

Annual Report of the Supervisory Board of Bank Millennium S.A. for the financial year 2024

The Supervisory Board of Bank Millennium S.A. (hereinafter also: the "Bank"), acting on the basis of the Commercial Companies Code, the provisions of the "Best Practices for WSE Listed Companies 2021" (hereinafter also: "Best Practices") adopted by the Warsaw Stock Exchange and issued by the Polish Financial Supervision Authority (hereinafter also: "PFSA"): "Principles of Corporate Governance for Supervised Institutions" (hereinafter also: "Principles"), hereby submits to this General Meeting of the Bank *Annual Report of the Supervisory Board of Bank Millennium S.A. for the financial year 2024* ("Report").

This Report covers:

1. Summary of the activities in 2024 of the Supervisory Board and its committees: the Audit Committee, the Personnel Committee, the Strategic Committee and the Risk Committee, in accordance with principle 2.11.2 adopted on 29 March 2021 by the Supervisory Board of the Warsaw Stock Exchange ("WSE") of the "Best Practices for WSE Listed Companies" ("Best Practices"), and the Supervisory Board's motion for the General Meeting to grant discharge to members of the Bank's governing bodies for the performance of their duties in the financial year 2024.
2. Information on the composition of the Supervisory Board and its committees, indicating which of the Supervisory Board members meet the independence criteria set out in the Act of 11.05.2017 on Statutory Auditors, Audit Firms and Public Supervision, as well as which of them do not have actual and material links with a shareholder holding at least 5% of the total number of votes in the Bank, as well as information on the composition of the Supervisory Board in the context of its diversity.
3. Results of the assessment of the combined Management Board's report on the activities of Bank Millennium S.A. and the Bank Millennium S.A. Group, including in particular the sustainability reporting of Bank Millennium S.A. and the Bank Millennium S.A. Group and the financial statements of Bank Millennium S.A. and the Bank Millennium S.A. Group for the financial year 2024.
4. Result of the assessment of the Management Board's motion regarding the distribution of profit for the financial year 2024, in accordance with Article 382 § 3 point 2 and Article 382 § 31 point 1 of the Commercial Companies Code.
5. Assessment of the Bank's standing, taking into account the adequacy and effectiveness of the Bank's internal control, risk management, compliance with standards or applicable practices and internal audit systems (pursuant to Article 382 § 3¹ item 2 of the Commercial Companies Code), as well as assessment of the Bank's standing on a consolidated basis, including the assessment of internal control, risk management, compliance and internal audit systems, including an annual assessment of the effectiveness of these systems and internal audit functions, together with information on the actions taken by the Supervisory Board to carry it out (principle 2.11.3. in conjunction with principle 3.9. Best Practices), as well as the assessment of the effectiveness of compliance risk management, the adequacy and effectiveness of the procedure for anonymous reporting of breaches by employees, the adequacy and effectiveness of the conflict of interest management system implemented at the Bank and the adequacy and effectiveness of the anti-corruption system implemented at the Bank (assessment made with reference to § 35 point 5 and § 46 point 12 of the Regulation of the Minister of Finance, Funds and Regional Policy of 8.06.2021 on the risk management system and the internal control system and the remuneration policy in banks, and in connection with the requirements set out in the Conflicts of Interest

Management Policy in Bank Millennium S.A. and in the document Counteracting Corruption in Bank Millennium S.A. Principles and guidelines).

6. Assessment of the Bank Management Board's performance of the obligations referred to in Article 380¹ of the Commercial Companies Code (pursuant to Article 382 § 3¹ item 3 of the Commercial Companies Code).
7. Assessment of the manner in which the Management Board prepares or submits to the Supervisory Board information, documents, reports or explanations requested in accordance with Article 382 § 4 of the Commercial Companies Code (pursuant to Article 382 § 3¹ item 4 of the Commercial Companies Code).
8. Information on the total remuneration due from the Bank for all audits commissioned by the Supervisory Board during the financial year 2024 in accordance with Article 382¹ of the Commercial Companies Code (pursuant to Article 382 § 3¹ item 5 of the Commercial Companies Code).
9. Report on the assessment of the functioning of the remuneration policy in Bank Millennium S.A., in accordance with § 28 item 3 of the Principles.
10. Assessment of the application of: (i) the Principles (in accordance with § 27 of the Principles) and (ii) the corporate governance principles and the manner of fulfilling the disclosure obligations concerning their application, set out in the WSE Rules and regulations on current and periodic information published by issuers of securities, and (iii) recommendation Z of the Polish Financial Supervision Authority together with information on the actions taken by the Supervisory Board to make this assessment.
11. Assessment of the legitimacy of expenditures incurred by the Bank and the Bank Group to support culture, sport, charitable institutions, media, social organisations, trade unions and similar purposes.
12. Information on the degree of implementation of the diversity policy in relation to the Management Board and the Supervisory Board, including the implementation of diversity objectives in areas such as gender, field of education, specialist knowledge, age and professional experience.
13. Information on the number of meetings and attendance at Supervisory Board meetings in 2024.

1. Summary of the activities of the Supervisory Board and its committees: the Audit Committee, the Personnel Committee, the Strategic Committee and the Risk Committee, together with the self-assessment of the Supervisory Board's work and the Supervisory Board's motion for the General Meeting to grant discharge to members of the Bank's governing bodies for the performance of their duties in the financial year 2024.

While 2023 was a breakthrough year for Bank Millennium S.A. ('Bank') and Bank Millennium S.A. Capital Group's ('BM Group', 'Group') with all quarters in the black and a positive full-year net result, 2024 was no less eventful and successful. It brought continued solid performance of the core business, further solidifying profitability. Reported FY2024 net profit grew 25% to PLN719 million. The capital position remained stable and solid with capital surplus exceeding 5 percentage points over minimum regulatory requirements.

A number of new or revamped products was introduced during the year, numerous business initiatives yielded significant results while most KPIs from the 2022-2024 strategy were delivered ahead of plan. Furthermore, many prestigious awards received in 2024 proved continued focus on quality, innovation and client centricity.

In May and June respectively, the Capital Protection and Recovery plans were formally completed. Also in June, Millennium Bank Hipoteczny, the mortgage subsidiary, successfully

placed its inaugural issue of covered bonds, while in September the Bank issued its first green bonds (MREL SNPs of a total value of EUR500 million), significantly strengthening the surplus over MREL requirements.

A new strategy (“Strategy 2028 – Value & Growth”) was adopted in October following a period of intense work. Apart setting ambitious financial and business targets, the strategic plan includes an ambition to return to dividend payments in 2027.

Last but not least, while costs related to the legacy portfolio of FX-mortgage loans remained a heavy burden on 2024 results, the continued efforts to reduce this risk took decreased the portfolio below the materiality threshold. In early 2025 the progress of FX-mortgage risk reduction was acknowledged by the regulator who revoked the P2R buffer.

BM Group reported profit of PLN719 million (up 25% y/y) in 2024 overall, translating into reported ROE of 9.8% (9.1% in 2023). This solid result was achieved despite persistent elevated costs related to FX-mortgage portfolio (PLN2,558 million after tax) and cost of credit holidays (PLN91 million after tax), and the return to the payment of asset tax (banking tax) since June. 2024 net profit without FX-mortgage related costs and without positive (e.g. capital gains on bancassurance transaction in 2023, lack of banking tax in 2023 and part of 2024) and negative items (e.g. credit holidays) would amount to a record level of PLN3,202 million (up 7% y/y) translating into an adjusted ROE of 18.5% (2023: 21.7%).

2024 was a year of solid performance from the operating perspective. Loan growth remained moderate (impact of fast contracting FX-mortgage portfolio) but corporate book showed early signs of recovery (up 5% y/y). Liquidity surplus increased further (deposits up 9% y/y) while L/D ratio reached a new low of 64%. Combined with lowered deposit pricing this translated into further growth of NII (reported up 5% y/y, adjusted for credit holidays up 7% y/y). Additionally, volume of investment products grew 35% y/y to PLN11.1 billion.

Some of strategic targets initially set for 2024 had been already achieved in 2023, but it did not stop the solid momentum in 2024 and either the most of the remaining KPIs were met as planned or YE24 target were exceeded further (see further pages for details on progress of the implementation of 2022-2024 strategy). Of the latter, key to highlight are the number of active customers retail clients which remained in a steady uptrend and reached 3.148 million (up 5% y/y) at YE24, further exceeding the initial target of 3 million, and the share of digitally active customers which increased further to 92% above the 90% target.

Capital position of the Bank/Group was broadly stable and some capital ratios actually improved in 2024. YE24 Group’s T1 capital ratio stood at 14.8% compared to 14.7% at YE23, while Bank’s solo T1 capital ratio stood at 15.3%/15.4% respectively. At YE24 the respective surpluses over the required minimums stood at 497 bps (Group) and 546 bps (Bank solo). Consolidated TCR stood at 17.2% (YE23: 18.1%), while this of the Bank solo at 18.0% (YE23: 19.0%).

The 9 basis points improvement of the Group’s T1 capital ratio in 2024 was a result of offsetting impact of positive factors (recognition of 1H24 net profit into regulatory capital and lowering negative impact of the revaluation reserve) with higher capital use resulting from increasing RWAs. Recognition of 2H24 net profit in capital ratios (see comment on Management Board’s intention with regard to 2024 net profit distribution in the “Dividend policy” section) would, ceteris paribus, add around 90 basis points to capital ratios further widening the capital surplus. The impact of the securitisation transaction completed in December 2024 would add 31 bps to consolidated YE24 T1 capital ratio and 35 bps to YE24 consolidated TCR.

In December 2024 the regulator decided on non-imposing of P2G buffer, while in January and February the Bank received decisions from the regulator on revoking P2R buffers (so far 1.47

percentage points on solo basis and 1.46 percentage points at consolidated basis). These further widen the capital surplus over the minimum required levels.

Additionally, the Bank meet its YE24 MREL targets with a significant surplus. At the end of December 2024, BM's MREL trea stood at 28.1% while MREL tem at 8.7% vs. respective required levels of 20.8% and 5.9%. Ceteris paribus, the surplus is expected to widen further once updated MREL requirements will reflect the revoked P2R ratios.

In the opinion of the Supervisory Board, the Bank was very effective in adapting its operations to the changing environment, both in terms of internal reorganisation and core banking activities. The Supervisory Board supported the decisions of the Bank's Management Board aimed at making appropriate changes and maintaining the pace of development, while placing great emphasis on control, especially in the area of cost optimisation and lending activity.

In its activities, the Supervisory Board was guided by care for the proper and safe functioning of the Bank, conducting its work with the utmost diligence, objective assessment and judgment. The Supervisory Board's decisions were made primarily during meetings. In 2024 six meetings of the Board were held.

The attendance each time exceeded the quorum necessary to pass resolutions. The meetings were held at the Bank's registered office, and some of the Supervisory Board members took advantage of the opportunity to participate in the meetings using means of remote communication - in accordance with the provisions of the Rules of Procedure of the Supervisory Board of Bank Millennium S.A. Moreover, the Supervisory Board adopted one resolution without holding a meeting - in the manner specified in § 12 and § 13 of the Rules of Procedure of the Supervisory Board of Bank Millennium S.A.

Members of the Bank's Management Board were permanent participants of the Supervisory Board meetings. Other persons were also invited to participate in the meetings, including the heads of the Legal Department, the Internal Audit Department and the Compliance Department. Pursuant to Article 382 § 7 of the Commercial Companies Code, the Bank ensured the participation (in the meeting of the Supervisory Board concerning matters referred to in Article 382 § 3 of the Code) of the key statutory auditor who audited the Bank's financial statements.

The Board was particularly interested in issues related to the issue of foreign currency mortgage loans, especially in the context of risks related to the judgments of the Court of Justice of the European Union and courts in Poland. As in previous years, the Supervisory Board thoroughly analysed the information submitted by the Bank's Management Board, relating to, among other things, the Bank's actions aimed at reducing the number of potential lawsuits, including proposals for settlement solutions addressed to borrowers. Taking into account the complex nature of the issues related to foreign currency mortgage loans, as well as its impact on the Bank's development plans, as well as significant amounts of provisions established in subsequent quarters of 2024 for the legal risk of mortgage loan portfolios denominated in Swiss francs, as well as the implementation of budget assumptions in the coming years, the Supervisory Board placed great emphasis on the need to closely monitor all matters related to this issue. Members of the Supervisory Board analysed the information provided by the Management Board on the issue of foreign currency mortgage loans. In addition, the Supervisory Board analysed issues related to negotiation processes in order to conclude settlements with customers, based on information provided by the Management Board in this matter.

