



**Statement of mBank
on Application of the Principles of
Corporate Governance in 2023**

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1.1. Application of the principles of corporate governance at mBank

The general principles of corporate governance applicable at mBank, i.e. regulations and procedures determining guidelines regarding the bank authorities' actions, in particular towards stakeholders, arise from statutory regulations, in particular from the Code of Commercial Partnerships and Companies and the Banking Law Act, provisions regulating the operation of the capital market, and rules laid down in the Best Practice for GPW Listed Companies 2021 and the Principles of Corporate Governance for Supervised Institutions.

In addition, Recommendation Z issued by the Polish Financial Supervision Authority (KNF) has been in effect since 2022. Recommendation Z outlines best practice with regard to the principles of corporate governance. Corporate governance covers, in particular, the bank management system, the bank's organisation, principles of operation, powers, duties and responsibility, and mutual relations among the Supervisory Board, the Management Board and key function holders at the bank. mBank implemented the Corporate Governance Policy, which sets out basic principles and best practice for individual areas of corporate governance.

The text of the Best Practice for GPW Listed Companies 2021 is available on the website of the Warsaw Stock Exchange, in the section dedicated to corporate governance of listed companies (https://www.gpw.pl/pub/GPW/files/DPSN2021_EN.pdf)

The Principles of Corporate Governance for Supervised Institutions are available on the website of the KNF at www.knf.gov.pl/en/MARKET/Regulations_and_practice/Practice).

Recommendation Z is available on the KNF's website at https://www.knf.gov.pl/knf/pl/komponenty/img/Rekomendacja_Z_70998.pdf.

Additionally, the bank adopted internal regulations specifying a number of corporate governance principles, e.g. the mBank Ethics Programme, mKanon (standard of simple communication), the Model of Values and Behaviours of mBank, the Reputational Risk Management Strategy of mBank Group, the Diversity and Inclusion Policy, the Conflict of Interest Management Policy, the Anti-Corruption Policy, the Policy on Providing Services to Reputation-Sensitive Industries at mBank and the Employee Misconduct Policy.

Best Practice for GPW Listed Companies

The Best Practice for GPW Listed Companies 2021 ("DPSN 2021"), which was adopted by way of Resolution of the Warsaw Stock Exchange Supervisory Board No. 13/1834/2021 dated March 29, 2021, is a collection of corporate governance principles and rules of conduct which affect listed companies' relationships with their market environment. DPSN 2021 consists of general rules indicating the objectives which a company should strive to achieve in a given area, and detailed rules which are subject to reporting. The "comply or explain" approach applies to the rules set out in the Best Practice. Listed companies are obliged to publish valid information about the application of individual rules. Moreover, in the case of an incidental violation of the rules, companies must immediately report it.

The Management Board of mBank exercises due diligence to comply with the Best Practice 2021.

The information on the status of the company's compliance with the principles included in the Best Practice for GPW Listed Companies 2021 is available on mBank's website <https://www.mbank.pl/en/about-us/corporate-governance-and-best-practices/>

As at December 31, 2023, mBank complied with all rules laid down in DPSN 2021.

The Supervisory Board's assessment of the bank's observance of the disclosure obligations defined in the Warsaw Stock Exchange Rules and in regulations on current and periodic reports published by issuers of securities is included in the Supervisory Board's annual reports, which are available on mBank's website.

In accordance with the Commission Recommendation of April 9, 2014 on the quality of corporate governance reporting (2014/208/EU), we publish a commentary on the application of the principles laid down in the Best Practice for GPW Listed Companies 2021 on the topics of most importance for shareholders.

Information policy and communication with investors (chapter 1)

- We pursue a transparent, open, and reliable information policy, which builds mutual trust and loyalty of investors. The information policy regarding communication with investors, media and clients is available on our website at <https://www.mbank.pl/pdf/relacje-inwestorskie/pozostale/communication-policy-investors-media-clients.pdf>
- When implementing the information policy, we comply with requirements arising from information confidentiality and security laws, which we must abide by as a public company and a supervised institution.
- On the bank's website (www.mbank.pl), information and documents arising from the guidelines to the Best Practice in relation to rule 1.1. of DPSN 2021 are published, including the following:
 - basic corporate documents, including, in particular, the company's by-laws and the rules of the General Meeting, Supervisory Board, Management Board, and the adopted policies;
 - composition of the Management Board, Supervisory Board and Supervisory Board committees, curricula vitae of the members of these bodies, and in the case of the Supervisory Board information on the Supervisory Board Members' compliance with the independence criterion;
 - information about incentive programmes;
 - the company's selected financial and business data in a format enabling their recipients to process them (data starting from 2006 are available);
 - presentations discussing the published results of the Group and the market environment;
 - basic corporate information on the structure of the Group;
 - data on the number of shares issued, shareholder structure, share capital and dividends;
 - recommendations of analysts together with the target share price and the consensus regarding the Group's forecast results for the current and next year;
 - other presentations and information about issues concerning the strategy, the Group's operations and its financial results (Introduction to mBank Group and Factsheet);
 - recordings of quarterly meetings of analysts and investors with the members of mBank's Management Board;
 - calendar with the dates of publication of financial reports, meetings with investors and press conferences and other events that are important from the point of view of investors;
 - questions asked by the company's shareholders together with the company's answers;
 - current and periodic information;
 - information on the application of the principles of corporate governance and information on communication with the company.

We publish video recordings of General Meetings and information on ratings and the Euro Medium Term Note Programme (including prospectuses and presentations for investors in debt instruments).

- Aside from the information published on the company's website, the main means we apply in our information policy with regard to investor relations include:
 - current and periodic reports; the timeline of publication of periodic reports enables investors to familiarise themselves with the financial results of the company as soon as possible after the end of a reporting period;
 - quarterly presentations of financial results for investors and analysts, during which members of the Management Board of the bank comment on financial and business results of the Group, events having an impact on the Group's operations and prospects for the future, and answer questions;
 - individual and group meetings, teleconferences and videoconferences of representatives of the Management Board and the Investor Relations team with investors and analysts;
 - ongoing contact by phone, email and via Microsoft Teams with analysts and investors, including a Newsletter distributed monthly and other information materials sent when necessary;
 - participation of our representatives in domestic and foreign investor conferences, and cycles of meetings with investors in Poland and abroad (roadshows).

- On the company's website, we present the Group's strategy assumptions, objectives and actions taken as part of the strategy. The Management Board Reports on Performance of mBank S.A. Group for a given year and the ESG reports provide information on the achievement of the objectives of mBank Group's strategy. Our ESG agenda is part of the mBank Group Strategy for 2021–2025. When taking decisions at mBank Group, we factor in climate change issues, including the risks arising from them. The Group's actions regarding ESG are described, among others, in the ESG report and at <https://www.mbank.pl/en/about-us/corporate-social-responsibility/what-we-do/>.
- In the reports available on our website, we present the equal pay index.
- We pursue a policy of full transparency regarding sponsorship. The activity of mBank Foundation is described in the Management Board Report on Performance of mBank S.A. Group, chapter 11. "mBank and corporate social responsibility", and on the bank's website. We disclose our donations to charity.

Management Board, Supervisory Board (chapter 2)

- All members of the Management Board and the Supervisory Board have the knowledge, experience and skills required for their functions.
- The position in the managing body constitutes the main area of professional activity of Management Board members. Some Management Board Members sit also on the supervisory boards of subsidiaries, which contributes to effective operation of the Group. The Supervisory Board grants the members of the Management Board consent to sitting on management or supervisory boards of companies from outside mBank Group.
- The Members of the Supervisory Board devote the necessary amount of time to performing their duties. Where a Supervisory Board Member resigned, they were replaced to fill in the vacancy.
- The Diversity Policy applicable to the Management Board and the Supervisory Board of the bank aims to diversify the compositions of the Management Board and the Supervisory Board in terms of their members' traits and qualifications. In line with the diversity policy, merit-based criteria in the scope of education, skills and professional experience are taken into account, as well as criteria supporting the diversity of the composition of the bank's bodies, i.e. sex and age.
- When selecting the composition of the Supervisory Board and the Management Board, the AGM and the Supervisory Board take into account the results of the suitability assessment and strive to reach gender balance in the composition of the bank's bodies or at least a minimum 33% share of gender minority both in the Management Board and the Supervisory Board by 2026 or a level required by the law. As at December 31, 2023, there were three women among eight Supervisory Board members and there was one woman among seven Management Board members, which accounted for 37.5% and 14.3% of the total number of members, respectively. In line with the Guidelines of the Corporate Governance Committee on the application of the Best Practice for GPW Listed Companies 2021, in order to comply with rule 2.1 it is necessary to adopt a policy of diversity and to include the elements indicated in this rule in the policy, including to set the target gender minority share in a given body of at least 30%. The frequency of changes in the composition of the Management Board and the Supervisory Board depends in principle on the duration of the term of office so as to ensure stability of the company's governance.
- The Audit Committee of the Supervisory Board is guided by the objectives set by the Supervisory Board and stipulated in the Act of May 11, 2017 on Statutory Auditors, Audit Firms and Public Oversight. The Chairperson of the Supervisory Board does not simultaneously act as the head of the Audit Committee.
- We comply with the DPSN 2021 rules pertaining to the manner in which the Management Board and the Supervisory Board vote. Each year, the Supervisory Board prepares a report on its operations in the scope required under the Code of Commercial Partnerships and Companies containing information included in item 2.11 of DPSN and submits it to the General Meeting.

More information on the qualifications of Management Board members and Supervisory Board members can be found in the following sections of this statement.

Internal systems and functions (chapter 3)

- We maintain effective internal control, risk management, and compliance systems. Tasks within the individual systems are performed by designated organisational units. The Management Board is responsible for the implementation, maintenance, and effectiveness of internal control, risk management, and compliance systems. The Supervisory Board monitors the effectiveness of those systems, among others on the basis of the reports submitted to it.
- The internal audit operates independently, in line with the generally applicable international standards for the professional practice of internal auditing. The Internal Audit Department is organisationally and functionally supervised by the President of the Management Board and the Audit Committee of the Supervisory Board, respectively.
- The risk area is managed by a Vice-President of the Management Board, while the director of the Compliance Department reports to the Vice-President of the Management Board, Chief People & Regulatory Officer.
- The remuneration of persons responsible for risk management and compliance and of the internal audit head, including their variable remuneration, depends on the performance of the tasks assigned to them. It does not depend on the group's financial results.
- The Audit Committee of the Supervisory Board reviews and monitors the financial reporting process and operational effectiveness of the internal control system, including the operation of internal audit and compliance.
- Key Group subsidiaries comply with the DPSN 2021 rules regarding remuneration and reporting lines of persons responsible for risk management, compliance and internal audit. Within mBank Group, the position for internal audit has been created at mBank Hipoteczny S.A.

