



Statement of mBank on application of Corporate Governance principles in 2013

Warsaw, 3 March 2014

TABLE OF CONTENT

I. CORPORATE GOVERNANCE PRINCIPLES BINDING ON MBANK.....	3
II. APPLICATION OF CORPORATE GOVERNANCE PRINCIPLES.....	3
III. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS WITH REGARD TO THE PROCESS OF PREPARING FINANCIAL STATEMENTS OF MBANK.....	5
IV. SIGNIFICANT BLOCKS OF SHARES	6
V. SPECIAL CONTROL RIGHTS AND LIMITATIONS CONCERNING THE SHARES.....	7
VI. PRINCIPLES OF APPOINTING AND DISMISSING MANAGEMENT BOARD MEMBERS	7
VII. AMENDMENTS TO THE COMPANY'S BY-LAWS	7
VIII. GENERAL MEETING PROCEDURES AND AUTHORITY, SHAREHOLDER RIGHTS AND EXERCISE PROCEDURES...8	
<i>VIII.1. General Meeting procedures</i>	8
<i>VIII.2. Fundamental authority of the General Meeting</i>	8
<i>VIII.3. Shareholder Rights</i>	9
<i>VIII.4. General Meeting in 2013</i>	10
IX. COMPOSITION OF AND CHANGES IN THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD OF THE BANK AND THEIR PROCEDURES	10
<i>IX.1. Composition of the Management Board</i>	10
<i>IX.2. Authority and principles of operation of the Management Board</i>	13
<i>IX.3. Composition of the Supervisory Board - changes in 2013</i>	15
<i>IX.4. Authority and principles of operation of the Supervisory Board</i>	19
<i>IX.5. Operation of the Supervisory Board and its Commissions in 2013</i>	22

I. Corporate Governance Principles binding on mBank

The set of corporate governance principles binding on mBank is contained in the document "Code of Best Practice for WSE Listed Companies". Since 1 January 2013, the version of "Code of Best Practice for WSE Listed Companies" including amendments introduced by resolution of the WSE Board No. 19/1307/2012 November of 21, 2012, has been in force.

The text of the "Code of Best Practice for WSE Listed Companies" is available on the website of the Warsaw Stock Exchange (<http://www.corp-gov.gpw.pl/>), and a link to this site is also available on mBank's website (<http://www.mbank.pl>).

In its internal statutory documents, the Bank has integrated the regulations concerning the corporate governance principles, in particular those relating to the rules of operation of the General Meeting and the Supervisory Board (and its standing committees) as well as the rights of the shareholders and the Supervisory Board.

Irrespective of the "Code of Best Practice for WSE Listed Companies", mBank undertook to abide by best industry practices developed by the Polish Bank Association.

In 2013, the Polish Bank Association amended the existing Good Banking Practice Principles by adopting the Code of Banking Ethics at the 25th General Meeting of the Polish Bank Association held on 18 April 2013. The Code of Banking Ethics is a set of principles referring to banks, their employees, and persons acting as intermediaries in banking activities. The document includes two parts: Code of Best Banking Practice and Code of Employee Ethics. The former describes the rules governing relations with clients and employees, rules for handling claims/complaints filed by clients, rules governing relations between banks and other financial institutions, and rules for cooperation between banks and local communities. The latter describes basic rules of conduct for bank employees governing relations with external and internal partners.

One of the orders of the President of the Management Board of mBank obliges Bank employees to read the Code of Banking Ethics and to abide by the rules specified therein.

The Code of Banking Ethics is available on the website of the Polish Bank Association (<http://zbp.pl/dla-bankow/zespolu-rady-i-komitety/dzialania-w-obszarze-legislacyjno-prawnym/komisja-etyki-bankowej>).

II. Application of Corporate Governance Principles

In 2013, mBank was applying the corporate governance principles, with the exception of rule no. 10 point 2 chapter IV of the document "Code of Best Practice for WSE Listed Companies". A message about exclusion of this rule was sent to the WSE via the EBI (Elektroniczna Baza Informacji - Electronic Database) system on March 7, 2013.

The above rule stipulates the obligation to ensure that shareholders have the possibility to participate in the general meeting with the use of means of electronic communication.

For many years mBank has broadcasted General Meetings in real time, however, without the possibility to engage in two-way on-line communication by allowing shareholders to speak during the General Meeting from a different location. The Bank's By-laws and the Standing Rules of the General Meeting do not provide for the possibility to actively participate in general meetings with the use of means of electronic communication.

Furthermore, in the opinion of the Management Board of the Bank, in the absence of developed market practice, the organisation of general meetings with the use of means of electronic communication bears legal and technical risks. Binding provisions of law do not define the status of a shareholder participating in the general meeting with the use of means of electronic communication who does not take a part in voting, which generates unnecessary legal risks.

In the opinion of the Management Board of mBank, the rules for participating in general meetings, currently applicable at the Company, allow effective execution of rights arising from shares and protect the interests of all shareholders, even the minority shareholders.

The Company does not exclude the possibility to apply the above rule in the future on the basis of developed market standards.

The following points of the Recommendations require an additional commentary:

■ Point 5 of the Recommendations regarding the remuneration policy.

In accordance with the recommendation, mBank has a remuneration policy which determines the form, structure and level of remuneration, including the remuneration of members of the supervisory and management bodies of the Company. The remuneration system ensures a linkage between the remuneration of senior managers and the financial results of the Company. The remuneration system integrates a range of principles derived from the Commission Recommendation of 14 December 2004, fostering an appropriate regime for the remuneration of directors of listed companies (2004/913/EC) supplemented by the Commission Recommendation of April 30, 2009 (2009/385/EC). These principles include among others: determination of fixed and variable components of remuneration of the Management Board by the Remuneration Committee, a linkage of the variable components of remuneration with pre-defined performance criteria, detailed regulations concerning the option scheme, and specification of the total remuneration and its components of individual members of the Management Board and the Supervisory Board in the notes to the annual financial statements.

However, the Commission Recommendations were not used as a model for the remuneration system of the Bank and not all the provisions of the Recommendations were applied. In particular, the remuneration policy is not a separate item on the agenda of every Ordinary General Meeting and is not submitted for a vote.

■ Point 9 of the Recommendations which calls for ensuring a balanced proportion of women and men in management and supervisory functions in companies.

The Bank ensures equal access of men and women to management positions, which is not based on a predetermined parity.

The persons sitting on the Bank's Management Board and Supervisory Board should display the highest competence, be adequately educated and experienced. Other factors, such as gender, are not a determinant in this respect. The Bank is of the opinion that it would be unjustified to introduce regulations based on pre-established parities, and leaves the decision on selecting members of the Management Board and Supervisory Board in the hands of duly authorised bodies of the Company.

Since the Ordinary General Meeting held in 2002, the 12-member Supervisory Board of mBank has had one female member - Teresa Mokrysz. At the same time, Ms Mokrysz is a member of the Audit Committee of the Supervisory Board. The 7-member Management Board of mBank has also one female member - Lidia Jabłowska-Luba, Chief Risk Officer.

mBank attaches a lot of weight to open, transparent and effective information policy. On a regular basis, the representatives of the Management Board and the Investor Relations Team actively participate in meetings with investors, both in Poland and abroad. The website operated by the Company has become an important communication platform. In the investor relations section the Bank publishes information on the shareholders of mBank, Annual Meetings, ratings, the Euro Medium Term Note Programme, quotations of the Bank's shares on the WSE, analysts' recommendations, consensus of mBank Group's forecasted performance, and the target share price. All those interested may review annual statements, periodic and current reports, presentations on the strategy and performance of mBank Group, monthly newsletter for investors and analysts as well as Investor Calendar.

mBank has been also publishing an on-line version of its annual report, which provides convenient and highly interactive access to financial data of mBank Group. In 2012, the Bank launched mBank Analyzer, an innovative and interactive tool which allows users to analyse financial and business data of mBank Group from different angles. Additionally, the information is accompanied by webcasts of meetings with analysts at which the financial results of mBank Group are presented (more information in chapter "Investor Relations (IR) function at mBank").

The website has a section dedicated to corporate governance and best practice, which includes among others the By-laws and rules of the Bank's bodies, statements on the application of corporate governance principles, principles of remunerating the Management Board and the Supervisory Board, information on incentive programmes, rules for changing the entity entitled to audit financial statements, and information on the participation of men and women in statutory bodies of mBank.

