



Statement of mBank S.A. on application of
Corporate Governance principles
in 2015

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1. Application of Corporate Governance Principles

In 2015, mBank was 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>).

On 13 October 2015, the Exchange Supervisory Board adopted a resolution on introduction of the new corporate governance principles entitled "Code of Best Practice for WSE Listed Companies 2016". Before, the draft of new principles was subject to public consultation attended by representatives of issuers, stock exchange investors and institutions and organisations interested in corporate governance of listed companies. The new principles entered into force on January 1, 2016. Some of the current principles have been clarified in the document. With regard to the selected issues being of key importance from the point of view of corporate governance, the current requirements were increased where the adequacy rule was taken into account, which adjusts the particular rules to the possibilities of implementing them by companies of various sizes. This refers in particular to extending the scope of information published by the companies on the website.

The "comply or explain" rule applies to the detailed rules of best practice. Constant non-application of a given principle or its incidental non-application are subject to obligatory reporting by the company in a manner specified in § 29 point 3 of the Stock Exchange Rules. It is worth noting that starting from 1 January 2016, Best Practice within the scope of organising the so-called "e-general meetings" have the nature of recommendations and there is therefore no obligation to publish a current report on refraining from the implementation of those principles in the EIB System.

Code of Best Practice for WSE Listed Companies

The 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 2012 which came into effect on January 1, 2013 was applicable in 2015. That is why the latest statement refers to this document.

In 2015, similarly as in the two previous years, 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". This 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.

Moreover, in the opinion of the Management Board of the Bank, the organisation of general meetings with the use of means of electronic communication involves additional legal, organisational and technical 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.

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. 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 duly authorised bodies of the Company.

As at the end of 2015, 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.

Finally, it is worth mentioning that from among the detailed corporate governance principles ("Code of Best Practice for WSE Listed Companies 2016") applicable as of January 1, 2016, mBank does not apply two rules:

1. The rule II.Z.8. which reads "The chairman of the audit committee meets the independence criteria specified in Rule II.Z.4", Stephan Engels, Member of the Management Board of Commerzbank AG (CFO) is the Chairman of the Audit Committee of the Supervisory Board of mBank S.A. Therefore, Stephan Engels does not meet the criterion of independence, referred to in rule II.Z.4.; however, this does not have an impact on the manner and credibility of tasks performed by the Committee.

2. The rule VI.Z.2. which reads "In order to link the remuneration of members of the management board and key managers with the company's long-term business and financial objectives, the period between granting options or other instruments connected with company shares as part of the incentive programme and the possibility of executing them should be at least 2 years." The conditions for granting variable components of remuneration at mBank S.A. are compliant with Resolution No. 258/2011 of the Polish Financial Supervision Authority of October 4, 2011 drafted in response to EU Directive CRDIII and CEBS guidelines (Committee of European Banking Supervisors; at present, EBA – European Banking Authority) and consistent with EU Directive CRD IV, the provisions of which do not provide for the indication specified in item VI.Z.2. of the Code of Best Practice for WSE Listed Companies 2016 as a condition for awarding the bonus.

Corporate Governance Principles for Supervised Institutions

The "Principles of Corporate Governance for Supervised Institutions" approved by the Polish Financial Supervision Authority on July 22, 2014 are in effect since January 1, 2015. 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.

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.

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 General Meeting of the supervised institution, among others, through ensuring the possibility of electronic active participation in 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 and 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 in 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".

The stand of shareholders as regards the Corporate Governance Principles was presented in the resolution of the 28th Annual General Meeting of mBank S.A. of March 30, 2015.