General Meetings, shareholder relations (chapter 4)

- When setting the date of the Annual General Meeting we take account of the statutory time limits and try to convene the meeting as soon as possible after the release of the annual report. We enable the shareholders to participate in General Meetings by means of electronic communication and broadcast them in real time. The General Meetings may be attended by the representatives of the media.
- Draft resolutions of the General Meeting pertaining to matters and decisions other than organisational ones contain a justification and an opinion of the Supervisory Board. The bank strives to ensure that draft resolutions are submitted at least three days before a General Meeting.
- The members of the Management Board and the Supervisory Board take part in the General Meetings. The Management Board presents matters included in item 4.11 of DPSN to the meeting participants and answers shareholders' questions.
- If the General Meeting is to discuss the appointment of new Supervisory Board members or the appointment of the Supervisory Board for a new term of office, candidates for Supervisory Board members are nominated, at the latest, three days before the General Meeting, and the complete documentation concerning them is published on the company's website.
- In accordance with mBank Group's strategy, our objective, as reflected in the multi-year plan, is to pay dividend. At the same time, the dividend policy ensures the maintenance of the bank's and Group's capital ratios at safe levels.
- The bank paid the last dividend from profit for 2017. In the recent years, dividend was not paid out as recommended by the Polish Financial Supervision Authority. mBank Group closed the years 2021–2022 with a net loss, which means that it did not generate any funds to pay out dividends. The bank's long-term dividend strategy is to pay 50% of its net profit in dividends.

Conflicts of interest, related party transactions (chapter 5)

- mBank has in place transparent procedures for preventing conflicts of interest and identifying cases which may constitute conflicts of interest and governing the company's conduct in the case where such a conflict occurs. The Conflict of Interest Management Policy applicable at the bank governs, in particular, combating and managing conflicts of interests: 1) between the bank and a client or clients, 2) between a client or clients and a member of the Supervisory

Board, the Management Board, an employee and a co-worker, 3) a member of the Supervisory Board, the Management Board, an employee and a co-worker and the bank.

- Members of the company's authorities undertake to abstain from professional and non-professional activities which may result in a conflict of interest. The Rules of the Management Board include provisions on avoiding conflicts of interest and specify under which circumstances Management Board members should be excluded from the decision-making process in the case of a conflict of interest.
- In accordance with the Rules of the Supervisory Board, its members do not engage in activities which could give rise to a conflict of interest or negatively affect their reputation as Supervisory Board Members. Potential conflicts of interest in the bank's bodies are also analysed as part of the suitability assessment of prospective Management Board and the Supervisory Board members and as part of cyclical suitability re-assessments.
- The bank applies the principle of equal treatment of clients and suppliers of the Group. No shareholder of the bank is privileged in related party transactions. Related party transactions are executed on the basis of the applicable internal regulations of the bank and in line with market standards.
- In accordance with mBank's By-laws, no resolution should be passed without consent of the majority of the independent members of the Supervisory Board on the following matters:
 - any benefits provided by the bank or any parties related to the bank to the members of the Management Board;
 - consent for the bank to enter into a significant agreement with a party related to the bank, a member of the Supervisory Board or the Management Board, and parties related to them.
- The Supervisory Board issues opinions concerning related party transactions if the planned total value of a single transaction exceeds 20% of the bank's own funds.

Remuneration (chapter 6)

- mBank Group has in place transparent, consistent, and fair remuneration rules. They encourage correct and effective risk management and discourage from taking excessive risk.
- Remuneration of Members of the Management Board includes a fixed and a variable part. The Group has an incentive programme compliant with DPSN 2021.
- The Supervisory Board of mBank has appointed a Remuneration and Nomination Committee.
- Remuneration of Management Board members and key managers is sufficient to attract, retain, and motivate persons having the necessary competences to appropriately manage the company. Remuneration is adequate to the tasks and duties of a given person and the related scope of responsibility.
- In the case of the Supervisory Board, the remuneration level makes it possible to select persons with competences needed to supervise the company. Remuneration of the Supervisory Board does not depend on options, derivative instruments, or other variable components and is not tied to the company's performance and the number of meetings held.

More information on the rules of remunerating Management Board Members and Supervisory Board members and on the competences of the Remuneration and Nomination Committee can be found in the following sections of this statement.

Principles of Corporate Governance for Supervised Institutions

The Principles of Corporate Governance for Supervised Institutions cover relations with shareholders and clients, organisational structure, issues pertaining to ensuring an effective and efficient internal control system, as well as the risks existing in the operations of supervised institutions.

The bank departed from the application of the principles of corporate governance set out in the provisions of Article 16 (1) and Article 24 (1) of the Principles of Corporate Governance for Supervised Institutions.

A declaration on the scope of application of the Principles of Corporate Governance for Supervised Institutions at mBank S.A. approved by the Management Board and adopted by way of Resolution no. 162/21 of the Supervisory Board of mBank S.A. of December 3, 2021 is available on the bank's website at <https://www.mbank.pl/en/about-us/corporate-governance-and-best-practices/>. The declaration confirms the above-mentioned departures from the application of the principles of corporate governance.

Pursuant to Article 16 (1): "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."

In this case, the company believes that a departure is justified. All members of the Management Board speak fluent English. Communication without an interpreter is more efficient. 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 use of specialised language. Furthermore, given that during their meetings the Management Board members discuss information that constitutes company secret, it is important to limit to the bare minimum the participation of non-members of the Management Board in its meetings. At the same time, most of the Management Board Members speak Polish, which means that the bank can be represented whenever participation of Management Board Members is required including communication in Polish without an interpreter. Minutes of Management Board meetings, as well as resolutions of mBank's Management Board, are prepared in two language versions, which ensures compliance with provisions of Article 16 (2) of the Principles of Corporate Governance for Supervised Institutions.

Pursuant to Article 24 (1): "It is proper that meetings of a supervisory body shall be held in Polish. In case of need, necessary assistance of an interpreter should be ensured." The justification of the departure from this principle is similar to that applicable to the rule stipulated in Article 16 (1). The members of the Supervisory Board of mBank speak fluent English. Holding discussions and taking decisions without an interpreter is more efficient and more secure when discussing issues being company secrets. Minutes of the meetings and all resolutions adopted by the Supervisory Board of mBank are prepared in two language versions, Polish and English. This means that the bank complies with the principle laid down in Article 24 (2) of the Principles of Corporate Governance for Supervised Institutions.

The stance of shareholders as regards the Principles of Corporate Governance for Supervised Institutions was presented in resolution no. 31 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 operations and with its interest in mind;
- not to violate the competences 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 mBank to other entities, and in acquisition or alienation of or in conclusion of other transactions leading to mBank disposing of its assets under conditions other than market conditions or posing a threat to the security or interest of mBank; personal rights will be granted 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 their authorisations, whereas it will only take place after an analysis of the entirety of reasons which led to such a necessity; the shareholders will consider the possibility of providing support from the point of view of their financial situation, provisions of law and supervisory regulations which the shareholders being regulated entities are bound to respect and considering the best interest of mBank and its clients;
- to make decisions with regard to dividend payment conditional upon the need to maintain an appropriate level of equity and the achievement of strategic objectives of mBank and to take into consideration general and individual recommendations issued by the supervisory authorities; and

- to follow the recommendations of the KNF regarding the election of members of the Supervisory Board.

Below we present the key aspects of applying the Principles of Corporate Governance for Supervised Institutions.

Organisation and organisational structure (chapter 1)

- The organisation enables the achievement of long-term objectives of the conducted business. Strategic objectives are set forth in the strategy adopted by the Management Board and approved by the Supervisory Board.
- The bank's organisational structure is transparent and adequate to the scale of its business. The Supervisory Board regularly approves changes to the organisational structure and the division of competences between the members of the Management Board and the Managing Directors. The bank's organisational structure and division of competences are available on mBank's website at <https://www.mbank.pl/o-nas/wladze/#schematpodzialu> (in Polish only).
 - The bank has in place a whistleblowing system ensuring anonymity, protection of the whistleblower and confidentiality. The Supervisory Board approves the assessment of adequacy and effectiveness of the mBank S.A. whistleblowing procedure and the Audit Committee of the Supervisory Board receives regular reports on the functioning of the system.
 - The bank has in place business continuity plans. The Business Continuity Management Policy of mBank S.A. is approved by the Supervisory Board.

Relations with shareholders of the supervised institution (chapter 2)

- The bank takes into account the interests of all shareholders, ensures that they have access to information and the ability to actively participate in the General Meetings with the use of electronic means of communication.
- Shareholders are allowed to influence the operation of the bank only through the decisions of the General Meeting, without infringing on the competences of other bodies.
- The shareholders of the bank do not have personal rights or any other special rights. Each share of the bank carries one voting right at the General Meeting.
- In accordance with the law, related party transactions are concluded under internal regulations guaranteeing transparency and compliance with market standards.
- Decisions on dividend payouts depend on the need to maintain an appropriate level of equity and the achievement of strategic objectives, taking into account general and individual recommendations issued by the KNF.

Managing body (chapter 3)

- The Management Board of mBank is a collegial body. Its members have the required expert knowledge, competences, professional experience and reputation adequate to perform the functions vested in them, and they do not carry out any activity that would lead to conflicts of interest or otherwise adversely affect their reputation.
- Five Members of the seven-member Management Board, including the President, hold Polish citizenship and speak Polish. Management Board meetings are held in English (departure from this rule is allowed under Article 16 (1)).
- The members of the Management Board are jointly responsible for the decisions that fall within the Management Board's area of competence, regardless of the internal division of responsibility for individual areas.
- The bank has in place a succession plan for members of the Management Board approved by the Supervisory Board.

Supervisory body (chapter 4)

- The members of the Supervisory Board complement one another's knowledge, experience and skills in a way ensuring due supervision over all areas of the bank's operation.

- The members of the Supervisory Board do not carry out any professional or non-professional activity that could lead to conflicts of interest or otherwise adversely affect their reputation as members of a supervisory body.
- The eight-member composition of the Supervisory Board is adequate for the nature and scale of the bank's operations. An adequate share of independent members is ensured. The independence criteria are met by, among others, the Chairperson of the Supervisory Board and the Chairperson of the Audit Committee.
- The Supervisory Board has an adequate number of members who speak Polish (four out of eight members) and have experience in and knowledge of the Polish financial market. Meetings of the Supervisory Board are held in English (departure from this rule is allowed under Article 24 (1)).
- The Supervisory Board members perform their functions actively, showing the required level of commitment, which is reflected in, among others, high attendance at the Supervisory Board meetings. The Supervisory Board exercises continuous supervision over the bank's operations.
- The Supervisory Board makes an annual assessment of the application of the Principles of Corporate Governance for Supervised Institutions, which is included in the Report of the Supervisory Board of mBank S.A. on Its Activities.

Remuneration Policy (chapter 5)

- We have in place a transparent policy on remunerating the members of the Management Board, the Supervisory Board and the persons holding key functions at the bank.
- The Remuneration Policy is adopted by the General Meeting at least once every four years. At least once a year, the Supervisory Board carries out an in-depth review of the Remuneration Policy and assesses it in terms of the achievement of its objectives and compliance with its provisions.
- The Supervisory Board supervises the Remuneration Policy, which includes a verification of compliance with its criteria and conditions justifying the award of variable remuneration components to the Management Board.
- Remuneration of the Management Board Members and the Supervisory Board members is determined, respectively, by the Supervisory Board and the General Meeting, accordingly to their functions and the scale of the bank's operations.
- The members of the Management Board of mBank do not receive remuneration for performing the functions of members of the supervisory boards of other companies to which they were appointed by the bank.

Information policy (chapter 6)

- We meet all the criteria for transparent and reliable information policy that factors in the needs of shareholders, the media and clients. The bank's communication with capital market participants is tailored to the needs of individual groups.
- We ensure that current and periodic reports are published within the deadlines required by the applicable laws, and that their content enables investors to assess the bank's operations.