The Supervisory Board assesses that the Bank consistently pursued its business and financial objectives. The Bank made a profit for the ninth quarter in a row, despite regular recognition as a result of significant provisions for currency risk.

The Bank carried out all activities specified in the Capital Protection Plan aimed at improving capital ratios (the implementation of this Plan was completed by the resolution of the Bank's Management Board of 15 May 2024).

On the other hand, the implementation of the objectives set out in the Recovery Plan enabled the Bank's Management Board to adopt a resolution of 19 June 2024 on the completion of the Recovery Plan for the Bank Millennium S.A. Group.

During individual meetings, the Supervisory Board considered, analysed, held discussions and made appropriate decisions on matters concerning, in particular, the following issues:

1) finance, including:

- approval of the Budget of the Bank's Capital Group for 2025-2028,
- analysis of the current results of the Bank's Capital Group and business lines,

2) internal audit and compliance assurance, including:

- analysis of information on internal control in Bank Millennium S.A. in 2024, including the Report on the activities of the Internal Audit Department in 2024 and the Compliance Report for 2024,
- approval of the Audit Plan for 2024,
- approval of the Compliance Department's Action Plan for 2024,
- assessment of the Bank's application of the "Principles of Corporate Governance for Supervised Institutions" and the "Best Practices of WSE Listed Companies" and recommendation "Z" of the Polish Financial Supervision Authority,
- approval of changes to the document: "Management System in Bank Millennium S.A.",

3) risk management at the Bank, including:

- ongoing risk management analysis,
- analysis of information on foreign currency mortgage loans,
- status of capital ratios, MREL and capital improvement initiatives,
- approval of the Bank Capital Group's Risk Strategy for 2025-2028,
- approval of the Capital Plan and the Emergency Capital Plan of the Bank's Capital Group for 2025-2028,
- approval of the Bank's Capital Group's liquidity plan and the Bank's long-term liquidity analysis for 2025-2028,
- update of the Bank's Emergency Liquidity Plan,
- update of the "Principles of Capital Management and Planning",
- update of the "Risk Management and Control Principles"
- review and update of the "Principles of estimating internal capital",
- adjustment of the Risk Appetite matrix indicators,

4) personnel matters and remuneration policy, including:

- approval of amendments to the document: "Employee remuneration policy in the Bank Millennium Group",

- approval of amendments to the document: "Remuneration policy for employees having a material impact on the risk profile in the Bank Millennium S.A. Group",
- reviewing the remuneration policy in Bank Millennium,
- approval of the amount of remuneration, including bonuses, of the head of the internal audit unit, the risk unit and the compliance unit,
- analysis of documentation related to the reassessment of suitability of members of the management bodies of Bank Millennium S.A. – annual verification, carried out in cooperation with a consulting company,
- adoption of a resolution on the assessment of the suitability of the Management Board and the Supervisory Board of the Bank,

5) other matters, including:

- analysis of the periodic report on the area of IT, including IT security (in accordance with the requirements of Recommendation D of the Polish Financial Supervision Authority),
- approval of amendments to the document: "Bank Millennium S.A. policy regarding disclosure of information on risk, own funds, capital requirements, remuneration policy and other information",
- approval of the updated "Recovery Plan for the Bank Millennium S.A. Group" (in accordance with the requirements of the Banking Law),
- consideration of information on the organisational structure of Bank Millennium S.A.,
- approval of documents submitted to the General Meeting of Shareholders,
- issuance of legally required declarations for the purposes of annual reports.

In addition, the Supervisory Board was also regularly provided with the following information concerning:

- relations with supervisory authorities, including the Polish Financial Supervision Authority
- The Supervisory Board discussed current events as well as decisions and recommendations of supervisory authorities, among others in the context of the need to adjust the Bank's development strategy and take current actions adequate to the changing regulatory situation, or in the scope of the recommendations of the Polish Financial Supervision Authority regarding the dividend policy
- significant decisions of the Management Board, the most important events and changes in the legal, regulatory and macroeconomic environment, main initiatives concerning employees, improvements and activities addressed to the Bank's customers, new functionalities in electronic banking, mobile application and branches, corporate social responsibility (CSR), sponsorship and activities of the Bank Millennium Foundation, ratings, awards and distinctions for the Bank, management and employees;
- the activities of banks competitive on the Polish financial market – among others thanks to which the members of the Supervisory Board had adequate knowledge of both the market environment and the position of the Bank in relation to other financial institutions;
- resolutions of the management board and their subject;
- outsourcing agreements and other agreements subject to monitoring.

In addition to their involvement in the work of the Supervisory Board, most of the Supervisory Board members who are members of the Supervisory Board's standing committees also actively participated in the work of the relevant Committees.

ACTIVITIES OF BOARD COMMITTEES

In the performance of its tasks, the Bank's Supervisory Board is supported by standing Committees. There are four standing Committees within the Board: the Audit Committee, the Personnel Committee, the Strategy Committee and the Risk Committee. The composition of individual Committees has not changed since the date of election made by the Supervisory Board, i.e. from 24 March 2021.

A. Activities of the Audit Committee in the reporting period

In **2024 eight** meetings of the Audit Committee of the Supervisory Board took place, at the following dates:

1Q2024: **26.01.2024, 27.02.2024,**
2Q2024: **06.05.2024,**
3Q2024: **25.07.2024, 09.08.2024** (by circulation),
4Q2024: **04.10.2024, 25.10.2024, 13.12.2024.**

The following issues were subject to regular analysis during the meetings of the Audit Committee of the Supervisory Board in 2024:

1. The activity of the Internal Audit Department along with identified important findings, issued recommendations and effectiveness of monitoring of their implementation process.
2. Review of effectiveness, adequacy and efficiency of the Internal Control System at the Bank.
3. Monitoring of activities of the External Auditor at the Bank, including his independence and key findings with respect to the financial reporting process.
4. Issues in the areas of risk, finances, taxes, compliance and client's complaints based on information presented by Bank units and the External Auditor.
5. Supporting of steps with respect to increasing the efficiency and improving the quality of implementing the internal audit function.
6. Relations with supervisory authorities, covering information about relevant interactions, the process and results of inspections and actions undertaken by the Bank in order to implement post-examination recommendations.

The agenda of the Audit Committee covered issues specified in the permanent agenda of Committee meetings approved by the Supervisory Board at the meeting on 31 January **2013**.

In **2016**, information on customer **complaints** (after the 1st and 3rd quarter of the year) was included in the regular agenda.

In **2020**, in line with the guidelines of the Bank's Supervisory Board, the agenda of the Audit Committee meetings was extended to include an "*Information concerning relevant interactions with supervisory authorities*" - periodical report prepared by Internal Audit Department for the purpose of reporting to Audit Committee of Supervisory Board and the Supervisory Board with synthetic information on the most relevant interactions and correspondence with supervisory authorities, especially KNF (PFSA Polish Financial Supervision Authority), JST (Joint Supervision Team), Tax authorities as well as with other supervisory authorities.

In 2022 the agenda of the Audit Committee was extended with “*Annual information on the implementation of the tax strategy together with a report on the tax risk non-compliance*”, which resulted from entry into force of “*Tax policy of Bank Millennium S.A.*” (approved by the Management Board Resolution No. 129/2021 of August 18, 2021 and the Supervisory Board Resolution No. 53/2021 of October 22, 2021).

During the meetings of the Audit Committee of the Supervisory Board in 2024 the following issues were discussed:

- 1. Reports from the activity of the Internal Audit Department (DAW)** containing the assessment of risks of the audited processes and degree of execution of the tasks enumerated in the Audit Plan for 2024 approved by the Supervisory Board.

The activity of Internal Audit at the Bank was subject to regular supervision and assessment by the Audit Committee. The Audit Committee positively assessed and recommended for approval to the Supervisory Board the annual Audit Plan for 2024 prepared on the basis of analysing the risk areas and accepted information on fulfilling the Plan for 2023. During particular meetings of the Committee there were discussed important findings identified by audit along with the agreed remedies. Analysed in detail was the process of monitoring post-audit and supervisory recommendations, including recommendations H with the high implementation priority as well as with extended implementation dates.

KRI ratios [Key Risk Indicators] are used for monitoring the implementation of the recommendations. In the Report from the activity of DAW for 4Q2023 (submitted to the Audit Committee at the meeting in January 2024), the key measures of the DAW's activities have been extended to include KRI: "Annual turnover rate of audit staff").

- 2. The Audit Committee supported activities aimed at systematically improving the quality and work standards of the Bank's internal audit.**

At its meeting in July 2024, the Committee positively accepted the amendments to the "Audit Charter – principles of internal audit activities in Bank Millennium S.A." and approved the amendments to the internal regulation of the Internal Audit Department "Internal Audit Manual – Methodology 4.3".

The Head of Internal Audit has an assured constant and direct contact with Members of the Committee, and one meeting in a year (after the third quarter), during its closed part, includes a discussion with him of the staffing situation of the Internal Audit Department and remuneration policy for auditors. Members of the Audit Committee welcomed the information about the stabilization of DAW's human resources resulting from the actions taken in 2023-2024. The legitimacy of continuing activities to strengthen staff stability and market competitiveness of audit remuneration was confirmed. The auditors' competences, including the ongoing process of their systematic development, were assessed positively.

The Committee positively assesses the activity of internal audit at the Bank, which is carried out with the assurance of independence, in accordance with the planned scope, effectively identifying weaknesses of controls, and simultaneously within provided consulting activity gives methodical support for other units of the Bank. The Committee stresses the importance of supporting the independence and competence of the third line of defence unit for the safe and stable operation of the Bank, in particular in the face of the challenges faced by the entire sector. Taking into account the level, efficiency and quality of the assurance and advisory activities carried out by DAW, as well as the externally and independently confirmed results of the assessment of DAW's operation, the Audit Committee assessed the implementation of the audit function at the Bank as **satisfactory**.

3. Monitoring the scope of activities of the Bank's Statutory Auditor.

The function of the Bank's statutory auditor in 2024 was performed by Deloitte Assurance Polska spółka z ograniczoną odpowiedzialnością sp. k. (formerly Deloitte Assurance sp. z o.o.) selected in the tender procedure for years 2023-2024, executing the tasks of the statutory audit (within the meaning of Art. 2 point 1 of the Act on statutory auditors, audit firms and public oversight) in the scope of the Bank's annual solo report and the consolidated report of the Bank's Group as well as auditing other financial statements of the Bank and the Bank's Group for the periods during the year.

Due to the fact that the existing agreement with the current statutory auditor of the Bank covers the audit of financial statements for 2023-2024, in 4Q2024 the Bank commenced the process of selecting an audit firm for the audit of the financial statements of Bank Millennium S.A. and the Bank Millennium Group for years 2025-2026.

At the meeting on 04.10.2024, the Audit Committee, at the request of the Management Board, approved the mode and manner of implementation of the audit firm selection process for the audit of the financial statements of Bank Millennium S.A. and the Bank Millennium Group for the years 2025-2026 (including the statutory audit). The Audit Committee approved: (1) the plan of actions necessary to conduct the tender procedure, (2) the wording of the Request for Proposal, (3) the criteria for the internal evaluation of these offers, and (4) the list of audit firms to be included in the tender.

Deloitte information on material findings in the scope of financial reporting at the Bank as a result of quarterly reviews conducted by the External Auditor was discussed at four (quarterly) meetings of the Committee in 2024.

At the meeting on 27.02.2024, the Statutory Auditor presented the "Report to the Audit Committee on the 2023 audit" prepared based on the results of the audit of the financial statements of Bank Millennium S.A. and audit of the consolidated financial statements of Capital Group of Bank Millennium S.A. for the year 2023, and then at the meeting on 25.07.2024 supplemented the reporting scope with the final "Letter to the Management Board of Bank Millennium S.A."