In the above resolution, the shareholders undertook:

- to participate in the performance of the statutory objectives of mBank, ensuring security of its operation and following its interest
- not to violate the competence of other statutory bodies of mBank
- to immediately solve any potential conflicts between shareholders to prevent infringing the interest of mBank and its clients
- not to make decisions resulting in transferring assets from the supervised institution to other entities, and in acquisition or alienation of or in conclusion of other transactions leading to the supervised institution disposing of its assets under conditions other than market conditions or posing a threat to the security or interest of the supervised institution; to grant the individual rights to the given shareholder or shareholders when justified on the grounds of achieving significant objectives of mBank and not causing hindrance to proper functioning of the bodies of mBank or discrimination against other shareholders and reflected in the By-Laws of mBank
- to provide, if needed, additional capital or grant financial support to the Bank to the extent to which it is possible and compliant with authorisations, whereas it will only take place after the analysis of the entirety of reasons which led to such a necessity; the shareholders will take into consideration the possibility of providing support from the point of view of their financial situation, provisions of law and supervisory regulations the shareholders are bound to respect and considering the best interest of mBank and its clients.
- to make decisions with regard to dividend payment depending on the need for maintaining an appropriate level of equity and on the achievement of strategic objectives of mBank and to take into consideration general and individual recommendations issued by the supervisory authorities.
- to implement the recommendations of the the Polish Financial Supervision Authority regarding the election of members of the Supervisory Board of the Bank.

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 April 18, 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>).

The disclosure policy

mBank pursues an open, transparent, and effective information policy. The main means applied in the disclosure policy are:

- current and periodic reports
- meetings, tele- and video-conferences of representatives of the Management Board and the Investor Relations and Group Strategy Department with investors and analysts on a regular basis, both in Poland and abroad
- quarterly presentations of financial results for investors and analysts provided directly and through interactive webcasts and teleconferences
- ongoing contact by phone or e-mail with analysts and investors, including sending Newsletters and other informational materials
- participation of the domestic and foreign representatives of the Bank in investor conferences and road-shows in the selected European countries and in the United States of America
- website of the company with a big investor relations section where information is published on, among others, the shareholders of mBank, composition of the Management Board and Supervisory Board, General Meetings (including video recordings of the course of the General Meetings), ratings, the Euro Medium Term Note Programme, quotations of mBank's shares on the WSE, analysts' recommendations, the consensus on mBank Group's expected performance, the target share price, yearly, periodical and ongoing presentations, including presentations with the results of the Group for analysts and stock exchange investors as well as presentations for the investors in the Bank's debt securities, online version of the annual report allowing for an interactive access to the audited financial data, investor's calendar, mBank Analyser allowing for making financial and business analyses in different dimension and the Investor's Calendar. In the section dedicated to corporate governance and best practice the following is included: 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, information on the diversity policy, rules for changing the entity entitled to audit financial statements, and information on the participation of men and women in statutory bodies of mBank.

In 2015, the Investor Relations team held in total about 140 investor meetings (the majority of them with the participation of the members of the Management Board of the Bank) attended by about 240 investors and analysts. The team took part in three conferences in Poland and six conferences abroad, organised three mini road-shows with OFE, TFI and other financial investors in the Warsaw headquarters of the Bank and two road-shows in the United States.

2. 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. Moreover, the Department of Integrated Risk Management and Capital (DKR) manages the process of integrated risk and capital of the Bank and the Group reporting for the Bank's statutory bodies, the regulators and financial market participants, as well as for consolidated supervision.

The general rules described above are applied also in the process of drafting financial statements.

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. Consolidated financial statements are based on the data submitted by mBank's subsidiaries. The Financial Reporting Department monitors the reporting packages prepared by the subsidiaries in terms of their correctness, completeness and coherence of data.

The responsibility for keeping accounting books and administering the model chart of accounts lies with the Accounting Department. Both Departments report to the Vice-President of the Management Board, Chief Financial Officer.

Financial statements are submitted to the Management Board of mBank for verification. The Audit Committee of the Supervisory Board receives quarterly financial statements before they are 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). According to the above article, the key auditor (the auditor, who signs the opinion and the report) cannot perform auditing activities in the same unit of public interest for a period longer than five years and then can perform such activities only after two years. Furthermore, mBank abides with all recommendations issued by the Polish Financial Supervision Authority regarding the change of statutory auditors.

Pursuant to a resolution no. 32 of the 28th Annual General Meeting of the Bank of March 30, 2015, 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 2015. This company was also the auditor in the years 2013-2014.

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.