III. Internal control and risk management systems with regard to the process of preparing financial statements of mBank

mBank is equipped with the internal control system which supports Bank management by ensuring the effectiveness of the Bank's operation, reliability of financial reports as well as compliance of the Bank's operation with the provisions of law and internal regulations applicable at the Bank.

The internal control system includes the following:

- functional control
- risk monitoring and risk control mechanisms
- monitoring compliance of the Bank's operation with the provisions of law and internal regulations
- internal audit.

The purpose of functional control is to ensure compliance of the activities performed with the applicable rules, the provisions of law, the Bank's internal regulations and good practice in this respect, to monitor the effectiveness and adequacy of the control mechanisms implemented, and what is more to respond to any irregularities as they arise. Functional control is a system applicable to each organisational unit and process.

The monitoring of risk control mechanisms and compliance of the Bank's operation with the provisions of law and internal regulations is executed as part of functional control and controls carried out by specialised risk and compliance units.

The adequacy and effectiveness of the internal control system is subject to independent assessment of the Internal Audit Department (DAW). DAW operates on a basis of the Banking Law, mBank's internal regulations, International Standards for the Professional Practice of Internal Auditing, and best business practice in this respect. The audit results are reported to the President of the Management Board, Chief Risk Officer and the Chairman of the Supervisory Board of the Bank.

The process of preparing financial data for reporting needs is automated and based on the General Ledger of the Bank. Preparation of data in source systems is subject to formalised operational and acceptance procedures. Creating the General Ledger of the Bank takes place within a process covering respective internal controls. Manual adjustments are subject to special controls.

The process of monitoring the operational risk which occurs in the preparation of financial statements in the Bank includes mechanisms which effectively ensure the security of IT systems. mBank has in place a business continuity plan which covers also the IT systems used in the process of preparing financial statements.

Financial statements of mBank and the Group are prepared by the Financial Reporting Department. The responsibility for keeping accounting books and administering the model chart of accounts lies with the Accounting Department. Both departments report to the Deputy of the Management Board, Chief Financial Officer.

The prepared financial statements are submitted to the Management Board for verification. The Audit Committee of the Supervisory Board receives information on the quarterly financial statements and on profit and loss before it is published. After in-depth discussions with the Bank's external auditor and the Management Board of the Bank, the Audit Committee recommends whether the Supervisory Board should approve or reject the annual financial statements.

The annual and semi-annual financial statements of the Bank are subject to an independent audit and a review by a statutory auditor. The selection of the statutory auditor of the Bank requires a resolution of the General Meeting. The Audit Committee of the Supervisory Board issues an opinion on the selection of the statutory auditor. mBank observes the rule stipulating that the key statutory auditor should change at least once every five years. This is in line with Article 89 of the Act on Statutory Auditors and their Self-Government, Entities Entitled to Audit Financial Statements and Public Supervision dated 7 May 2009 (Journal of Laws of 2009, No. 77, item 649). Furthermore, mBank abides all recommendations issued by the Polish Financial Supervision Authority regarding the change of statutory auditors.

In 2013, the Ordinary General Meeting of the Bank appointed Ernst & Young Audit sp. z o.o. as auditor to examine the Bank's financial statements and consolidated financial statements of the Capital Group for 2013 and 2014. PricewaterhouseCoopers Sp. z o.o. was the previous auditor.

The procedures of cooperation of the Bank and the external auditor ensure that all the important issues related to the recognition of economic events in the books and financial statements are being consulted on an ongoing basis.

All the subsidiaries of mBank Group consolidated for the purpose of consolidated financial statements are obliged to apply uniform accounting policies with respect to the recognition of measurement and disclosures in accordance with the International Accounting Standards. The Financial Reporting Department monitors the reporting packages prepared by the subsidiaries in terms of their correctness, completeness, coherence and continuity of data. The control functions with respect to the Group subsidiaries are performed by representatives of mBank sitting on the Supervisory Boards of the subsidiaries.

The aspiration to ensure the highest standards of financial statements is reflected in the high quality of reporting.

mBank was the winner of "The Best Annual Report 2012" contest in the category of on-line annual reports. It also won the special award "The Best of the Best" for the best annual report.

These are yet another awards won by mBank in contests organised by the Institute of Accounting and Taxes (IRiP). So far, the Bank has emerged as winner or received other distinctions in the category of financial institutions four times.

IV. Significant blocks of shares

Commerzbank AG is the majority shareholder of mBank. The share of Commerzbank has been increasing from 21.00% in 1995, to 50.00% in 2000 and 72.16% in 2003. Starting from 2005, the share has declined slightly due to the implementation of the managerial options programme in mBank.

At the end of 2013, Commerzbank held 29,352,897 shares of mBank, which accounted for 69.60% of the share capital and votes at the General Meeting. 30.40% of mBank shares in free float are held by institutional investors, in particular Polish pension funds, and Polish and foreign investment funds and individual investors. ING Otwarty Fundusz Emerytalny and AVIVA Otwarty Fundusz Emerytalny Aviva BZ WBK exceeded the 5% threshold of shares and votes at the General Meeting, which obligated them to announce the shares purchase.

Shareholder Status as of 31.12.2013	Percentage of share capital and total number of votes
Commerzbank AG	69.60%
ING Otwarty Fundusz Emerytalny	5.76%*
AVIVA Otwarty Fundusz Emerytalny Aviva BZ WBK	5.11%*

**Information about the share capital of ING Otwarty Fundusz Emerytalny and AVIVA Otwarty Fundusz Emerytalny Aviva BZ WBK presented on a basis of annual asset structure of AVIVA OFE and ING OFE as of 31.12.2013.*

The strategic shareholder of mBank, Commerzbank AG, is a leading German bank with a history dating back to 1870, which provides its services to private and corporate customers.

The German government - currently the largest shareholder of Commerzbank - holds a 17% stake in the share capital through the Germany's Financial Market Stabilisation Fund (SoFFin). Institutional investors hold about 47% of shares in free float (the largest investors - BlackRock and Capital Group - hold more than 5%). Individual investors hold about 26% of shares.

With the segments Private Customers, Small and Medium-sized Enterprises (Mittelstandsbank), Corporates & Markets, Central & Eastern Europe, Commerzbank offers its customers an attractive

portfolio of products and services. Commerzbank is a strong partner for the export-oriented SME sector in Germany and worldwide. With a total of more than 1,200 branches in Germany, Commerzbank has one of the densest networks of branches among German banks. Moreover, Commerzbank operates in more than 52 countries. It provides its services to nearly 15 million individual clients and about 1 million corporate clients. At the end of 2013, Commerzbank Group held assets of EUR 549.7 billion and total capital of EUR 26.9 billion. Commerzbank Group employs 52.9 thousand employees, including 41.1 thousand in Germany.

V. Special control rights and limitations concerning the shares

Pursuant to the By-laws of mBank, all the existing shares give the right to one vote at the General Meeting. There are no preferred shares. The control rights of Commerzbank AG as the parent entity of mBank are a result of the number of shares held, their percentage share in the equity, and the number of votes at the General Meeting of mBank.

The By-laws of mBank do not impose any limitations on the exercise of the voting right. There are no provisions which would separate the equity rights attached to securities from the holding of securities. Furthermore, there are no limitations on the transfer of the property right to securities issued by the Bank.

VI. Principles of appointing and dismissing Management Board Members

Pursuant to the By-laws of mBank, the Management Board is composed of at least three members appointed for a joint term of 5 years. At least half of the Management Board members, including the President of the Management Board, must hold Polish citizenship.

The President of the Management Board, the Deputies of the Management Board and the other Members of the Management Board are appointed and dismissed by the Supervisory Board, acting pursuant to the provisions of the Banking Law and considering relevant qualifications for the assigned functions. The Polish Financial Supervision Authority (PFSA) approves two Members of the Management Board of the Bank: the President of the Management Board and the member responsible for developing and implementing the Bank's credit policy and risk management.

In accordance with the Code of Commercial Partnerships and Companies, a Member of the Management Board may also be dismissed or suspended by the General Meeting.

The mandate of a Member of the Management Board expires at the latest on the day of the General Meeting that approves the financial statements for the last full financial year of the term of that Management Board Member. The mandate of a Member of the Management Board also expires if the member dies, resigns from his position or is recalled. The mandate of a Member of the Management Board appointed before the end of the term expires on the expiration of mandates of the other Members of the Management Board.

