



Statement of mBank on application of Corporate Governance principles in 2014

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I. Application of corporate governance principles

mBank is subject to corporate governance principles contained in the following documents:

1. "Code of Best Practice for WSE Listed Companies"
2. "Principles of Corporate Governance for Supervised Institutions"

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 the Principles of Corporate Governance for Supervised Institutions are available on the website of the Polish Financial Supervision Authority (<http://www.knf.gov.pl/regulacje/praktyka/index.html>).

I.1. "Code of Best Practice for WSE Listed Companies"

Since the introduction of its shares into public trading in securities, the Bank has made efforts to provide all shareholders with access to corporate information and to respect shareholders' rights irrespective of the size of their stake. The aspiration to ensure full transparency of operation and to pursue the code of ethics inspired compliance with the best practices of listed companies starting with the "Code of Best Practice of Public Companies 2002". Both the Management Board and the Supervisory Board of the Bank have passed resolutions expressing the intention to apply the recommendations and principles defined in the "Code of Best Practice" and the commitment to report any breach. The currently applicable version of the "Code of Best Practice for WSE Listed Companies" including amendments introduced by Resolution No. 19/1307/2012 of the WSE Supervisory Board of 21 November of 2012 came into effect on 1 January 2013. In December 2014, the Warsaw Stock Exchange opened consultations on draft amendments of the "Code of Best Practice for WSE Listed Companies". The draft provides for amendments to the content, layout, and thematic organisation of the "Code of Best Practice", as well as modifications of the corporate governance compliance reporting system.

In 2014, similarly to 2013, mBank applied the principles of the "Code of Best Practice for WSE Listed Companies" with the exception of Rule no. 10 point 2 in chapter IV of the "Code of Best Practice for WSE Listed Companies".

The 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 broadcast 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 carries legal, organisational and technical risks. Binding provisions of the law do not define the status of a shareholder participating in a General Meeting with the use of means of electronic communication who does not take a part in voting, which generates unnecessary legal risks. It should be noted that mBank has a stable majority shareholder while a large part of minority shareholders are represented at each General Meeting even if participation in General Meetings with the use of means of electronic communication is not available.

In the opinion of the Management Board, the rules for participating in General Meetings of the Bank, currently applicable at the Company, allow for adequate protection of the interests of all shareholders, including the minority shareholders, allowing them to exercise all rights attached to shares. It should be noted that the draft new "Code of Best Practice" has largely relaxed the requirements to organise electronic General Meetings.

With respect to the Recommendations listed in the "Code of Best Practice for WSE Listed Companies", Point 9 of the Recommendations, which calls for ensuring a balanced proportion of women and men in management and supervisory functions in companies, requires an additional commentary.

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

The persons recommended and appointed to the Bank's Management Board and Supervisory Board should display the highest competence, be adequately educated and experienced, and have a professional track record. Other factors, such as gender, are not a determinant in this respect. mBank 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 the duly authorised bodies of the Company.

As at the end of 2014, the 12-member Supervisory Board of mBank had two female members: Teresa Mokrysz and Agnieszka Słomka-Gołębiowska. The 7-member Management Board of mBank had one female member: Lidia Jabłonowska-Luba, Chief Risk Officer.

I.2. "Principles of Corporate Governance for Supervised Institutions"

The "Principles of Corporate Governance for Supervised Institutions" approved by the Polish Financial Supervision Authority on 22 July 2014 are in effect since 1 January 2015. Although this report concerns the year 2014, reference should be made to the "Principles of Corporate Governance for Supervised Institutions" as well because the Management Board and the Supervisory Board of mBank passed decisions concerning the scope of their application as early as Q4 2014.

The "Principles of Corporate Governance for Supervised Institutions" cover relations with shareholders and clients, issues relating to the organisational structure, an effective and efficient internal control system, as well as the risks of business activities. The document emphasises that supervised institutions as institutions of public trust should exercise utmost care in their activities. Therefore, it is crucial that members of the authorities of supervised institutions represent the highest professionalism and ethics. Furthermore, a company's shareholders are expected to act in a responsible and loyal manner.

mBank has accepted for application the "Principles of Corporate Governance for Supervised Institutions" excluding the rules defined in § 8 point 4 and § 16 point 1 of the "Principles".

The rule in § 8 point 4, which provides as follows: "A supervised institution, when justified by the number of shareholders, should strive for facilitating the participation of all shareholders in the meeting of the General Meeting of the supervised institution, among others, through ensuring the possibility of electronic active participation in the meetings of the General Meeting", is similar to rule 10 point 2 in chapter IV of the "Code of Best Practice for WSE Listed Companies". As a large part of mBank's shareholders are represented at General Meetings even if active participation with the use of means of electronic communication is not available, with a view to mitigating the risk inherent in active participation in General Meetings with the use of means of electronic communication, mBank has decided that non-compliance with the rule defined in § 8 point 4 was justified.

