



Assessment of observance by mBank S.A. of disclosure obligations concerning compliance with the corporate governance principles defined in the Warsaw Stock Exchange Rules and Regulations on Current and Periodic Information Published by Issuers of Securities

In line with the principle laid down in II.Z.10.3 of the Best Practice for WSE Listed Companies 2016 ("DPSN 2016"), the Supervisory Board prepares 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 to the Ordinary General Meeting.

The Supervisory Board of mBank positively assesses the Bank's observance of disclosure obligations concerning the corporate governance principles in 2020.

The obligations were complied with in accordance with the WSE Rules and the Regulation of the Minister of Finance of 29 March 2018 on Current and Periodic Information Published by Issuers of Securities and on Conditions for Recognising as Equivalent Information Required by the Laws of a Non-Member State.

Justification

I. Disclosure obligations concerning the corporate governance principles laid down in the WSE Rules

In 2020 mBank S.A. was subject to corporate governance principles set out in the Best Practice for WSE Listed Companies 2016 ("DPSN 2016"), which were adopted by the Warsaw Stock Exchange Board on 13 October 2015.

In the period covered by this report mBank observed the principles laid down in DPSN 2016, except for 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."

As far as recommendations are concerned, mBank S.A. did not apply the following recommendations:

- item 2 and item 3 of recommendation IV.R.2. relating to General Meetings held using electronic means. When organising the real-time transmission of a General Meeting in 2020, mBank did not allow for real-time two-way communication enabling shareholders to address the General Meeting from a remote location;
- recommendation VI.R.3. concerning the Remuneration Committee. This recommendation requires, among other things, that at least a majority of the committee members should be independent. At mBank, independent members of the Remuneration Committee operating within the Supervisory Board did not constitute a majority in 2020.

As at the end of the year independent members accounted for 50% of the Remuneration Committee.

In 2020 the following principles did not apply to mBank S.A.:

- principle I.Z.1.10. stipulating that a company should publish on its website financial projections, if the company has decided to publish them, published at least in the last five years, including information about the degree of their implementation – due to the fact that mBank S.A. does not publish financial projections,

- principle III.Z.6. stipulating that where a company has no separate internal audit function in its organisation, the Audit Committee (or the Supervisory Board if it performs the functions of the Audit Committee) should review on an annual basis whether such function needs to be separated – due to the fact that the Audit Committee operates at mBank S.A.

Under the Warsaw Stock Exchange Rules, should a specific detailed corporate governance principle not be applied on a permanent basis or be breached incidentally, the issuer is obliged to publish a relevant report. The report should be published on the issuer's official website and in the way analogous to that applied to the submission of current reports. As of 1 January 2016, regardless of the reports relating to potential non-compliance with the detailed principles stipulated in DPSN 2016, companies are obliged to publish on their websites a statement on their compliance with the recommendations and detailed principles contained in the document.

In 2020 the scope of application of the corporate governance principles did not change. According to the latest 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 (VI.Z.2) and two recommendations (IV.R.2. and VI.R.3). Except for the principle and two recommendations referred to above, the Supervisory Board of mBank S.A. did not identify any other breaches of the Best Practice for WSE Listed Companies 2016.

A statement on the Bank's compliance with the recommendations and detailed principles laid down in DPSN 2016 had been published on mBank's website (<https://www.mbank.pl/en/about-us/corporate-governance-and-best-practices/>).

This statement, provided on the form prepared by the WSE, presents detailed information on the Bank's compliance or non-compliance with individual recommendations and detailed principles and constitutes direct implementation of principle I.Z.1.13. The documents referred to in I.Z.1 of the Best Practice for WSE Listed Companies 2016 are available on mBank's website.

II. Disclosure obligations concerning the corporate governance principles laid down in the Regulations on Current and Periodical Information Published by Issuers of Securities

Under Regulation of the Minister of Finance dated 29 March 2018 on Current and Periodic Information Published by Issuers of Securities and on Conditions for Recognising as Equivalent Information Required by the Laws of a Non-Member State, the Bank is obliged to include in its annual report a separate statement on compliance with the corporate governance principles, containing the elements referred to in Article 70 (6) (5) of the Regulation.

The Management Board Report on Performance of mBank S.A. Group in 2020 in the Chapter 14 contains the statement on compliance with the corporate governance principle. The statement contains all the elements required under the Regulation of the Minister of Finance and presents the issues related to corporate governance in a detailed and reliable manner.

The Supervisory Board is pleased to note that the Bank conducts its operations in a transparent manner in line with the principles of corporate governance, including those relating to the protection of shareholders' rights and ensuring access to information for shareholders, investors and the media.

In conclusion, in the opinion of the Supervisory Board, in 2020 the Bank complied with disclosure obligations concerning the corporate governance principles laid down in the WSE Rules and in the Regulations on Current and Periodic Information Published by Issuers of Securities, while the explanations and comments about the corporate governance principles published by the Company present the operation of the Company's authorities in a transparent and due manner.