The aspiration to ensure the highest standards of financial statements is reflected in the high quality of reporting. In "The Best Annual Report 2014" contest organised by the Accounting and Tax Institute, the results of which were announced in September 2015, mBank won the title "The Best of the Best" for the third time in a row. Moreover, mBank received a distinction for the annual report on the Internet.

3. Significant blocks of shares

Commerzbank AG is the majority shareholder of mBank.

As at December 31, 2015, Commerzbank held directly 29,352,897 shares of mBank, which accounted for 69.49% of the share capital and votes at the General Meeting. 30.51% 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. ING Otwarty Fundusz Emerytalny (ING OFE) exceeded the 5% threshold of

shares and votes at the General Meeting. According to the notification sent to the Bank, on 18 March 2015 ING OFE held 5.05% of the share capital entitling it to 5.05% of the total amount of shares and votes at the General Meeting.

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 more than 15% of stake in the share capital of Commerzbank through Germany's Financial Market Stabilisation Fund (SoFFin). The largest institutional investors are BlackRock and Capital Group – each of them holds a bit more than 5% of the shares of the Bank. The remaining institutional investors hold about 50% of shares in free float.

Commerzbank is one of the leading international commercial banks. Its branches are located in over 50 countries. The basic markets for the Bank are Germany and Poland. There are five segments in the structure of Commerzbank Group: Individual Clients, small and medium-sized enterprises (Mittelstandsbank), Corporations and Financial Markets, Central and Eastern Europe and Non-Core Assets. Commerzbank holds branches and offices in more than 50 countries. With approximately 1,050 branches and more than 90 advisory centres for business customers Commerzbank has one of the densest branch networks among German private banks. In total, Commerzbank boasts more than 16 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 2015, it generated gross revenues of EUR 9.8 billion with 51,300 employees. As at 31 December, 2015, Commerzbank Group held assets of EUR 533 billion.

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 share capital, 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.

4. 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 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 President of the Management Board, the Vice-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 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.

5. 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.

6. General Meeting and shareholder rights

General Meeting procedures and powers

The General Meeting is convened 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 Annual 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, which set the rules of acquiring shares by the Bank, in particular the amounts allotted for purchasing the shares for redemption and funding sources, and 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.

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 Annual 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 Annual 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.

28th Annual General Meeting in 2015

The 28th Annual General Meeting was held on March 30, 2015 and, after adjourning the session, it was continued on April 29, 2015. The break resulted from receiving on the day of the General Meeting the stand of the Polish Financial Supervision Authority recommending to retain the whole profit generated in the period between January 1 and December 31, 2014 until additional capital requirements are set, while the draft resolution of the General Meeting provided for paying out a dividend of PLN 17 per share, under the condition that the specified minimal levels of the total capital ratio and net profit are presented in the audited financial statements of mBank S.A. for H1 2015.

During the session on March 30, 2015, the General Meeting adopted resolutions concerning:

- approving the financial statements and the reports of the Management Board of mBank and mBank Group for 2014,
- the vote of discharge of duties for members of the Supervisory Board and the Management Board,
- amendments to the By-laws of the Bank,
- stance of shareholders of mBank concerning the Corporate Governance Principles for Supervised Institutions adopted by the Polish Financial Supervision Authority,
- appointment of an auditor to audit the financial statements of mBank and mBank Group, and
- changes concerning the rules of conducting the incentive programme by the Bank and conditional share capital increase by way of issuing shares excluding preemptive rights of the existing shareholders in order to allow the participants of the employee incentive programmes to take up the Bank's shares in connection with the extension of the period of their validity.

On April 29, 2015, the resumed 28th General Meeting of mBank adopted a resolution on dividing the profit, and thus the profit of mBank in the amount of PLN 1,174,096,218.00 was allotted in the following way:

- PLN 50,000,000.00 – for the general risk fund of mBank
- PLN 406,523,549.00 – for the supplementary capital of mBank

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- The remaining part of the profit, amounting to PLN 717,572,669.00, remained undistributed.

The resolutions adopted by the 28th Annual 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/>).