The main topics of discussion between the Audit Committee and the Statutory Auditor during individual meetings in 2024 were primarily issues related to: (a) provisions for disputes related to the portfolio of mortgage loans indexed to the Swiss franc (CHF), (b) bancassurance transaction, (c) valuation of credit assets and recognition of impairment allowances in this respect, (d) implementation of the recovery plan, capital protection plan and the value of capital adequacy and liquidity ratios, (e) issuance of non-senior bonds, (f) synthetic securitisation transactions, (g) credit holidays, (h) reform of interest rate benchmarks, (i) administrative proceedings by the Polish Financial Supervision Authority (KNF) in the field of WIRON, (j) results of inspection by the Polish Financial Supervision Authority, (k) settlements under guarantees from Société Générale S.A., (l) cases related to proceedings by the Office of Competition and Consumer Protection (UOKiK), (m) Inspection of the General Inspector of Financial Information ("GIIF") and (n) claims related to the sanction of a free loan.

Taking into account the reporting requirements, at the meeting on 13.12.2024, the Audit Committee accepted the planned scope and dates of the audit of the annual financial statements of the Bank and the Bank Group for 2024 presented by the Statutory Auditor.

The purpose of current and systematic communication of the Statutory Auditor with the Audit Committee is to assure proper independence and required standards and quality of services provided by the financial audit function.

4. Cooperation with audit firms.

Compliance Department (DZZ) performed review of the provisions of the “Policy of Selecting and Cooperation with Audit Firms”, including assessment of compliance with the requirements of the audit firm relations document in force at the BCP Group. Based on the comments submitted by the various Units, clarifications were made to the document regarding: (a) change of the scope of permitted services by adding sustainability assurance services instead of corporate social responsibility assurance services, (b) indication that the selection of the audit firm for the statutory audit should not take place during the period of change of a significant part of the Supervisory Board or Audit Committee, (c) appointment of the leading Unit, coordinating the Task Team activities (DFS).

Updated Policy was approved by the Audit Committee at the meeting on 25.07.2024.

Following the *Policy on selection and cooperation with audit firms* functioning in the Bank, Audit Committee has been analysing the motions provided and approving the entrusting to perform by the audit firm the services other than statutory audit.

5. Monitoring of financial reporting.

At the first meeting in 2024 the Finance and Reporting Department (DFS) provided the Audit Committee with information on the monitoring of the financial reporting process, which included the following aspects: (a) challenges faced in 2023, (b) ensuring coherency between accounting standards applied by the Group and law regulations, (c) the biggest challenges for 2024 covering:

- 1) implementation of new instruction for FINREP,
- 2) change of the accounting system supporting treasury operations,
- 3) review and optimization of the consolidation process.

It was confirmed, that in 2023, all financial statements and reports were forwarded to the parent company and Banking Supervision, as well as published on the WSE, in accordance with applicable dates. The publication of the 2023 annual accounts scheduled for February 28, 2024.

The meeting of the Audit Committee in February 2024 was devoted primarily to the analysis of the Management Board information on the Annual Report of the Bank and the Group for 2024, and the conclusions of Statutory Auditor concerning above mentioned reports. Based on the audit, the Deloitte Assurance has issued an unmodified audit opinion on Bank Millennium Group consolidated financial statements and an unmodified audit opinion on Bank Millennium standalone financial statements as of 31st December 2023. Taking into consideration the positive opinion of the Statutory Auditor, the Audit Committee has adopted a Resolution on the recommendation the Supervisory Board of a positive assessment of the Annual Reports for 2023.

6. Annual information on the implementation of the tax strategy.

At the meeting in July 2024, the Head of the Tax Department (DPD) presented the Audit Committee with annual information on the implementation of the tax strategy for 2023 and a report on the tax risk of non-compliance.

The presented information included a discussion of such aspects as: the three main taxes of the Bank (CIT, bank tax, VAT), the Bank's tax against the market peer group, the division of duties in the tax area, self-assessment of tax risk, tax risk management, main tax risks for each tax, tax disputes and key tax issues.

7. Results of the annual Review of the Internal Control System.

The review of the internal control system (ICS) was conducted in 4Q2024 in accordance with the requirements of Notice 3/2020 Bank of Portugal, implementing the formulas and reporting obligations, which included the extended scope of participation in the review of the control function units (Risk, Compliance, Audit). A unified reporting scope within the BCP Group was also used, relating to the process of classification and risk assessment of implemented post-control recommendations. The BCP Group decided to continue the support of the Auditor Deloitte Assurance in attesting the ICS environment, however, the approval of the implementation of these services as non-audit services was subject to approval by the Audit Committee.

With the proper implementation of supervisory requirements in mind, Bank Millennium appointed an appropriate team working closely with BCP, whose task was to properly prepare the reporting process according to the uniform rules applicable in the BCP Group. Activities on the Bank's side were coordinated by the Compliance Department with support of Internal Audit Department.

Based on the results of the work carried out by the units of the control function i.e. DAW, DZZ and DMR and the results of the attestation review reported by Deloitte Assurance, the Audit Committee approved in the form of resolutions at its meeting on 13.12.2024, the issuance of the *Self-Assessment Report by the Audit Committee of the Supervisory Board on the adequacy and effectiveness of the Bank's organizational culture in force and its governance and internal control systems, on an individual basis, considering the date 30.11.2024, in accordance with Article 55 (a) of Notice no. 3/2020 of Banco de Portugal.*

8. Supervisory authorities.

The Audit Committee paid much attention to the Bank's relationships with supervisory organs, in particular KNF. At each meeting of the Audit Committee, the Internal Audit Department presented and discussed the implementation status of KNF recommendations issued as part of post-inspection recommendations.

In addition, a regular part of the meetings of the Audit Committee was to analyze the correspondence addressed in key issues to the Bank from KNF and other supervisory authorities. Starting from 2020, the scope of information on significant interactions with supervisory authorities is structured in the form of a periodic report prepared and provided by the Internal Audit Department for both the Audit Committee and the Supervisory Board. Relevant analysed issues in 2024 mainly concerned:

- the BION process and assessments obtained by the Bank and recommendations issued by KNF for the banking sector after completion of BION process,
- supervisory process of verification of additional capital buffers P2R and P2G,
- preparation to introduce alternative reference ratio to WIBOR – WIRON,
- correspondence with KNF and GPW Benchmark on WIBID, WIBOR and WIRON as well as KNF administrative proceeding regarding potential violation of BMR regulation,
- completion of the Recovery Plan by the Bank,
- BFG decision on MREL requirements,
- KNF position on dividend policy of the Banks for 2024,
- UKNF administrative proceeding regarding fulfilment of the obligations of the Key Service Operator by the Bank,
- regular information on external inspections / controls conducted at the Bank:
 - a. KNF IRB 2023-2024 validation proceeding related to Bank application to obtain permission of the competent supervisory authorities to introduce significant changes in the IRB method,

- b. KNF 2024 Inspection in the area of financial instruments,
- c. KNF 2024 Inspection in the area of unauthorised transactions,
- d. KNF 2024 recommendations on sectoral regulation of the process of cooperation between banks and the police and the provision of information on transactions carried out using BLIK,
- e. KNF 2023 Inspection in the area of asset quality, credit risk management, Management of market risk and general interest rate risk in the banking portfolio, Bank management as well as the post inspection recommendations,
- f. 2024 ECB Inspection in BCP on Calculation of Pillar 1 Credit Risk RWA,
- g. 2024 ECB Inspection in BCP on Internal Governance – Internal Audit Function.

9. Activity of the Compliance Department (DZZ) in the area of compliance risk management.

As a part of regular reporting of DZZ, the subject to analysis during Committee meetings were the main aspects of compliance process, including: key initiatives and projects implemented with the participation of Compliance, monitoring of changes in legal regulations and market standards, monitoring of relations with regulators, monitoring of the functioning of banking products, analysis of the Bank's exposure to compliance risk with an assessment of this risk and its profile, supervision over the compliance management process in the subsidiaries of the BM Group, functioning of internal control at the Bank along with the results of monitoring of this process and the execution of the Action Plan for 2024. The Compliance Action Plan for a given year is subject to the Audit Committee's opinion and approval by the Supervisory Board.

In accordance with approved by the Management Board and Supervisory Board of the Bank "Compliance Department's Action Plan for 2024", in 2024 the Compliance Department conducted periodic review of the document "Internal Control System at Bank Millennium S.A." As a result of the work performed, changes were made to the document, which were submitted for approval to the Audit Committee at the meeting on 25.07.2024. Committee familiarized itself with the updated document and, after expressing a positive opinion, recommended the Supervisory Board its approval.

At the meeting on 25.07.2024, the Committee issued also a positive opinion and recommended to the Supervisory Board to approve the changes in the document "Rules governing reporting breaches of regulations to Bank Millennium SA Supervisory Board".

At the same meeting the Committee issued positive opinion on revocation of document "Policy on counteracting conflicts of interest in Bank Millennium" and implementation of document "Conflicts of interest management policy in Bank Millennium S.A.".

In order to provide the Head of the Compliance Department with relevant attributes of independence, similar to those assigned to the audit function, starting from 2021, as part of the report after the third quarter, the practice of direct communication during the closed part of the Committee meeting is maintained for the Head of DZZ, where it is discussed with him the staffing situation of the Department and the remuneration policy of his employees. A closed meeting of the Head of the DZZ with the Members of the Audit Committee took place during the meeting on 25.10.2024.

The Audit Committee welcomes the continued and consistently implemented significant changes in the operation of the Compliance Department, contributing to the systematic strengthening of the competences and role of this unit, which is a key element of the stable and effective functioning of the second line of defence.

Taking into account the level, efficiency, and quality of the activities carried out by DZZ, as well as the results of the assessment of DZZ's performance conducted as part of the audit carried out by DAW, the Audit Committee has positively evaluated the implementation of the compliance assurance function in the Bank.

10. Bank's relations with clients - area of claims and complaints.

The Audit Committee paid careful attention to information on the correctness of developing the Bank's relations with clients, particularly in the context of claims/complaints received. At two meetings in 2024, detailed information on complaints submitted by the Bank's Customers prepared by the Quality Department was presented.

11. Area of sustainability.

At the meeting on 25.10.2024 the Audit Committee first time took note of the information on sustainability in Bank Millennium. As a result of the entry into force the Corporate Sustainability Reporting Directive (CSRD) and European Sustainability Reporting Standards (ESRS), changes in Polish regulations, related to the extension of the tasks of audit committees are expected. The tasks of audit committees related to supervision over financial reporting will now be extended also to the sustainability reporting.

Considering all the activities carried out by the Audit Committee in 2024, including materials provided by the Internal Audit Department, Compliance Department, Statutory Auditor, results of the Internal Control System Review 2024 carried out in the BCP Group and supervisory activities and inspections of the KNF, we state that the components of the internal control system (control function, DZZ and DAW) present the appropriate ability to identify possible irregularities and weaknesses in banking processes and ensure proper effectiveness of management of identified problems in terms of continuous and systematic improvement of the functioning control mechanisms. Assessing on the basis of rational grounds, including the implementation of improvement measures, in the opinion of the Audit Committee, the internal control system as a whole, as well as its individual components, effectively and properly meet regulatory requirements and being well-managed are adequate to the size of the Bank and exposure to risks related to the operations carried out by the Bank and the Capital Group of Bank Millennium S.A. Taking into account the adopted criteria for the assessment of the Internal Control System, the Audit Committee confirms the assessment of the adequacy and effectiveness of this process at an acceptable level.

Bearing in mind the information obligations of the Supervisory Board formulated in the *"Ordinance of the Minister of Finance of March 29th, 2018 regarding current and periodic information published by issuers of securities and conditions for recognizing information required by non-member states as equivalent,"* the Audit Committee states that:

- I. With reference to the selection¹ of an audit firm that audits the annual financial statements of Bank Millennium and the Bank Group:
 - a) the audit firm and the members of the audit team met the conditions for drawing up an impartial and independent audit report on the annual financial statements in accordance with applicable regulations, professional standards and professional ethics,
 - b) the applicable regulations related to the rotation of the audit firm and the key statutory auditor as well as mandatory grace periods are observed,
 - c) the Bank has a policy regarding the selection of an audit firm and a policy for providing the Bank by an auditing company, an entity related to an auditing company or a member of its network of additional non-audit services, including conditionally exempt from the ban of services by an audit firm.

- II. With reference to the appointment, composition and functioning of the Audit Committee²:
 - a) the provisions regarding the appointment, composition and operation of the Audit Committee of the Supervisory Board in Bank Millennium S.A., including the fulfilment by its members of independence criteria and requirements regarding knowledge and skills in the finance industry as well as in the field of accounting or auditing of financial statements are met.
 - b) the Audit Committee of the Supervisory Board in Bank Millennium S.A. performed the tasks of the audit committee provided for in the applicable regulations.