Likewise, mBank does not comply with the rule defined in § 16 point 1, which provides as follows: "It is proper that meetings of a management body shall be held in Polish. In case of need, necessary assistance of an interpreter should be ensured." The non-compliance derives from the fact that all Members of mBank's Management Board speak fluent English. Communication without an interpreter is more effective as discussions and decisions can be made without the participation of a third party (interpreter). In some circumstances, the participation of an interpreter could make discussions at Management Board meetings more difficult or prolonged due to the complex nature of issues under discussion as well as the specialised language. Furthermore, given that Management Board meetings review information that constitutes the company's secret, it is legitimate to limit to the bare minimum the participation of non-members of the Management Board at its meetings. At the same time, most of mBank's Management Board Members speak Polish, which implies that the Bank can be represented whenever participation of Management Board Members is required including communications in Polish without an interpreter. Furthermore, minutes of Management Board meetings as well as resolutions of mBank's Management Board are prepared in two language versions, ensuring compliance with the provisions of § 16 point 2 of the "Principles".

Some of the "Principles of Corporate Governance for Supervised Institutions", especially those defined in chapter II, are addressed to shareholders of supervised institutions rather than such institutions;

consequently, such principles cannot be approved for application by the Management Board or the Supervisory Board. The principles addressed to the shareholders will be presented to mBank's shareholders at the Ordinary General Meeting.

I.3. "Code of Banking Ethics"

Irrespective of the corporate governance principles, mBank has for many years complied with best banking industry practices developed by the Polish Bank Association (ZBP). The currently applicable version of the Code of Banking Ethics was approved 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 Code of Banking Ethics includes two parts: Code of Best Banking Practice and Code of Employee Ethics. The Code of Banking Ethics is available on the website of the Polish Bank Association (<http://zbp.pl/dla-bankow/zespoly-rady-i-komitety/dzialania-w-obszarze-legislacyjno-prawnym/komisja-etyki-bankowej>).

I.4. Transparent information policy

mBank pursues an open, transparent, and effective information policy. Representatives of the Management Board and the Investor Relations Section actively participate in meetings with investors on a regular basis, 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, General Meetings, ratings, the Euro Medium Term Note Programme, quotations of the Bank's shares on the WSE, analysts' recommendations, the consensus on 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 the 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. The Bank's website features 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 (for more information, please see section 11.3. Investor Relations 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 authorities, 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 authorised to audit financial statements, and information on the participation of men and women in statutory bodies of mBank.

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

mBank is equipped with an internal control system which supports Bank management by ensuring the efficiency and 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.

The internal control system includes the following:

- functional control which covers all organisational units and all processes
- risk monitoring and risk control mechanisms
- monitoring compliance of the Bank's operation with the provisions of law and internal regulations
- internal audit.

The adequacy and effectiveness of the internal control system is subject to independent assessment of the Internal Audit Department (DAW). The audit results are reported, among others, to the President of the Management Board, the Chief Risk Officer, and the Chairman of the Supervisory Board of the Bank.

The process of preparing financial data for reporting 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 President of the Management Board, Chief Financial Officer.

Financial statements are submitted to the Management Board for verification. The Audit Committee of the Supervisory Board receives information on quarterly financial statements and on profit and loss before it is published. After consultations with the Bank's external auditor and the Members of 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 mBank are respectively subject to an independent audit or review by the 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 Authorised to Audit Financial Statements, and Public Supervision dated 7 May 2009 (Journal of Laws of 2009, No. 77, item 649). Furthermore, mBank abides with all recommendations issued by the Polish Financial Supervision Authority regarding the change of statutory auditors.

Pursuant to a resolution of the 26th Ordinary General Meeting of the Bank in 2013, Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością sp. k. was the entity authorised to audit 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 amount of fees paid to Ernst & Young is presented in Note 47 to the Consolidated Financial Statements.

The procedures of co-operation 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 on-going 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 2013" contest and received the special award "The Best of the Best". These are yet further awards won by mBank in contests organised by the Institute of Accounting and Taxes (IRiP). Following previous editions, the Bank is a four-time winner in the category of financial institutions and it has received other distinctions, including for the on-line annual report.

III. Significant blocks of shares

Commerzbank AG is the majority shareholder of mBank.

At the end of 2014, Commerzbank held 29,352,897 shares of mBank, which accounted for 69.54% of the share capital and votes at the General Meeting. 30.46% of mBank shares in free float are held by institutional investors, in particular Polish pension funds and Polish and foreign investment funds as well as individual investors.