VII. Amendments to the Company's By-Laws

Amendments to the By-Laws of mBank require adoption of a resolution by the General Meeting of mBank and registration of the adopted amendment in the National Court Register. Before the General Meeting of mBank is presented with a draft resolution concerning amendment to the By-Laws, the Management Board of mBank adopts a resolution on the proposed amendment by approving the draft resolution of the General Meeting, and then the draft is presented to the Supervisory Board of mBank for approval. Under the Code of Commercial Partnerships and Companies, the resolution on amendments to the By-Laws is passed by a majority of 75% of votes.

In accordance with Article 34.2 of the Banking Law Act of 29 August 1997, any amendment to the Bank's By-laws requires the authorisation of the Polish Financial Supervision Authority where such amendment relates to:

- The Bank's registered business name
- The Bank's registered office, objects and scope of the Bank's operation
- The bodies and their competences, including particularly the competences of the Members of the Management Board appointed with the approval of the Polish Financial Supervision Authority and the

decision-making principles, the basic organisational structure of the Bank, the procedures applicable to making legally binding statements regarding property rights and obligations, the procedures for issuing internal regulations and the procedure for making decisions on assuming obligations or disposing of assets whose total value with regard to a single entity exceeds 5% of the Bank's own funds

- The principles of functioning of the internal control system
- The own funds and the financial management principles
- Shares preferred or limited as to voting rights.

The latest amendments to the By-laws of BRE Bank SA (currently mBank S.A.) were introduced by Resolution No. 27 of the 26th General Meeting held on April 11, 2013. The Resolution is available on the website of mBank.

VIII. General Meeting procedures and authority, shareholder rights and exercise procedures

VIII.1. General Meeting procedures

The General Meeting is convened and prepared pursuant to the provisions of the Code of Commercial Partnerships and Companies, the Bank's By-laws, and the Standing Rules of the General Meeting. Both the By-laws and the Standing Rules of the General Meeting are available on the website of mBank.

The General Meeting (GM) convened by the Management Board in the way of an ordinary procedure is held once a year, no later than in June. The Supervisory Board may convene an Ordinary General Meeting if the Management Board fails to convene it within the time limits set out in the By-laws and an Extraordinary General Meeting, if the Supervisory Board considers it necessary. In addition, under specific circumstances, the shareholders have the right to convene a General Meeting or to request for a General Meeting to be convened.

Shareholders may participate in the General Meeting and cast their votes either in person or by proxies. One proxy may represent more than one shareholder.

Subject to the cases defined in the Code of Commercial Partnerships and Companies, the General Meeting is valid regardless of the number of shares represented at the General Meeting.

All matters submitted to the General Meeting are previously submitted to the Supervisory Board for consideration.

Subject to specific exceptions, resolutions of the General Meeting are passed in an open ballot by a simple majority of votes, unless the Code of Commercial Partnerships and Companies or the mBank By-laws impose a stricter requirement for the passing of resolutions on specific issues. A secret ballot is required in the case of elections and motions to dismiss members of the Bank's authorities or liquidators, motions to call members of the Bank's authorities or liquidators to account, and motions concerning personal issues. In addition, a secret ballot is required if requested by at least one shareholder present or represented at the General Meeting.

Voting takes place with the use of a computer system, which also counts the votes. The correct course of voting is supervised by the three-member Returning Committee elected from among the candidates put forward by the Chairman of the Meeting.

The By-laws and Standing Rules of the General Meeting do not provide for the possibility to vote by mail or with the use of electronic means of communication.

The Bank's Supervisory Board is elected in a secret ballot by the General Meeting. Prior to the election to the Supervisory Board, the General Meeting determines the number of Members of the Supervisory Board of the given term within the limits specified in the By-laws.

VIII.2. Fundamental authority of the General Meeting

The following matters require a resolution of the General Meeting in addition to other matters set out in the Code of Commercial Partnerships and Companies:

- Examination and approval of the report of the Management Board on the Bank's operation and financial statements for the past financial year
- Adoption of resolutions on the distribution of profit or coverage of losses
- Vote of discharge of duties for members of the Bank's authorities
- Election and dismissal of Members of the Supervisory Board
- Amendment to the By-laws
- Increase or reduction of the Bank's share capital
- Adoption of resolutions concerning the cancellation of shares and resolution to cancel shares, in particular setting the policy of share cancellation not regulated in the By-laws
- Creation and winding up of special purpose funds
- Issue of convertible bonds or preferred bonds
Establishment of the principles of remunerating Members of the Supervisory Board
- Liquidation of the Bank or its merger with another bank
- Appointment of liquidators
- Matters submitted by the Supervisory Board
- Matters submitted by shareholders in accordance with the By-laws
- Election of an entity qualified to audit financial statements as statutory auditor of the Bank.

VIII.3. Shareholder Rights

The shareholders have the right to participate in the profit reported in the audited financial statements and allocated by the General Meeting to be paid to the shareholders.

The shareholders representing at least one-half of the share capital or at least one-half of the total number of votes in the Company may convene an extraordinary general meeting. The shareholders appoint the chairman of such meeting. The shareholder(s) representing at least one-twentieth of the share capital may request that the Management Board convene an extraordinary general meeting and that specific items be put on the agenda for such meeting.

Only persons who are shareholders of the Bank sixteen days before the date of the General Meeting ("record day") have the right to participate in the General Meeting of the Bank. The shareholder(s) of the Bank representing at least one-twentieth of the share capital may request that specific items be put on the agenda for the Ordinary General Meeting. The request should be submitted to the Management Board of the Bank no later than twenty-one days prior to the date of the Ordinary General Meeting.

Documents to be presented to a General Meeting, including draft resolutions, are published on the website of the Bank as of the date of calling the General Meeting.

Shareholders may participate in the General Meeting and cast their votes either in person or by proxies.

A shareholder has the right to:

- Vote, propose motions and raise objections
- Justify his or her position briefly
- Stand for election for Chairman of the General Meeting and propose a candidate for Chairman of the General Meeting to be noted in the minutes
- Take the floor during the proceedings and make a reply

- Table draft resolutions concerning the items put on the agenda
- Propose amendments and additions to draft resolutions on the agenda for the General Meeting before the discussion on the item covering the draft resolution concerned by the proposal is closed
- Propose formal motions relating to the proceedings and the voting procedure
- Propose candidates for the Bank's Supervisory Board in writing to the Chairman of the General Meeting or orally to the minutes
- Review the book of minutes and request a copy of resolutions authenticated by the Management Board
- Take legal action to have a resolution of the General Meeting annulled where the shareholder voted against a resolution of the General Meeting and after its adoption raised an objection to the minutes or the shareholder was unreasonably prevented from participating in the General Meeting or the shareholder was not present at the General Meeting as a result of it being convened incorrectly or the adopted resolution not being on the agenda
- Take legal action against the Company to have a resolution of the General Meeting annulled where the resolution is in breach of law.

The Management Board is obliged to provide the shareholder, at the shareholder's request, with information concerning the Company if this is justified by the assessment of an issue on the agenda. The Management Board should refuse information if:

- This could damage the Company or its associated company or subsidiary, in particular due to disclosure of technical, trade or organisational secret of the Company
- This could expose a Member of the Management Board to criminal, civil or administrative liability.

In justified cases, the Management Board may provide information in writing no later than two weeks after the General Meeting is adjourned.

The General Meetings take place on the Bank's premises in Warsaw and are broadcast on-line. The General Meetings may be attended by the representatives of the media.

VIII.4. General Meeting in 2013

The 26th Ordinary General Meeting was held on April 11, 2013. The Meeting was attended by shareholders or their proxies representing in total 85.11% of shares in the Company's share capital.

In addition to standard resolutions on approving the financial statements and the reports of the Management Board of mBank and mBank Group for 2012, selecting the auditor, vote of discharge of duties for members of the Supervisory Board and the Management Board of the Bank for 2012, the following resolutions were adopted: resolution on changing the registered name of the Bank, amendments to the By-laws of the Bank and rules for the implementation of the incentive programme by mBank S.A.

The resolutions adopted by the 26th General Meeting and the detailed voting results are available on <http://www.mbank.pl/relacje-inwestorskie/walne-zgromadzenia/>, in the section dedicated to General Meetings of Shareholders.