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

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 2015. The composition of the Management Board appointed for a joint term of 5 years by the Supervisory Board on April 11, 2013 is as follows:

1. Cezary Stypułkowski – President of the Management Board, Chief Executive Officer
2. Przemysław Gdański – Vice-President of the Management Board, Head of Corporate and Investment Banking
3. Jörg Hessenmüller – Vice-President of the Management Board, Chief Financial Officer
4. Lidia Jabłonowska-Luba – Vice-President of the Management Board, Chief Risk Officer
5. Hans-Dieter Kemler – Vice-President of the Management Board, Head of Financial Markets
6. Cezary Kocik – Vice-President of the Management Board, Head of Retail Banking
7. Jarosław Mastalerz – Vice-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. 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 he has been the co-chairman of the Emerging Markets Advisory Council of the Institute of International Finance in Washington (IFF).

Cezary Stypułkowski was appointed President of the Management Board of mBank on August 2, 2010, acting as 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 – Vice-President of the Management Board, Head of Corporate and Investment Banking



Przemysław Gdański graduated from the University of Gdańsk (major: International Trade) 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 - Vice-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 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

Mr. 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 – Vice-President of the Management Board, Chief Risk Officer



Lidia Jabłowska-Luba graduated from the Mathematics Institute of the University of Gdańsk. From 1994 to 2001, Ms Jabłowska-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 Jabłowska-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 Jabłowska-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 Jabłowska-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.

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

Hans-Dieter Kemler – Vice-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 - Vice-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 – Vice-President of the Management Board, Chief Operations Officer



Jarosław Mastalerz (born in 1972) graduated from the University of Łódź, the Economics and Sociology Department (major: Foreign Trade) and the Management Department (major: Management Accounting). 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 (currently mBank S.A.), 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 Mr Mastalerz was appointed Member of the Management Board, Chief Operations Officer responsible for IT and logistics area.

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)
- The Credit Committee of the mBank Group (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 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 Reports of the Management Board entitled "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 December 7, 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.

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.

The remuneration of the current Management Board in 2015 and in 2014 is presented below.

		Remuneration paid in 2015 (in PLN)			
		Basic remuneration	Other benefits	Bonus for 2014	Cash settlement of the incentive programme based on Commerzbank shares
1.	Cezary Stypułkowski	2,092,108	174,833	650,000	827,941
2.	Lidia Jabłonowska-Luba	1,219,483	228,872	360,000	-
3.	Przemysław Gdański	1,200,000	143,184	360,000	658,950
4.	Joerg Hessenmueller	1,263,000	166,535	380,000	-
5.	Hans-Dieter Kemler	1,218,561	366,354	360,000	688,900
6.	Cezary Kocik	1,200,000	156,825	400,000	-
7.	Jarosław Mastalerz	1,200,000	125,670	360,000	778,749
	Total:	9,393,152	1,362,273	2,870,000	2,954,540

		Remuneration paid in 2014 (in PLN)			
		Basic remuneration	Other benefits	Bonus for 2013	Cash settlement of the incentive programme based on Commerzbank shares
1.	Cezary Stypułkowski	2,091,963	155,478	1,294,010	279,935
2.	Lidia Jabłonowska-Luba	1,200,000	131,749	520,000	-
3.	Przemysław Gdański	1,200,000	127,515	720,000	860,734
4.	Joerg Hessenmueller	1,263,000	161,860	720,000	-
5.	Hans-Dieter Kemler	1,217,190	372,506	600,000	891,308
6.	Cezary Kocik	1,200,000	91,772	760,000	-
7.	Jarosław Mastalerz	1,200,000	109,274	760,000	983,029
	Total:	9,372,153	1,150,154	5,374,010	3,015,006

Composition of the Supervisory Board

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.

