



Assessment of fulfilment by the company of disclosure obligations regarding the application of the corporate governance principles specified in the Warsaw Stock Exchange Rules and regulations on current and periodic information published by issuers of securities

In line with the principle stipulated in item II.Z.10.3 of the Best Practice for GPW Listed Companies 2016, the Supervisory Board draws up an assessment of the company's observance of the disclosure obligations concerning compliance with the corporate governance principles defined in the Warsaw Stock Exchange Rules and the regulations on current and periodic reports published by issuers of securities and presents it at the Annual General Meeting. The regulations are set forth in the Regulation of the Minister of Finance dated 19 February 2009 on Current and Periodic Information Published by Issuers of Securities and on Conditions for Recognizing as Equivalent Information Required by the Laws of a Non-Member State (Journal of Laws of 2009, no. 33, item 259, as amended). The Supervisory Board of mBank assesses the Bank's manner of fulfilling the information obligations relating to the corporate governance principles in 2017 as positive.

I. Disclosure obligations regarding the rules of corporate governance specified in the Warsaw Stock Exchange Rules

Best Practice for GPW Listed Companies 2016

Under the Warsaw Stock Exchange Rules, should a specific detailed corporate governance rule not be applied on a permanent basis or be breached incidentally, the issuer shall publish a relevant report. The report should be published at the issuer's official website and in the way analogous to that applied to the submission of current reports. Pursuant to Resolution of the WSE Management Board no. 1309/2015, reports on the application of detailed corporate governance principles are submitted via the Electronic Information Base (EBI).

As of 1 January 2016, regardless of the reports relating to the possible non-compliance with the detailed principles stipulated in the Best Practice for GPW Listed Companies 2016, companies are obliged to publish, on their websites, a statement on their compliance with the recommendations and detailed principles contained in the document. Accordingly, a statement on the Bank's compliance with the recommendations and detailed principles contained in the Best Practice for GPW Listed Companies 2016 has been published on mBank's website (<https://www.mbank.pl/o-nas/lad-korporacyjny/>). This statement, provided on the form determined by the WSE, presents detailed information on the Bank's compliance or non-compliance with individual recommendations and detailed principles and constitutes a direct implementation of the principle stipulated in item I.Z.1.13. According to the most recent information submitted to the WSE on 24 April 2017, mBank complies with the detailed principles and recommendations laid down in the Best Practice, except for one principle, i.e. VI.Z.2., and two recommendations: IV.R.2. and VI.R.3.

Under principle VI.Z.2, to tie the remuneration of members of the management board and key managers to the company's long-term business and financial goals, the period between the allocation of options or other instruments linked to the company's shares under the incentive scheme and their exercisability should be no less than two years. The principles for granting variable components of remuneration at mBank are compliant with the Regulation of the Minister of Development and Finance of 6 March 2017 on the Risk Management System, the Internal Control System, the Remuneration Policy as well as the Detailed Method for Banks' Internal Capital

Assessment (Journal of Laws of 2017, item 637) and EBA's Guidelines on sound remuneration policies (EBA/GL/2015/22) of 27 June 2016, which do not provide for the premise indicated in item VI.Z.2 as a condition for granting a bonus.

Except for the principle referred to above, the Supervisory Board of mBank has not identified any other breaches of the Best Practice for GPW Listed Companies 2016. In 2017, the Bank complied with principle II.Z.8., which reads as follows: "The chair of the audit committee should meet the independence criteria referred to in principle II.Z.4.", in connection with the changes in the composition of the Audit Committee following the appointment of a new Supervisory Board by the 30th Annual General Meeting of mBank S.A. on 30 March 2017. Previously, the Bank did not comply with the above principle as the Audit Committee was chaired by a Member of the Supervisory Board who was related with the majority shareholder of mBank.

The statement on the company's compliance with the principles and recommendations contained in the Best Practice for GPW Listed Companies 2016 also contains a comment regarding the recommendations which mBank does not observe (recommendations IV.R.2. and VI.R.3.) and the principles which do not apply to mBank (principles I.Z.1.10. and III.Z.6.).

The documents referred to in item I.Z.1 of the Best Practice for GPW Listed Companies 2016 are available on mBank's website in the Polish and English language version.

II. Disclosure obligations regarding the corporate governance principles specified in the regulations on current and periodical information published by issuers of securities

Under Regulation of the Minister of Finance dated 19 February 2009 on Current and Periodic Information Published by Issuers of Securities and on Conditions for Recognizing as Equivalent Information Required by the Laws of a Non-Member State, the Bank is obliged to include, in its annual report, a statement of compliance with the corporate governance principles constituting a separate part of the report. The scope of this statement is stipulated in Article 91 (5) (4) of the Regulation.

The Supervisory Board, having familiarized itself with the statement of compliance with the corporate governance principles included in the Management Board Report on the Performance of mBank S.A. Group in 2017, states that the statement contains all the elements required under the Regulation of the Minister of Finance and that it describes the issues related to corporate governance in a detailed and reliable way.

To sum up, in the opinion of the Supervisory Board, the information made available by mBank is compliant with the requirements, properly addresses the Bank's compliance with the corporate governance principles and provides stakeholders with a clear and exhaustive description of the mechanisms of the Company's functioning.