IX. Composition of and changes in the Management Board and the Supervisory Board of the Bank and their procedures

IX.1. Composition of the Management Board

The Management Board is composed of at least three members appointed for a joint term of 5 years. At least half of the Members of the Management Board, including the President of the Management Board, must hold Polish citizenship, be habitually resident in Poland, speak Polish and have experience on the Polish market which can be used while managing the Bank. The Members of the Management Board

manage selected areas of the Bank's operation within the scope determined by the President of the Management Board. The division of powers of the Members of the Management Board has been described in detail in the Management Board's resolutions.

The composition of the Management Board changed in 2013 as a result of the Management Board's term of office ending as of the Ordinary General Meeting in 2013 and due to the appointment of Wiesław Thor to the Supervisory Board of the Bank.

On April 11, 2013, the Supervisory Board elected the following Members of the Management Board of the Bank for a joint 5-year term:

1. Cezary Stypułkowski - President of the Management Board, Chief Executive Officer
2. Przemysław Gdański - Deputy of the Management Board, Head of Corporate Banking
3. Jörg Hessenmüller - Deputy of the Management Board, Chief Financial Officer
4. Lidia Jabłowska-Luba - Deputy of the Management Board, Chief Risk Officer
5. Hans-Dieter Kemler - Deputy of the Management Board, Head of Investment Banking
6. Cezary Kocik - Deputy of the Management Board, Head of Retail Banking
7. Jarosław Mastalerz - Deputy of the Management Board, Chief Operations Officer.

Lidia Jabłowska-Luba became a new Member of the Management Board responsible for risk management. On September 17, 2013, the Polish Financial Supervision Authority granted consent to the appointment of Lidia Jabłowska-Luba as Member of the Management Board in charge of risk management at the Bank and Chief Risk Officer. Until then the President of the Management Board Cezary Stypułkowski acted as Chief Risk Officer.

On August 1, 2013, changes aimed at closer integration of corporate and investment banking became effective and hence the scopes of responsibilities of two Members of the Management Board were partly changed. The scope of operation of the Corporate Banking Line supervised by the Deputy Przemysław Gdański was extended by investment banking services for enterprises. At the same time, the Investment Banking Line supervised by the Deputy Hans Kemler was renamed Financial Markets Line.

Detailed information about the Members of the Management Board is presented below.

Cezary Stypułkowski - President of the Management Board, CEO



Born in 1956, Cezary Stypułkowski holds a Ph.D. in corporate law from the University of Warsaw. He studied at Columbia University Business School in New York as a member of the Fulbright Program in 1988-1989. He worked in government administration in the 1980s, among others as secretary to the Economic Reform Committee of the Council of Ministers and, in 1987, as advisor to the Prime Minister. From February 1991 he chaired the Management Board of Bank Handlowy S.A. for more than 12 years. He was President of PZU Group between June 2003 and June 2006. In December 2006, he became Managing Director of J.P. Morgan Investment Bank responsible for Central and Eastern Europe. Cezary Stypułkowski was also a member of the Deutsche Bank International Advisory Board, INSEAD International Advisory Board, Institute of International Finance in Washington and Geneva Association.

He was appointed President of the Management Board of the Bank on August 2, 2010, acting President of the Management Board of the Bank as of October 1, 2010, approved as President of the Management Board by the Polish Financial Supervision Authority on October 27, 2010.

Przemysław Gdański - Deputy of the Management Board, Head of Corporate and Investment Banking



Born in 1967, graduated from the University of Gdańsk (major: International Trade) and completed a one-year programme in international banking and finance at Loughborough University in the UK. In 2012 he completed the Advanced Management Program (AMP) at IESE Business School. He has been working in corporate banking for over 20 years. In 1993-1995, he worked for IBP Bank S.A. (BRE Bank was one of its shareholders), then for ABN Amro Bank in Poland, Romania and in the headquarters in Amsterdam. In 2002-

2006 he was the Managing Director of Large Corporates Division in BPH Bank S.A. From May to November 2006 he was CEO and General Director of Calyon Bank Polska and Calyon Branch in Poland. In November 2006, he took the position of Deputy of the Management Board of BPH Bank, responsible for corporate banking and real estate financing.

After the merger of a part of BPH Bank and Pekao SA, Mr Gdański was appointed Deputy of the Management Board, responsible for Corporate Banking, Markets and Investment Banking of Pekao SA.

Member of the Management Board of the Bank since November 19, 2008.

Jörg Hessenmüller - Deputy of the Management Board, Chief Financial Officer



Born in 1970. He graduated from the Hochschule für Bankwirtschaft in Frankfurt am Main in 1997 and was awarded a master's degree in management (Diplom-Betriebswirt (FH)). From 1989 to 2009 he worked for Dresdner Bank, holding the position of, among others, Head of Financial Control responsible for London, New York, Moscow, Sao Paulo and Asia. In 2009 Jörg Hessenmüller was appointed Managing Director in Commerzbank Group and worked as Head of Investment Banking Finance, Group Finance, responsible for controlling and management reporting on: Corporates and Financial Markets, Portfolio Restructuring Unit, Group Treasury and Public Finance.

Member of the Management Board of the Bank since April 16, 2012.

Lidia Jabłowska-Luba – Deputy of the Management Board, Chief Risk Officer



Born in 1963, graduated from the Mathematics Institute of the University of Gdańsk.

From 1994 to 2001 Lidia Jabłowska-Luba worked for Schroder Salomon Smith Barney Poland, advising clients, financial institutions in particular on M&A and public equity transactions. In 2002, Lidia Jabłowska-Luba joined Citigroup in Poland, first as Head of Financial Institutions & Public Sector Division and since November 2003 as Member of the Management Board in charge of finance and operational risk management, capital management and implementation of the New Capital Accord. In April 2008, Lidia Jabłowska-Luba joined KBC Group as Deputy of the Management Board of Kredyt Bank supervising the bank's Finance and Risk Division. She was also an advisor to the CEO of Warta S.A. and TUnŻ Warta S.A. In March 2010, she was appointed Senior General Manager at KBC Group in Brussels responsible for managing all risk types in the group, including model development and validation, risk policies and procedures, risk support for business decisions, supervision and reporting, ICAAP and ORSA processes, capital adequacy policy and technological support for risk management.

Member of the Management Board of the Bank since April 12, 2013.

Hans-Dieter Kemler – Deputy of the Management Board, Head of Financial Markets



Born in 1968, graduated from the Westphalian Wilhelm University of Münster in 1996. Between 1991 and 1992, worked in Bond Trading Department at Dresdner Bank. Between 1996 and 1998, employed with Sal. Oppenheim jr. & Cie. KGaA, Financial Markets Department in Frankfurt am Main. From 1998 to 2005, Head of the Corporate Risk Advisory in the Head Office of Commerzbank. Since 2005, member of the senior management of Commerzbank responsible for international public finance. He also acted as a managing director at Erste Europäische Pfandbrief- und Kommunalkreditbank AG in Luxemburg.

Member of the Management Board of the Bank since July 10, 2009.

Cezary Kocik - Deputy of the Management Board, Head of Retail Banking



Born in 1971, graduated from the University of Łódź. Holder of a degree in Finance and Banking and a securities broker license. In 1994–1996, securities broker at Dom Maklerski Banku PBG. In 1996, employed with Bank PBG in the area of investment banking, debt collection and restructuring. In 1999, employed with Pekao S.A., in particular as branch manager in Łódź. Mr Kocik has been working in the Bank since 2004, first as director of the Credit Risk Management Department, then director of the

MultiBank Sales and Marketing Department, and since 2008 as Managing Director for Retail Banking sales and business processes.

Member of the Management Board of the Bank since April 1, 2012.

Jarosław Mastalerz - Deputy of the Management Board, Chief Operations Officer



Born in 1972. In 1996, graduated from the Faculty of Economics and Foreign Trade at the University of Łódź. Between 1996 and 1998, he worked in the Audit Department of PricewaterhouseCoopers. In 1998-2003, Marketing Director and then Financial Director in Zurich Group. After the take-over of the Polish Zurich operations by Generali in 2003, he worked as a Financial Director (also responsible for bank assurance) at Generali TU and Generali TUnŻ. Since 2006, Mr Mastalerz has been working for BRE Bank Group (currently mBank Group). Co-author of the insurance project BRE Ubezpieczenia. President of the Management Board of BRE Ubezpieczenia and BRE Ubezpieczenia TUiR.