In 2015, the Supervisory Board consisted of the following members:

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. Agnieszka Słomka-Gołębiowska – Member of the Supervisory Board
10. Waldemar Stawski – Member of the Supervisory Board
11. Wiesław Thor – Member of the Supervisory Board
12. Marek Wierzbowski – Member of the Supervisory Board

On November 24, 2015 Maciej Leśny, Chairman of the Bank's Supervisory Board, received a letter of resignation from Dr. Stefan Schmittmann, Member of the Bank's Supervisory Board and Chairman of the Risk Committee on resigning from the held functions as of December 31, 2015. Pursuant to a Resolution of the Supervisory Board of the Bank dated December 10, 2015, Dr. Marcus Chromik, replacing Stefan Schmittmann who resigned as of January 1, 2016, was appointed Member of the Supervisory Board of the Bank until the end of the term of office of the current Supervisory Board. He was also appointed Chairman of the Risk Committee of the Supervisory Board of mBank.

More detailed information on mBank Supervisory Board Members is presented in the table below.

Maciej Leśny – Chairman of the 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 at universities in the USA: 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

A graduate of business administration in Frankfurt and St. Gallen. 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. He became a partner in 1994. In 1997, he joined Dresdner Bank AG, where he was 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.

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. From March 2008, to September 2008 he held the position of Vice-President of the Management Board and CFO of BRE Bank S.A. (currently mBank S.A.).

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 a Divisional Board Member in the "Mittelstandsbank" of Commerzbank AG.

Marcus Chromik – Member of the Supervisory Board

Marcus Chromik studied in Munich, Göttingen, and Kiel. He also spent time in the US, engaged in scientific research in Michigan. Mr Chromik holds a PhD in nuclear physics. He started his professional career with McKinsey in 2001. In 2004 he joined Postbank Group, where he held various executive positions, including new issues and syndication, liquidity management, and Credit Treasury. Then he served as Chief Market Risk Officer for Commerzbank more than three years and was responsible for the Bank's market and liquidity risk management.

Dr Marcus Chromik has been a Divisional Board Member and Chief Credit Risk Officer for the Core Bank since 2012. On November 4, 2015, the Supervisory Board of Commerzbank appointed him to the Board of Managing Directors. He took up his post as Chief Risk Officer on January 1, 2016.

Stephan Engels – Member of the Supervisory Board

Stephan Engels studied Business Administration at the University of St. Gallen. Between 1988 and 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, 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 to 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.

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

A graduate of the Academy of Economics (now the University of Economics) in Katowice (1978).

In 1990, Teresa Mokrysz created the brand "Mokate", one of the most recognizable Polish brands in the world. She transformed a small family-run company into a group of international companies with worldwide operations. As a co-owner, she directs nine Mokate companies with their business seats in Poland and Central Europe. She has built from scratch production plants in Żory and Ustroń and expanded a production facility near Prague (production of coffee, tea, confectionary, ingredients for the food industry). She has successfully launched her products in several dozen countries on all continents.

In 2000, the International Association of Women Entrepreneurs from Los Angeles awarded her with the title "The Leading Women Entrepreneurs of the World". Teresa Mokrysz has been the recipient of numerous prestigious awards in Poland and abroad. She has been awarded Commander's Cross of Polonia Restituta by the President of the Republic of Poland. She funds scholarships for talented and less well-off young people and provides financial support to health care institutions, nursing care homes, orphanages and schools.

Stefan Schmittmann - Member of the Supervisory Board till 31 December 2015

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.

Between November 2008 and December 31, 2015 he was 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 has got a PhD in economics. She is a graduate of Warsaw School of Economics of faculty: finance and banking and MBA in the French Management Institute (IFG). She obtained a PhD degree at the Warsaw School of Economics (SGH), with a dissertation on bank's corporate governance over an enterprise. Currently she is working as a lecturer at Warsaw School of Economics and she is conducting research into 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 banks' organisation. 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 Vice-President of the Management Board of PKO BP S.A. 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 S.A. He then served as a Member of the Management Board of CTL Logistics S.A. and General Director of the Polish Association of Transport and Logistics Employers. From 2006 to 2015, Mr Stawski was a consultant of ALDAZ Sp. z o.o. Mr Stawski currently acts as Director at Zarzecki, Lasota i Wspólnicy Sp. z o.o.