The pension funds ING Otwarty Fundusz Emerytalny and AVIVA Otwarty Fundusz Emerytalny Aviva BZ WBK, which exceeded the 5% threshold of shares in 2013, reduced their stake in the share capital and votes of mBank to less than 5% in 2014. Following the admission to exchange trading of mBank's new shares issued under the incentive scheme, the stake of AVIVA Otwarty Fundusz Emerytalny Aviva BZ WBK in the share capital and votes at the General Meeting of mBank decreased to 4.996% on 30 July 2014. As ING OFE sold some of mBank shares it held, its stake was reduced to 4.94% at 10 December 2014.

Commerzbank is a leading international commercial bank with branches and offices in more than 50 countries. The core markets of Commerzbank are Germany and Poland. With the business areas Private Customers, Mittelstandsbank, Corporates & Markets and Central & Eastern Europe, its private customers and corporate clients, as well as institutional investors, profit from a comprehensive portfolio of banking and capital market services. Commerzbank finances more than 30 per cent of Germany's foreign trade and is the unchallenged leader in financing for SMEs. With its subsidiaries comdirect and Poland's mBank it owns two of the world's most innovative online banks. With approximately 1,100 branches and approximately 90 advisory centres for business customers Commerzbank has one of the densest branch networks among German private banks. In total, Commerzbank boasts approximately 15 million private customers, as well as 1 million business and corporate clients. The Bank, which was founded in 1870, is represented at all the world's major stock exchanges. In 2014, it generated gross revenues of more than EUR 9 billion with an average of approximately 52,000 employees.

Pursuant to the By-laws of mBank, each share gives 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.

IV. 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 Deputy Presidents 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 Chief Risk Officer.

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 or her 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.

V. 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.

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 general 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.

VI. General Meeting and shareholder rights

VI.1. General Meeting procedures and powers

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 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 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 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 profits 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 resolutions 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 authorised to audit financial statements as statutory auditor of the Bank.

The General Meetings of mBank 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.

VI.2. 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 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.

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.

VI.3. 27th Ordinary General Meeting in 2014

The 27th Ordinary General Meeting was held on 31 March 2014. The Meeting was attended by shareholders or their proxies representing in total 79.83% of shares in the Company's share capital.

The 27th Ordinary General Meeting passed resolutions on approving the financial statements and the reports of the Management Board of mBank and mBank Group for 2013, the distribution of the net profit of 2013, the vote of discharge of duties for members of the Supervisory Board and the Management Board, determining the number of Supervisory Board Members, election of Supervisory Board Members, amendments to the By-laws of the Bank and amendments to the Rules of the General Meeting.

The Resolution concerning amendments to the By-laws of the mBank was required in order to bring the By-laws in line with amendments of generally applicable provisions of law and changes of the names of positions of Bank Directors other than Management Board Members, to accommodate policies issued by standing committees appointed by the Management Board of the Bank in the catalogue of internal regulations, and to update the amount of the Bank's share capital stated in the By-laws.

The Resolution of the General Meeting concerning amendments to the Standing Rules of the General Meeting of the Bank was required in order to bring the provisions of the Rules in line with the changed name of the Bank as decided by the 26th Ordinary General Meeting of the Bank.

The resolutions adopted by the 27th Ordinary General Meeting and the detailed voting results are available on the Bank's website in the section dedicated to General Meetings

(<http://www.mbank.pl/relacje-inwestorskie/walne-zgromadzenia/>).

VII. Composition, powers and procedures of the Management Board and the Supervisory Board

VII.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 of the Bank did not change in 2014. The composition of the Management Board appointed for a joint term of 5 years by the Supervisory Board on 11 April 2013 is as follows:

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

Detailed information on mBank Management Board Members is presented below:

Cezary Stypułkowski - President of the Management Board, Chief Executive Officer



Cezary Stypułkowski holds a Ph.D. in Law from the University of Warsaw. In the late 1980s, he studied at Columbia University Business School in New York as a participant of the Fulbright Program. Starting in 1991, he chaired the management board of Bank Handlowy S.A. (currently Citibank Group) for nearly thirteen years. Mr Stypułkowski was appointed as president of the management board of the PZU Group in 2003.

He managed the company for three years. From 2006 to 2010 he worked for J.P Morgan in London, and from 2007 as Managing Director of J.P. Morgan Investment Bank in Central and Eastern Europe. Mr Stypułkowski was also a member of the International Advisory Board for Deutsche Bank Management Board, INSEAD International Advisory Board and the Geneva Association. Since 2012, Mr Stypułkowski has been a joint chairman of the Emerging Markets Advisory Council of the IIF in Washington.