Member of the Management Board of the Bank since August 1, 2007. Head of Retail Banking until March 30, 2012. On April 1, 2012 appointed as Member of the Management Board for Operations and IT.

IX.2. Authority and principles of operation of the Management Board

The Members of the Management Board are jointly liable for the overall operation of the Bank. They work collegially and inform each other about the most important matters concerning the Bank for which particular Members of the Management Board are responsible. The Management Board may appoint standing committees or teams to perform specific functions or to co-ordinate the work of organisational units of the Bank or to perform specific tasks.

The following committees led by Members of the Management Board operate at mBank:

- Resource Management Committee (chairperson: Cezary Stypułkowski)
- Capital Management Committee (chairperson: Jörg Hessenmüller)
- Data Quality and IT Systems Development Committee (chairperson: Jörg Hessenmüller)
- Assets and Liabilities Management Committee of mBank Group (chairperson: Hans-Dieter Kemler)
- Foreign Branch Supervision Committee of mBank S.A. (chairperson: Cezary Kocik)
- Credit Committee of the Bank's Management Board (chairperson: Lidia Jabłonowska-Luba)
- Retail Banking Risk Committee (chairperson: Lidia Jabłonowska-Luba)
- Corporate and Investment Banking Risk Committee (chairperson: Lidia Jabłonowska-Luba)
- Financial Markets Risk Committee (chairperson: Lidia Jabłonowska-Luba)
- IT Architecture Committee of mBank S.A. (chairperson: Jarosław Mastalerz)
- IT Projects Committee of mBank S.A. (chairperson: Jarosław Mastalerz).

The Management Board manages the Bank's business, represents the Bank and defines the guidelines for the Bank's operation, especially for the areas subject to risks, including the credit policy, the investment policy, the Bank's assets and liabilities management policy, and the guarantee policy. The Management Board presents to the Supervisory Board comprehensive information on all significant aspects of the Bank's operation and risks related to its operation as well as risk management methods, on a regular basis.

The Management Board operates pursuant to its Rules approved by the Supervisory Board (available on the Bank's website). The Rules determine among others the issues which require consideration of the Management Board as a collegial body and adoption of a resolution of the Management Board.

All resolutions are adopted by a majority of votes of the Management Board Members present at the meeting, and in the case of an equal number of opposing votes, the President of the Management Board has the casting vote. The Members of the Management Board strive to adopt resolutions by consensus.

Pursuant to best practice principle, the Rules of the Management Board stipulate that a Member of the Management Board should abstain from participating in decision-making on such matters where a conflict of interest arises or may potentially arise between the Bank and the Member of the Management Board, his or her spouse or relatives.

Rules and levels of remuneration of Members of the Management Board are determined by the Remuneration Committee of the Supervisory Board.

Total remuneration of the Members of the Bank's Management Board includes a fixed and a variable part.

Under the Incentive Programme for Members of the Bank's Management Board of 2012 the Members of the Bank's Management Board have the right to receive a bonus, including a cashless bonus paid in the Bank's shares, including phantom shares (i.e. virtual shares).

The net ROE of mBank Group forms the basis for acquisition by the Members of the Management Board of the right to a bonus and for calculation of the base amount necessary to determine the amount of the bonus for a given financial year. Equivalent of 50% of the base amount calculated based on the amount of ROE constitutes a so-called guaranteed bonus in respect of achievement of financial result. As regards the remaining 50% of the base amount, the Executive Committee of the Supervisory Board may grant a so-called discretionary bonus if it decides that a given Member of the Management Board achieved the annual/multi-year business and development objective, taking into account the situation on financial markets in the last/previous financial period/s. 40% of the bonus of a Member of the Management Board for a given financial year, constituting the sum of the guaranteed bonus and discretionary bonus, is paid in cash, the remaining 60% is paid as a cashless bonus in three equal annual deferred tranches after: 12, 24 and 36 months from the date of acquiring by the Member of the Management Board of the right to a cashless bonus. The conditions for receiving a cashless bonus and its amount depend on net ROE in the financial year for which the cashless bonus is awarded, assessment of the financial standing of the Bank by the Remuneration Committee and assessment of the performance of a given Member of the Management Board in a period longer than one financial year.

Furthermore, in 2012 and 2013 the remuneration of the Members of the Bank's Management Board still included settlements under the 2008 incentive programme. All rights related to payments settled in the money equivalent based on Commerzbank shares and all rights related to payments settled in mBank shares under this programme have already been granted.

Detailed information on the incentive programme for the Members of the Bank's Management Board is presented in the chapter entitled "mBank Group's incentive system".

Total remuneration of the Management Board for the last two years is presented below:

2013 (PLN thousand)	Basic remuneration	Other profits	Bonus for 2012	Cash settlement of the incentive programme based on Commerzbank shares
Remuneration paid in 2013				

Members of the Management Board who performed their function on December 31, 2013	9,038.2	1,229.3	4,920.0	249.7
Former Members of the Management Board	488.3	1,535.0	1,249.3	382.6
Total	9,526.5	2,764.3	6,169.3	632.3

2012 (PLN thousand)	Basic remuneration	Other profits	Bonus for 2011	Cash settlement of the incentive programme based on Commerzbank shares	Additional bonus for 2008
Remuneration paid in 2012					
Members of the Management Board who performed their function on December 31, 2012	9,393.7	1,359.1	6,597.2	343.7	1,900.0
Former Members of the Management Board	1,029.8	50.8	2,205.0	680.9	636.9
Total	10,423.5	1,409.9	8,802.2	1,024.6	2,536.9

Information on the remuneration received by particular Members of the Management Board is presented in note 44 to mBank S.A. Group Consolidated Financial Statements for 2013 in accordance with the International Financial Reporting Standard, while the detailed description of the share-based incentive programme for the Management Board is presented in note 43 to mBank S.A. Group Consolidated Financial Statements for 2013.

IX.3. Composition of the Supervisory Board - changes in 2013

The Supervisory Board acts on the basis of adopted Rules and performs the functions provided for in the By-laws of the Bank, the Code of Commercial Partnerships and Companies, and the Banking Law Act. The By-laws of mBank provide that the Supervisory Board consists of no less than five Members elected by the General Meeting for a joint term of three years. The number of the Supervisory Board Members is defined by the General Meeting. A Member of the Supervisory Board whose mandate expired in the course of the joint term of the Supervisory Board may be replaced with another person, elected by the Supervisory Board.

At least half of all Supervisory Board members, including the Chairman, shall have Polish citizenship. Pursuant to the statutory requirement, at least two Supervisory Board Members are independent, unless the General Meeting decides otherwise. The independence criteria of the Supervisory Board Members were introduced by the Resolution No 23 of the XXI Ordinary General Meeting dated March 14, 2008, and are stipulated in the Rules of the Supervisory Board.

The 26th General Meeting of BRE Bank held on April 11, 2013, extended the composition of the Supervisory Board by appointing Martin Blessing and Wiesław Thor as Members of the Supervisory Board as of April 12, 2013.

On November 13, 2013, Ulrich Sieber resigned from his position as Member and Deputy Chairman of the Supervisory Board as of November 30, 2013. The resignation was linked to Mr Sieber's ending term of office in the Commerzbank AG Management Board.

Pursuant to a Resolution of the Supervisory Board of the Bank dated December 12, 2013, Martin Zielke was appointed as Member of the Supervisory Board of the Bank until the end of the term of office of the current Supervisory Board.

Composition of the Supervisory Board at the end of 2013 is presented in the table below.

Maciej Leśny - Chairman of the Bank's Supervisory Board

In 1969 Maciej Leśny completed his studies at the Faculty of Economic Sciences at the Warsaw University. During his professional career, Mr Leśny worked for 6 years in the shipbuilding industry in Gdańsk and 8 years for Zakłady Elektronicznej Techniki Obliczeniowej. For more than 22 years he had worked in the central state administration, including 8 years in the position of Undersecretary of State: in the Ministry of Foreign Economic Co-operation; the Ministry of Economy; the Ministry of Economy, Labour and Social Policy; and finally in the Ministry of Infrastructure.

He completed post-graduate studies and training in the United States the Michigan University (Business School of Administration) and De Paul University (Chicago). In 1992-1993, as a scholarship holder of the US government, Mr Leśny studied at the American University in Washington, DC. During his scholarship he served a four-month internship at the World Bank and completed a privatization training course in the International Monetary Fund. From March 1994 to 1998, Chairman of the Supervisory Board of BRE Bank. By December 2001, Member of the Supervisory Board. In 2004, Mr Leśny was re-elected Chairman of the Supervisory Board.