Promotion and client relations (chapter 7)

- In the process of offering financial products and services we strive to ensure reliability of the information provided to clients. The advertisements of our products and services comply with all requirements of the Principles of Corporate Governance for Supervised Institutions.
- The financial products and services offered by the bank are adequate to the needs of clients to whom they are addressed.
- We have in place publicly available, clear and transparent rules for handling claims and complaints, guaranteeing fairness, thoroughness, impartiality and compliance with the law and the principles of fair trade and good conduct. The Supervisory Board monitors these processes on an ongoing basis.

Key internal systems and functions (chapter 8)

- The Internal Control System, covering all levels of the organisational structure, was developed and implemented by the Management Board and is subject to assessment by the Supervisory Board. The independence of the internal audit function and the compliance unit is guaranteed.
- We have in place an adequate and effective risk management system, which comprises, among others, identification, measurement, estimation and monitoring of risk and application of mechanisms controlling and mitigating the risk level. The Management Board is responsible for effective risk management, while the Supervisory Board exercises supervision over the effectiveness of risk management.

Exercising rights arising from assets purchased at clients' risk (chapter 9)

- By purchasing assets at a client's risk, the bank (the Brokerage Bureau of mBank) acts in the client's interest, executes their order in line with the regulations and the general terms of service in force. The decision-making process is duly documented.

Recommendation Z

In accordance with Recommendation Z, the Management Board of the bank is responsible for introducing internal governance at the bank and ensuring that it is complied with, and for conducting periodic assessments and verifications aimed at adapting the bank's internal governance to changes occurring inside the bank and in its environment.

In the opinion of the Management Board of mBank, the bank's internal regulations comply with external requirements, while the bank's corporate governance is organised properly. The assessment of the adequacy of internal regulations governing the operation of the Management Board and the self-assessment of the effectiveness of the Management Board are provided later on in the Statement.

Ethical principles applicable at mBank

Code of Banking Ethics

Apart from the corporate governance principles, we have for many years complied with the best banking industry practices, developed by the Polish Bank Association (ZBP). 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 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>) (in Polish only).

Code of Conduct

The bank's employees observe the standards of conduct between the bank's employees and business partners in order to build mutual trust. The guidelines related to behaviour include, among others, being guided by mBank's values, creating a sustainable corporate culture, corporate social responsibility, pursuing a responsible credit policy, treating relationships with clients in a responsible way, honesty in business relationships, applying established standards in relationships with clients and in internal relationships, avoiding conflicts of interest, responsible use of social media and simplifying communication.

mBank Ethics Programme

The programme lays down the basic guidelines that help us build an ethical business culture and meet the obligations and aspirations outlined in the ESG strategy. All policies, products, services and procedures must incorporate ethical aspects. This also applies to how we offer products to clients and to our relationships with clients.

In the mBank Group strategy for 2021–2025 "From an icon of mobility, to an icon of possibility", we defined a model of the Group's values. The model comprises authenticity, empathy, courage, responsibility and cooperation. These values build a culture of trust and good intentions, which makes the workplace a comfortable place where everyone feels confident to speak their mind.

1.2. Internal control and risk management systems in the process of preparing financial statements of mBank

mBank's internal control system supports management of the bank by ensuring efficiency and effectiveness of the bank's operations, reliability of financial reporting, compliance with risk

management rules of the bank, as well as compliance of the bank's operation with law, internal regulations and market standards.

The risk management system and the internal control system in place at the bank are based on three independent lines of defence:

The first line of defence is comprised of risk management in the operations of the bank performed by the bank's business units and units supporting them directly;



The second line of defence is comprised at least of risk management by designated organisational units and/or designated employees of organisational units, which takes place independently of the risk management in the first line of defence, and the operations of the Compliance Department;



The third line of defence is comprised of the Internal Audit Department, which is responsible for an independent evaluation of the adequacy and effectiveness of the risk management system and the internal control system in the first and second line of defence.

The control function, designed to ensure the observance of control mechanisms, is performed on an ongoing and systematic basis by employees of all organisational levels and all lines of defence, according to their respective authorisations, as part of the operating activity. In all three lines of defence, mBank's employees apply control mechanisms or independently monitor the observance of control mechanisms.

The process of preparing financial data for reporting is automated and based on the accounting data of the bank. Preparation of data in source systems is subject to formalised operational and acceptance procedures. Creating a collection of accounting balances on the basis of the system of general ledgers of the bank takes place within a process covering respective internal mechanisms and controls. The mechanisms consist, among others, in verification and reconciliation of reporting data with books of accounts, sub-ledger accounts, and other documents on the basis of which financial statements are drawn up, as well as with the applicable legal provisions pertaining to accounting principles and the preparation of financial statements.

The processing of data for financial reporting purposes is strictly governed by control mechanisms which test the correctness and reliability of data. Manual adjustments, including those arising from management decisions, are subject to special controls.

We continuously monitor changes in the law and external regulations related to the preparation of financial statements, update internal regulations on an ongoing basis and adjust our IT systems where necessary.

We have implemented mechanisms which effectively ensure the security of IT systems in the process of monitoring the operational risk which occurs in the preparation of financial statements at the bank. The IT systems used in the process are cyclically analysed and tested in terms of compliance with the IT architecture requirements and cybersecurity, and thoroughly controlled in terms of integrity and data security. We have 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 mBank Group are prepared by the Financial Reporting Department. The basis for drawing up the consolidated financial statement of the Group are the financial statements of the bank and the subsidiaries subject to consolidation, as well as additional information prepared by these subsidiaries that is necessary in the consolidation process. With respect to descriptive information concerning risk management at the bank and in the Group contained in financial statements, the Financial Reporting Department cooperates with organisational units from the Risk Management Area.

The Financial Reporting Department monitors the reporting packages prepared by the subsidiaries in terms of their correctness, completeness and coherence of data. The Accounting Department controls the coherence and completeness of the bank's books of accounts and manages the model chart of accounts. Both departments report to the Vice-President of the Management Board, Chief Financial Officer. To ensure the completeness of the disclosures required under IFRS in the annual and semi-

annual financial statements, the Financial Reporting Department draws up a disclosure checklist based on the applicable standards.

Upon their verification, financial statements are submitted for approval to the Management Board of mBank by the Financial Reporting Department. The statements are approved by all members of the Management Board of the bank with the use of qualified electronic signatures.

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 forwards a recommendation on whether the Supervisory Board should approve or reject the annual financial statements.

The standalone and consolidated annual and semi-annual financial statements of mBank are subject to an independent audit and review by a statutory auditor, respectively. The selection of the statutory auditor of the bank and the Group requires a resolution of the General Meeting. The Audit Committee of the Supervisory Board issues an opinion on the selection of the statutory auditor.

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

The aspiration to ensure the highest standards of financial statements is reflected in the high quality of mBank's reporting. In the "Best Annual Report 2022" contest organised by the Institute of Accountancy and Taxes (IRiP), the results of which were announced in October 2023, we won the title "Best of the Best" for the best annual report in the category of financial institutions for the eleventh time in a row.

Information on the entity authorised to audit financial statements

We abide by the principle regarding the rotation of statutory auditors. In accordance with Resolution No. 30 of the 35th Annual General Meeting of mBank held on March 31, 2022, KPMG Audyty Spółka z ograniczoną odpowiedzialnością sp.k. is authorised to audit the financial statements of mBank S.A. and the consolidated financial statements of mBank Group for the years 2022–2023. The recommendation regarding the selection of the auditor was made following a selection procedure carried out by the bank in line with the applicable criteria. The bank's and mBank Group's financial statements for the years 2018–2021 were audited by Ernst & Young Audyty Polska spółka z ograniczoną odpowiedzialnością spółka komandytowa.

The total value of remuneration paid to KPMG Audyty Spółka z ograniczoną odpowiedzialnością sp.k. in 2023 for auditing and reviewing the financial statements and the consolidated financial statements of mBank S.A. amounted to PLN 3,926,000 gross.

The total value of other remuneration paid to KPMG Audyty Spółka z ograniczoną odpowiedzialnością sp.k. in 2023 for providing other services to mBank S.A. amounted to PLN 1,916,000 gross.

Statutory auditor's services other than the audit of annual financial statements

A list of services other than the audit of yearly financial statements rendered to mBank S.A. Group by KPMG Audyty Spółka z ograniczoną odpowiedzialnością sp.k. in 2023 is presented below.

1. Review of the standalone interim financial statements of mBank S.A. and the consolidated interim financial statements of mBank S.A. Group as at and for the 6-month period ended June 30, 2023.
2. Review of the mBank S.A. Group's special purpose consolidated financial information for Q1 2023 including the interim condensed consolidated financial statements of the mBank S.A. Group and the interim condensed standalone financial statements of mBank S.A. as at and for the three-month period ended 31 March 2023.
3. Review of the mBank S.A. Group's special purpose consolidated financial information for Q3 2023 including the interim condensed consolidated financial statements of the mBank S.A. Group and the interim condensed standalone financial statements of mBank S.A. as at and for the nine-month period ended 30 September 2023.
4. Review of the consolidation package of mBank S.A. for Commerzbank AG as at and for the 3-month period ended March 31, 2023, the 6-month period ended June 30, 2023 and the 9-month period ended September 30, 2023.
5. Audit of the consolidation package of mBank S.A. for Commerzbank AG as at and for the year ended December 31, 2023.

6. Verification of the disclosure document regarding the capital adequacy of mBank Group as at June 30, 2023 and December 31, 2023.
7. Assessment of compliance with the requirements for storing assets of mBank S.A. clients for the year ended December 31, 2023.
8. Assessment of the remuneration report prepared by the Supervisory Board for the year ended December 31, 2023.
9. Performing the agreed procedures related to the issuance and preparation by the bank of the Prospectus under the EMTN Programme and the issuance of comfort letters.
10. Attestation service consisting in assessing the compliance of the GRI (Global Reporting Initiative) indicators disclosed by the Bank in the "ESG Report 2023" with the criteria of the GRI 2021 standard and the Bank's qualitative and quantitative disclosures resulting from Regulation 2021/2178 together with delegated acts ("EU Taxonomy Disclosures") with the requirements of Regulation 2021/2178 along with delegated acts as of December 31, 2023.
11. Attestation service consisting in assessing the compliance of GRI indicators disclosed by the Bank in the "Non-financial information" chapter of the document " Management Board Report on Performance of mBank S.A. Group in 2023" with the criteria of the GRI 2021 standard and EU Taxonomy Disclosures with the requirements of Regulation 2021/2178 together with delegated acts as of December 31, 2023.
12. Review of the interim financial statements of two subsidiaries as at and for the 6-month period ended June 30, 2023.
13. Audit of selected balances in the consolidation package of four subsidiaries and specific audit procedures on the consolidation package of three subsidiaries of mBank S.A. as at and for the year ended December 31, 2023.
14. Review of selected balances in the consolidation package of three subsidiaries as at and for the 3-month period ended March 31, 2023 and 9-month period ended September 30, 2023.
15. Review of selected balances in the consolidation package of three subsidiaries and specific audit procedures concerning the consolidation package of three subsidiaries of mBank S.A. as at and for the 6-month period ended June 30, 2023.
16. Review of the consolidation package of three subsidiaries for Commerzbank AG as at and for the year ended December 31, 2023.

1.3. Significant blocks of shares

As at December 31, 2023, mBank's share capital amounted to PLN 169,860,668 divided into 42,465,167 shares, including 42,454,167 ordinary bearer shares and 11,000 ordinary registered shares with a nominal value of PLN 4 each. Commerzbank AG is our majority shareholder.