He was appointed President of the Management Board of the Bank on 2 August 2010, President of the Management Board of the Bank as of 1 October 2010 and approved as a President of the Management Board by the KNF on 27 October 2010.

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



Przemysław Gdański graduated from the University of Gdańsk with a Master of Science in Economics and completed a one-year program 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 over 20 years of experience in corporate and investment banking. From 1993 to 1995 he worked for IBP Bank S.A., then for ABN AMRO Bank in Poland, Romania and in the headquarters in Amsterdam. From 2002 to 2006, he was the Managing Director of the Large Corporates Division in Bank BPH Bank S.A.. From May to November 2006 he was CEO and General Director of Calyon Bank Polska and Calyon S.A. Branch in Poland. In November 2006, he took the position of Deputy CEO in BPH Bank, responsible for corporate banking and real estate financing. After the merger of part of BPH Bank and Pekao S.A., he became the Deputy CEO of Pekao S.A. responsible for the Corporate Banking, Markets and Investment Banking Division.

Mr Gdański has been a Member of the Management Board since November 19, 2008.

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



Jörg Hessenmüller graduated from Hochschule für Bankwirtschaft in Frankfurt am Main in 1997 and was awarded a Master's in Management (Diplom-Betriebswirt (FH)). From 1998 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, Mr Hessenmüller was appointed Managing Director in Commerzbank Group and worked as the Head

of Investment Banking Finance, Group Finance and was also responsible for controlling and management reporting on Corporates & Markets, the Portfolio Restructuring Unit, Group Treasury and Public Finance.

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

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



Lidia Jabłonowska-Luba graduated from the Mathematics Institute of the University of Gdańsk. From 1994 to 2001, Ms Jabłonowska-Luba was Vice-President of Schroder Salomon Smith Barney Poland, where she advised a number of clients, financial institutions in particular, on M&A and public equity transactions. In 2002, Ms Jabłonowska-Luba joined Citigroup in Poland, first as the Head of the Financial Institutions & Public Sector Division and from

November 2003 as the Member of the Management Board in charge of finance and operational risk management, capital management and the implementation of the New Capital Accord. From 2008 to 2010, she served as Vice-President of the Management Board of Kredyt Bank and Advisor to the CEO of Warta S.A. and TUnŻ Warta S.A., acting as Chief Finance and Risk Officer. From 2010 to 2012 Ms Jabłonowska-Luba was the Senior General Manager at KBC Group in Brussels, where she was responsible for managing all risk types in the group, including model development and valuation, 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. Her main task was to implement a new approach to risk management within KBC Group. Additionally, Ms Jabłonowska-Luba held the position of Vice Chairman of the Group Risk Management Committee and also served as a member of the Group Risk and Capital Oversight Committee and ALCO at KBC Group. In 2012, she served as a member of the Supervisory Board of Kredyt Bank.

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

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



Mr Kemler 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 President of the Management Board, Head of Retail Banking



Cezary Kocik graduated with a degree in Banking and Finance from the University of Łódź. He is a licensed stockbroker. From 1994 to 1996 Mr Kocik was employed with the brokerage house of Bank PBG as a securities broker. Starting in 1996 he worked for Bank PBG in the Investment Banking and Debt Collection and Restructuring divisions. In 1999, Mr Kocik was employed with the Debt Collection and Loan Restructuring Department of Bank Pekao S.A. In

2000 he was appointed director of a Pekao Branch in Łódź.

Since 2004, he has been working for mBank. Until 2006 he was the Director of the Retail Loans Department. In 2007, he was appointed Director of the Sales and Marketing Department responsible for MultiBank. From 2008 to 2010 he held the position Managing Director for MultiBank and in 2010 he was appointed Managing Director for Retail Banking Sales and Business Processes.

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

Jarosław Mastalerz – Deputy President of the Management Board, Chief Operations Officer



Born in 1972, he graduated in 1996 from the Faculty of Economy and Foreign Trade, and the Faculty of Management at the University of Łódź. He holds a certificate of the Association of Chartered Certified Accountants. From 1996 to 1998 he worked as a consultant in PricewaterhouseCoopers. In 1998 he started to work for the Zurich Group. Initially, he was responsible for the organisation and market strategy of the pension fund, and then he took over

the position of Marketing Director and became a member of the Management Board. Starting in 2000, he served as the Member of the Management Board responsible for the retail client segment of the Zurich Group in Poland, and from 2001 - as Financial Director. From January 2003 to the end of June 2006, he was a Member of the Management Board and the Financial Director of Generali T.U. S.A and Generali Życie T.U. S.A. From January 1, 2003, he was responsible for the financial department, the actuarial office, controlling and bancassurance. In 2002, he participated in the process of merging Zurich companies with Generali companies. On July 20, 2006, he was appointed Chief Executive Officer of BRE Ubezpieczenia, then as Chief Executive Officer of BRE Ubezpieczenia Towarzystwo Ubezpieczeń S.A. He was responsible for developing and integrating insurance programmes offered within the BRE Bank Group as well as providing process management services in distributing insurance to external partners.