B. Activities of the Personnel Committee in the reporting period

The composition of the Committee ensured an appropriate level of supervision over the areas of the Bank's operations entrusted to them, and its individual members guaranteed the proper performance of duties resulting from education and professional experience. The independent members of the Committee are: Ms. Olga Grygier-Siddons, Ms. Anna Jakubowski and Mr. Alojzy Nowak.

The scope of the Committee's powers is defined in § 18 section 6 of the Articles of Association of Bank Millennium S.A. and in § 6 section 8 of the Regulations of the Supervisory Board of Bank Millennium S.A. and includes in particular:

- evaluation of candidates for Members of the Bank's Management Board,
- determining the terms and conditions of employment of newly appointed Members of the Bank's Management Board,
- negotiating changes in the terms and conditions of employment of Members of the Bank's Management Board,
- with respect to Management Board Members, defining evaluation criteria, performance evaluation (including the policy on variable components of remuneration of persons in managerial positions) and making decisions on annual bonuses,
- determining the conditions of termination of employment with members of the Bank's Management Board,

¹ § 70.1. 7) a) b) c) Ordinance of the Minister of Finance of March 29, 2018 regarding current and periodic ...

² § 70.1. 8) a) c) Ordinance of the Minister of Finance of March 29, 2018 regarding current and periodic ...

- assessment of the policy on variable components of remuneration and, moreover, on the basis of reports on payments made, issuing recommendations regarding:
 - the amount and components of the remuneration, guided by prudent and stable management of risk, capital and liquidity as well as long-term benefits of the Bank,
 - variable remuneration of persons holding managerial positions in the Bank dealing with risk management, audit and compliance of the Bank's operations with legal and internal regulations

During the period in question, three meetings of the Committee were held. During the meetings, the Committee members analysed the documents and information provided, and made appropriate decisions in the form of resolutions.

The main topics of the Committee's work were remuneration policy, identification and assessment of risk-takers, as well as assessment of the work of the Management Board and reassessment of the adequacy of the management bodies, both the Management Board and the Supervisory Board.

25 January 2025

- Approval of the report on the activities of the Personnel Committee
- Assessment of the remuneration policy 2023
- Report on the remuneration of Members of the Management Board and Supervisory Board
- Approval of the compensation for control functions
- Assessment and approval of the Head of the Compliance Department
- Update of the Management Board's variable remuneration ratios
- Approval of amendments to the Regulations for the Personnel Committee of the Supervisory Board
- Information on the process of assessing the suitability of the Bank's bodies according to the PFSA methodology

7 May 2024

- Global risk assessment of the Management Board supported by a report on risk, compliance and ESG
- Decision on the transfer of rights to the deferred parts of the bonus (in cash and phantom shares) for 2021 and 2022
- Assessment of the Bank's results and achievement of the financial and business objectives of the Management Board
- Assessment of risk and evaluation of non-financial KPIs.
- Determining the bonus pool for the variable remuneration of the Management Board.
- Evaluation of Management Board Members and decision to award individual bonuses to Management Board Members for 2023.

18 October 2024

- Assessment of the suitability of the Supervisory Board
- Assessment of the suitability of the Bank's Management Board
- Risk-Takers Identification Results
- Information on the HR Strategy for 2025-2028

- Information on the results of the employee satisfaction survey and related activities
- Information on remuneration management (salary benchmarks, remuneration reform, fluctuation)
- Information on the payment of phantom shares to Members of the Management Board
- Information on gender representation in the management boards of banks in Poland
- Information on changes in the law on employment policy to the Bank's authorities
- Revision of Employee Remuneration Policy in Bank Millennium Group and Remuneration Policy with Respect to Risk Takers in the Bank Millennium S.A.

13 December 2024

- Status of preparations for the new term of the Bank's governance bodies.

In order to properly perform their tasks in 2024, the Committee members worked not only during the meetings, but also outside them - during mutual consultations and meetings and talks with other persons, including members of the Bank's Management Board, in particular with regard to the comprehensive assessment of the Bank's Management Board as a whole and its individual members, as well as support for the Bank's bodies in the formulation and implementation of the remuneration policy in force at the Bank. Attention was drawn to the need for good cooperation between the Management Board and the Supervisory Board in connection with the dynamically changing regulatory environment.

The Committee made an individual and collective assessment of the Bank's bodies. It was a periodic evaluation. The Committee found that both the Management Board and the Supervisory Board were individually and collectively suitable.

The Committee analysed the individual profiles and the profile of collective competences of the Supervisory Board Members and concluded that the Supervisory Board Members – both individually and as a whole – met the expected competence requirements. In particular, the diverse composition of the Supervisory Board in terms of age, gender, professional experience, knowledge and skills, as well as the fact that it included representatives of both science and business, reflected the care taken to ensure the widest possible diversity of views on the work of the Management Board.

The Committee analysed the competence profile of the Management Board in the field of general management, risk management, knowledge of business lines and soft skills. The Committee compared the individual profiles and the collective competence profile and concluded that the Management Board met the expected competence requirements. The composition of the Management Board met the criteria of diversity in terms of professional experience, in particular in terms of experience gained on different markets (Polish and Portuguese markets) as well as in terms of education and age, which allowed for the presentation of different views in the course of managing the Bank.

The Committee monitored the Management Board's decisions on the remuneration policy on an ongoing basis (in particular the value of bonus budgets and changes in the fixed remuneration of persons designated as risk takers) and found them to be consistent with the long-term objectives of the remuneration policy adopted by the Group.

The Committee analysed in detail the use of HR budgets and the Management Board's activities aimed at increasing employee retention, including the reform of positions and salaries carried out in 2022-24, systematic work on increasing employee satisfaction, obtaining the TopEmployers title and the implementation of a very broad professional development package

for employees in various areas. The Committee expressed its appreciation for the HR policy pursued by the Management Board and very good employee satisfaction indicators.

As part of the Committee's meetings, the HR strategy for 2025-28 was also analysed, which is based on supporting the business lines that the Bank will develop in the corporate area, maintaining the position of the best place to work and high employee satisfaction, conducting a competitive remuneration policy aimed at retaining employees and attracting new people to the developed areas, strengthening the organisational culture to better support the implementation of the strategy and activities in the area of HR digitisation.

The Committee made a detailed assessment of the Bank's Management Board's performance for 2023, taking into account risk management, financial results and assessment of non-financial elements.

The Committee found that the Bank's Management Board managed the institution in a business-effective and safe manner. The Management Board successfully achieved the objectives of the business strategy for 2021-2024, consistently developed its customer bases and profitable business operations with low risk, achieving a positive net financial result in 2023 despite very high costs related to the portfolio of loans in CHF, took effective measures to recapitalise the bank, primarily the issue of bonds that allow the bank to meet the MREL requirements and, as a result, implemented the recovery plan and capital conservation plan.

The results in 2023 and 2024 confirm the achievements in the areas of capital management, MREL bond issuance, risk management, sustainable business performance and proper implementation of the ESG strategy. The Personnel Committee also underlined a particularly appropriate approach in the areas of risk management and solvency.

The Committee also performed a non-financial assessment of the Management Board. It was based on an analysis of the elements of the Management Board members' work which concerned leadership, quality of people management and cooperation between the Bank's areas. Also in this respect, the assessment of the Management Board's work was high. The Committee noted the high level of leadership and a very high level of people management, which resulted in a high assessment of the Bank by customers, the quality of services offered and financial results, as well as the Management Board's ability to introduce changes in processes and technologies that place Bank Millennium at the forefront of the most modern financial institutions in Poland.

Taking into account the above factors, the Committee decided to grant the Bank's Management Board variable remuneration for 2023 in the total amount of PLN 11.2 million, which will be paid in 50% in cash and 50% in equity instruments and deferred for 5 years in accordance with the regulations.

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

C. Activities of the Strategic Committee during the reporting period

The composition of the Committee ensures an adequate level of oversight of the entrusted area of the Bank's activities, and individual members provide a guarantee of the proper performance of duties, based on their education and professional experience. The competencies of the Committee, specified in the Statute of Bank Millennium S.A. (§ 18, item 7) and in the Regulations of the Supervisory Board of Bank Millennium S.A. (§ 6, item 8.1), include, in particular:

- analysis of macroeconomic trends,
- exploration of new trends, events, and solutions in the banking sector,
- analysis of the Bank's competitive position and benchmarks,
- analysis and recommendation of the Bank's long-term strategy, goals, and objectives.

In 2024, intensive work on preparing the Strategy for the Group and Bank Millennium for the period of 2025-2028 was underway. During the process of formulating the assumptions for the coming years, the Strategic Committee met five times. The initial meetings focused on selecting an advisor for strategy development, considering the presented proposals regarding the approach, process and preliminary ideas based on the anticipated market development and macroeconomic situation.

The meeting on March 15, 2024, was dedicated to the Bain & Co. presentation, which discussed the material 'Strategy for the Next Growth Cycle,' including the justification of why Bain would be the best partner for Millennium, key insights about the bank, and strategic questions that needed to be answered, Bain's model approach to strategy development, as well as to the project and team.

The next meeting, also on March 15, 2024, was dedicated to the BCG presentation titled: 'Strategic Workshops: Key Trends and Inspirations in Banking.'

Further work continued in collaboration with Bain & Co., and their initial results were presented at the Strategic Committee meeting on July 23, 2024. The material: 'Millennium – Strategic Plan '25-'28 Update for the Supervisory Board,' included the proposal for Bank Millennium's strategy for the years 2025-2028 and its fundamental strategic choices, a list of key retail and corporate initiatives that form the basis for strategy implementation, as well as the key factors supporting those initiatives. Material was followed by a discussion on individual elements, concluded with recommendations from the Committee members.

The meeting on September 12, 2024, was dedicated to the developed presentation 'Group Strategy of Bank Millennium for the Years 2025–2028,' which incorporated a number of previous comments, observations, and suggestions from the Committee members, as well as other members of the Supervisory Board, along with essential details regarding the ideas outlined in the July presentation. In the discussion about the material, the Committee members responded positively to the prepared document and its assumptions. The strategy was subsequently adopted by the Supervisory Board on October 28, 2024.

In the meantime, the Committee members also held a series of informal meetings and consultations, e.g. with members of the Bank's Management Board, supporting the Management Board in matters related to the strategic plan for the coming years.

D. Activities of the Risk Committee during the reporting period

The composition of the Committee ensures an appropriate level of supervision over the areas of the Bank's operations entrusted to it, and individual members guarantee due and diligent, resulting from their education, knowledge and professional experience.

The Committee's responsibilities include in particular:

- issuing opinions on the Bank's comprehensive current and future readiness to take risks,
- issuing opinions on the risk management strategy related to the Bank's operations developed by the Bank's Management Board and on the information on the implementation of the strategy submitted by the Bank's Management Board,
- supporting the Bank's Supervisory Board in supervising the implementation of the risk management strategy appropriate to the Bank's operations conducted by senior management, -

verifying whether the prices of assets and liabilities offered to Customers fully take into account the Bank's business model, its risk strategy,
and - if the prices do not properly take into account the types of risk in an appropriate manner and in accordance with the said model and strategy - submitting proposals to the Bank's Management Board in order to ensure the adequacy of the prices of assets and liabilities in relation to specific types of risk.

Activities of the Risk Committee

In 2024 there were five meetings of the Committee for the Risk Matters, respectively: 26.01.2024; 06.05.2024; 25.07.2024; 25.10.2024; and 21.11.2024.

The information on Risk Management were subject to regular analysis during the meetings of the Committee, namely:

- General information on credit risk, reviewing the risk appetite statement, the main drivers of credit growth, the evolution of the credit risk parameters, evolution of portfolio credit quality and the profitability of the main segments of activity and analysis on a quarterly basis of the back testing results of Expected Credit Losses.
- Market and interest rate risk, with detailed analysis of the limits set by the Bank and also analysing the interest rate sensitivity.
- Liquidity management, analysing the liquidity position of the Bank, the fulfilment of the limits set and monitoring the evolution of the major liquidity ratios;
- Operational risk, presenting the major operational risk events and impacts on functioning the Bank;
- Information on Capital Management, namely on the evolution of the capital ratios and internal capital;
- Information on FX mortgage loans, due to the increase of risk assessment and to the risk appetite framework, FX mortgage issues and specially the legal risk issue has been analysed and discussed on a regular basis by the Committee, with detailed analysis of the court litigation involving the Bank;
- Report from activity of the Compliance Department in scope of counteracting money laundering and terrorist financing with analysis of trends, monitoring system and quarterly activity of the AML area;
- Information on bancassurance activity in Bank Millennium S.A., analysing the Bank's offer and the evolution of the business in terms of volumes and profitability. It is also presented the operational, compliance and legal risks of this activity;
- Analysis on a quarterly basis of the back testing results of Expected Credit Losses;
- Analysis of quarterly reports regarding implementation of the Bank's investment policy and compliance of actions taken with respect to the Bank's capital investments.