As at the end of 2023, Commerzbank directly held 29,352,897 mBank shares. In 2023, the number of shares held by Commerzbank did not change; however, following the admission to trading of shares issued in connection with the implementation of the incentive programmes, Commerzbank's stake was slightly reduced. At the end of 2023, Commerzbank held 69.12% of mBank's share capital and votes at the General Meeting (compared with 69.17% at the end of 2022).

30.88% of mBank shares were in free float. These shares are held by institutional investors, in particular Polish pension funds and Polish and foreign investment funds, as well as individual investors. As at December 31, 2023, aside from Commerzbank AG, no shareholder exceeded the 5% threshold of shares and votes at the General Meeting.

At the beginning of 2023, the funds managed by Powszechne Towarzystwo Emerytalne Allianz Polska S.A. (PTE Allianz Polska S.A.) jointly held shares representing more than 5% of the bank's share capital. On February 7, 2023, the bank was notified that the funds managed by PTE Allianz Polska S.A. sold some of the bank's shares, thereby decreasing their stake in the share capital of the bank to less than 5%.

According to the lists of shares of WSE-listed companies held in funds' portfolios published by open-end pension funds as at December 31, 2023, open-end pension funds jointly held 18.42% of the total number of mBank shares compared with 18.29% at the end of 2022.

The largest shareholders of mBank among OFEs as at December 31, 2023 included:

- OFE Allianz Polska OFE - 4.82% (at the end of 2022, funds managed by PTE Allianz Polska, including the former Aviva OFE, held a total of 5.06% of the capital and votes at the AGM of mBank),
- Nationale-Nederlanden OFE - 4.27% (no change compared to the end of 2022),
- PZU OFE "Złota Jesień" - 3.51% (compared to 3.32% a year ago),
- Generali OFE - 1.80% (at the end of 2022, Generali OFE held 0.75%, and NN Life OFE acquired by Generali OFE in July 2023, held 1.12% of the capital and votes at the AGM of mBank), and
- Vienna OFE (formerly Aegon OFE) – 1.50% (no changes compared to the end of 2022).

mBank shareholders	Status as at December 31, 2023		Status as at December 31, 2022	
	Number of shares	% share in the total number	Number of shares	% share in the total number
Commerzbank AG	29,352,897	69.12%	29,352,897	69.17%
Others	13,112,270	30.88%	13,080,598	30.83% ¹⁾
Total	42,465,167	100.00%	42,433,495	100.00%

¹⁾ Including the pension funds managed by PTE Allianz Polska 5.06%

mBank shares are included in the following indices: WIG, WIG-Poland, WIG20, WIG20TR, WIG30, WIG30TR, mWIG40, mWIG40TR, WIG-Banki, WIG-ESG, CEEplus and MSCI Poland.

Each share carries one voting right at the General Meeting. There are no preferred shares. The rights and obligations related to mBank's shares arise from generally applicable laws, in particular the provisions of the Code of Commercial Partnerships and Companies. The control rights of Commerzbank AG as the parent entity of mBank arise from the number of shares held, their percentage share in the share capital and in 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 separating the equity rights attached to securities from the holding of securities. Furthermore, there are no limitations on transferring the ownership right to securities issued by the bank.

Information on the majority shareholder

Our majority shareholder, Commerzbank AG founded in 1870, is a leading German bank for medium-sized enterprises and a strong partner to approx. 26,000 corporate client groups and nearly 11 million private and small-business customers in Germany. Its two Business Segments – Private and Small-Business Customers and Corporate Clients – offer a comprehensive range of financial services. Commerzbank transacts approx. 30% of German foreign trade transactions and is present internationally in more than 40 countries in the corporate clients' business. The bank focuses on German medium-sized enterprises (Mittelstand), large corporations and institutional clients.

As part of its international business, Commerzbank supports clients with a business relationship to Germany, Austria, or Switzerland and companies operating in selected future-oriented industries. In the Private and Small Business Customers segment, the bank provides online and mobile banking services under two brands (Commerzbank and comdirect), via the advisory centre and directly in branches.

Commerzbank's strategy until 2027 "Moving Forward" is based on three pillars: growth, excellence, and responsibility. Sustainability is an important component of Commerzbank's strategy: the bank will actively shape the sustainable transformation of the German economy. In 2023, Commerzbank Group reported a net profit of more than EUR 2.2 billion.

1.4. Principles of appointing and dismissing Management Board members

In accordance with the By-laws of mBank, the Management Board is appointed for a five-year term of office. The term of office is calculated in financial years. 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 dismissed.

Members of the Management Board should possess adequate knowledge, skills and experience to carry out their functions and perform their duties and should guarantee proper performance of these duties. 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 and other members of the Management Board are appointed and dismissed by the Supervisory Board, which acts pursuant to the Banking Law and considers whether they are adequately qualified to carry out their functions. The appointment as the President of the Management Board and a member of the Management Board acting in the capacity of Chief Risk Officer requires consent of the KNF. The candidates for Management Board members are nominated by the Remuneration and Nomination Committee. When inviting nominations, the Committee takes into account the criteria set out in the Suitability Policy of mBank, including the diversity criterion.

The bank has in place a succession process in the event of vacancies in the Management Board member positions. The succession process favours people who respect the culture and values of the bank and live by them in the work they do.

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.

1.5. Rules for amending 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. The draft is then presented to the Supervisory Board for approval.

Under Article 34 (2) of the Banking Law Act of August 29, 1997, amendments to the bank's By-laws require consent of the KNF.

Amendments to mBank's By-laws in 2023

The 36th Annual General Meeting of mBank held on March 30, 2023 passed Resolution No. 21 on Amendments to the By-laws of mBank in connection with:

- entry into force of the Act of February 9, 2022 Amending the Act on the Code of Commercial Partnerships and Companies and Certain Other Acts, on October 13, 2022.

In particular, the following were incorporated into the By-laws:

- I. amendment to Article 369 (1) of the Code of Commercial Partnerships and Companies changing the way in which the term of office of the management board members of joint-stock companies is calculated from calendar years to full financial years (which also applies to the term of office of supervisory board members of joint-stock companies under Article 386 (2) of the Code of Commercial Partnerships and Companies);
 - II. amendment to Article 389 of the Code of Commercial Partnerships and Companies on the operation of supervisory boards;
 - III. limitation of the obligation arising from Article 380 [1] of the Code of Commercial Partnerships and Companies to avoid the need to provide the supervisory board with information that is not relevant for the effective supervision over the bank's operations;
- replacement of a joint term of office with separate (individual) terms of office of the Management Board members;
 - modification of the scope of competences of the committees of the Supervisory Board of mBank;

- alignment of Article 27 (2) of the By-laws on the appointment of the President of the Management Board and the member of the Management Board acting in the capacity of Chief Risk Officer with the new wording of Article 22a (4) of the Banking Law Act;
- enabling changes to be made in the internal division of competences in the bank's Management Board in the scope of compliance risk supervision;
- increase in the bank's share capital resulting from the implementation of incentive programmes for the Management Board members and employees of mBank;
- position of the KNF, whereby the provisions of a bank's by-laws on cancellation of shares should explicitly stipulate that cancellation of shares requires consent of the KNF.

On April 14, 2023, the District Court for the Capital City of Warsaw, 13th Commercial Division of the National Court Register, registered the amendments to the By-laws of mBank arising from Resolution No. 21 adopted by the 36th Annual General Meeting of mBank S.A.

1.6. Procedures and powers of the General Meeting

The General Meeting is convened pursuant to the provisions of the Code of Commercial Partnerships and Companies, mBank'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 mBank's website: (<https://www.mbank.pl/en/about-us/corporate-governance-and-best-practices/>).

The General Meeting convened by the Management Board under the ordinary procedure is held once a year, not later than in June. The Supervisory Board may convene an Annual General Meeting if the Management Board does not convene it within the time limit 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 exercise their voting rights either in person or by proxies. One proxy may represent more than one shareholder.

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

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 mBank's 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. Shareholders have the option to participate in the General Meeting with the use of electronic means of communication. A shareholder or their proxy participating in the General Meeting with the use of the means of electronic communication has the same rights to voice their opinion, propose motions, submit draft resolutions, vote and raise objections to adopted resolutions as a shareholder or their proxy physically present in the room where the General Meeting is held.

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 Management Board Report on Performance of mBank S.A. Group 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;
- appointment and dismissal of Members of the Supervisory Board;

- amendment of the By-laws;
- increase or reduction of the bank's share capital;
- adoption of resolutions on the cancellation of shares and, in particular, on the adoption of share cancellation rules which are not set out in the By-laws;
- creation and winding up of special purpose funds;
- issue of convertible bonds or bonds with pre-emptive rights;
- establishment of remuneration rules applicable to 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 the shareholders in accordance with the By-laws;
- selection of an entity authorised to audit financial statements as a statutory auditor of the bank.

The General Meetings of the bank take place in the bank's headquarters in Warsaw and are broadcast online. The General Meetings may be attended by media representatives.

Shareholders' rights

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 half of the share capital or at least half of the total number of votes in the company may convene an Extraordinary General Meeting and appoint the chairperson of the meeting. The shareholder/shareholders 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 the meeting. A request for convening an Extraordinary General Meeting submitted in writing or electronically should contain proposals of:

- a) the General Meeting agenda,
- b) draft resolutions along with the justification for those resolutions.

If a General Meeting is convened by parties other than the Management Board, the Management Board is obliged to take the necessary actions to ensure that the General Meeting is held.

Only the persons who have been shareholders of the bank for sixteen days before the date of the General Meeting have the right to participate in the General Meeting. The shareholder/shareholders 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 not later than twenty-one days prior to the date of the Annual General Meeting. Shareholders may participate in the General Meeting and exercise their voting rights either in person or by proxies.

A shareholder has the right to:

- vote, file motions and raise objections;
- justify their position briefly;
- stand as a candidate for the Chairperson of the General Meeting, as well as propose a candidate for the Chairperson of the General Meeting and have the proposal recorded in the minutes;
- take the floor during the General Meeting and make replies;
- submit draft resolutions concerning items 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 relevant draft resolution 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 Chairperson of the General Meeting or orally to be recorded in the minutes;
- review the book of minutes and request copies of resolutions authenticated by the Management Board;

- take legal action to repeal a resolution of the General Meeting where the shareholder voted against the resolution of the General Meeting and after its adoption requested that their objection be recorded in the minutes or the shareholder was prevented from participating in the General Meeting without a sound reason, or the shareholder was absent from the General Meeting in the event of defective convening of the General Meeting or the adopted resolution was not on the agenda;
- take legal action against the company for declaring a resolution of the General Meeting incompatible with the law invalid.

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 to provide the information if:

- this could damage the company or its affiliated company or subsidiary, in particular due to disclosure of technical, trade or organisational secrets of the company;
- it 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 not later than two weeks after the General Meeting.

1.7. Composition, competences 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. 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 competences of members of the Management Board has been described in detail in the Management Board's resolutions.

In 2023, the composition of the Management Board of the bank changed.

On January 17, 2023, Andreas Böger resigned from his function of the Vice-President of the Management Board, Chief Financial Officer. The resignation took effect on April 30, 2023. The reason for the resignation was the planned assumption of the function of the Divisional Board Member – Group Finance at Commerzbank AG.

On March 30, 2023, the Supervisory Board of mBank appointed, effective as of May 1, 2023, the following new members of the Management Board of the bank: Pascal Ruhland as the Vice-President of the Management Board, Chief Financial Officer and Julia Nusser as the Vice-President of the Management Board, Chief People and Regulatory Officer.