Martin Zielke – Deputy Chairman of the Supervisory Board

Mr Zielke studied at Göttingen University in 1985-1990, Master's degree (Diplom-Kaufmann) in Economics graduated in 1990.

In 1983-1985 he worked for Deutsche Bank AG, Kassel Branch. In 1990-2000 he worked for Dresdner Bank AG in Frankfurt am Main. In 1990-1995, Mr Zielke was the manager of sub-project relating to retail customer strategy. In 1997, he was the head of new market positioning project. In 1997-1999, Mr Zielke was the Regional Head of Retail Banking, Northern Region. In 1999-2000, Mr Zielke was the Head of special project on retail banking / Area Head of Business Development

Later, until May 2001 he was a Regional Head of Portfolio Investment, Member of Operative Management Team in Deutsche Bank 24. In June-December 2001, Mr Zielke was the Regional Head of Financing Retail Banking with Deutsche Hyp, Frankfurt am Main. In January 2002 – December 2004, he was the Group Manager, Retail Banking, Commerzbank AG, Frankfurt am Main. In January 2005 - March 2006, Mr Zielke was the Group Manager Corporate Banking Commerzbank AG, Frankfurt am Main. From April 2006 to December 2007, Mr Zielke was the Member of the Board of Managing Directors of Eurohypo Aktiengesellschaft, Eschborn.

From February 2008 to November 2010, Mr Zielke was the Group Manager, Group Finance Division, Commerzbank AG, Frankfurt am Main.

Since November 2010 he has been a Member of the Board of Managing Directors of Commerzbank AG, responsible for the Private Clients Segment. Member of the Supervisory Boards of Comdirect Bank AG, Commerz Real AG and Commerz Real Investmentgesellschaft mbH.

Martin Blessing – Member of the Supervisory Board

Martin Blessing studied Business Administration at Frankfurt and St. Gallen Universities. In 1988 he was awarded an MBA from the University of Chicago.

Between 1989 and 1996 he worked for McKinsey in Frankfurt am Main and New York, becoming a Partner in 1994. In 1997 he joined Dresdner Bank AG, where he was Joint Manager of the Department for Private Customers. From 2000 to 2001 Mr Blessing has been Chairman of the Board of Advance Bank AG in Munich. Martin Blessing was appointed to the Board of Managing Directors of Commerzbank AG in 2001 and became the Chairman of the Board of Managing Directors in 2008.

Stephan Engels – Member of the Supervisory Board

Stephan Engels studied Business Administration at the University of St. Gallen. Between 1988 - 1993 he worked at Daimler-Benz AG's internal audit department. Afterwards he headed the Regional Controlling Europe at debis AG for three years. From 1996 to 2000 he served as Chief Financial Officer at debis AirFinance B.V. In 2000 he joined DaimlerChrysler Bank AG, lastly as Member of the Board for Credit then Chief Financial Officer & IT.

From 2003 he worked at DaimlerChrysler Services AG, lastly as a Member of the Board for Finance, Controlling, Risk Management & Strategy. From 2007 - 2012 he was a Member of the Executive Committee of Mercedes-Benz Car Group for Finance & Controlling and Head of Management Group Controlling at Daimler AG. Since April 2012 he is a Member of the Board of Managing Directors at Commerzbank AG.

Andre Carls – Member of the Supervisory Board

Having studied business economics and completed a doctorate at the University of Cologne, Dr Carls joined Commerzbank through an international trainee programme in 1990.

He subsequently held various positions in Corporate Finance and Capital Markets in Frankfurt and from 1998 to 2000 was Executive Director of the investment banking division of Commerzbank in London.

From 2000 to 2008 Dr Carls was a member of the Board of Managing Directors of comdirect bank AG, from September 2002 to November 2004 as CFO and from November 2004 to March 2008 as CEO of comdirect bank AG.

From March 2008 to September 2008 he held the position as Deputy of the Management Board and CFO of BRE Bank SA.

From March 2008 to December 2013 Dr Carls has been CEO of Commerzbank Auslandsbanken Holding AG and CEO of Central & Eastern Europe-Holding of Commerzbank AG.

In January 2014, Dr Carls became Divisional Board Member in the "Mittelstandsbank" of Commerzbank AG.

Thorsten Kanzler - Member of the Supervisory Board

Thorsten Kanzler studied mechanical engineering and economics at the University of Technology in Darmstadt (Germany), where he obtained the Diplom-Wirtschaftsingenieur (M.Sc. Eng.).

From 1991 to 2004 he was employed at Deutsche Bank AG on various positions in the treasury and risk management area in Frankfurt, New York, Sydney and London. Between 2004 and 2007, Mr Kanzler was Group Treasurer and Divisional Board Member of Corporate & Investment Banking in WestLB AG in Düsseldorf. From May 2007, Mr Kanzler was Head of Group Treasury & Capital Management at Dresdner Bank AG in Frankfurt am Main.

Since the beginning of 2009, Mr Kanzler has been Divisional Board Member for Group Treasury at Commerzbank AG. Mr Kanzler is responsible for assets and liabilities management, risk management of the banking books, capital management and funding.

Teresa Mokrysz – Member of the Supervisory Board

Ms Mokrysz graduated from the University of Economics in Katowice in 1978.

In 1990, she created the Mokate brand, one of the most recognisable Polish brands in the world. She transformed a small family firm into a global business. As one of the owners, Ms Mokrysz runs eight Mokate enterprises headquartered in Poland and in other countries of Central Europe. She built manufacturing plants in the Polish towns of Żory and Ustroń from scratch and developed the manufacturing plant located nearby Prague, Czech Republic (producing coffee, tea and intermediate goods for food industry). Under her leadership the company entered nearly 70 markets, selling its products on all continents.

Ms Mokrysz was a winner of the "Leader of the Decade" title given by Gazeta Wyborcza daily, and the "Success of the Decade" title by the Businessman Magazine. In 2000, the International Foundation for Women's Entrepreneurial Spirit from Los Angeles awarded Ms Mokrysz the title of "the most entrepreneurial woman of the world". Founder of scholarships for talented and impoverished youth, provides financial support to health care institutions, nursing homes, children's homes and schools.

Dirk Wilhelm Schuh - Member of the Supervisory Board

Dirk Schuh is a graduate of the Frankfurt School of Finance and Management, Bankakademie.

Mr Schuh was employed with Dresdner Bank AG for 19 years. In 1989–1991 he was a team leader in the credit risk department of the head office of Dresdner Bank. From 1992 to 1995 Mr Schuh was a branch director in Dortmund. In 1996, Mr Schuh was responsible for the development of the corporate banking strategy in the head office. In 1997, he was responsible for the corporate banking area in Dresdner Bank in Dresden. In 1998, Mr Schuh was appointed regional manager for the south-east region in Leipzig.

In 2000, Mr Schuh was spokesperson for the Management Board of Deutsche Hypothekbank Frankfurt – Hamburg AG. In 2002, he was appointed deputy chairman of the Management Board of Eurohypo AG.

In 2008, Mr Schuh was employed with Commerzbank Group as head of operations and credit risk. From 2009 to 2012 he was Divisional Board Member Group Credit Risk Management and Group Chief Credit Officer. Since November 2012 Mr Schuh has been Divisional Board Member Group Credit Risk Non-Core Assets and also since November 2013, Mr Schuh has been spokesperson of the Management Board of Hypothekbank Frankfurt AG (formerly known as Eurohypo).

Waldemar Stawski - Member of the Supervisory Board

Graduate of the Gdańsk Technical University and post-graduate studies in: Accounting and Finance (2009-2010), Financial Analysis in Business Management (1992-1993), Microprocessors in Ergoelectronics and Propulsions (1986-1987), Didactics and Pedagogy (1984-1985).

In 1991-2011 he underwent domestic and foreign training on banking, finance and bank's organization.

Mr Stawski holds the Accounting Certificate issued by the Minister of Finance and is authorised to provide bookkeeping services. He passed the exam for the candidates for members of supervisory boards at state-owned companies (certificate MPW 8 April 1995).