During the meetings of the Committee other issues were also discussed:

- Assessment of the Risk Management and on the assessment of the Validation Functions.
- Acceptance of the "Counteracting money laundering and terrorism financing policy of Bank Millennium S.A.".
- Assessment whether the incentives provided by remuneration policies in Bank Millennium take into account the bank's risk, capital and liquidity and the likelihood and timing of earnings.

- Information on important court disputes under lawsuits filed by Clients against Bank Millennium SA regarding portfolio managed by the Corporate Recovery Department namely regarding FX options disputes.
- Benchmark Reform Project Status.
- Report on Model Risk Management in Bank Millennium Group with the approved proposal of the medium level of model risk tolerance.
- Results of the supervisory stress tests performed upon KNF request.
- Risk and regulations in the banking sector: PSFA's recommendation of long-term financing ratio for mortgages.
- Information on the situation in Polsat Group Cyfrowy and proposed actions of Bank Millennium S.A.

And the Committee analysed and gave positive opinion to the Supervisory Board on the following items:

- Risk Management Function Assessment;
- Validation Function Assessment;
- AML yearly report for 2023;
- Approval of Capital Adequacy, Risk, Remuneration Policy Report of Bank Millennium Capital Group;
- Approval of changes in the document "Principles Relating to Stress Tests at Bank Millennium S.A.".
- Approval of the amendments to the higher-level normative act "Capital Management and Planning Framework in Bank Millennium S.A. and the Group".
- Review and approval of changes in the document „The Policy on disclosure of information on risk, own funds, capital requirements, remuneration policy and other information required by law and KNF recommendations”.
- Approval of the "Risk management and control principles".
- Approval of the "Counteracting money laundering and terrorism financing policy of Bank Millennium S.A.".
- Review of Outsourcing contracts portfolio.
- Information on evolution of AML process in the Bank.

Specifically on the 21.11.2024 meeting, the Committee analysed and gave positive opinion to the Supervisory Board on the following documents related to strategy:

- Risk Strategy of the Bank Millennium S.A. Capital Group.
- Liquidity Plan of the Bank Millennium S.A. Capital Group and long term liquidity review according to Polish Financial Supervision Authority regulations.
- Update of Contingency Liquidity Plan of the Bank Millennium S.A.
- Capital Plan and Contingency Capital Plan of the Bank Millennium S.A. Capital Group

The Committee followed thoroughly the risk management of the Bank. All questions raised were answer and all information requests were provided.

Committee considers that:

1. The Bank uses methods to identify and measure or assess risk, control risk, and monitor and reporting on the risks associated with its operations, adapted to the size and risk profile of the Bank.

2. The frequency of risk measurement or estimation is adjusted to the size, profile and types of risk in the Bank's operations.
 3. The methods of measuring or estimating the risk used by the Bank take into account the currently conducted and planned Bank's activity and criteria for credit granting in accordance with the banking regulations.
 4. The Bank took the adequate measures to ensure a reliable risk measurement or estimation.
 5. The Bank applies limits adapted to the size and risk profile of the risk occurring in the Bank.
 6. As part of risk control, the Bank determines the procedure to be followed if the limits are exceeded, defines the measures to eliminate any excess and corrective measures to prevent such situations in the future.
 7. Risk monitoring is carried out at a frequency enabling the Committee for Risk Matters of the Supervisory Board to be adequately informed about any changes in the risk profile of the Bank.
- The Committee expresses a positive opinion on the Bank risk management.

Assessment of the Supervisory Board's activities in 2024

When assessing its activities in 2024, the Supervisory Board observed the guidelines contained in the Best Practices and Principles.

In accordance with its competences included in the Bank's internal regulations and in accordance with the general legal requirements relating to listed companies and in particular to banks, the Supervisory Board exercised constant and ongoing supervision over the overall operations of the Company. In the opinion of the Supervisory Board, the number of its members is adequate to the nature and scale of the Bank's operations.

In the opinion of the Supervisor Board, in the reporting period, the activities of its members carried out both as part of the work of the Supervisory Board and its Committees were characterised by high efficiency, transparency and compliance with the best market standards. In ensuring the effectiveness of their supervisory activities, the Supervisory Board members performed their duties diligently, honestly, with due diligence and great commitment, as evidenced by, among other things, high attendance at meetings – and active participation in discussions, as evidenced by entries in the minutes.

The composition of the Supervisory Board as a whole guaranteed an appropriate level of collegial supervision over all areas of the Bank's operations. Individual members of the Board were distinguished by a high level of qualifications, specialist knowledge and competences, resulting, among others, from education and professional experience, including knowledge of the financial market, management, modern technologies, which guaranteed the proper performance of the tasks entrusted to them.

The above self-assessment is confirmed by the assessment of the suitability of the Supervisory Board members carried out by the Board's Personnel Committee, in cooperation with an independent external advisor - in accordance with the Bank's "Policy for selecting and assessing the suitability of members of the Management Board and the Supervisory Board of Bank Millennium S.A. and persons performing key functions in the Bank Millennium S.A. Group", as well as the methodology prepared by the PFSA. The scope of the suitability assessment included: (i) warranties, reputation, financial condition, criminal record, independent judgment,

conflict of interest; (ii) competences, understood as knowledge, skills and experience, in areas such as: a) management of the Bank (including knowledge of the financial market, legal requirements and regulatory framework, strategic planning, knowledge of the management system – including risk management, accounting and financial audit, supervision and internal audit, interpretation of financial information), b) risk management (including business model risk, credit risk, market risk, organisational risk, liquidity and funding risk, capital risk, management risk, systemic risk), c) management of the Bank's business lines; (iii) personal competence; (iv) knowledge of the Polish language; (v) combining features and taking sufficient time. The Supervisory Board's Personnel Committee made a positive individual assessment of the Supervisory Board members and a positive collective assessment of the suitability of the Supervisory Board.

In addition, the Supervisory Board, based on the recommendation of the Board's Personnel Committee and having reviewed the detailed results of the adequacy assessment of the Bank's Management Board members carried out in cooperation with an independent external advisor, concluded that each member of the Management Board individually meets the criteria of suitability to perform the function entrusted to them and the Management Board as a whole meets these criteria.

Taking the above into account, as well as positively assessing the overall operations of the Bank, including the achieved business results, the Supervisory Board requests that all members of the Bank's governing bodies be granted discharge for the performance of their activities in 2024.

2. Information on the composition of the Supervisory Board and its committees, indicating which of the Supervisory Board members meet the independence criteria set out in the Act of 11.05.2017 on Statutory Auditors, Audit Firms and Public Supervision, as well as which of them have no actual and material links with a shareholder holding at least 5% of the total number of votes in the Bank, as well as information on the composition of the Supervisory Board in the context of its diversity.

The Bank's Supervisory Board operates on the basis of the Commercial Companies Code, the Banking Law, the Bank's Articles of Association and the Rules of Procedure of the Supervisory Board. The term of office of the Supervisory Board, in accordance with § 13 section 1 of the Bank's Articles of Association, is 3 years.

Composition of the Supervisory Board

On 24 March 2021, the Bank's General Meeting elected the Bank's Supervisory Board for a new term of office. In view of the above in 2024, the composition of the Supervisory Board was as follows:

- Mr. Bogusław Kott – Chairman of the Supervisory Board,
- Mr. Nuno Manuel da Silva Amado – Deputy Chairman of the Supervisory Board,
- Mr. Dariusz Rosati – Deputy Chairman and Secretary of the Supervisory Board,
- Mr. Miguel de Campos Pereira de Bragança – Member of the Supervisory Board,
- Ms. Olga Grygier-Siddons – Member of the Supervisory Board,
- Ms. Anna Jakubowski – Member of the Supervisory Board,

- Mr. Grzegorz Jędrys – Member of the Supervisory Board,
- Mr. Alojzy Nowak – Member of the Supervisory Board,
- Mr. José Miguel Bensliman Schorcht da Silva Pessanha – Member of the Supervisory Board,
- Mr. Miguel Maya Dias Pinheiro – Member of the Supervisory Board,
- Ms. Beata Stelmach – Member of the Supervisory Board,
- Mr. Lingjiang Xu – Member of the Supervisory Board.

At the time of standing for the position in the Supervisory Board, all the above-mentioned persons made declarations on meeting the criteria referred to in the applicable law, including in particular: the Banking Law, Principles and Best Practices.

In 2024 Five members of the Supervisory Board meet the independence criteria: Ms. Olga Grygier-Siddons, Ms. Anna Jakubowski, Ms. Beata Stelmach, Mr. Grzegorz Jędrys and Mr. Alojzy Nowak.

The Members: Mr. Bogusław Kott, Mr. Dariusz Rosati, Ms. Olga Grygier-Siddons, Ms. Anna Jakubowski, Mr. Grzegorz Jędrys, Ms. Beata Stelmach and Mr. Alojzy Nowak had no actual and material connections with a shareholder holding at least 5% of the total number of votes in the Bank.

Seven members of the Supervisory Board, including its Chairman, had Polish citizenship. In 2024, the Supervisory Board, to the best of its knowledge, did not find any relationships or circumstances that could affect the compliance of the above-mentioned members of the Supervisory Board with the independence criteria. The composition of the Supervisory Board was diverse in terms of gender, age, education and professional experience. Professional CVs of the Supervisory Board members are available on the Bank's website.

Composition of the Audit Committee

On 24.03.2021 the newly appointed Supervisory Board elected Members of the Audit Committee for a new term of office, in the following composition:

Chairman of the Committee:	Mr. Grzegorz Jędrys	Independent
Member		
Committee Member:	Mr. Miguel de Campos Pereira de Bragança	
Committee Member:	Ms. Olga Grygier-Siddons (from 01.07.2022)	Independent
Member		
Committee Member:	Ms. Anna Jakubowski	Independent
Member		
Committee Member:	Mr. Alojzy Nowak	Independent
Member		
Committee Member:	Mr. José Miguela Bensliman Schorcht da Silva Pessanha	

In this composition, the Audit Committee of the Supervisory Board of Bank Millennium S.A. functioned until the end of 2024.

Thus, the Bank fulfilled the provisions of Article 129 item 3 *of the Act on Statutory Auditors [...] ensuring that the majority of the members of the Audit Committee, including its Chairman, meet the independence criteria.*

The scope of activities of the Audit Committee of the Supervisory Board is defined in the Bank's By-laws and specified in the Bylaws of the Audit Committee of the Supervisory Board.

Composition of the Personnel Committee

On 24 March 2021, the General Meeting of Shareholders elected a new Supervisory Board of Bank Millennium S.A. The Supervisory Board, at its meeting on the same day, appointed the Personnel Committee in the following composition:

- Mr. Alojzy Nowak – Chairman
- Mrs. Olga Grygier-Siddons
- Ms. Anna Jakubowski
- Mr. Miguel de Campos Pereira de Bragança
- Mr. Bogusław Kott

The composition of the Committee ensured an appropriate level of supervision over the areas of the Bank's operations entrusted to them, and individual members guaranteed the proper performance of duties resulting from education and professional experience. The independent members of the Committee are: Ms. Olga Grygier-Siddons, Ms. Anna Jakubowski and Mr. Alojzy Nowak.

Composition of the Strategic Committee

On 24 March 2021, the General Meeting of Shareholders elected a new Supervisory Board of Bank Millennium S.A. On the same day, the Supervisory Board decided to appoint the following members of the Strategic Committee of the Bank's Supervisory Board:

- Mr. Bogusław Kott – Chairman
- Mr. Nuno Manuel da Silva Amado
- Mr. Miguel de Campos Pereira de Bragança
- Ms. Anna Jakubowski
- Mr. Miguel Maya Dias Pinheiro
- Mr. Dariusz Rosati
- Mr. Lingjiang Xu

The composition of the Committee ensures an appropriate level of supervision over the areas of the Bank's operations entrusted to it, and individual members guarantee *due and diligent* implementation of their duties, resulting from their education, knowledge and professional experience.