The composition of the Management Board as at December 31, 2023 was as follows:

1. Cezary Stypułkowski – President of the Management Board, Chief Executive Officer
2. Krzysztof Dąbrowski – Vice-President of the Management Board, Head of Operations and Information Technology
3. Cezary Kocik – Vice-President of the Management Board, Head of Retail Banking
4. Marek Lusztyń, Vice-President of the Management Board, Chief Risk Officer
5. Julia Nusser – Vice-President of the Management Board, Chief People & Regulatory Officer
6. Adam Pers – Vice-President of the Management Board, Head of Corporate and Investment Banking
7. Pascal Ruhland – Vice-President of the Management Board, Chief Financial Officer.

Detailed information on the members of mBank's Management Board is presented below.

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



Cezary Stypułkowski holds a PhD in Law from the University of Warsaw. In late 1980s, he studied at Columbia University Business School in New York as a grantee of the Fulbright Program.

For 13 years, he chaired the Management Board of Bank Handlowy S.A. In 2003–2006, he acted as the President of the Management Board of PZU Group. From 2006 to 2010, he was employed with J.P. Morgan in London, from 2007 as Managing Director of J.P. Morgan responsible for Central and Eastern Europe.

Cezary Stypułkowski was a member of the International Advisory Board of Deutsche Bank's 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, DC.

Cezary Stypułkowski was appointed President of the Management Board of mBank S.A. on August 2, 2010, with effect as of October 1, 2010. The KNF approved his appointment on October 27, 2010.

Krzysztof Dąbrowski – Vice-President of the Management Board, Head of Operations and Information Technology



Krzysztof Dąbrowski graduated from the Warsaw University of Technology, Faculty of Electronics and Information Technology. In 2011, he completed the Executive MBA programme at the University of Warsaw and the University of Illinois.

He obtained extensive knowledge regarding IT in several industries. In 1995–2003, he worked in the internet and telecommunications industry for Polska Online and TDC Internet, where he was responsible for the development of hosting systems and services. In 2004–2011, as the head of the Software Development Department, he co-created the Polish

shared services centre of F. Hoffman-La Roche, which is among the largest pharmaceutical companies worldwide. In the following years, as CTO of Allegro Group, e-commerce leader in Poland, he supervised one of the biggest Agile transformations in the region.

Since 2014 he has been a Managing Director and CIO / CTO at mBank.

Krzysztof Dąbrowski has been Vice-President of the Management Board of mBank S.A., Head of Operations and Information Technology since April 1, 2017.

Cezary Kocik – Vice-President of the Management Board, Head of Retail Banking



Since 2004, together with the Retail Banking team, Cezary Kocik has been developing a comprehensive offer for individuals, entrepreneurs and small businesses in three markets: Poland, Czechia and Slovakia. He additionally supervises the Private Banking client segment, Wealth Management, the Brokerage Bureau and a fund management company (mTFI).

Before joining mBank, Cezary Kocik gained experience in the field of investment banking, restructuring and debt collection in the now-defunct Powszechny Bank Gospodarczy (PBG). He also served as the director of

the Łódź branch of Bank Pekao S.A., the fifth largest branch of what at the time was the second most popular bank among Polish retail clients.

He graduated from the University of Łódź with a degree in Banking and Finance. In 2015, he completed the Advanced Management Program (AMP 189) at Harvard Business School and Strategic Management in Banking in INSEAD in 2018. He holds a securities broker licence.

Cezary Kocik has been Vice-President of the Management Board of mBank S.A., Head of Retail Banking since April 1, 2012.

Marek Luszczyn, Vice-President of the Management Board, Chief Risk Officer



Marek Luszczyn has over 25 years of experience in the banking sector. He holds a PhD in Economics from the Warsaw School of Economics (SGH). He completed the Executive MBA programme at the University of Illinois and the University of Warsaw. He also graduated from INSEAD and holds a bachelor degree in Computer Science Engineering. He also completed numerous courses in the field of banking and management, among others at the Singularity University and the Stanford Graduate School of Business.

Marek Luszczyn started his professional career at the Bank Handlowy w Warszawie S.A., where from 1996 to 2000 he worked in the Treasury and Foreign Exchange Departments. For the next 20 years he worked at the Bank Pekao S.A., which from 1999 until 2017 belonged to Unicredit Group. During 2000-2008 he was the head of market risk trading book and then Financial Risk Department Director. For the following almost 10 years he held senior executive positions within the international structures of UniCredit SpA, where he was responsible for the global risk management functions. From July 2017 until June 2020 he assumed roles in the Management Board of the Bank Pekao S.A., where he held positions of Chief Risk Officer and Chief Executive Officer.

From September 2019 to the end of 2020, he was a member of the Board of the Warsaw School of Economics (SGH). He was appointed by the SGH Senate after being recommended by the SGH Corporate Partners Club – a group of leading Polish and international companies closely cooperating with SGH. He is an author of numerous academic publications on banking and risk management and a long-standing lecturer in the subject.

Marek Luszczyn has been Vice-President of the Management Board of mBank S.A. since October 22, 2020. On March 3, 2021, the KNF approved the appointment of Marek Luszczyn as Chief Risk Officer of mBank.

Julia Nusser – Vice-President of the Management Board, Chief People and Regulatory Officer



Julia Nusser has more than 25 years of professional experience in the banking sector. She has been managing large and diverse teams for over 20 years. She joined mBank from Commerzbank AG, where she held the position of the Managing Director responsible for KYC (Know Your Customer) processes and systems. This included creation, development, implementation and operation of the systems and processes for KYC first line of defence for Commerzbank AG worldwide as well as for all client groups. Until 2020, she had been Managing Director and Global Head of Trade Finance Operations at Commerzbank AG. In the past, she held various internal audit functions at Dresdner Bank (later acquired by

Commerzbank AG). Julia Nusser is also a Member of the Supervisory Board of CERI International in Poland.

Julia Nusser received a master's degree in Banking at Frankfurt School of Finance & Management (Hochschule für Bankwirtschaft) in 2002, preceded by a Bank Apprenticeship Program and Certification.

Julia Nusser has been Vice-President of the Management Board of mBank S.A., Chief People and Regulatory Officer since May 1, 2023.

Adam Pers – Vice-President of the Management Board, Head of Corporate and Investment Banking



Graduate of the Poznań University of Economics, Faculty of Economics. In 2008 Adam completed Executive MBA program at the Warsaw School of Economics. He gathered comprehensive banking knowledge and experience working in three institution.

He started his career in WBK S.A. and then he was working for several years in Raiffeisen Bank in Back Office, Corporate Banking and Financial Markets. He was responsible for strategic projects concerning the reshaping of the dealing room and for one of the pillars of the bank's strategy. As a member of the Operating Committee, during the financial crisis, he was responsible for the bank's liquidity. In RBI Group, he was awarded the TOP Performer and Leader of the Year title. He joined BRE Bank/mBank Group in 2012, where his first task was to restructure the financial markets sales area. Then, as a Managing Director he also supervised the integration of the area of cooperation with financial institutions and finally, integration with Trading.

Adam Pers has been Vice-President of the Management Board of mBank S.A., Head of Corporate and Investment Banking since October 26, 2017.

Pascal Ruhland – Vice-President of the Management Board, Chief Financial Officer



Pascal Ruhland has more than 15 years of professional experience in the banking sector. As Managing Director he was the Divisional CFO for the Corporate Clients Segment, and prior to that he held the position as the Head of Divisional Controlling for Corporate Clients at Commerzbank AG. In the past he worked in Germany, Poland, Hong Kong as well as in the UK and gained experience especially in Finance, Corporate and Retail Banking.

Pascal Ruhland completed his master's program in Accounting and Finance at the University of Applied Sciences in Frankfurt am Main. Furthermore, he completed the Strategic Financial Leadership Program for CFOs at Stanford University, the Executive Program for Prospective CFOs at Chicago Booth and the Leading Digital Transformation Program at the Indian Institute of Management Bangalore.

Pascal Ruhland has been Vice-President of the Management Board of mBank S.A., Chief Financial Officer since May 1, 2023.

On September 21, 2023, the Supervisory Board of mBank expressed its intention to appoint the Management Board in its current composition for the next term of office, which starts in 2024 and ends in 2029. At the same time, it agreed with Cezary Stypułkowski that it will sign an agreement with him for the duration of one year of the new term of office, i.e. until the day on which the Annual General Meeting of mBank Shareholders is held in 2025. The decision on the successor of Cezary Stypułkowski as President of the Management Board will be taken in the course of 2024.

Competences and rules of the Management Board

Members of the Management Board are jointly liable for the overall operation of the bank. They work collegially and inform each other on 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 coordinate 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:

- Investment and Resources Committee (chairperson: Pascal Ruhland)
- Capital, Assets and Liabilities Committee (chairperson: Pascal Ruhland)
- Data Quality and Information Systems Development Committee (chairperson: Pascal Ruhland)
- Foreign Branch Supervision Committee of mBank S.A. (chairperson: Cezary Kocik)
- Credit Committee of mBank Group (chairperson: Marek Luszczyn)
- Retail Banking Risk Committee (chairperson: Marek Luszczyn)
- Corporate and Investment Banking Risk Committee (chairperson: Marek Luszczyn)
- Financial Markets Risk Committee (chairperson: Marek Luszczyn)
- Investment Banking Committee (chairperson: Marek Luszczyn)
- Sustainability Committee of mBank Group (chairperson: Marek Luszczyn)
- Model Risk Committee (chairperson: Marek Luszczyn)
- IT Architecture Committee of mBank Group (chairperson: Krzysztof Dąbrowski)

The Management Board manages the bank's business, represents the bank and defines the guidelines for the bank's operations, 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 the Supervisory Board with comprehensive information on all significant aspects of the bank's operation, on operational risk and on the operational risk management methods on a regular basis.

The Management Board operates pursuant to its Rules approved by the Supervisory Board. The Rules determine among others the issues which require consideration of the Management Board as a collegial body and adoption of a resolution by 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.

Rules and levels of remuneration of members of the Management Board are determined by the Remuneration and Nomination 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.

The remuneration rules applicable to members of the Management Board are laid down in the Risk Takers Remuneration Policy of mBank S.A.

Remuneration of members of the Management Board includes a fixed and a variable part. For members of the Management Board, the relation between variable remuneration and fixed remuneration should not exceed 100% of the annual basic remuneration, with the proviso that variable remuneration exceeding 100% (not more than 200%) of the annual basic remuneration is subject to approval by the AGM of the bank.

The basic remuneration of members of the Management Board is determined by the Supervisory Board of the bank, taking into account the following information:

- resolution of the Management Board of mBank on the division of competences between members of the Management Board of the bank (with a particular focus on changes in competences),
- long-term results achieved as at the assessment date,
- available internal market data (e.g. internal comparison of mBank Group),
- available external market data (e.g. information on remuneration of management board members of other WSE-listed companies, additional market benchmarks).

A detailed description of the rules of the incentive programmes for the Management Board based on shares is presented in Note 43 to mBank S.A. Group consolidated financial statements for 2023.

On March 30, 2023, the 36th Ordinary General Meeting of mBank adopted resolution No. 28 amending resolution No. 37 of May 9, 2018 of the 31st Ordinary General Meeting of mBank regarding the introduction of the Incentive Programme and the Programme Rules and Resolution No. 29 amending Resolution No. 38 on the Issue of Subscription Warrants, Conditional Share Capital Increase with Exclusion of the Existing Shareholders' Pre-emptive Right to the Subscription Warrants and Shares, Amendments to the Company's By-laws and on Applying for the Admission of the Shares to Trading on the Regulated Market and Dematerialisation of the Shares. The incentive program will be implemented in the period from January 1, 2018 to the end of the day on which the earlier of the following events occurred: (i) the expiry of the period of 10 years from the date of recording the last of the warrants taken up by the Programme participants in the securities account, (ii) taking up all shares.