In August 2007, Jarosław Mastalerz was appointed by the Supervisory Board as member of the Management Board of BRE Bank SA, Head of Retail Banking, responsible for the coordination of all the business and communication activities of mBank in Poland, Czech Republic and Slovakia, as well as MultiBank, Private Banking and Aspiro S.A., a subsidiary set up during his term of office. In April 2012 r. has been Mr Mastalerz appointed Member of the Management Board, Chief Operations Officer responsible for IT and logistics area.

VII.2. Powers and procedures 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 Jabłowska-Luba)
- Retail Banking Risk Committee (chairperson: Lidia Jabłowska-Luba)
- Corporate and Investment Banking Risk Committee (chairperson: Lidia Jabłowska-Luba)
- Financial Markets Risk Committee (chairperson: Lidia Jabłowska-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 on a regular basis comprehensive information on all significant aspects of the Bank's operation and risks related to its operation as well as risk management methods.

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.

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

The rules of the incentive programme for the Management Board as well as the principles of allocating bonuses to Management Board Members are defined in Resolutions of the Supervisory Board.

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

For more information on the incentive system for the Management Board please see section 13.3. mBank Group's incentive system.

The section below presents a brief description of the 2014 incentive programme for the Management Board which replaced the Incentive Programme Rules of 7 December 2012.

Under the programme, the Members of the Bank's Management Board have the right to receive a bonus, including a non-cash bonus paid in the Bank's shares, including phantom shares (i.e. virtual shares).

The net ROE of mBank Group and the monthly remuneration as at the end of the financial year for which the bonus is to be awarded constitute the basis for the acquisition of the right to a bonus and for the calculation of the amount of the bonus for a given financial year. One part of the base bonus is the equivalent of 50% of the base amount calculated depending on the ROE. The other part of the bonus may be granted by the Remuneration Committee of the Supervisory Board on the basis of its appraisal of the Management Board Member and achievement of the MbO objectives. The two parts of the bonus

constitute the base bonus. 40% of the base bonus is paid in the year when it is determined: 50% in cash and 50% in Bank shares, or bonds with a pre-emptive right to take up shares, or phantom shares. The remaining 60% of the base bonus is deferred and paid in three equal tranches in three subsequent years: 50% in cash and 50% in Bank shares, or bonds with a pre-emptive right to take up shares, or phantom shares.

The remuneration of the Management Board in the last two years is presented below:

2014 (PLN'000)	Basic remuneration	Other benefits	Bonus for 2013	Cash settlement of the incentive programme based on Commerzbank shares
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Remuneration paid in 2014

Members of the Management Board who performed their functions as at 31 December 2014	9 372.2	1 150.2	5 374.0	3 015.0
Former Members of the Management Board	-	-	248.8	309.0
Total	9 372.2	1 150.2	5 622.8	3 324.0

2013 (PLN'000)	Basic remuneration	Other benefits	Bonus for 2012	Cash settlement of the incentive programme based on Commerzbank shares
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Remuneration paid in 2013

Members of the Management Board who performed their functions as at 31 December 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

Detailed information on the remuneration paid to the Management Board Members is presented in **Note 45** to the Consolidated Financial Statements of the mBank S.A. Group under the International Financial Reporting Standards for 2014 and a detailed description of the rules of the incentive programme for the Management Board based on shares is presented in Note 44 of the Consolidated Financial Statements.

VII.3. Composition of the Supervisory Board including changes in 2014

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. 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 are stipulated in the Rules of the Supervisory Board.

