

Remuneration Policy

Document purpose and scope

The Remuneration Policy regulates how the Group's employees should be remunerated (excluding Management Board and Supervisory Board members to whom a separate remuneration policy applies). The document applies to fixed and variable remuneration components. The document's objectives are to:

- ensure remuneration adequate to the employees' skills, knowledge and experience, responsibilities and performance;
- implement transparent pay practices that prevent discrimination,
- design remuneration principles that support effective risk management and protect customer rights,
- promote behaviours aligned with responsible banking and a customer-centric strategy,
- support the achievement of ESG goals through the remuneration system.

Which ESG-related issues does the Policy address?

The Policy states that the remuneration package and its structure should ensure market competitiveness, support staff engagement and ensure employee recruitment and retention. Competitive market pay should be determined based on an internally defined process, including benchmarking against market remuneration for similar roles on the local labour market.

The Policy promotes a high-performance culture that rewards employees' accomplishments. It is intended to ensure that remuneration is adequate to employees' skills, knowledge and experience, responsibilities and performance. Decisions about remuneration are free of any discrimination. Employees have the right to receive equal pay for equal work or work of equal value.

The Group strives to ensure gender-neutral pay, equal opportunities and elimination of inequalities. Pay disparities between women and men are analysed using gender pay gap indicators. Corrective actions should be established in accordance with local practices to eliminate any kind of discriminatory treatment.

The remuneration system should support risk management and encourage employees to avoid excessive risk-taking. This principle applies primarily to two areas:

- Protection of customer interests: Employee remuneration practices should take into account customers' rights and interests while preventing conflicts of interest. Furthermore, remuneration practices should not promote the sale of specific services or products which, comparing to others, are not the best available option for a given customer.
- Remuneration of material risk takers (MRT): This principle applies to the remuneration of employees identified as ones who have a significant impact on the Group's risk profile. The mechanisms that support effective risk management include: evaluating employee performance over the long term (at least 3 years), deferral and splitting of variable compensation, and applying malus clauses.

Long-term incentive schemes include a mechanism of paying a portion of remuneration in the form of the Bank's shares. In the case of material risk takers, at least 50% of variable remuneration allocated to provide the incentive to ensure due care for long-term interests of the Group should be in the form of the Bank's shares (or equivalent instruments).

The Policy states that the variable remuneration of key function holders should be linked to the achievement of the Group's ESG targets. Additionally, the remuneration system should ensure that employees avoid excessive risk-taking, including greenwashing.

[The highest management level responsible for the Policy](#)

The Policy is owned by the Management Board. The Supervisory Board is responsible for overseeing this Policy and the programmes having a significant impact on compliance with risk guidelines (in particular the key bonus schemes or incentive programmes). Minimum once a year, the Supervisory Board reviews the Remuneration Policy and practices and their impact on the Bank's management.

[Application across the Bank's subsidiaries](#)

The Policy applies across the Group, but each of the subsidiaries implements it individually and adapts it to its business profile and scale.