

Warsaw 1 March 2017

**Report on the activities
of the Remuneration Committee of the Supervisory Board of mBank S.A.
in 2016**

Legal basis

The Remuneration Committee of the Supervisory Board of mBank S.A. acts as a Standing Committee in line with:

- the By-laws of mBank S.A. (Article 22 (3).4)
- the Rules of the Supervisory Board of mBank S.A. (Article 12 (3).4).
- Rules of the Remuneration Committee of the Supervisory Board of mBank S.A.

Composition

In 2016 the composition of the Remuneration Committee was as follows:

- Dr. Andre Carls (Chairman)
- Maciej Leśny (Member)
- Prof. Marek Wierzbowski (Member)
- Martin Zielke (Member) until 15 December 2016
- Stephan Engels (Member) from 16 December 2016

Meetings/activities/decisions

In 2016 the Remuneration Committee of the Supervisory Board held 4 meetings, on the 25 February, 9 June, 27 October and 15 December.

During the meeting held on the 25 February 2016, the Remuneration Committee analysed and extensively discussed among others:

- Approval of MbO results and Individual MbO appraisals for the members of the Management Board of mBank S.A. for the financial year 2015 (Decision 20/16)
- Approval of mBank Risk Takers Scorecards for the Management Board for 2015 (Decision 21/16)
- Annual bonus in cash for 2015 for the Members of the Management Board of mBank S.A. (Decision 22/16)
- Annual bonus in shares for 2015 for the Members of the Management Board of mBank S.A. (Decision 23/16)

- Periods in 2016, during which the Management Board Members and Employees of the Bank may, within the Incentive Programme and Employee Programme scheme, purchase bonds and/or shares of mBank S.A. (Decision 24/16)
- Review of MbO Goals for Management Board Members for 2016 (Decision 25/16)
- Verification of bonus pool for 2015 in mBank S.A.
- Approval of Annexes to the Management Contracts for Management Board Members of mBank S.A. (Decision 26/16)
- Approval of the annual report of the activities of the Remuneration Committee for 2015 (Decision 27/16)
- Opinion of the Remuneration Committee on the functioning of the remuneration policy at mBank S.A. in 2015 (Decision 28/16)

During the meeting held on the 9 June 2016, the Remuneration Committee analysed and extensively discussed among others:

- Prolongation of the Motivation Programme for Management Board Members of mBank S.A. (Decision 29/16)
- Approval of changes in the Rules of the Motivation Programme for Management Board Members of mBank S.A. (decision 30/16)
- Approval of changes in the Rules of the Employee Incentive Programme and Information Memorandum drawn up for the purpose of conducting this programme in mBank S.A. (Decision 31/16)
- Verification of the remuneration paid to the employees with significant impact on mBank's risk profile - Risk Takers (Decision 32/16)

During the meeting held on the 27 October 2016, the Remuneration Committee analysed and extensively discussed among others:

- Policy on assessment of the qualifications (suitability) of members of the supervisory body, management body and key function holders in mBank S.A.
- Market Comparison of Remuneration
- Changes in the Remuneration rules and policy for Risk Takers

During the meeting held on the 15 December 2016, the Remuneration Committee analysed and extensively discussed among others:

- Approval of Policy on assessment of the qualifications (suitability) of members of the supervisory body, management body and key function holders in mBank S.A. (Decision 34/16)
- Approval of Rules of settling travel expenses for Members of the Supervisory Board and Management Board of mBank S.A. (Decision 35/16)
- Approval of Risk Takers Identification Policy (Decision 36/16)
- Approval of changes in the Remuneration rules and policy for Risk Takers (Decision 37/16)

- Preliminary verification of bonus pool for mBank employees in 2016
- Approval of MbO Goals 2017 for mBank Management Board Members (Decision 38/16)

The Remuneration Committee comprehensively fulfilled all the duties imposed on it in the current legal environment.

Dr Andre Carls
Chairman of the Remuneration Committee