The Supervisory Board determines the amount of the bonus for a given calendar year for each member of the Management Board individually based on the assessment of the implementation of the set MBO goals for a period of at least 3 years, and its amount depends on the amount of the bonus pool.

The basis for determining the amount of the Bonus Pool for a given calendar year is the sum of amounts calculated on the basis of indicators called "KPIs". The determination of the Bonus Pool is preceded by the approval by the Supervisory Board of: the definition of KPIs, the number of KPIs in a given year, and the percentage share of each KPI in the Bonus Pool. The Supervisory Board approves the result corresponding to 100% implementation of a given KPI and the actual result for a given KPI. The result corresponding to 100% implementation of a given KPI is a "starting point". Reaching the starting point for each KPI corresponds to a Bonus Pool of 8 times the basic monthly salary of all management board members. Achieving KPI results above or below the starting point for a given KPI entails its proportional percentage recalculation above or below 100%. The percentage result for a given KPI is calculated as a weighted average of the results from the calendar year for which the Bonus is granted and the previous two years, in accordance with the principles set out in the Remuneration Policy for employees having a significant impact on the bank's risk profile.

MBO takes into account team quantitative goals (at the Group level), individual financial goals and individual qualitative goals.

The bonus consists of:

- non-deferred part totaling 40% of the bonus, and
- deferred part totaling 60% of the bonus.

Both the non-deferred part and the deferred part are divided into equal portions: 50% paid in cash and 50% paid in subscription warrants.

The non-deferred part in cash is paid in the year when the bonus was awarded. The other half of the non-deferred part (50%) is paid in the form of subscription warrants, not earlier than after 12 months from the date of the AGM approving the consolidated financial statements of mBank Group for the year for which the bonus was awarded.

The deferred bonus (the part paid in cash and the part paid in subscription warrants) is paid in five equal tranches in the subsequent calendar years. In each tranche, the cash portion is paid once the consolidated financial statements of mBank Group for the previous calendar year are approved, and the subscription warrant portion is paid not earlier than 12 months after the date on which the consolidated financial statements for the previous calendar year are approved by the AGM. The value of one subscription warrant equals the average market price per share in the reference period set in line with the Remuneration Policy minus PLN 4.00. In particularly justified cases, it is allowed to pay out a part or all of cash tranches (non-deferred and deferred) in the form of subscription warrants upon a decision of the Supervisory Board.

The remuneration of the Members of the Management Board in 2022-2023 is presented in the following tables.

2023

Remuneration paid in 2023 for the members of the Management Board performing their functions at the end of 2023					
		Remuneration paid in 2023 (in PLN)			
		Basic remuneration	Other benefits	Bonus for 2022	Deferred bonus*
1.	Cezary Stypułkowski	3,512,913	714,162	424,000	252,000
2.	Krzysztof Dąbrowski	1,680,000	372,482	224,000	126,000
3.	Cezary Kocik	1,680,000	455,148	224,000	144,000
4.	Marek Lusztyn	1,680,000	400,239	196,000	-
5.	Julia Nusser	1,120,000	547,615	-	-
6.	Adam Pers	1,680,000	340,414	224,000	132,000
7.	Pascal Ruhland	1,120,000	546,298	-	-
Total		12,472,913	3,376,357	1,292,000	654,000

*In 2023, the 4th deferred tranche was paid as part of the settlement of the cash part of the bonus for 2018 and the 3rd deferred tranche was paid as part of the settlement of the cash part of the bonus for 2019

Remuneration paid in 2023 to former members of the Management Board					
		Remuneration paid in 2023 (in PLN)			
		Basic remuneration	Other benefits	Bonus for 2022	Deferred bonus**
Remuneration of former members of the Management Board who ceased to perform their functions in 2023					
1.	Andreas Böger	560,000	137,648	224,000	126,000
Remuneration of former Members of the Management Board who ceased to perform their functions in 2020					
1.	Lidia Jabłonowska-Luba	-	1,710	-	114,000
2.	Frank Bock	-	-	-	102,000
Total		560,000	139,358	224,000	342,000

**In 2023, members of the Management Board who ceased to perform their functions in 2023 and 2020 received the 4th deferred tranche as part of the settlement of the cash part of the bonus for 2018 and the 3rd deferred tranche as part of the settlement of the cash part of the bonus for 2019.

2022

Remuneration paid in 2022 for the members of the Management Board performing their functions at the end of 2022					
		Remuneration paid in 2022 (in PLN)			
		Basic remuneration	Other benefits	Bonus for 2021	Deferred bonus*
1.	Cezary Stypułkowski	3,603,032	365,125	-	252,000
2.	Andreas Böger	1,743,395	233,704	-	126,000
3.	Krzysztof Dąbrowski	1,656,000	197,668	-	126,000
4.	Cezary Kocik	1,656,000	272,295	-	144,000
5.	Marek Lusztyn	1,656,000	222,943	-	-
6.	Adam Pers	1,656,000	168,811	-	132,000
Total		11,970,427	1,460,547	-	780,000

* In 2022, the 3rd deferred tranche was paid as part of the settlement of the cash part of the bonus for 2018 and the 2nd deferred tranche was paid as part of the settlement of the cash part of the bonus for 2019. The bonus for 2021 was granted in full in subscription warrants.

Remuneration paid in 2022 to former members of the Management Board					
		Remuneration paid in 2022 (in PLN)			
		Basic remuneration	Other benefits	Bonus for 2021	Deferred bonus*
Remuneration of former members of the Management Board who ceased to perform their functions in 2020					
1.	Lidia Jabłonowska-Luba	-	1,710	-	114,000
2.	Frank Bock	-	-	-	102,000
Total			1,710		216,000

*In 2022, the members of the Management Board who ceased to perform their functions in 2020 received the third deferred tranche as part of the settlement of the cash part of the bonus for 2018 and the second deferred tranche as part of the settlement of the cash part of the bonus for 2019.

The bank's shares held by the members of the Management Board:

As at December 31, 2023, two members of the Management Board held mBank shares: Cezary Stypułkowski – 30,902 and Marek Lusztyn – 1,283.

As at December 31, 2022, the following members of the Management Board held mBank shares: Cezary Stypułkowski – 27,884, Andreas Böger – 2,994, Krzysztof Dąbrowski – 2,240, Cezary Kocik – 1,392, Marek Lusztyn – 303 and Adam Pers – 26.

The assessment of the adequacy of internal regulations governing the operation of the Management Board and the self-assessment of the effectiveness of the Management Board

In accordance with principle 8.9 of Recommendation Z on the principles of internal governance at banks issued by the Polish Financial Supervision Authority, the Management Board of mBank carries out the self-assessment of the adequacy of internal regulations concerning the operation of the Management Board and the effectiveness of the Management Board.

In the opinion of the Management Board, the By-laws of mBank S.A., the Rules of the Management Board and other internal regulations, inter alia, on meeting the conditions of suitability, managing conflicts of interest and division of competences between Management Board members, ensure the proper operation of the Management Board and the adequate performance of its tasks. The aforesaid regulations enable effective and prompt reaction to changing external conditions and sudden or unexpected events and enable efficient bank management.

Internal governance at mBank complies with the law and is transparent and effective. The regulations governing the operation of the Management Board are updated in line with amended laws, changes in the regulatory environment, Group standards or whenever the situation so requires.

In 2023, the Management Board as a whole and all of its individual members managed the bank's business actively and with due diligence and dedication. The Management Board focused on the achievement of goals defined in the mBank Group Strategy for 2021–2025 "From an Icon of Mobility to an Icon of Possibilities". Due to significant changes in external conditions and the situation on the financial market since the adoption of the strategy, in 2023 the Management Board modified the financial goals and selected business goals and measures, while maintaining the main directions of the Group's development.

The Management Board's assessment of the effectiveness of its actions is positive. The Group's income generated in 2023, efficient cost and risk management, very high profitability of the Group's core business, a sound capital base and comfortable liquidity situation bespeak the above.

In 2023, the income posted by mBank Group reached its all-time high. It was largely driven by the efficient management of the interest margin. Similarly to the previous two years, the Group's net profit attributable to the owners of mBank for 2023 (PLN 24.1 million) was affected by high costs of legal risk related to FX mortgage loans.

When assessing the effectiveness of the Management Board's actions, the Group's profit from its core business (the Group excluding the segment of FX mortgage loans) should be a primary consideration. In 2023, mBank Group generated a net profit from core business of PLN 5.0 billion. This translated into a return on equity (ROE) of 40.1%, which evidences that mBank's business model is working well and the Management Board is able to efficiently exploit its unique features and the client demographic profile to achieve high profitability.

In 2023, the bank set up provisions for legal risk in the amount of PLN 4.9 billion, thus increasing the provision coverage for the active CHF portfolio to 99,5%. At the same time, the bank successfully continued the programme of settlements with clients having active CHF mortgages, including clients engaged in a dispute with the bank. As at December 31, 2023 the number of reached settlements exceeded 13,300.

The Group retained a tight grip on costs, and consequently, remained highly cost-effective. The cost/income ratio for 2023 stood at 28.5%. Supported by careful risk monitoring and adequate credit decisions taken in response to changing circumstances, the quality of the Group's credit portfolio remained high despite the economic slowdown and the cost of risk stood at 93 bps.

The Group's Total Capital Ratio and Tier 1 Capital Ratio remained comfortably above the minimum capital requirements, at a level adequate for the Group's risk exposure. The synthetic securitization transaction on a portfolio of retail non-mortgage loans worth approximately PLN 10 billion contributed to maintaining a strong capital position. The Group's liquidity was strong, as reflected by the high surplus of liquid assets and liquidity measures remaining well above the regulatory minimums. The bank successfully placed the issue of green non-preferred senior bonds with a nominal value of EUR 750 million classified as MREL-eligible.

The Management Board's positive self-assessment of its effectiveness in 2023 is supported, among others, by:

- increase in the number of bank accounts held by individuals, micro-enterprises and corporate clients and a higher number of active users of mBank's mobile app, BLIK and clients using the mBank CompanyNet system;
- development of digital solutions and mobile services, including the personal finance management (PFM) functionality;
- increasing share of digital channels, in particular the mobile app, in the sales of non-mortgage loans and in the initiation of retail and corporate processes;
- strengthening the bank's presence in e-commerce, especially a dynamic increase in transactions executed via Paynow;
- further automation, robotisation, optimisation and streamlining of operational processes, the progress in the reorganisation of the credit process and improved reliability and cybersecurity of the Group's systems;
- continued efforts towards sustainable development, among other things, the development of climate or environmentally friendly financial products and services, financing of transactions related to promoting sustainable development and work on reducing and reporting the carbon footprint;

- a number of awards and distinctions won in industry contests and league tables, including: the Leaders of the Banking and Insurance World contest, the Bank Ranking of the Monthly Financial BANK, Euromoney Global Private Banking Awards, Best Private Bank in Poland 2023 (The Banker), World's Best Corporate Digital Bank in Poland 2023, the Employer Branding LinkedIn Talent Awards and honourable mentions in the area of diversity and inclusion.

Composition of the Supervisory Board

The Supervisory Board acts on the basis of the adopted Rules and performs the functions provided for in the By-laws of mBank, the Code of Commercial Partnerships and Companies, and the Banking Law.