Composition of the Risk Committee

In the period from 01.01.2024 to 31.12.2024, the composition of the Risk Committee of the Supervisory Board (the Committee) was as follows:

- Mr. Dariusz Rosati – Chairman,
- Ms. Beata Stelmach,
- Mr. Miguel de Campos Pereira de Bragança,
- Mr. Grzegorz Jędrys,
- Mr. José Miguel Bensliman Schorcht da Silva Pessanha.

The composition of the Committee ensures an appropriate level of supervision over the areas of the Bank's operations entrusted to it, and individual members guarantee *due and diligent*

implementation of their duties, resulting from their education, knowledge and professional experience.

3. Results of the assessment of the joint report of the Management Board on the activities of Bank Millennium S.A. and the Bank Millennium S.A. Group, including in particular the reporting of sustainable development of Bank Millennium S.A. and the Bank Millennium S.A. Capital Group and the financial statements of Bank Millennium S.A. and the Bank Millennium S.A. Group for the financial year 2024

Acting pursuant to Article 382 § 3 of the Commercial Companies Code, § 17 section 3 of the Bank's Articles of Association and in connection with § 70 section 1 point 14) and § 71 section 1 point 12) of the Regulation of the Minister of Finance of 29 March 2018. *regarding current and periodic information published by issuers of securities and conditions for recognising as equivalent information required by the laws of a non-member state*, the Supervisory Board, at its meeting on 24 February 2025, assessed the following submitted by the Management Board: (I) the Bank's financial statements for 2024, (II) the financial statements of the Bank's Capital Group for 2024, (III) the Management Board's joint report on of the Bank's and the Bank's Capital Group activities for 2024, including in particular the sustainability reporting of Bank Millennium S.A. and the Bank Millennium S.A. Capital Group, the Supervisory Board also took note of the opinions expressed by the statutory auditor of Deloitte Assurance Polska spółka z ograniczoną odpowiedzialnością sp.k. for documents marked as (I), (II) and (III).

On this basis, the Supervisory Board considers that both the financial statements of the Bank for 2024 and the financial statements of the Bank's Capital Group for 2024, as well as the combined report of the Management Board on the activities of the Bank and the Bank's Capital Group for 2024, including, in particular, the sustainability reporting of Bank Millennium S.A. and the Bank Millennium S.A. Group, have been prepared correctly in terms of content and form, are consistent with the books and documents as well as with the facts and accurately reflect the financial results and operations of the Bank and the Bank's Capital Group in the financial year 2024.

The Supervisory Board recommends to the General Meeting of the Bank to adopt the above documents in the version submitted by the Management Board together with the reports and opinions of the statutory auditor.

4. Result of the assessment of the Management Board's proposal regarding the distribution of profit for the financial year 2024

Acting pursuant to Article 382 § 3 point 2 of the Commercial Companies Code and § 17 section 3 of the Bank's Articles of Association, the Supervisory Board, at its meeting on 28 February 2024, assessed the motion of the Bank's Management Board ("Motion") on the distribution of the Bank's profit in the amount of 643 103 011,05 PLN by allocating it to the reserve capital.

After the assessment, the Supervisory Board found that the Management Board's motion was justified.

The Supervisory Board recommended to the General Meeting to accept the Management Board's motion.

5. Assessment of the Bank's standing, taking into account the adequacy and effectiveness of the Bank's internal control, risk management, compliance with standards or applicable practices and internal audit systems (pursuant to Article 382 § 3¹ item 2 of the Commercial Companies Code), as well as assessment of the Bank's standing on a consolidated basis, including the assessment of internal control, risk management, compliance and internal audit systems, including an annual assessment of the effectiveness of these systems and internal audit functions, together with information on the actions taken by the Supervisory Board to carry it out (principle 2.11.3. in conjunction with principle 3.9. Best Practices), as well as the assessment of the effectiveness of compliance risk management, the adequacy and effectiveness of the procedure for anonymous reporting of breaches by employees, the adequacy and effectiveness of the conflict of interest management system implemented at the Bank and the adequacy and effectiveness of the anti-corruption system implemented at the Bank (assessment made with reference to § 35 item 5 and § 46 item 12 of the Regulation of the Minister of Finance, Funds and Regional Policy of 8.06.2021 on the risk management system and the internal control system and the remuneration policy in banks, and in connection with the requirements set out in the Conflicts of Interest Management Policy in Bank Millennium S.A. and in the document Counteracting Corruption in Bank Millennium S.A. Principles and guidelines).

This part of the Report constitutes the Supervisory Board's assessment of the Bank's standing in relation to the requirements of Principle 3.1. Best Practices. This assessment includes an assessment of the Bank's standing, taking into account the adequacy and effectiveness of the internal control, risk management, ensuring compliance of operations with standards or applicable practices and internal audit systems used at the Bank in accordance with Article 382 § 3¹ item 2 of the Commercial Companies Code.

The Supervisory Board, including through the Audit and Risk Committees of the Supervisory Board, monitors on an ongoing basis the quality of risk management, compliance assurance, the internal control system and the proper performance of its functions by the Internal Audit Department, as well as the information policy pursued by the Bank, among others by approving relevant internal regulations, plans and strategies, thorough analysis of the submitted reports and information and making appropriate inspections.

Taking into account the supervisory activities carried out, including on the basis of the opinions of the Audit Committee and the Risk Committee, expressed, among others in the Reports on the activities of the Committees, the Supervisory Board concludes that:

- the components of the Internal Control System (control function, Compliance Department and Internal Audit Department) demonstrate an appropriate ability to identify potential irregularities and weaknesses in banking processes and ensure appropriate effectiveness in managing identified problems in terms of continuous and systematic improvement of the control mechanisms in place. At the same time, the adopted criteria for the assessment of the Internal Control System confirm the assessment of the adequacy and effectiveness of this process at a satisfactory level;
- the management system for all types of risk, both financial and non-financial, includes elements such as risk identification, measurement, control, monitoring and reporting. The methods and frequency of tasks within the above components of the risk management process are adapted to the size and risk profile of the Bank and enable the Supervisory Board to provide adequate information on changes in the risk size and profile. The methods of measuring and estimating risk used by the Bank take into account both the current and planned operations of

the Bank. In the risk measurement process, the Bank uses, among other things, stress tests, and risk control is carried out on the basis of a system of limits adapted to the size and profile of the risk occurring at the Bank. As part of the risk control, the Bank defines the procedures to be followed in the event of exceeding the limits, as well as defines measures to eliminate exceedances and defines corrective measures;

- The Bank pursues a transparent information policy in relation to all shareholders, investors, media, customers and other stakeholders, and the scope of information disclosed by the Bank meets the requirements of the Banking Law, the Code of Commercial Companies, the Act on Public Offering and Trading in Financial Instruments, the Regulation of the European Parliament and of the Council on market abuse (MAR) and other detailed regulations concerning financial institutions and publicly listed companies on the WSE. In implementing the information policy, the Bank, as a public company and a supervised institution, also complies with the provisions of law on confidentiality and protection of information, the Bank's information policy is also consistent with the principles of corporate governance, including ensuring proper access to information to all shareholders and investors.

For the reporting period, the Supervisory Board assessed the Bank's standing taking into account the adequacy and effectiveness of the Bank's internal control, risk management, compliance with standards or applicable practices and internal audit systems (pursuant to Article 382 § 3¹ item 2 of the Commercial Companies Code). The Supervisory Board confirmed the adequacy and effectiveness of the Bank's internal control, risk management, compliance with standards and applicable practices and internal audit systems, positively assessing the Bank's situation, taking into account the above-mentioned conditions. At the same time, the Supervisory Board assessed at a satisfactory level: the effectiveness of compliance risk management, the adequacy and effectiveness of the procedure for anonymous reporting of breaches by employees, and the adequacy and effectiveness of the conflict of interest management and anti-corruption systems implemented at the Bank.

Notwithstanding the above, the Supervisory Board, with a view to making a reliable assessment of the Bank's situation in the reporting period covering 2024, reviewed and thoroughly analysed among others the following parameters and factors concerning the core areas of the operations of the Bank and the Bank Capital Group, while taking into account the extraordinary macroeconomic events affecting the entire banking sector in Poland.

The main financial ratios/operating results in 2024 were as follows:

- **in 2024, NII adjusted for credit holidays grew 7% y/y** while the reported one was up 5% y/y; the growth was driven by higher interest earning assets (IEAs), improving profitability of the bond portfolio and lower cost of deposits; these offset higher costs related to issuance of MREL bonds (EUR500mn issues in September'23 and September'24);
- **NIM remained broadly stable through 2024** with 4Q24 NIM of 4.37% comparing against 4.24% in 4Q23; full year NIM narrowed to 4.36% from 4.60% in 2023, reflecting interest rate cuts in late 2023 (average 3M WIBOR in 2024 was 5.86% vs. 6.53% in 2023); higher IEAs and changing asset mix had the most pronounced impact on NIM, offsetting the steadily decreasing cost of deposits;
- **cost inflation was sticky for most of 2024** with reported opex up 13% y/y; legal costs and higher wages were the main factors behind the y/y growth; headcount remained broadly stable (number of active employees up 36 in the last twelve months), optimisation of the physical distribution network continued (own branches down by 11 units or 3% in the last

twelve months) complementing the increasing share of digital services (digital customers: 2.91mn, up 8% y/y, number of active mobile customers: 2.65mn, up 7% y/y);

- **loan portfolio was marginally up** (net/gross loans were up +1%/+2% at YE24); downward trend in FX-mortgage portfolio remained the key decisive factor as net/gross loan book w/o FX-mortgages was up 4% y/y; FX-mortgages continued to shrink fast (on a reported basis down 56% y/y) on a combination of FX movements, repayments, provisioning (in line with IFRS9 part of legal risk provisions are booked against gross value of loans under court proceedings), write-downs and settlements;
- **non-FX mortgage portfolio was up 4% y/y** with non-mortgage retail loans up 7% y/y; origination of cash loans (PLN7.0bn in 2024, up 11% y/y) contributed the most; BM's market share in origination of cash loans in 2024 stood at 10.8%, close to the 10.5% in 2023; origination (disbursements) of PLN mortgages increased 22% y/y to PLN5.9bn (market share of 7.0% vs. 8.2% in 2023);
- **loan book quality marginally improved in 2024** with total NPL ratio at the end of December 2024 at 4.5% vs. 4.6% at YE23; trends in the retail and corporate segments diverged with retail segment enjoying significant improvement of the NPL ratio (4.4% from 4.8%), chiefly to much lower NPL ratio in the non-mortgage part of the portfolio NPL (supported by NPL sales among others) while the corporate one saw an uptick to 4.7% from 3.8% on a combination of few isolated cases reclassified to Stage 3 in 3Q24 and generally low growth of the portfolio; NPL coverage ratio marginally increased to 73% from 72% at YE23; annual cost of risk remained practically unchanged (40bps in 2024 vs. 39 bps in 2023) reflecting, inter alia, significant contribution from NPL sales and annual update of parameters in the retail risk model in 4Q24;
- **customer deposits were up 9% y/y** with retail deposits up 1% q/q (chiefly due to growth in current accounts as term deposits were down again as a result of tighter price management); the share of total term deposits was broadly stable at 35%; liquidity of the Bank remained very comfortable with L/D ratio decreasing to a new all-time low of 64% at YE24;
- **AuM of Millennium TFI and third-party funds combined grew at a healthy rate of 16% y/y** taking total AuM to nearly PLN11.1bn.

6. Assessment of the Bank's Management Board's performance of the obligations referred to in Article 380¹ of the Commercial Companies Code (pursuant to Article 382 § 3¹ item 3 of the Commercial Companies Code).

Pursuant to Article 382 § 3¹ point 3 of the Commercial Companies Code, the Supervisory Board also assessed the performance by the Management Board of the Bank of the obligations referred to in Article 380¹ of the Commercial Companies Code (CCC), i.e. the obligations of the Management Board to provide the Supervisory Board with information on the activities of the Bank and subsidiaries and related to the Bank, including information on resolutions adopted by the Management Board and their subject. The Supervisory Board positively assesses the implementation of the Management Board's obligations in this respect, stating that the information was submitted to the Supervisory Board in due time and scope.

7. Assessment of the manner in which the Management Board prepares or submits to the Supervisory Board information, documents, reports or explanations requested in accordance with Article 382 § 4 of the Commercial Companies Code (pursuant to Article 382 § 3¹ item 4 of the Commercial Companies Code).