The 27th Ordinary General Meeting of mBank held on 31 March 2014 elected 12 Members of the Supervisory Board for a joint term of three years as follows:

1. Maciej Leśny – Chairman of the Supervisory Board
2. Martin Zielke – Deputy Chairman of the Supervisory Board
3. Martin Blessing – Member of the Supervisory Board
4. Andre Carls – Member of the Supervisory Board
5. Stephan Engels – Member of the Supervisory Board
6. Thorsten Kanzler – Member of the Supervisory Board
7. Teresa Mokrysz – Member of the Supervisory Board
8. Stefan Schmittmann – Member of the Supervisory Board
9. Waldemar Stawski – Member of the Supervisory Board
10. Jan Szomburg – Member of the Supervisory Board
11. Wiesław Thor – Member of the Supervisory Board
12. Marek Wierzbowski – Member of the Supervisory Board

On 20 October 2014, the Chairman of the Supervisory Board of mBank received a letter from Dr Jan Szomburg, Member of the Supervisory Board of mBank and Member of the Executive Committee, with his resignation from these functions as of 27 October 2014. The resignation was due to his assuming new advisory functions in the Commerzbank AG Group.

The Supervisory Board of mBank in its resolution elected Dr Agnieszka Słomka-Gołębiowska as a new Member of the Supervisory Board of mBank replacing Dr Jan Szomburg until the end of the current term of office of the Supervisory Board. Agnieszka Słomka-Gołębiowska was also appointed Member of the Risk Committee of the Supervisory Board of mBank.

The composition of the Supervisory Board at the end of 2014 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, Labour and Social Policy; and finally in the Ministry of Infrastructure.

He completed post-graduate studies and training in the United States at 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, Mr Leśny was the Chairman of the Supervisory Board of BRE Bank (currently mBank). By December 2001, he had become a 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. Mr Zielke is a member of 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, Mr Blessing 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 was Chairman of the Board of Advance Bank AG in Munich.

Mr 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. He held his initial position as a Member of the Supervisory Board of BRE Bank from 2005 until 2008. In 2013, he re-joined the Bank's Supervisory Board.

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 President 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.

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 1 April 2012 he is a Member of the Board of Managing Directors and Chief Financial Officer at 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.

Stefan Schmittmann - Member of the Supervisory Board

Mr Schmittmann is a graduate of business administration, doctorate in economics at the University of St. Gallen in Switzerland. In 1986-2003, he was employed at Bayerische Vereinsbank AG and, as of 1998, with Bayerische Hypo- und Vereinsbank AG.

In 2004-2005 he was a Chairman of the Board of Directors of Vereins- und Westbank AG, Hamburg. In 2005, Member of the Divisional Board of Directors in Munich and 2006-2008, Member of the Management Board of Bayerische Hypo- und Vereinsbank AG in Munich, where he was responsible for the Corporate Customer and Commercial Real Estate Customer Division, and Member of the Executive Committee UniCredit Corporate Division.

Since November 2008 he is a Member of the Board of Managing Directors of Commerzbank AG, currently he is holding the position of Chief Risk Officer.

Agnieszka Słomka-Gołębiowska - Member of the Supervisory Board

Agnieszka Słomka-Gołębiowska holds a PhD in Economics and an MSc. in Finance and Banking from the Warsaw School of Economics, as well as an MBA from the French Institute of Management (IFG). Currently she works as an Associate Professor at the Warsaw School of Economics where she teaches and researches corporate governance.

Previously, Director in the Industrial Development Agency responsible for corporate governance (2006-2009) and later consultant for private and public companies at Arthur Andersen. Since 2006, she sits on supervisory boards. She completed the Alexander von Humboldt Fellowship at the University of Muenster (2003-2004) and the Polish-American Fulbright Fellowship at the University of California, Berkeley (2001-2002). She was a visiting scholar at universities in Cambridge (MIT), Tucson (UOA), Munster, Copenhagen (CBS), Birmingham (BBS), Berlin (HSoG), Genoa (UoG - Law School) and Vienna (WU). She is the author of many publications on corporate governance.

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 President 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. In November 2014, the Polish Financial Supervision Authority appointed Mr Stawski Administrator of SKOK Wołomin.

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 2 November 2002, Mr Thor was appointed Member of the Management Board of BRE Bank, Chief Risk Officer. He was Deputy President of the Management Board of BRE Bank from 15 March 2008 to 11 April 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", President of the Construction Law Codification Committee, 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, President of the Arbitration Court of the Chamber of Brokerage Houses. Former member of the College of the Supreme Chamber of Control and member of the Public Procurement Council.

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.

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 deputy president of the Court of Arbitration at the Polish Chamber of Commerce. In his legal practise he managed legal teams, supporting numerous transactions, including sales of shares in connection with privatization of large enterprises. He is the scientific editor and co-author of many legal commentaries and textbooks.

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, representatives of science and business, and persons having vast legal knowledge and banking expertise.

The four independent members of the Supervisory Board are: Maciej Leśny, Agnieszka Słomka-Gołębiowska, Waldemar Stawski, and Marek Wierzbowski. 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. Teresa Mokrysz does not fulfil the criteria of independence as she has been Supervisory Board Member for more than 12 years. Martin Blessing, Andre Carls, Stephan Engels, Thorsten Kanzler, Stefan Schmittmann and Martin Zielke are not independent members due to their relationship with the main shareholder of mBank.