From 2012 to 2014, Mr Stawski was a 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. From November 2014 to February 2015, Waldemar Stawski was special administrator of SKOK Wołomin appointed by the KNF.

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 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

Mr Wierzbowski is a professor ordinarius at the University of Warsaw School of Law, an attorney at law, the partner of the law firm "Prof. Marek Wierzbowski & Partners – Advocates and Legal Counsellors", the President of the Arbitration Court of the Chamber of Brokerage Houses, a member of the Board of Directors of the Polish-U.S. Fulbright Commission, and a member of the Council of the European Law Institute based in Vienna. Former member of the Board of Supreme Chamber of Control (NIK) and a member of the Public Procurement Council, deputy Chairman and Chairman of the Supervisory Board of the Warsaw Stock Exchange and chairman of the Construction Law Codification Committee. He also served as 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 a partner at the law firms of Weil Gotshal & Manges and later Linklaters. He was an adviser to the Minister of Privatisation, the Minister of the 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.

In his legal career, he managed legal teams and advised on numerous transactions, including sales of shares in connection with the privatisation of large enterprises and is also the editor and co-author of numerous commentaries and handbooks.

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 five independent members of the Supervisory Board are: Maciej Leśny, Teresa Mokrysz, 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.

Martin Blessing, Andre Carls, Marcus Chromik, Stephan Engels, Thorsten Kanzler, and Martin Zielke are not independent members due to their relationship with the main shareholder of mBank.

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.

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- 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.
 - To review any motions and matters which are subject to resolutions of the General Meeting, including draft resolutions of the General Meeting. The Supervisory Board shall draw up grounds for draft resolutions to be tabled for approval of the General Meeting.
 - 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 adopted by a simple majority of votes. In the case of an equal number of opposing votes, the Chairman of the Supervisory Board has the casting vote.

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 got 4 committees: the Executive Committee, the Risk Committee, the Audit Committee, and the Remuneration Committee. Members of individual committees are presented below (first – chairmen of the committees).

Executive Committee	Risk Committee	Audit Committee	Remuneration Committee
<u>Maciej Leśny</u>	<u>Marcus Chromik*</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

**from January 2016; in 2015 the position of Chairman of the Risk Committee was held by Stefan Schmittmann*

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 March 30, 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 in 2015 and in 2014 is presented in the table below:

		Remuneration paid in 2015 (PLN)	Remuneration paid in 2014 (PLN)
1.	Maciej Leśny	367 235	366 006
2.	Martin Zielke	-	-
3.	Andre Carls	252 000	252 000
4.	Stephan Engels	-	216 000
5.	Stefan Schmittmann	-	-
6.	Martin Blessing	-	-
7.	Thorsten Kanzler	216 000	216 000
8.	Teresa Mokrysz	220 225	220 202
9.	Agnieszka Słomka- Gołębiowska	221 435	54 906
10.	Waldemar Stawski	221 435	221 406
11.	Wiesław Thor	149 435	138 522
12.	Marek Wierzbowski	216 000	198 000
	Jan Szomburg*		184 500
	Dirk Wilhelm Schuh**		54 000
	Total:	1 863 765	2 121 542

*On October 27, 2014 Mr Jan Szomburg resigned from his position

** Mr Dirk Wilhelm Schuh held his position from March 31, 2014

Activity of the Supervisory Board and its Committees in 2015

The Supervisory Board and 4 Standing Committees of the Supervisory Board, i.e. the Executive Committee, the Audit Committee, the Remuneration Committee and the Risk Committee perform their functions in line with the requirements set forth in the Bank's By-laws, the Rules of the Supervisory Board and the Rules of particular Committees.

In 2015, the Supervisory Board held 6 meetings and adopted 51 resolutions. The resolutions covered all areas of the Bank's operation and were consistent with the scope of supervisory functions specified in laws, recommendations of the Polish Financial Supervision Authority 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 Annual General Meeting.
- Adoption of the Financial Plan for 2016 and the Mid-Term Plan for 2016-2019.
- Adoption of the Capital Management Policy at mBank Group.
- Approval of the documentation and the report on a review 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 and the division of competence among Members of the Management Board of mBank.
- Approval of the Remuneration Policy and Rules and the Risk-takers Identification Policy.