In 1983-1991, Mr Stawski was a member of the teaching staff of the Maritime University of Gdynia. In 1991, he became an employee of Pomorski Bank Kredytowy. In 1993, Mr Stawski became a branch director in Gdynia. In 1995-2000, he was Director of the Regional Branch of PKO BP in Gdańsk. In 2000, Mr Stawski was appointed Deputy of the Management Board of PKO BP SA responsible for managing the treasury, corporate clients, capital market and corporate governance areas. From June 2002 to February 2003, Mr Stawski was Chairman of the Team of Receivers for Wschodni Bank Cukrownictwa SA. Then, Member of the Management Board of CTL Logistics SA and General Director of the Polish Association of Transport and Logistics Employers.

In 2006, Mr Stawski became consultant of ALDAZ Sp. z o.o. Mr Stawski currently acts as Director at Zarzecki, Lasota i Wspólnicy Sp. z o.o.

In 2012, Mr Stawski was elected Member of the Management Board of Gdańsk Business Club of which he has been a member since 1995. In 2012, he was appointed to the Council of the Maritime University of Gdynia.

Jan Szomburg – Member of the Supervisory Board

Jan Szomburg graduated the University of Gdańsk, PhD in economics. Mr Szomburg previously worked as an assistant and then as a lecturer at the University of Gdańsk.

He was a founder and the President of the Management Board of the Gdańsk Institute for Market Economics. In 1990s, Mr Szomburg was Chairman of the Supervisory Board of Polski Bank Rozwoju and Bank Gdański. He was also an advisor to the ownership transformation minister, a member of the Prime

Minister's Ownership Transformation Council.

At present, Mr Szomburg is the President of the Management Board of the Institute for Market Economics.

Wiesław Thor – Member of the Supervisory Board

Wiesław Thor graduated from the Central School of Planning and Statistics (currently Warsaw School of Economics - SGH), training program "Train the Trainer" organised by KPMG and the South Carolina Business School, and summer school of banking at McIntire University Business School. Employed with BRE Bank since 1990 in the following positions: Specialist, Division Head, Deputy Director of the Warsaw Branch, Director of the Credit Department, and Chief Risk Officer from May 2000. From August 1, 2002, Country Risk Manager at Bank Handlowy S.A. in Warsaw.

On November 2, 2002, Mr Thor was appointed Member of the Management Board of BRE Bank, Chief Risk Officer. He was Deputy of the Management Board of BRE Bank from March 15, 2008 to April 11, 2013.

Lecturer at the Warsaw Institute of Banking and SGH. Long-time Member of the Steering Committee of the Risk Management Association (formerly: Robert Morris Association European Credit & Risk Management Round Table) and Member of PRMIA Polska.

Marek Wierzbowski - Member of the Supervisory Board

Professor ordinarius at the University of Warsaw, legal advisor, the founding partner of the law firm "Prof. Marek Wierzbowski & Partners – Advocates and Legal Counselors", member of the Public Procurement Council, President of the Arbitration Court of the Chamber of Brokerage Houses, Deputy Chairman of the Supervisory Board of the Warsaw Stock Exchange, member of the Board of Directors of the Polish-U.S. Fulbright Commission, member of the Council in the European Law Institute based in Vienna.

He was the deputy dean of the Faculty of Law and Administration, as well as vice chancellor of the University of Warsaw. For many years he was an associate of law firms Weil Gotshal & Manages and Linklaters. In his legal practise he managed legal teams, supporting numerous transactions, including sales of shares in connection with privatization of large enterprises. He participated in establishing brokerage houses.

Mr Wierzbowski represented the Securities and Exchange Commission and the Commission for Banking Supervision in the Supreme Administrative Court. He was an advisor to the Minister of Privatisation, the Minister of Treasury and the President of the Energy Regulatory Office. He was also the vice-president of the Court of Arbitration at the Polish Chamber of Commerce.

The composition of the Supervisory Board reflects the care exercised to achieve the greatest possible diversification of members both in terms of their professional experience as well as their knowledge and skills. The Supervisory Board is composed of representatives of mBank's main shareholder, specialists of science and business, and persons having vast legal knowledge and banking expertise.

Independent Members of the Supervisory Board of mBank are: Maciej Leśny, Teresa Mokrysz, Waldemar Stawski and Marek Wierzbowski. Jan Szomburg does not meet the criteria of an independent member as he was the chairman of the Supervisory Board for over 12 years, whereas Wiesław Thor is not an independent member as he was a Member of the Management Board at mBank, and holding the function of Member of the Management Board at the Bank in the past five years is one of the reasons why a Member of the Supervisory Board cannot be considered an independent member. Martin Blessing, Andre Carls, Stephan Engels, Thorsten Kanzler, Dirk Wilhelm Schuh and Martin Zielke are not independent members due to their relation with the main shareholder of mBank.

The term of the Supervisory Board expires on the day of the General Meeting in 2014.

IX.4. Authority and principles of operation of the Supervisory Board

The Supervisory Board exercises permanent supervision over the activities of the Bank in all areas of its business.

In addition to the rights and obligations prescribed by law and the By-laws, the responsibilities of the Supervisory Board shall specifically include the following matters:

- Approving the proposals of the Management Board concerning the essential organizational structure of the Bank which shall be construed as separated structurally and organizationally basic areas of the Bank's operation reporting to particular members of the Management Board
- Approving the Bank's annual financial plans and multi-annual development plans
- Examination of all motions and matters subject to resolutions of the General Meeting of Shareholders
- Issuance or approval of rules provided for in the By-laws
- Defining management contracts and setting remuneration for members of the Board of Management
- Receipt of information on formation, acquisition, closing and disposal of branches, permanent establishments and parts of a business as well as of initiation and termination of lines of business and fields of activity in advance
- Approval of conclusion or amendment of each significant agreement or arrangement with the members of the Management Board or the Supervisory Board
- Approval of conclusion, amendment or termination of any significant affiliation agreements or cooperation treaties
- Receipt of information on expected deviations from the annual budget
- Issuing general guidelines for the Management Board regarding the level and structure of remuneration for senior management of the Bank
- Approval of the policy of variable items of remuneration of the persons holding managerial positions at the Bank.

Meetings of the Supervisory Board are convened by the Chairman of the Supervisory Board on his or her own initiative or on request of the Management Board or on request of the Supervisory Board Member at least three times a year. All the Management Board Members participate in meetings of the Supervisory Board except for those agenda items which directly concern the Management Board or its Members.

The Supervisory Board can pass resolutions provided that at least half of its members are present at the meeting while all the members have been invited. In exceptional cases, members of the Supervisory Board may pass resolutions by casting their votes in writing, with the mediation of another member of the Supervisory Board. No votes can be cast in writing on issues added to the agenda in the course of the meeting of the Supervisory Board.

Resolutions of the Supervisory Board shall be passed by an ordinary majority of votes and in case of an equal number of votes, the vote of the Chairman of the Supervisory Board shall prevail.

No resolution should be passed without the consent of the majority of the Independent Members of the Supervisory Board on the following matters:

- Any benefits provided by the Bank or any entities associated with the Bank to the Members of the Management Board
- Consent for the Bank to enter into a significant agreement with an entity associated with the Bank, a member of the Supervisory Board or the Management Board, or entities associated with them.

Adoption of resolution in contravention with the above mentioned requirement shall not, however affect its validity, if adopted in accordance with the provisions.

The Supervisory Board has 4 Committees: the Executive Committee, the Risk Committee, the Audit Committee, and the Remuneration Committee. Members of individual committees are presented below (in the first places - chairman of the committee).

Executive Committee	Risk Committee	Audit Committee	Remuneration Committee
<u>Maciej Leśny</u>	<u>Dirk Wilhelm Schuh</u>	<u>Stephan Engels</u>	<u>Andre Carls</u>
Martin Blessing	Thorsten Kanzler	Andre Carls	Maciej Leśny
Andre Carls	Maciej Leśny	Maciej Leśny	Marek Wierzbowski
Jan Szomburg	Waldemar Stawski	Teresa Mokrysz	

The tasks of the Executive Committee involve, in particular, exercising regular supervision over the Bank's operation in the periods between meetings of the Supervisory Board. The Executive Committee authorises the Management Board to acquire, encumber or dispose of real estate, perpetual leasehold, or interests in real estate, shares or equity interests in companies, and other fixed assets if the value of the transaction exceeds 1% of the Bank's own funds. Such authorisation is not required if the aforesaid acquisition took place as part of enforcement or bankruptcy proceedings, including the bankruptcy proceeding with the possibility to make an arrangement or other settlement with the Bank's debtor or in the case of the sale of assets so acquired.