VII.4. Powers and procedures of the Supervisory Board

The responsibilities of the Supervisory Board specifically include the following matters:

- Advising and supervising the Management Board in defining internal guidelines for the activity of the Bank, especially for the areas subject to risks, including the Bank's credit policy, investment policy, guarantee policy, compliance policy, and approving the Management Board's proposals concerning the general organisational structure of the Bank.
- Supervising compliance of the Bank's risk-taking regulations with the strategy and financial plan of the Bank.
- Approving the disclosure policy rules concerning risk management and capital adequacy, as proposed by the Management Board.
- Approving strategies and procedures for the internal control system, the risk management system, the internal capital assessment process, capital management and capital planning, as proposed by the Management Board.
- Assessing the adequacy and effectiveness of the risk management system.

- Reviewing regular and exhaustive reports presented by the Management Board on all relevant issues related to the activity of the Bank, the risks of its activity, and the means and effectiveness of risk management.
- Preparing a concise assessment of the position of the Bank to be presented to the Ordinary General Meeting and attached to the annual report of the Bank for the previous financial year.
- Approving annual financial plans of the Bank, multi-annual growth plans, as well as the strategy of the Bank and the rules of prudent and stable management of the Bank.
- Reviewing any motions and matters to be decided in a resolution of the General Meeting, including draft resolutions of the General Meeting; the Supervisory Board prepares the justification for draft resolutions to be presented to the General Meeting for approval.
- Issuing or approving rules provided for in the By-laws of the Bank.
- Appointing and dismissing the President of the Management Board, the Deputy Presidents of the Management Board and other Members of the Management Board subject to the procedures laid down in the Banking Law and taking into account relevant qualifications for the functions assigned to them.
- Defining the terms of contracts and remuneration of the Management Board.
- Authorising the Chairman of the Supervisory Board to represent the Bank in agreements with Management Board Members, including the conclusion of management contracts with Management Board Members.
- Approving conclusion or amendment of any significant contract or agreement with Members of the Management Board or the Supervisory Board.
- Approving conclusion, amendment or termination of any significant alliance or co-operation agreements.
- Analysing reports of the Internal Audit Department Director received at least once per year.

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.

Resolutions of the Supervisory Board are 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 prevails.

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.

The Supervisory Board has four committees: the Executive Committee, the Risk Committee, the Audit Committee, and the Remuneration Committee. Members of the Committees are presented below (in the first place - Chairman of the Committee).

Executive Committee	Risk Committee	Audit Committee	Remuneration Committee
<u>Maciej Leśny</u>	<u>Stefan Schmittmann</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
Teresa Mokrysz	Agnieszka Słomka-Gołębiowska	Waldemar Stawski	Martin Zielke

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 have 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 disclosure 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 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 Ordinary General Meeting 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 each.

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.

The total remuneration of the Supervisory Board for 2013-2014 is presented in the table below.

	2014	2013
Paid remuneration in PLN thousand	2,121.5	2,370.5

Detailed information on the remuneration paid to the Supervisory Board Members is presented in Note 45 to the Consolidated Financial Statements of the mBank S.A. Group for 2014 under the International Financial Reporting Standards.

VII.5. Activity of the Supervisory Board and its Committees in 2014

In 2014, the Supervisory Board held 6 meetings and adopted 60 resolutions. The resolutions covered all areas of the Bank's operation and were consistent with the scope of supervisory functions specified in laws, PFSA recommendations and the Bank's By-laws and the Rules of the Supervisory Board.

The adopted resolutions concerned among others:

- Acceptance of financial statements of mBank and mBank Group and other materials for the Ordinary General Meeting.
- Adoption of the Financial Plan for 2015 and the Mid-Term Plan for 2015-2018.
- Approval of the Co-operation Agreement and the Investment Agreement with Orange Polska S.A.
- Approval of the BRE Ubezpieczenia TUiR S.A. Shares Sale Agreement.
- Adoption of the Capital Management Policy and the Capital Adequacy Disclosure Policy.
- Approval of documentation of the Internal Capital Adequacy Assessment Process (ICAAP) at mBank Group.
- Allocation of funds to the mBank Foundation.
- Approval of the general organisational structure of mBank.
- Approval of the Remuneration Policy and Rules and the Risk-takers Identification Policy.
- Approval of the Employee Incentive Programme Rules and the Information Memorandum drawn up to implement the Employee Incentive Programme.
- Approval of the Management Board Incentive Programme Rules and setting the dates of acquisition of shares under the Programme.
- Approval of the Annex to Agreements with Management Board Members.
- Approval of the MbO results and Individual MbO Score Card of Management Board Members.
- Approval of the new consolidated text of the mBank By-laws, the Rules of the Supervisory Board, the Rules of the Management Board, the Rules of the Audit Committee, and the Rules of the Risk Committee of the Supervisory Board of mBank.
- Approval of the Internal Audit Plan for 2014.
- Approval of the Conflict of Interest Management Policy and the Compliance Policy, and approval of the Compliance Risk Management Report.
- Approval of reports of the outsourcing and complaints handling supervision functions.
- Approval of the strategies and policies requiring approval of the Risk Committee and the Supervisory Board including: the mBank Group Risk Management Strategy; the Market, Operational, and Liquidity Risk Management Strategy; the Corporate and Retail Credit Risk Management strategy.

