

**BY-LAW OF REMUNERATION AND NOMINATION COMMITTEE  
OF SUPERVISORY BOARD OF ING BANK ŚLĄSKI S.A.**

**§1.**

The Remuneration and Nomination Committee of the Supervisory Board of ING Bank Śląski S.A., hereinafter referred to as the Committee, shall perform consultation and advisory functions for the Supervisory Board.

**§2.**

1. The Committee shall consist of at least three members, including the Chairperson, appointed by the Supervisory Board from among members for the entire term of the Supervisory Board. The majority of the Committee Members, including the Chairperson, should meet the independence criteria for the Supervisory Board Independent Members.
2. The Supervisory Board shall elect the Committee members at the first meeting of a given term.
3. The Committee may select experts, other than the Supervisory Board members, for assistance.
4. If the mandate of a Supervisory Board member who is also a member of the Committee expires before the expiry of the term of the entire Supervisory Board, then the Board shall supplement the Committee composition by appointing a new Committee member for the remaining period until the expiry of the Supervisory Board's term.
5. Notwithstanding section 5, a member of the Committee may be recalled from the Committee at any time pursuant to a relevant resolution of the Supervisory Board.
6. The experts selected to assist the Committee shall submit to the Board Chairperson statements containing commitment to observe secrecy of information received in connection with or when holding their function.
7. The experts referred to in section 4 may receive remuneration. The Chairperson of the Supervisory Board is authorised to determine their remuneration. The provisions of §34 section 1 of the Supervisory Board Bylaw shall apply accordingly.

**§3.**

1. The purpose of the Committee shall be to support the Supervisory Board as the authority of the Bank in its statutory duties, including audit and supervisory activities, including especially:

- 1) monitoring succession plans, employee turnover processes and Bank employees' satisfaction surveys,
  - 2) supervising the policy governing the remuneration system in force at the Bank, including monitoring of the payroll and bonus award policy,
  - 3) supervising the *Variable Remuneration Policy of Identified Staff of ING Bank Śląski S.A.*,
  - 4) monitoring remuneration level controls as regards Internal Audit employees and protecting this unit's employees against unjustified employment relationship termination,
  - 5) supervising the remuneration packages for individuals who are responsible for control functions and who report directly to the ING Bank Śląski S.A. Management Board.
2. To meet the objectives referred to in section 1 item 1), the Committee shall in particular:
- 1) analyse candidatures for Management Board members and present the Supervisory Board with relevant opinions,
  - 2) analyse the employee succession and development plans as presented by the Management Board, including notably the ones regarding the managerial staff,
  - 3) monitor the Bank employee's turnover process based on periodic reports presented by the Management Board,
  - 4) monitor Bank employees' satisfaction survey processes, notably, in terms of methodology, survey results and consequent actions,
  - 5) express opinion on the necessity to suspend a Management Board member or delegate a Supervisory Board member to perform temporarily the activities of the Management Board member not capable of acting in that capacity.
3. To meet the objectives referred to in section 1 item 2), the Committee shall in particular:
- 1) prepare proposals on emoluments of the Supervisory Board members and present them to the Supervisory Board for moving to the General Meeting,
  - 2) submit proposals regarding the contents of agreements on holding the function of a Bank Management Board member, considering emoluments,
  - 3) make recommendations regarding any components of the system of remuneration and bonus for the Bank Management Board members, which is integrated with the system of performance appraisal of the Management Board,
  - 4) analyse the payroll and bonus award policy, effective at the Bank, with focus on the remuneration of senior management staff, and monitors its execution,
  - 5) verify the contents of information on the remuneration for members of the Bank authorities, which are to be placed in the public domain.
4. To meet the objectives referred to in section 1 item 3), the Committee shall in particular:
- 1) present the Supervisory Board with advice on the Variable Remuneration Policy,