The Audit Committee issues opinions about the selection of the Bank's statutory auditor by the General Meeting, recommends whether the Supervisory Board should approve or reject financial statements, exercises regular supervision over the internal control system at the Bank, and approves changes proposed by the Management Board of the Bank as regards the head of the Internal Audit Department.

The Audit Committee must be composed of at least one independent Supervisory Board Member with qualifications and experience in accounting and finance.

The Risk Committee has among others the following tasks: exercising permanent supervision over credit risk, market risk, operational risk and liquidity risk. Moreover, the Risk Committee issues recommendations for approval or rejection of exposures posing single entity risk, in accordance with the parameters defined by the Supervisory Board at the time. Moreover, the Risk Committee issues recommendations for approval or rejection of the transactions, provided for in the Banking Law, between the Bank and Members of the Bank's authorities, and recommendations for approval or rejection of the Bank's information policy regarding risk management.

The tasks of the Remuneration Committee include: reviewing the remuneration principles and amounts of remuneration paid to Members of the Management Board, setting the remuneration levels, presenting opinions concerning approval for Members of the Management Board of mBank S.A. to engage in competitive activity, issuing recommendations to the Supervisory Board regarding the general guidelines for the Management Board on the level and structure of remuneration for the Bank's senior management and the policy of variable components of remuneration paid to persons holding managerial positions at the Bank. Moreover, the Committee monitors the level and structure of the remuneration paid to senior managers.

All standing committees of the Supervisory Board make reports pertaining to their performance in the past reporting period available to shareholders. The aforesaid reports are appended to the set of materials for the Ordinary General Meeting.

The amount of monthly remuneration of the Members of the Supervisory Board was set in Resolution No. 26 adopted by the 25th General Meeting of BRE Bank held on 30 March 2012. The Chairperson of the Supervisory Board earns PLN 17,000 monthly, the Deputy Chairperson - PLN 14,500 monthly, while members of the Supervisory Board earn PLN 12,000 monthly.

Additional monthly remuneration is granted for participation in standing committees: 50% of the monthly basic remuneration for the first committee and 25% for participating in every other committee. Total remuneration for the participation in committees cannot exceed 75% of the basic remuneration.

Total remuneration of the Supervisory Board paid in 2012-2013 is presented in the table below.

Year	2013	2012
Remuneration in PLN thousand	2,370.5	2,283.7

Detailed information about the remuneration amounts paid to individual Members of the Supervisory Board is included in explanatory note no. 44 to mBank S.A. Group Consolidated Financial Statements 2013 in accordance with the International Financial Reporting Standards.

IX.5. Operation of the Supervisory Board and its Commissions in 2013

In 2013 the Supervisory Board cooperated with the Management Board closely and regularly on the implementation of main strategic assumptions of the Bank, including rebranding which took place in 2013.

In 2013, the Supervisory Board held 6 meetings and adopted 57 resolutions. The resolutions covered all areas of the Bank's operation and were consistent with the scope of supervisory functions specified in laws, KNF's recommendations and internal regulations of the Bank.

The adopted resolutions concerned among others:

- Acceptance of financial statements of mBank, mBank Group and of other materials for the OGM
- Adoption of the Financial Plan for 2014 and for the Med-Term Plan for 2014-2017
- Adoption of the Capital Management Policy
- Allocation of funds to the mBank Foundation
- Adoption of the information policy in the scope of capital adequacy
- Adoption of the investment policy in the scope of Mezzanine Finance
- Approval of the general organisational structure of mBank
- Adoption of the remuneration system at mBank, including the policy and rules for remunerating risk-takers at the Bank
- Approval of the Employee Incentive Programme Regulations, Information Memorandum drawn up to implement the Employee Incentive Programme and set dates for acquiring shares under the Programme
- Appointment of the Management Board for a new term
- Adoption of the rules for planning and evaluating MbO objectives for Management Board Members, as well as approving MbO objectives for 2014
- Adoption of the new wording of mBank By-laws, Rules of the Supervisory Board of mBank and the Rules of the Management Board of mBank, Rules of the Audit Committee, Rules of the Remuneration Committee and Rules of Risk Committee of the Supervisory Board of mBank
- Acceptance of the Internal Audit Plan for 2013
- Adoption of the compliance policy and approval of the report from the compliance risk management
- Adoption of the Policy of Managing Conflicts of Interest
- Adoption of the strategy list and policies requiring acceptance of the Risk Committee of the Supervisory Board and approval of Supervisory Board
- Approval of the risk management strategy
- Approval of the market risk strategy.

Furthermore, current results of mBank Group and its particular business areas were discussed and evaluated in a systematic, regular manner at the meetings of the Supervisory Board with reference to the financial plan.

Attendance of the Supervisory Board Members at meetings and participation in the Committees in 2013 is presented in the table.

	Attendance*	Executive Committee	Risk Committee	Audit Committee	Remuneration Committee
Martin Blessing (since April 12, 2013)	4/4	X (since April 12, 2013)			
Andre Carls	6/6	X		X	X
Stephan Engels	3/6			X	
Thorsten Kanzler	5/6		X		
Maciej Leśny	6/6	X	X	X	X
Teresa Mokrysz	4/6			X	
Dirk Wilhelm Schuh	6/6		X		
Ulrich Sieber (until November 30, 2013)	3/5	X (until April 11, 2013)			
Waldemar Stawski	6/6		X		
Jan Szomburg	5/6	X			
Marek Wierzbowski	5/6				X
Wiesław Thor (since April 12, 2013)	4/4				

* Attendance at meetings / number of meetings during a term of office

In performing its function of ongoing supervision of the Bank's operation in the periods between meetings of the Supervisory Board, the Executive Committee co-operated closely with the Management Board and was informed about the situation in the Bank on an ongoing basis. Apart from meetings of Supervisory Board, Member of the Committee has regular meetings with Members of the Management Board discussing the most important current issues of the Bank. Under the By-laws of the Bank, the Executive Committee took decisions on transactions exceeding 1% of the Bank's own funds.

The Audit Committee has been regularly informed about the results and the financial standing of the Bank and mBank Group and has been receiving and analysing information on actions taken in the key risk areas.

The Committee held four meetings in 2013 and discussed, among others, the following:

- Compliance of the process of preparing financial statements with the law and applicable regulations
- Appointment of a new external auditor for mBank and mBank Group
- Co-operation with the Bank's external auditor
- Conclusions from the audit of the annual financial statements of BRE Bank Group for 2012
- Scope of the audit of the financial statements for 2013
- Assessment of and supervision over the Internal Audit Department
- Assessment of and supervision over the internal control and risk management system at mBank in 2012
- Approval of reports of the Compliance Department.
- The Audit Committee recommended that the Supervisory Board approve the following:
 - Reports of the Management Board on operation of BRE Bank and mBank Group in 2012, and Financial Statements for 2012
 - Appointment of a new external auditor

- Annual report on compliance risk management at BRE Bank in 2012
- Report of the Outsourcing Coordinator in respect to the implementation of the Outsourcing Policy at mBank in 2012
- Annual report on supervising the processes of handling claims and complaints at BRE Bank in 2012
- Audit Plans of the Internal Audit Department for 2013.

At its meetings in 2013 the Risk Committee regularly discussed the quarterly risk reports (capital adequacy, liquidity risk, credit risk, operational risk, market risk and interest rate risk), and a range of issues related with the credit portfolio. Other major issues considered by the Committee included the largest exposures, development of risk parameters and of loan loss provisions at the Bank and in the Group.

In 2013, the Risk Committee issued 73 recommendations concerning exposures posing single entity risk in accordance with the parameters defined by the Supervisory Board.

The Remuneration Committee held two meetings in 2013 and discussed the issues concerning adoption of:

- Regulations of Incentive Programme at mBank
- MbO objectives for Members of the Management Board of mBank
- Amendments to Management Contracts of Members of the Management Board
- "Remuneration policy of mBank"
- Identification of risk takers at mBank and rules for their remuneration
- "Rules for planning and management by objectives assessment (MbO) for Members of the Management Board of mBank".

In 2013 the Remuneration Committee took 30 decisions and submitted recommendations on the above issues to the Supervisory Board.