■ Approval of the Limit Book – Limit Rules and the levels of limits for the mBank Group.

■ Approval of the “Principles of Corporate Governance for Supervised Institutions”.

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

Attendance of the Supervisory Board Members at Supervisory Board meetings in 2014 is presented in the table below.

	Attendance*
Martin Blessing	5/6
Andre Carls	6/6
Stephan Engels	4/6
Thorsten Kanzler	5/6
Maciej Leśny	6/6
Teresa Mokrysz	5/6
Dirk Wilhelm Schuh (until 31 March 2014)	2/2
Stefan Schmittmann (from 31 March 2014)	3/4
Agnieszka Słomka-Gołębiowska (from 28 October 2014)	1/1
Waldemar Stawski	5/6
Jan Szomburg (until 27 October 2014)	5/5
Wiesław Thor	6/6
Marek Wierzbowski	4/6
Martin Zielke	4/6

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

All Committees of the Supervisory Board performed their functions according to the requirements of the Bank’s By-laws, the Rules of the Supervisory Board, and the Rules of the Committees.

In performing its function of on-going 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 on-going basis. Apart from meetings of Supervisory Board, Members of the Committee had regular meetings with Members of the Management Board discussing the most important current issues of the Bank. According to its powers, the Executive Committee took decisions on transactions exceeding 1% of the Bank’s own funds. In a decision, the Executive Committee approved its report for the previous year which is presented to the Ordinary General Meeting.

The Audit Committee was regularly informed about the results and the financial standing of the Bank and the Group and analysed information on actions taken in the key risk areas.

The Committee held four meetings in 2014 and discussed, among others, the following:

- Compliance of the process of preparing financial statements with the applicable law.
- Co-operation with the external auditor.
- Conclusions from the audit of the annual financial statements of mBank Group for 2013.
- Scope of the audit of the annual financial statements for 2014.
- Assessment of the internal control system at mBank in 2013.
- On-going supervision of proposed changes to the internal control system at mBank in 2014.

- Approval of reports of the Compliance Department.

The Audit Committee recommended that the Supervisory Board approve the following:

- Reports of the Management Board on the activity of mBank and mBank Group in 2013, and the financial statements for 2013.
- Annual report on compliance risk management at mBank in 2013.
- Report of the Outsourcing Coordinator in respect to the implementation of the Outsourcing Policy at mBank in 2013.
- Annual report on supervising the processes of handling claims and complaints at mBank S.A. in 2013.
- Audit Plan of the Internal Audit Department for 2014.
- Amendment of the Rules of the Audit Committee.

In 2014, the Risk Committee regularly discussed the quarterly risk reports (capital adequacy, liquidity risk, credit risk, operational risk, market risk, interest rate risk), as well as a range of issues related to the credit portfolio, including dedicated presentations on corporate, financial markets, and retail portfolio risks. Other major issues considered by the Committee included the largest exposures, development of risk parameters, and loan loss provisions at the Bank and in the Group.

In 2014, the Risk Committee issued 32 recommendations concerning exposures posing single entity risk in accordance with the parameters defined by the Supervisory Board, and adopted 15 decisions approving a range of risk strategies and policies to be approved by the Supervisory Board.

The Remuneration Committee held four meetings in 2014 and discussed issues including:

- Rules of the mBank Management Board Incentive Programme.
- Rules of the mBank Employee Incentive Programme.
- MbO objectives for Members of the Management Board of mBank.
- Amendments to Management Contracts of Members of the Management Board.
- mBank Remuneration Policy.
- Identification of risk-takers at mBank and rules for their remuneration.
- Preliminary CRD IV implementation plan at mBank.

In 2014, the Remuneration Committee adopted 14 decisions and submitted recommendations on the above issues to the Supervisory Board.