- 2) present the Supervisory Board with recommendations regarding observation of the Variable Remuneration Policy based on the report developed by the Internal Audit Department at least once a year,
  - 3) advise on and monitor variable remuneration of Identified Staff in line with the rules determined in the Variable Remuneration Policy.
5. To meet the objectives referred to in section 1 item 4), the Committee shall in particular:
- 1) present the Supervisory Board with recommendations regarding the results of the review of the Internal Audit Department headcount level and structure as well as employee remuneration, conducted by the Internal Audit Department Director in cooperation with HR,
  - 2) present the Supervisory Board with recommendations regarding update on payroll policy execution as far as the Internal Audit Department Director and employees are concerned, recognising any and all potential changes thereto and the remuneration budget,
  - 3) recommend the Supervisory Board procedure to undertake should the Internal Audit Department employees complain about decisions regarding in particular: termination of the employment contract, penalty for breach of order, assessment of bonus tasks and change of the base remuneration.

#### **§4.**

In order to perform on behalf of the Supervisory Board the activities referred to in §3, the Committee Chairperson shall have the right to perform the following activities without a separate authorisation of the Supervisory Board:

- 1) to supervise, within the Committee's responsibilities, the Bank's operations according to the stipulations of §6 section 3 of the Supervisory Board Bylaw,
- 2) to invite to their sessions the third parties who have adequate experience to examine certain matters.

#### **§5.**

The execution of activities defined herein by the Committee shall not replace the statutory rights and duties of the Supervisory Board. It shall not release the members of the Supervisory Board from their responsibilities towards the Bank, either.

**§6.**

1. The Committee shall meet at least once a quarter at dates defined by the Committee Chairperson.
2. Additional Committee meetings may be summoned by their Chairperson at the initiative of a Committee member or another member of the Supervisory Board, as well as at the request of the Management Board or an internal or external Bank auditor.
3. The Committee Chairperson shall be responsible for preparing the agenda of each Committee meeting. The Chairperson may request preparation of adequate materials by the relevant Management Board member.
4. The agenda of each meeting shall be forwarded to each Committee member along with the indispensable materials at least 1 week before the set Committee meeting date.
5. The Committee shall debate when at least 50% of its members (a quorum) is present.
6. The Committee meeting can be attended, without the right to vote, by: a representative of the Risk Committee, the Management Board members, Bank Executive Director in charge of the HR units or other Bank employees invited by the Chairperson.
7. The mode of summoning and the course of Committee meetings shall be regulated by provisions of the Supervisory Board Bylaw concerning the Supervisory Board meetings.

**§7.**

1. The minutes shall be drawn up at each meeting of the Committee, to be signed by the Committee Chairperson.
2. The minutes of the Committee meetings along with the Committee's motions, suggestions, letters of advice and recommendations, shall be submitted to the Supervisory Board at the nearest meeting, and also to the Management Board.
3. Subject to section 4, the motions, suggestions, letters of advice and recommendations shall be adopted during the meeting.
4. Where necessary, the documents referred to in section 3 may also be adopted in writing, without convening a meeting or using means of direct distance communication, including in particular the telephone, audio-visual and electronic means of communication.
5. The documents referred to in section 4 shall be adopted by the absolute majority of votes. The contents of the adopted documents together with the voting results shall be included in the minutes.

6. Relevant stipulations of the Supervisory Board Bylaw shall apply to the procedure for the submission of documents to the Committee members, the voting procedure and the minutes-taking.

**§8.**

The Committee shall submit to the Supervisory Board a report on their operations in a given financial year. The report shall be submitted in reasonable advance so that the Supervisory Board is able to take account of its content in their annual evaluation of the Bank's standing.

**§9.**

1. This Bylaw shall be approved by the Supervisory Board.
2. This Bylaw shall be reviewed and assessed by the Remuneration and Nomination Committee in terms of its adequacy at least once a year. Should the necessity to introduce amendments to the Bylaw arise, the Chairperson of the Committee submits a relevant motion within the said scope to the Supervisory Board.