Pursuant to Article 382 § 3¹ item 4 of the Commercial Companies Code, the Supervisory Board assessed the manner in which the Management Board prepares and submits to the Supervisory Board information, documents, reports or explanations requested in accordance with Article 382 § 4 of the Commercial Companies Code (according to which the Supervisory Board, in order to perform its duties, may examine all documents of the company, review the company's assets and demand from the Management Board, proxies and persons employed by the company under an employment contract or performing certain activities for the company on a regular basis on the basis of a contract for specific work, a contract of mandate or other contract of a similar nature, to prepare or provide any information, documents, reports or explanations concerning the company, in particular its operations or assets, and the subject of the request may also be information held by the authority or the obliged person, reports or explanations relating to subsidiaries and related companies). The Supervisory Board states that the duties in this respect were properly performed by the Management Board. All information, explanations and documents were provided to the Board in a timely manner and to the extent and manner of presentation.

8. Information on the total remuneration due from the Bank for all audits commissioned by the Supervisory Board during the financial year 2024 in accordance with Article 382¹ of the Commercial Companies Code (pursuant to Article 382 § 3¹ item 5 of the Commercial Companies Code).

Pursuant to Article 382 § 3¹ item 5 of the Commercial Companies Code – with regard to information on the total remuneration due from the Bank for all audits commissioned by the Board during the financial year 2024 in accordance with Article 382¹ of the Commercial Companies Code (i.e. on the basis of a resolution adopted by the Supervisory Board on the examination of a specific matter concerning the Bank's operations or its assets by a selected advisor at the Bank's expense, who is an advisor to the supervisory board within the meaning of the new provisions of law in force from 13.10.2022) - the Supervisory Board states that in the reporting period, the resolutions on the audit of certain matters by the advisor to the supervisory board were not adopted by the Bank's Supervisory Board, and therefore the Bank did not pay any remuneration due from the Bank for such audits.

9. Report on the evaluation of the functioning of the remuneration policy in Bank Millennium S.A.

Bank Millennium has in place the following documents defining the framework for conducting the remuneration policy:

- "Employee Remuneration Policy in the Bank Millennium Group", addressed to all employees of the Bank,
- "Remuneration Policy for Employees Who Have a Material Impact on the Risk Profile in the Bank Millennium S.A. Group", specifying detailed principles of remuneration for employees who have a material impact on the risk profile ("Risk Taker")

- "Remuneration policy for members of the Management Board and Supervisory Board of Bank Millennium SA", specifying solutions for remunerating members of the Bank's management bodies.

The Bank Millennium Group's Employee Remuneration Policy and the Risk Takers Remuneration Policy were updated in 2024. The changes introduced to the Policies were the result of an independent review of the remuneration regulations in force at the Bank.

The main changes in the Employee Remuneration Policy in the Bank Millennium Group consisted of:

- Determining the level of variable remuneration above which it will be paid in a financial instrument and using the deferral mechanism,
- Introduction of a provision regulating the non-payment of interest and dividends during the deferral period,
- Introduction of a procedure for determining the weighting of quality and leaf criteria in the evaluation of employees and the process of granting bonuses,
- Indication of the possibility of limiting and/or suspending the payment of variable remuneration if the payment adversely affects the maintenance of the Bank's proper capital base.

The above policy framework is also used in separate remuneration policies of subsidiaries: Millennium Bank Hipoteczny S.A. and Millennium TFI S.A., taking into account their business specificity.

The management of fixed and variable components of remuneration, the conditions for their formation, the total amount of remuneration and the payment scheme was assessed as prudent and properly implementing the objectives of the Group's remuneration policy.

In particular, the following assumptions are implemented:

- care for the long-term development of the Bank,
- protection of the interests of investors, customers and other stakeholders of the Bank Millennium Group,
- risk management and risk exposure mitigation.

The budgets allocated to the pay rise processes were appropriate to the macroeconomic conditions (in particular high inflation) and the labour market, as well as the challenges facing the organisation, as well as the Bank's capital situation.

Bonus pools for variable components of remuneration for employees having a material impact on the risk profile were determined after a prior analysis of the fulfilment of the levels of capital, liquidity and risk ratios and adjusted in time to the effects of the Capital Protection Plan implemented in Bank Millennium.

Steps have been taken to comply with future regulatory requirements on pay transparency and the pay gap has been monitored.

The level of employee turnover in the Bank Millennium Group has significantly decreased in recent years, which is correlated with the improvement in the attractiveness of remuneration levels as a result of the remuneration policy pursued in 2022-2024. This gives the prospect of stabilising the staff with the required competences to implement the bank's business strategy

announced for 2025-2028: "Value and growth" – focused on creating innovations, digital delivery of services of the highest quality, so as to become the main bank for individual clients and companies in Poland.

Bank Millennium's activities in 2024 in the area of remuneration policy

Bank Millennium's activities in 2024 in the area of remuneration policy focused primarily on maintaining the Bank's competitiveness on the labour market and stabilising the remuneration offer for employees. The Bank pursued this objective by:

1. Carrying out the third and final phase of the project of the reform of "Positions, Salaries, Career Paths" in relation to employees of subsidiaries and employees of the key staff group
2. Monitoring and integrating the introduced remuneration solutions with other HR processes. Adjusting the principles of remuneration reviews, positions and competencies in the new model and optimising job valuation, which allowed for more accurate analyses of the pay gap, among other things.
3. Analysis and work with managers in the field of transparency and pay gap management in the context of planned regulatory changes.
4. Monitoring the market attractiveness of the level of remuneration in individual business areas with a view to maintaining the effects achieved in previous years.
5. Conducting a comprehensive review of remuneration policies.

Remuneration policy for employees in managerial positions

In the annual Risk Takers identification process carried out on the basis of the "Instructions for the identification of employees whose professional activity has a material impact on the risk profile (Risk Takers) in the Bank Millennium SA Group" taking into account detailed qualitative and quantitative criteria set out in national and European regulations.

In 2024, 93 people from various areas of the Bank's operations, including Members of the Bank's Management Board and Supervisory Board, were identified as Risk Takers. In the identification process for 2025, which took place in the fourth quarter of 2024, 94 people were identified.

Identified employees are subject to separate rules for performance appraisal and the method of determining and paying variable remuneration, if any. These principles are intended to motivate special care to implement the adopted risk management strategy and to make decisions that do not exceed the risk profile acceptable in the Group approved by the Supervisory Board.

The base salary of Risk Takers II is determined by the Personnel Committee of the Bank's Management Board ("Personnel Committee") and in the case of Risk Takers being employees of subsidiaries - by the Supervisory Board or the Management Board of the company, respectively. Periodic reviews of remuneration are carried out in a cycle, twice a year during the meetings of the Personnel Committee.

The basic salaries of Risk Takers are shaped in particular on the basis of the valuation of optimal qualifications required for good performance in the position, the breadth of management, the scope and type of tasks, in particular the scope of responsibilities and the impact on the risk profile of the institution.

Compliance of the Remuneration Policy with regulations

In assessing the functioning of the policy, it is also important to ensure that the policy complies with both internal regulations and regulations of supervisory institutions. The Internal Audit Department audited the functioning of the remuneration policy in the Bank Millennium Group and assessed the suitability of Members of the Supervisory Board, Members of the Bank's Management Board as well as persons performing key functions in the Group.

In the opinion of the Internal Audit, the audited process functions correctly.

Assessment of the functioning of the remuneration policy:

The Supervisory Board assesses that the remuneration policy in Bank Millennium S.A. is conducted in a stable manner, based on the continuation of the adopted strategies, while adapting to the challenges arising from the current business context.

10. Assessment of the application of the "Principles of Corporate Governance for Supervised Institutions" adopted by the Polish Financial Supervision Authority and assessment of the manner of fulfilling the disclosure obligations regarding the application of the "Best Practices of WSE Listed Companies 2021" and Recommendation "Z" of the Polish Financial Supervision Authority, together with information on the actions taken by the Supervisory Board to make this assessment.

The Supervisory Board, having reviewed the relevant reports, at its meeting on 30 January 2025 assessed that:

1. In 2024, the Bank properly implemented the requirements formulated in the Best Practices of WSE Listed Companies and the solutions and mechanisms used by the Bank to implement and execute this document, duly achieved the objectives of the regulation in connection with the needs of optimal organisation of the Bank's operations,
2. In 2024, the Bank properly implemented the requirements set out in the PFSA's Principles of Corporate Governance for Supervised Institutions and the solutions and mechanisms used by the Bank to implement and execute this document, taking due account of the objectives included in the regulation in connection with the needs of optimal organisation of the Bank's operations,
3. In 2024, the Bank properly implemented the provisions of the Recommendation Z of the PFSA and that the solutions and mechanisms used by the Bank to implement and execute this document properly achieved the objectives of the regulation in connection with the needs of optimal organisation of the Bank's operations, including the adjustment of the Bank's internal governance to the changing internal situation and environment,

11. Assessment of the legitimacy of expenditures incurred by the Bank and the Bank Group to support culture, sport, charitable institutions, media, social organisations, trade unions and similar purposes.

Activities in the area of sustainable development have been part of Bank Millennium's strategy for years. The Bank and the Bank Millennium Foundation, in cooperation with non-governmental and social institutions, with the participation of employees, implement financial and environmental education programmes, charity initiatives, initiatives promoting culture, supporting local communities and care for the natural environment.

The Bank is listed on the Warsaw Stock Exchange and in 2010-2019 it belonged to the Respect Index, and in the period 2019-2024 to the WIG-ESG index, which replaced the Respect Index.

The Bank's application of the principles of sustainable development is also subject to assessment by independent rating companies, such as Sustainalytics and MSCI.

Bank Millennium is a signatory of three international initiatives. The first is a partnership between business and government administration for the implementation of the UN Sustainable Development Goals (SDG), under which the Bank undertook to conduct activities in particular for the financial education of children and youth. The second is the Diversity Charter – a commitment signed by organisations that strive to eliminate discrimination in the workplace and work to create and promote diversity. The third is the United Nations Global Compact ("UNCG") – the world's largest UN initiative for sustainable business, which the Bank joined as a direct participant in 2023. In joining the UNCG, the Bank undertook to comply with and implement the principles covering four key areas: human rights, labour standards, environmental protection and anti-corruption. In addition, in 2024, as part of its partnership, the Bank joined the Responsible Business Forum (FOB) – the longest-running and largest non-governmental organisation in Poland, which deals with the concept of sustainable development in a comprehensive manner. FOB is an expert organisation, initiator and partner of key ESG projects in Poland.

Sponsorship, charity and similar initiatives, along with information on the funds allocated, are presented in the company's annual report. Below is a description of the most important of them.

1. Social programmes and campaigns

The Bank's support for flood victims

In the face of the natural disaster that affected the south-western region of Poland, the Bank decided to transfer PLN 1 million PLN of subsidies for the Polish Red Cross and Caritas Poland, as part of aid for people affected by flooding.

The Bank also made available in its mobile application the possibility of a simple "Pomagam"/[I help] transfer, thanks to which the Bank's customers donated another PLN 1.5 million for this purpose.

The employee volunteering programme Our People'24: Save the Planet, run by the Bank Millennium Foundation, was also extended to include initiatives aimed at helping flood victims, among others helping families in need, technical support and assistance in cleaning and rebuilding houses, support in renovations of e.g. schools, kindergartens, organisation of food and clothing collections, etc.

The employees carried out 27 volunteering initiatives for the flood victims.

Financial ABCs of the Bank Millennium Foundation - education of pre-school children

In 2024, the Bank Millennium Foundation continued the "Financial ABCs" project, started in 2016. It is an original educational programme, addressed to children and parents, prepared and implemented by Bank Millennium employees in cooperation with a non-governmental organisation. In 2024, the program was conducted under the honorary patronage of the Ombudsman for Children, Monika Horna-Cieślak. It is part of the National Strategy for Economic Education adopted in 2024, which aims to eliminate gaps and overcome challenges

in the area of financial education, as part of a coordinated approach to financial education in Poland.

The assumption of the Financial ABC is to explain to the youngest, through play, the basic concepts of finance, arouse their curiosity about finance, promote the idea of entrepreneurship, shape positive social attitudes in financial matters, teach independence, logical thinking, creativity and, above all, the ability to make reasonable decisions.

