

Warsaw 28 February 2018

**Report on the activities  
of the Remuneration Committee of the Supervisory Board of mBank S.A.  
in 2017**

### 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 2017 the composition of the Remuneration Committee was as follows:

- Dr. Andre Carls (Chairman)
- Maciej Leśny (Member)
- Prof. Marek Wierzbowski (Member) - until 30<sup>th</sup> March 2017
- Tomasz Bieske (Member) - from 30<sup>th</sup> March 2017
- Stephan Engels (Member)

### Meetings/activities/decisions

In 2017 the Remuneration Committee of the Supervisory Board held 4 meetings, on the 1st March, 7th June, 25th October and 7th December.

During the meeting held on the 1st March 2017, 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 2016
- Approval of mBank S.A. Risk Takers Scorecards for the Management Board for 2016
- Setting annual bonus for 2016 for the Members of the Management Board of mBank S.A. (cash bonus)
- Setting annual bonus for 2016 for the Members of the Management Board of mBank S.A. (bonus in shares)
- Setting periods in 2017, during which Risk Takers, may within the Incentive Programme, purchase bonds and or shares of mBank S.A.

- Review of Management Board MbO targets for 2017
- Final verification of the bonus pool 2016 for mBank employees
- Discussion on bonus pool for mBank employees in 2017
- Opinion on Risk Takers remuneration policy
- Annual Report of Activities of the Remuneration Committee in 2016

During the meeting held on the 7th June 2017, the Remuneration Committee analysed and extensively discussed among others:

- Discussion on remuneration model for mBank Management Board and employees
- Verification of the remuneration paid to Risk Takers below the mBank Management Board level and employees in risk management and compliance in mBank

During the meeting held on the 25th October 2017, the Remuneration Committee analysed and extensively discussed among others:

- Alternative structures for mBank Risk Takers Incentive Programmes
- Market Comparison of Remuneration for employees
- Discussion on remuneration model for mBank Management Board and employees

During the meeting held on the 7th December 2017, the Remuneration Committee analysed and extensively discussed among others:

- Approval of the Risk Takers Identification Policy
- Approval of changes in Remuneration Policy for mBank employees
- Preliminary verification of bonus pool for mBank employees in 2017
- Approval of MbO Goals 2018 for mBank Management Board Members
- Overview of Mandates of the Management Board Members of mBank S.A.
- New remuneration model for mBank Management Board and employees

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

Dr Andre Carls  
Chairman of the Remuneration Committee