The By-laws of mBank provide that the Supervisory Board consists of at least five members elected by the General Meeting. At least half of all Supervisory Board members, including the Chairperson, must hold Polish citizenship, be habitually resident in Poland, speak Polish, and have experience on the Polish market which can be used while supervising the bank's operations.

Members of the Supervisory Board are appointed for a joint term of office of three years. The term of office is calculated in financial years (the first financial year of a term of office is always the financial year in which a given member of the Supervisory Board commenced their term of office, even if the commencement date of the term of office does not coincide with the start date of the financial year). The term of a Supervisory Board member expires at the latest on the day of the General Meeting approving the financial statements for the last full financial year of the term of office of the Supervisory Board member.

A member of the Supervisory Board whose mandate expired in the course of the joint term of office of the Supervisory Board may be replaced with another person appointed by the Supervisory Board. The term of office of a member of the Supervisory Board so appointed expires on the expiration date of the terms of office of the other members of the Supervisory Board. Appointment of Supervisory Board members in the course of the joint term of office of the Supervisory Board must be approved by the next General Meeting.

Pursuant to the statutory requirement, at least two Supervisory Board members are independent.

On March 30, 2023, the 36th Annual General Meeting of mBank S.A. appointed Thomas Schaufler as a member of the Supervisory Board for a term of office from March 31, 2023 until the end of the current term of office of the Supervisory Board. Thomas Schaufler replaced Arno Walter who, on October 14, 2022, submitted his resignation as a member of the Supervisory Board, effective as of March 30, 2023.

On October 20, 2023, Dr. Marcus Chromik submitted his resignation as a member of the Supervisory Board, effective as of December 31, 2023. On December 14, 2023, the Supervisory Board of mBank elected a new member of the Supervisory Board, Bernhard Spalt, effective from January 1, 2024.

As at December 31, 2023, the composition of Supervisory Board of mBank S.A. was as follows:

1. Prof. Agnieszka Słomka-Gołębiowska – Chairwoman of the Supervisory Board,
2. Dr. Bettina Orlopp – Deputy Chairwoman of the Supervisory Board,
3. Hans-Georg Beyer – Member of the Supervisory Board,
4. Tomasz Bieske – Member of the Supervisory Board,
5. Dr. Marcus Chromik – Member of the Supervisory Board,
6. Mirosław Godlewski – Member of the Supervisory Board,
7. Aleksandra Gren – Member of the Supervisory Board,
8. Thomas Schaufler – Member of the Supervisory Board.

Detailed information on the Members of the Supervisory Board of mBank who performed their functions as at December 31, 2023 is presented in the table below.

Prof. Agnieszka Słomka-Gołębiowska – Chairwoman of the Supervisory Board

A purpose-driven Non-Executive Director and Board Advisor helping companies in navigating sustainability journey to net zero economy.

Ms. Słomka-Gołębiowska has nearly 20 years of extensive experience on boards of large publicly listed and private companies, as well as international organizations such as UN WFP and UNAIDS. Currently, she is a Chairwoman of the Supervisory Board of mBank, where she also serves as Chair of the Remuneration and Nomination Committee, and a member of Risk and Audit Committee. She has been appointed also as Board Member and Chair of Audit Committee in Grupa Pracuj, a European leading HR technology platform as well as

Ghelamco Invest, a finance arm of a top-tier commercial real estate company. Her past board experiences include companies from SaaS businesses, aerospace and defense (A&D) industries as well as infrastructure and construction. She holds seat at the EU Platform on Sustainable Finance, assisting the European Commission on Sustainable Finance Framework, as well as Advisory Board of Sustainable Investment Forum Poland (POLSIF).

Agnieszka Słomka-Gołębiowska is a Professor at the Warsaw School of Economics with research focus on governance and sustainability. She holds PhD in Economics and MSc. in Finance and Banking from the Warsaw School of Economics (with distinction), completing Master Program in International Business at the Copenhagen Business School. She received prestigious awards including the Alexander von Humboldt Fellowship at Muenster University and the Polish-American Fulbright Fellowship at the University of California, Berkeley (Haas), where she cooperated with prof. Oliver Williamson - Nobel Prize winner in economics. She is an author of numerous articles in JCR journals, books as well as a speaker at business and academic conferences. In 2019, she received the Corporate Governance Personality Award. She is a mentor at the Hertie School of Governance, Berlin and global ambassador of the Bank of America and Vital Voices Partnership Program on women entrepreneurship and empowerment.

Bettina Orlopp – Deputy Chairwoman of the Supervisory Board

Bettina Orlopp holds a degree in business administration awarded by the University of Regensburg, where she also received a PhD degree.

She began her professional career as a Management Consultant at McKinsey & Company in 1995, where she was elected Partner in 2002. In 2014, she started her career at Commerzbank as Divisional Board Member of group development and strategy.

Bettina Orlopp has been a member of the Board of Managing Directors since 2017. She has been CFO since March 2020 and Deputy CEO since July 2021 at Commerzbank AG. She leads the following departments: Finance, Tax, Investor Relations, and Treasury.

She is a member of the following committees of Commerzbank AG: Asset and Liability Committee (ALCO), Group Sustainability Board, Executive Pension Committee and Group Market Risk Committee.

Hans-Georg Beyer – Member of the Supervisory Board

Hans-Georg Beyer studied at Witten/Herdecke University (Business Economics & General Management) and at SKEMA Business School ((International Finance). In 2020, he received a PhD at the University of St. Gallen (HSG) based on a doctoral thesis on risk governance at board level of European banks.

Dr. Hans-Georg Beyer has many years of experience in Commerzbank Group, among others in positions related to managing the compliance area and the internal audit area. He holds the function of the Chief Compliance Officer and Divisional Board Member Group Compliance at Commerzbank AG. He is responsible for all compliance units of Commerzbank Group, including the compliance units in its foreign branches and subsidiaries.

Tomasz Bieske – Member of the Supervisory Board

Tomasz Bieske holds a master's degree in Economics from the University of Cologne, Germany. For six years after graduation he worked in the head office of Dresdner Bank AG in Frankfurt, where his main responsibilities included lending to international corporate clients and trading in sovereign debt on the secondary market. From 1988, he worked for Arthur Andersen in Frankfurt as Manager in charge of business consulting for financial institutions. Two years later he moved back to Warsaw to co-found Arthur Andersen in Poland, where he served as Partner and Head of Financial Markets Group. He was responsible for working with clients from the financial sector, which included auditing the financial statements of leading banks in Poland, sale of banks' non-performing loan portfolios and valuation of private banks' shares. He participated in a number of due diligence processes commissioned by foreign investors and in consulting projects in the financial markets sector.

Following the merger of Arthur Andersen and Ernst & Young in 2002, Tomasz Bieske continued as Partner and Head of Financial Markets Group. He led the majority of key projects in the financial services sector, including the preparation of public offerings of PKO BP S.A. and Kredyt Bank S.A. and auditing of the financial statements of the National Bank of Poland, PKO BP S.A., Pekao S.A., Getin Holding and a number of other banks, and the Social Insurance Institution (ZUS). He also led a number of advisory projects in the banking sector (including the development of the concept of the GPW privatisation, preparation of the operational change plan for the Ministry of Finance and the merger of four state-owned banks into Pekao S.A. prior to its privatisation). In 2011, he participated in the work of the committee for regulatory and business changes in the cooperative banking sector.

Tomasz Bieske works closely with the Polish Bank Association and the National Association of Cooperative Banks. He holds a licence of a Polish statutory auditor. In 2011, he was awarded the gold medal of the Polish Bank Association for his contribution to the development of banking in Poland in 1991–2011. Since June 2013,

he has been a member of the supervisory boards of several GPW-listed companies (including Masterlease S.A., Kruk S.A. and mBank S.A.).

He completed the three-month Oxford Fintech Programme in 2019 and the three-month Venture Capital Programme at the University of Oxford in 2020. Since 2019, he has been a member of the Association of Independent Non-Executive Directors. In the academic year 2023/2024, he serves as a coach for students taking the post-graduate course "Professional Supervisory Board" at Kozminski University in Warsaw.

Marcus Chromik – Member of the Supervisory Board (until December 31, 2023)

Marcus Chromik studied physics in Göttingen, Kiel and Munich. He also engaged in scientific research at Michigan State University in the United States. Marcus Chromik holds a PhD in nuclear physics.

He started his professional career with McKinsey & Company in 2001. In 2004, he joined Postbank Group, where he held various executive positions, being responsible for, among others, new share issues and syndication, liquidity management and credit treasury. Later he served as the Chief Market Risk Officer in Commerzbank's markets and corporates segment for more than three years, where he was responsible for market and liquidity risk management. In 2012, Marcus Chromik became Divisional Board Member and Chief Credit Risk Officer at Commerzbank.

On January 1, 2016, he was appointed Member of the Board of Managing Directors at Commerzbank AG, Chief Risk Officer. He left Commerzbank as of December 31, 2023.

On October 20, 2023, Dr Marcus Chromik handed over to the Chairwoman of mBank's Supervisory Board, resignation from his function as a member of the Supervisory Board as of December 31, 2023.

Mirosław Godlewski – Member of the Supervisory Board

Mirosław Godlewski holds a Master of Science degree awarded by the Faculty of Industry Management of the Warsaw University of Technology. He also holds an MBA degree from Ashridge Management College and AMP Harvard Business School.

Currently Mr. Godlewski is Senior Advisor with BCG, Board Member at Eubioco Sp z o. o., Supervisory Board Member of ONDE S.A. and a Partner in the Hadgehog Fund.

Mirosław Godlewski was a Member of the Supervisory Board of Netia S.A., Celon Pharma S.A., Absolvent.pl, ABC Data S.A., and a Member of the Remuneration and Nomination Committee. Between 2007 and 2014, he was the President and CEO of Netia S.A. He also held executive positions at Opoczno S.A., DEC Sp. z o.o., Pepsi-Cola Polska, and MEMRB Polska.

Aleksandra Gren – Member of the Supervisory Board

Aleksandra Gren graduated from Harvard Business School (Negotiations), London School of Economics (European Policy and Politics), and University of British Columbia (International Relations). FinServ technology executive with 25+ years of professional experience in banking technology and banking. She started her career at the Royal Bank of Canada in Vancouver. After a year-long break for master's studies at the London School of Economics, she started working for ING Bank in Italy, where she participated in the preparations for launching ING Bank Direct. She continued her career with American fintech companies operating in EMEA, as an analyst, advisor and for many years as a manager and board member.

Proven track record of successful partnerships and transformational initiatives in the banking sector. Recognized by London-based Banking Technology Awards and PayTech Leadership Awards in Top 10 women in tech in 2016 and 2018.

Named Global Ambassador and Mentor by Bank of America GAP Global Leadership Development and Mentoring Program for Entrepreneurs in the US in March 2019.

Thomas Schaufler – Member of the Supervisory Board (as of March 31, 2023)

Thomas Schaufler graduated in 2002 from the University of Applied Sciences (FHW-Fachhochschule) in Vienna with a master's degree in management and entrepreneurship. Thomas Schaufler finished professional courses and has professional certificates (e.g. Certificated European Financial Analyst CEFA).

Thomas Schaufler has more than twenty years of professional experience in the banking sector, including fourteen years in managerial positions in the banking sector. Currently he is the Member of the Board of Managing Directors of Commerzbank AG responsible for business segment of private and small-business customers. Previously, he sat on the Board of Managing Directors of Erste Group Bank AG, acting as Head of the Group Retail Board. Thomas Schaufler has managerial experience in retail banking sales, Treasury sales, product management in European countries and asset management.

