921 581	
CIB Banking	4 117 191	3 114 088	22 950	98 015	189 584	692 554	

The aggregate quantitative information (PLN) is presented below with separation of the Management Board Members and other persons having material impact on the risk profile of BNP Paribas Bank Polska S.A.

	Management Board	Persons other than Management Board
<b>Compensation and benefits received (paid) in 2019</b>	17 587 597	42 342 229
<b>Including fixed compensation (paid in 2019)</b>	13 257 136	31 224 854
<b>Including variable compensation for 2015 (paid in 2019)</b>	421 711	284 298
<b>Including variable compensation for 2016 (paid in 2019)</b>	711 318	934 445
<b>Including variable compensation for 2017 (paid in 2019)</b>	1 253 771	3 163 804
<b>Including variable compensation for 2018 (paid in 2019)</b>	1 943 662	6 734 826
<b>No of persons</b>	11	87

The aggregate information regarding the payments associated with new sign-on (PLN) is presented below with separation of the Management Board Members and other persons having material impact on the risk profile of BNP Paribas Bank Polska S.A.

	Management Board	Persons other than Management Board
<b>benefits related with sign-on (paid) in 2019</b>	0	0
<b>the highest payment to one person in 2019</b>	0	0

The aggregate information regarding the payments associated with the termination of the employment agreement (PLN) is presented below with separation of the Management Board Members and other persons having material impact on the risk profile of BNP Paribas Bank Polska S.A.

	Management Board	Persons other than Management Board
<b>benefits related with the termination of the contract of employment (paid) in 2018</b>	0	616 278
<b>the highest payment to one person in 2018</b>	0	360 000

Twenty employees covered by the Remuneration Policy for persons having material impact on the risk profile of BNP Paribas Bank Polska S.A received the benefits related with the termination of the contract of employment.

### **Information on the variable compensation (PLN) for 2019 granted in 2020 to individuals covered by the Policy in 2019.**

The value of the variable compensation for 2019, will be included after its approval by the Supervisory Board and the Management Board.

### **Information on the value of deferred variable remuneration (PLN) for earlier years, i.e. granted for 2015, 2016, 2017 and 2018 (to persons covered by the), to be paid out in 2020-2023.**

The value of the variable compensation, which is settled in financial instruments, was given in accordance with the valuation applicable in 2020.

	Management Board	Persons other than Management Board
<b>Value of the total deferred variable compensation to be paid in 2020,</b>	2 242 605	10 506 640
<b>Value of the total deferred variable compensation to be paid in 2021-2023, (settled in cash and in financial instruments)</b>	3 601 480	15 995 728

In 2019, the list of employees, who professional activity has an impact on Bank risk profile was prepared taking into account requirements of the Regulation of the Minister of Economic Development and Finance of 6 March 2017 on the risk management system and the internal control system, remuneration policy and detailed conditions for estimation of internal capital by banks and Commission Delegated Regulation (EU) No 604/2014 of 4 March 2014 supplementing Directive 2013/36/EU of the European Parliament and of the Council with regard to regulatory technical standards with respect to qualitative and appropriate quantitative criteria to identify categories of staff whose professional activities have a material impact on an institution's risk profile (Official Journal of the European Union dated on 6 June 2014).