- Approval of the Rules of the Employee Incentive Programme and the Information Memorandum drawn up to implement the Employee Incentive Programme.
- Approval of Rules of the Management Board Incentive Programme, approval of the terms of bonds issue and setting the dates of acquisition of mBank S.A. shares by Members of the Management Board under the Programme.
- Approval of the Rules of investing in financial instruments by persons linked to mBank S.A. or on their account and principles of maintaining the register of transactions on own account.
- Approval of the MbO results and Individual MbO Cards for Management Board Members.
- Approval of the new consolidated text of mBank S.A. By-laws and the Rules of the Management Board of mBank S.A.
- Approval of the Audit Plan of the Internal Audit Department for 2015.
- Adoption of the Policy of Managing Conflicts of Interest, the Compliance Policy and approval of the report on compliance risk management.
- Approval of the reports on the performance of outsourcing tasks and supervision over the processes of handling claims and complaints.
- 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 mBank Group.
- Approval of the Contingency Plan in the event of a threat of losing financial liquidity by mBank S.A.
- Approval of the Reputation Risk Management Strategy of mBank Group.
- Approval of the Bancassurance Policy at mBank S.A.

In 2015, 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 Supervisory Board meetings in 2015 is presented in the table below.

	Attendance*
Martin Blessing	6/6
Andre Carls	6/6
Stephan Engels	5/6
Thorsten Kanzler	5/6
Maciej Leśny	6/6
Teresa Mokrysz	6/6
Stefan Schmittmann	5/6
Agnieszka Słomka-Gołębiowska	6/6
Waldemar Stawski	6/6
Wiesław Thor	6/6
Marek Wierzbowski	6/6
Martin Zielke	5/6

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

In 2015, the Executive Committee performing its function of ongoing supervision over the Bank's operation in the periods between meetings of the Supervisory Board co-operated closely with the Management Board and was informed about the situation in the Bank on an ongoing basis. Apart from the meetings of the 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 the report on its activity for the previous year which is presented to the Annual General Meeting.

The Audit Committee was receiving regular information about the results and the financial standing of the Bank and the Group and was analysing information on actions taken in the key risk areas.

The Audit Committee held four meetings in 2015 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 2014.
- Scope of the audit of the financial statements for 2015.
- Assessment of the internal control system at mBank in 2015.
- Ongoing supervision over the proposed changes to the internal control system at mBank in 2015.
- Ongoing supervision over the activity of the Internal Audit Department.
- 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 2014, and the financial statements for 2014.
- Annual report on compliance risk management at mBank in 2014.
- Report of the Outsourcing Coordinator in respect to the implementation of the Outsourcing Policy at mBank in 2014.
- Annual report on supervising the processes of handling claims and complaints at mBank S.A. in 2014.
- Audit Plan of the Internal Audit Department for 2015.
- Amendments to the Rules of the Audit Committee.

In 2015, the Risk Committee held 7 meetings during which it regularly discussed the quarterly risk reports (capital adequacy, liquidity risk, credit risk, operational risk, market risk, interest rate risk and key events in the risk area), and 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. Furthermore, in accordance with the plan of works the Committee discussed in detail the effectiveness of particular portfolios of the bank, analysing risk parameters, change directions and forecasts. In 2015, the Risk Committee issued 17 recommendations concerning exposures posing single entity risk in accordance with the parameters defined by the Supervisory Board and took 18 decisions approving a range of risk strategies and policies to be approved by the Supervisory Board.

The Remuneration Committee held 5 meetings in 2015 and discussed issues including:

- Rules of the mBank Management Board Incentive Programme,
- Rules of the Employee Incentive Programme.
- MbO objectives for Members of the Management Board of mBank.
- Identification of risk takers at mBank and rules for their remuneration.
- Terms and conditions for the issue of bonds with pre-emptive right to acquire the shares offered in the Incentive Programme.

In 2015, the Remuneration Committee took 15 decisions and submitted recommendations on the above issues to the Supervisory Board.