

INFORMATION ON REMUNERATION POLICY FOR PERSONS HAVING MATERIAL IMPACT ON THE RISK PROFILE OF BNP PARIBAS BANK POLSKA S.A. - 2020

In order to fulfil 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 (CRR) below is presented information on remuneration policy for 2020.

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;
- Remuneration paid to persons having material impact on the Bank's risk profile shall be adequate, i.e. shall reflect their contribution in achieving the Bank's targets, amount of labour and best market practice with respect to rewarding persons in similar positions adopted on the Polish market, and shall ensure proper balance between fixed remuneration and variable remuneration.
- Remuneration shall be paid in a way non-discriminating any category of the Bank's employees, while retaining the right to equal remuneration for equal work.
- 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.
- 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. Remuneration Committee consists of at least three members. Remuneration Committee shall meet at least once a year. In 2020, 4 meetings of the Remuneration Committee took place and one voting of the Remuneration Committee on taking the decision in circular mode on November 3rd, 2020.
- 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.
- An evaluation of the individual performance of particular persons having material impact on the Bank's Risk Profile shall be performed after the end of each year during the Evaluation Period. Such evaluation in particular takes into consideration an annual compliance and risk management assessment performed in accordance with a separate procedure functioning at the Bank .
- In order to create conditions to have particular concern for the long-term interest of the Bank, at least 50% of the Variable Remuneration shall be allocated in the form of the Bank's Shares.
- Variable remuneration in the form of the Bank's Shares shall be subject to a Retention Period which last one year.
- In order to adopt the risk profile that will be appropriate for a long-term business strategy of the Bank and to adjust the variable remuneration to the risk profile, individual results and the Bank's results, as well as to secure the compliance with

the principle of not rewarding for poor results, the Bank use ex ante and ex post mechanisms of assessment and adjustment of risk and variable remuneration.

- 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 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) .
- After the end of each annual settlement period occurring in a particular deferral period and after the end of retention period, the circumstances that may cause the withholding, limitation (reduction) or refusal to pay a part of the deferred variable remuneration are verified.
- 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 2020 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 2020 to the employees covered by the Remuneration policy in 2020, whose job positions were identified in 2020 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 2020 there was no employee whose total remuneration paid out in 2020 exceeded 1.000.000 EUR.

Under no circumstances, compensation with deferred payment granted in 2020 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 2020	Including fixed compensation (paid in 2020)	Including variable compensation for 2016 (paid in 2020)	Including variable compensation for 2017 (paid in 2020)	Including variable compensation for 2018 (paid in 2020)	Including variable compensation for 2019 (paid in 2020)	no of persons
Support functions	40 692 387	27 977 430	397 294	1 645 642	3 368 278	7 303 743	
SME and Corporate banking	17 190 170	10 953 893	340 318	425 383	1 530 766	3 939 809	
Personal Finance	1 319 148	1 269 552	0	0	0	49 596	110
Retail and Business Banking	7 823 590	5 658 610	184 439	206 827	645 897	1 127 817	
CIB Banking	3 631 353	3 018 777	0	11 554	46 702	554 320	

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
Compensation and benefits received (paid) in 2020	16 365 743	54 290 905
Including fixed compensation (paid in 2020)	11 534 339	37 343 924
Including variable compensation for 2016 (paid in 2020)	65 467	856 584
Including variable compensation for 2017 (paid in 2020)	707 901	1 581 505
Including variable compensation for 2018 (paid in 2020)	1 570 238	4 021 405
Including variable compensation for 2019 (paid in 2020)	2 487 798	10 487 487
No of persons	9	101

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
benefits related with sign-on (paid) in 2020	0	53 590
the highest payment to one person in 2020	0	53 590

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
benefits related with the termination of the contract of employment (paid) in 2020	0	151 175
the highest payment to one person in 2020	0	151 175

One employee 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 2020 granted in 2021 to individuals covered by the Policy in 2020.

The value of the variable compensation for 2020, 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 2017, 2018 and 2019 (to persons covered by the), to be paid out in 2021-2024.

The value of the variable compensation, which is settled in financial instruments, was given in accordance with the valuation applicable in 2021.

	Management Board	Persons other than Management Board
Value of the total deferred variable compensation to be paid in 2021	1 459 480	2 767 135
Value of the total deferred variable compensation to be paid in 2022-2024, (settled in cash and in financial instruments)	3 655 102	5 419 355

In 2020, 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).