In 2024, two editions of the Financial ABCs workshops were held, as part of which 455 educational workshops for children were carried out in 134 kindergartens. 10 thousand children took part in them.

In total, since the beginning of the project, i.e. since 2016, 3,612 workshops have been organised and nearly 89 thousand children have been trained in kindergartens throughout Poland.

For the purposes of the program, special educational materials were prepared for children (4 textbooks, educational videos) and for parents (11 guidance texts and interviews with a neuropsychologist). Throughout the year, the Foundation presented them on the Internet. In 2024, the number of people watching guidance materials was as high as 427 thousand.

Bank and Foundation – sports and charity programme

The Bank and the Bank Millennium Foundation continued the Our People'24: Save the Planet programme, consisting of a sports part and the implementation of ecological projects.

1,433 people took part in the sports campaign, who devoted as many as 98 thousand hours to physical activity. As much as 32 tons of carbon dioxide was saved thanks to these activities. In the second part of the project, which included volunteering, employees carried out 49 initiatives in 35 towns. 205 volunteers took part in it, who devoted a total of 1,422 hours to the projects. Eco-initiatives required personal commitment to work, openness to the local community, and planning the long-term effects of the activities carried out. In addition, in response to the crisis situation, the programme has been expanded to include initiatives supporting people affected by floods.

The volunteer programme Our People'24: Save the Planet is a great example of employee social commitment and environmental responsibility.

Christmas Charity Auction

In 2024, the 11th Charity Auction with the participation of employees took place. It is an internal charity event during which employees can donate items for auction and actively bid. The amount collected during the auction is doubled by Bank Millennium and transferred to the beneficiaries of the campaign - children of employees, current and former employees of the Bank or people who had to resign from work due to illness.

Support for paralympic female athletes

As part of its support for paralympic female athletes preparing to compete in the Paralympic Games in Paris, the Bank funded stipends for female athletes for four years, contributing to the fundraiser for this purpose in cooperation with Martyna Wojciechowska's Unaweza

Foundation, as part of the #CorinneRunsForGood campaign. In 2024, the final edition of the campaign took place. All of the stipend holders received nominations and competed for medals at the Games.

The scholarship programme in which Bank Millennium participated supported a total of 40 Paralympic Girls from Poland and Ukraine.

The Bank is a partner of the Accessible Finance campaign

The Accessible Finance campaign, in which Bank Millennium, the Polish Bank Association, the Polish Insurance Association and the Financial Ombudsman participate, among others, is an educational initiative promoting the accessibility of financial services for people with disabilities. As part of the campaign, many publications were created, workshops were organised, in which representatives of Bank Millennium participated, and podcasts were created in which the Bank's experts participated. The driving force behind the campaign was the new law that was coming into force, which obliges companies, including those from the financial sector and those involved in e-commerce, to make all services as accessible as possible to people with disabilities.

2. Sponsorship of culture

Millennium Docs Against Gravity

The Millennium Docs Against Gravity (MDAG) Festival is a flagship cultural project supported by the Bank. It is one of the largest film festivals in Poland and a major documentary film festival in the world. Bank Millennium has been a partner of the festival for 20 years, it is also the founder of the main prize, for which the best films compete.

In 2024, MDAG was included in the prestigious list of festivals qualifying for an Oscar® in the Best Documentary Full-Length Film category. This is a huge achievement, because the list of qualifying institutions has practically not changed for decades, and it includes only the most important and largest film events. The Academy of Motion Picture Arts and Sciences has recognised the impressive growth of the festival in recent years.

In 2024, MDAG recorded a record attendance - over 165 thousand people took part, over twenty thousand people more than in 2023. From 2018 to 2024, the audience grew from 65,000 to over 165,000.

In 2024, 196 of the best documentaries from around the world were presented. They were accompanied by meetings with artists and protagonists, as well as debates on important topics. As every year, the festival touched on many important issues - from ecology, through diversity, politics, psychology, human rights, art (including avant-garde), pop culture, to family relationships. The festival took place in seven cities and online on the festival platform.

Other cultural events

The Bank also supports other cultural events.

For over 20 years Bank Millennium has been a sponsor of the International Trad Jazz Festival - Old Jazz Meeting "Złota Tarka" in Iława. It is one of the most important events on the jazz map of Poland, valued by domestic and foreign music circles.

In 2024, the Bank was also a partner of the premiere of a unique performance by young artists "ONO-1" at the Kochanowski Theatre in Opole, exploring the subject of artificial intelligence

and its impact on the future. The performance was created as part of the 7th Competition for the MODELATORNIA Theatre Project and took part in the 31st National Competition for the Staging of a Polish Contemporary Play.

3. Supporting academic education and activities aimed at young people entering the labour market

Continuation of cooperation with the Warsaw School of Economics

As part of an agreement with the Bank, there is a coworking space at the school, and the Bank also supported the Warsaw School of Economics Library in 2024. Thanks to its membership in the Warsaw School of Economics' Partners Club, the Bank gains space to promote the image of an employer open to young people entering the labour market.

Bank Millennium and Leon Kozminski Academy - strategic partnership

Strategic partnership is a unique form of cooperation in which the Bank and the academy provide substantive support to each other, implement joint communication and educational projects, reminding students and listeners of the proximity of business. At the same time, the Bank is among the donors of the first endowment capital in the Polish academic community, allowing it to finance the development of young generations, academic staff and scientific research.

Cooperation with the Faculty of Management of the University of Warsaw

The cooperation covers a wide range of activities, including the exchange of knowledge and experience and joint initiation of projects. In 2024, a series of lectures conducted by the Bank's experts was inaugurated. The first meeting of Bank Millennium with students was devoted to corporate governance.

Cooperation with the Faculty of Management of the University of Warsaw allows the Bank to be close to students, learn about their perspective and be inspired by their ideas.

Scholarships for the best students of Portuguese Studies

As part of the cooperation between Bank Millennium, the University of Warsaw and the Camões Institute, the Bank once again funded a scholarship for the best student of Portuguese Studies at the University of Warsaw. The scholarship will enable them to go to Portugal and participate in a course to deepen their knowledge of the country's language and culture.

The initiative to support students is long-term. Its initiators hope that it will also pay off in the future in the area of business, which is becoming transnational and requires high sensitivity to cultural differences.

The bank has been funding scholarships for the best students since 2013.

4. Pro-ecological activities

The Bank Millennium Group is committed to the protection of the environment and natural resources as well as mitigation and adaptation to climate change. It has defined its approach to these issues in the Environmental Policy, which complements the Group's Code of Ethics, business strategies and policies and the sustainable development strategy, in which the Group undertakes to be responsible for environmental protection, management and monitoring of direct and indirect negative impacts of its activities, products and services. Aware of the direct

and indirect environmental impact of its activities, the Group details its main priorities that aim to minimise its total environmental footprint in terms of its own activities, products and responsible financing, as well as environmental education.

Since 2011, the Group has been reporting information on its own environmental impact, including data on greenhouse gas emissions. For the coming years, the Bank has set targets to reduce its own greenhouse gas emissions and achieve climate neutrality.

Cooperation with WWF

Bank Millennium has been supporting WWF Poland since 2008, working together, among others, for the protection of the lynx. It is one of the largest predators in Europe, which has come close to the brink of extinction. There are currently about 150-200 individuals living in Poland. Some populations of this species are still endangered - without active protection, they have no chance of survival. In 2023, 7 animals were released into the wild.

The WWF Millennium Mastercard, issued jointly with the WWF, won a distinction for the best design in the Golden Banker competition in 2024. The lynx is to be found in the image of WWF Millennium Mastercard. The card is made from 85% recycled plastic. It also has a special indentation that has been designed with the visually impaired in mind. In 2024, a special video material has been prepared about the distinction for the card and joint activities with WWF Poland. The promotional campaign was carried out on YouTube.

Millennium Eco-index

The Bank has prepared the next edition of the Millennium Eco-index – the eco-innovation potential of regions, which assesses 16 Polish voivodeships in terms of their eco-innovation potential and supports the discussion on the green transformation of the Polish economy. It is an original project of Bank Millennium, the result of many months of work by the Bank's economists, experts in the field of sustainable development, representatives of the academic community and state administration. The partners of the report are the AGH University of Science and Technology in Krakow, the Warsaw School of Economics and the Patent Office of the Republic of Poland. The report is based on data from the Central Statistical Office, the Patent Office of the Republic of Poland and the National Centre for Emissions Management (KOBiZE). It analyses 21 variables from 5 areas: expenditure on eco-innovation, effects of eco-innovation, socio-economic activity in the area of eco-innovation, resource efficiency and circular economy. The report was launched during the European Forum for New Ideas (EFNI).

For the purposes of the report, the Bank commissioned a study entitled "Ecological attitudes of Poles". The respondents were asked about their habits and opinions on ecology present in various spheres of everyday life and about the level of knowledge about climate change and the impact of the economy on the environment.

5. ESG reporting

The information presented above on the Bank's implementation of the principles of corporate social and environmental responsibility is included in the annual report of Bank Millennium and the Bank Millennium Group for 2024. The report is prepared in accordance with the guidelines of the amended Accounting Act, the international reporting guidelines ESRS (European Sustainability Reporting Standards) and other European Union regulations. This

report has been subjected to mandatory testing in the form of an independent assurance service. The report presents the most important aspects of the impact of both the Bank's operations on issues related to sustainable development and the impact of sustainable development factors on the Bank's operations.

The Supervisory Board assesses the social, sponsorship and educational campaigns carried out by the Bank as rational and socially useful, constituting not only direct financial support for the implemented projects, but also making a positive contribution to the development of culture, education, economy and environmental protection. In the opinion of the Supervisory Board, such an attitude builds a positive image and inspires confidence in the Bank as a financial institution that implements the principles of corporate social responsibility.

12. Information on the degree of implementation of the diversity policy in relation to the Management Board and the Supervisory Board, including the implementation of diversity objectives in areas such as gender, field of education, specialist knowledge, age and professional experience

The composition of the Management Board was diverse in terms of age, education and professional experience. Professional CVs of the Supervisory Board members are available on the Bank's website. The composition of the Management Board is not diverse in terms of gender, however, the selection of Management Board Members was primarily guided by the high competence of the candidates for Management Board Members, their extensive knowledge and experience in the field of banking.

In terms of diversity, the Bank will strive to ensure a greater share of women in the structure of the management bodies of both the Supervisory Board and the Management Board, striving to achieve a minimum of 30% of the under-represented gender.

The Bank introduces the rule that for each vacancy in the Management Board and Supervisory Board that arises, it will ensure at least 30% of women among the candidates on the final list of candidates. In the absence of an internal female candidate for the Management Board, the Bank will look for an external candidate.

The composition of the Board was diverse in terms of gender, age, education and professional experience. Professional CVs of the Supervisory Board members are available on the Bank's website.

Members of the Supervisory Board, both women and men, receive the same monthly amount for their work on the Board, regardless of the number of meetings. The position of chairman is paid more than that of members. In addition, participation in supervisory board committees is remunerated per meeting.

13. Information on the number of meetings and attendance at Supervisory Board meetings in 2024.

In 2024, the Bank's Supervisory Board Members devoted an appropriate amount of time to performing their duties. Last year, the Bank's Supervisory Board held 6 meetings and adopted 65 Resolutions. The average attendance of the Supervisory Board Members at meetings was 100%.

Summary

In the opinion of the Supervisory Board, assessing on the basis of rational premises, including taking into account the implemented improvement measures, the internal control system as a whole, including its individual components, including the risk management system and the information and communication system, effectively and properly meet the regulatory requirements and, being efficiently managed, are adequate to the size of the Bank and to the exposure to risks related to the activities conducted by the Bank and the Group Bank Millennium S.A.

The Supervisory Board, expressing hope for further successful development of the Bank, notes with admiration the proactive attitude, readiness of the Bank for new challenges, manifested, among others in quick response to the changing socio-economic environment, search for new opportunities to interact with customers, new areas of interest for financial products and new products responding to market expectations, which proves, among others, an innovative and creative approach to possible development paths. It is also worth emphasising the responsible attitude and commitment of the entire team of employees and very good cooperation with the Management Board, based on an effective and transparent flow of information. The Supervisory Board hereby expresses its appreciation to both the members of the Bank's Management Board and the employees of the Bank Millennium S.A. Capital Group for their excellent work and quick adaptation to demanding economic realities.

Signatures of the Bank's Supervisory Board members: (...)