Below, we present the bio of Bernhard Spalt who is a member of the Supervisory Board as of January 1, 2024.

Bernhard Spalt – Member of the Supervisory Board (as of January 1, 2024)

Bernhard Spalt graduated from the University of Vienna with a master's degree in law with a specialization in European law. Bernhard Spalt has more than thirty years of professional experience in the financial sector, and he has held management and board positions since 1999.

He has many years of experience in all areas of risk management, working for international financial institutions, including in Austria, Romania, Slovakia, Hungary and the Czech Republic. In recent years, he served as Chairman of the Management Board at Erste Group Bank AG, having previously served as a Member of the Management Board responsible for risk management at Erste Bank der Oesterreichischen Sparkassen AG, Banca Comerciala Romana SA, Slovenska Sporitelna SA and Erste Bank Hungary ZRT.

Four members of the Supervisory Board of mBank meet the independence criteria: Agnieszka Słomka-Gołębiowska, Tomasz Bieske, Aleksandra Gren and Mirosław Godlewski. The remaining members are not independent members due to their relationship with the main shareholder of mBank.

Competences and principles of operation of the Supervisory Board

The competences of the Supervisory Board include, in particular, the following:

- Exercising supervision over the implementation and operation of an adequate and effective risk management system and internal control system at the bank;
- Advising and supervising the Management Board in defining internal guidelines for the bank's operations, especially for the areas subject to risks, including the bank's credit policy, investment policy, guarantee policy, compliance policy, and approving the Management Board's proposals concerning the general organisational structure of the bank;
- Supervising compliance of the bank's risk-taking regulations with the strategy and financial plan of the bank;
- Approving the bank's information policies adopted by the Management Board and annual disclosures concerning capital adequacy of mBank Group;
- Approving strategies and procedures, in particular, regarding the internal control system, the risk management system, the anti-money laundering and terrorism financing strategy, the internal governance policy, the remuneration policies, 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 and the internal control system; efficiency of compliance risk management; effectiveness of the anti-money laundering and counter-terrorist financing compliance unit;
- Analyzing regular reports presented by the Management Board on all relevant issues concerning the bank's operations, the risk related to the pursued operations, and the methods and efficiency of risk management;
- Preparing a concise assessment of the position of the bank to be presented to the Annual General Meeting and attached to the annual report of the bank for the previous financial year;
- Approving the bank's annual financial plans, multi-year growth plans, as well as the strategy of the bank and the rules of prudent and stable management of the bank;
- Reviewing any motions and matters which are subject to resolutions of the General Meeting, including draft resolutions of the General Meeting. The Supervisory Board draws up justifications for draft resolutions to be submitted for approval by the General Meeting;
- Issuing and approving rules provided for in the By-laws of mBank;
- Appointing and dismissing the President of the Management Board and other members of the Bank's Management Board subject to the procedures laid down in the Banking Law Act and other generally applicable laws;
- Defining the terms of contracts and remuneration of the Management Board;
- Authorising the Chairperson of the Supervisory Board to represent mBank in agreements with the Management Board members, including the conclusion of management contracts with Management Board members;

- Receiving, in advance, information on creating, acquiring, closing and managing branches, permanent representations and parts of the enterprise, and initiating and terminating undertakings and areas of operations;
- Approving the conclusion or amendment of any significant contract or agreement with members of the Management Board or the Supervisory Board;
- Approving the conclusion, amendment or termination of any significant affiliation or co-operation agreements;
- Receiving information on the expected deviations from the annual budget;
- Analysing reports of the Director of the Internal Audit Department received at least once per year and reports on operations of the compliance subunit responsible for combating money laundering and terrorism financing, drawn up by the head of the subunit;
- Issuing guidelines for the Management Board members regarding the level and structure of remuneration awarded to the senior management;
- Approving the remuneration policies for particular categories of persons whose professional activities have a material impact on the risk profile of the bank;
- Approving the operational risk management strategy developed by the Management Board, assessing implementation of the strategy and, if necessary, commissioning its review;
- Granting members of the Management Board of mBank consent to sitting on management or supervisory boards of companies outside mBank Group;
- Granting consent to the appointment and dismissal of the directors of the Internal Audit Department and the Compliance Department and approval of their remuneration;
- Approving the organisational rules of the Internal Audit Department and the Compliance Department;
- Presenting, on an annual basis, a report on the assessment of the functioning of the Group's remuneration policies for assessment to the General Meeting;
- Granting consent to the conclusion of material related party transactions in the scope required in line with the generally applicable legal provisions pertaining to public companies;
- Drawing up the annual report on the remuneration of the Management Board and Supervisory Board members in the scope required in line with the generally applicable legal provisions pertaining to public companies;
- Exercising supervision over the introduction of internal governance at the bank and carrying out the assessment of the internal governance and its implementation at the bank at least once a year, and
- Authorising the Management Board to acquire, encumber, and sell real estate, a perpetual usufruct or part of real estate and stock and participatory shares in companies as well as other fixed assets, if the value of the said transactions exceeds 1% of the bank's own funds.

Meetings of the Supervisory Board are held as required, at least four times in a financial year, once every quarter. All Management Board members participate in the meetings of the Supervisory Board except for those agenda items which directly concern the Management Board or its members. The Chairperson of the Supervisory Board presides over Supervisory Board meetings. In the absence of the Chairperson, this function is performed by the Deputy Chairperson of the Supervisory Board. In the absence of the Chairperson and the Deputy Chairperson, the meeting is chaired by a Supervisory Board member elected by those present at the meeting.

Resolutions of the Supervisory Board are adopted by a simple majority of votes. In the case of an equal number of votes, the Chairperson of the Supervisory Board has a casting vote.

There are five Supervisory Board Committees: the Executive Committee, the Risk Committee, the Audit Committee, the Remuneration and Nomination Committee, and the IT Committee.

Members of the Committees as of December 31, 2023 are presented below (the first person listed is the Chairperson of each Committee).

Executive Committee	Risk Committee	Audit Committee	Remuneration and Nomination Committee	IT Committee
<u>Dr. Bettina Orlopp</u>	<u>Dr. Marcus Chromik²⁾</u>	<u>Tomasz Bieske</u>	<u>Prof. Agnieszka Słomka-Gołębiowska</u>	<u>Aleksandra Gren</u>
Prof. Agnieszka Słomka-Gołębiowska	Mirosław Godlewski	Dr. Hans-Georg Beyer	Tomasz Bieske	Mirosław Godlewski
Dr. Marcus Chromik ¹⁾	Aleksandra Gren	Aleksandra Gren	Dr. Marcus Chromik ³⁾	Dr. Marcus Chromik ⁴⁾
	Thomas Schaufler	Dr. Bettina Orlopp	Mirosław Godlewski	
	Prof. Agnieszka Słomka-Gołębiowska	Prof. Agnieszka Słomka-Gołębiowska	Dr. Bettina Orlopp	

¹⁾ From January 1, 2024, the Executive Committee consists of Dr. Bettina Orlopp and Prof. Agnieszka Słomka-Gołębiowska

²⁾ From January 1, 2024, Bernhard Spalt is the chairman of the Risk Committee

³⁾ As of January 1, 2024, Dr. Marcus Chromik was replaced by Bernhard Spalt

⁴⁾ As of January 1, 2024, Dr. Marcus Chromik was replaced by Thomas Schaufler

The work of the entire Supervisory Board is made more efficient by delegating selected members of the Supervisory Board to perform particular supervisory activities at mBank within the Committees. Many resolutions of the Supervisory Board are adopted in line with the recommendations of the Committees which first analyse and discuss various issues from each area of the bank's operations.

Executive Committee

The tasks of the Executive Committee involve, in particular, exercising ongoing supervision over the bank's operations 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 usufruct rights or interests in real estate, shares in companies and partnerships, and other fixed assets if the value of a 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 bankruptcy proceeding with the possibility to make an arrangement or other settlement with the bank's debtor or in the case of the disposal of assets so acquired.

Audit Committee

The Audit Committee issues opinions concerning the selection of a statutory auditor by the General Meeting, recommends the Supervisory Board to approve or reject financial statements, develops the policy and procedures for the selection of an external auditor and provision of other permitted services by the auditor, monitors the financial reporting process as well as the effectiveness of internal control, risk management and internal audit systems, and recommends the Supervisory Board to grant or refuse consent to appointment/dismissal of the head of the Internal Audit Department and the head of the Compliance Department. Moreover, the Audit Committee presents the Supervisory Board with the opinion on the annual assessment of adequacy and effectiveness of the control function, the Compliance Department and the Internal Audit Department, recommends the Supervisory Board to approve or reject the principles of mBank's information policy concerning capital adequacy and recommends the Supervisory Board to approve or reject mBank's compliance policy and annual report on compliance risk management in the bank.

Pursuant to the Rules of the Supervisory Board, the Audit Committee is composed of at least three members of whom at least one member has to possess knowledge and skills in the scope of accounting or financial statements audit. The Rules of the Supervisory Board stipulate that the majority of the Audit Committee members, including the Chairperson, are independent.

In 2023, the Audit Committee was composed of five members.

Tomasz Bieske, Aleksandra Gren and Professor Agnieszka Słomka-Gołębiowska meet the independence criteria. The independence criteria are specified in Article 129 of the Act of May 11, 2017 on Statutory Auditors, Audit Firms and Public Oversight.

All Audit Committee members have extensive knowledge and skills in banking. Tomasz Bieske also possesses comprehensive knowledge and skills in accounting and financial statements audit.

- Tomasz Bieske – a certified auditor of financial statements, co-founder of Artur Andersen in Poland, partner and director of the Financial Markets Group; then in Ernst & Young he continued

his work as the partner and director of the Financial Markets Group. He implemented many significant projects in the banking sector.

- Aleksandra Gren – she started her professional career in the Royal Bank of Canada; she has more than 20 years of experience in banking technologies and fintech in EMEA (Europe, Middle East and Africa).
- Dr. Hans-Georg Beyer – Divisional Board Member Group Compliance and Chief Compliance Officer of Commerzbank, holder of the Chartered Financial Analyst (CFA) charter. He has comprehensive knowledge and skills in finance, banking and accounting.
- Dr. Bettina Orlopp – Member of the Board of Directors of Commerzbank, Chief Financial Officer (CFO). She is also a member of the committees operating at Commerzbank AG, including the Assets and Liabilities Committee (ALCO) of Commerzbank Group. She holds an MBA degree and a PhD from the University of Regensburg.
- Professor Agnieszka Słomka-Gołębiowska – holder of a PhD in economics and a professor at the Warsaw School of Economics (SGH). She also completed an MBA programme organised by the French Management Institute in Warsaw. She worked, among others, at Arthur Andersen, at the Industrial Development Agency (ARP), and sat on supervisory boards and audit committees of other companies.

The Audit Committee recommends the external auditor to audit the financial statements of mBank S.A. and the consolidated financial statements of mBank S.A. Group to the Supervisory Board. The external auditor is selected by the General Meeting based on a recommendation of the Supervisory Board. The recommendation is prepared in accordance with a selection procedure that meets the requirements set out in the applicable laws.

The procedure for selecting an audit firm to audit mBank's financial statements meets the requirements set out in Article 16 (2) of Regulation (EU) No 537/2014 of the European Parliament and of the Council of April 16, 2014 on specific requirements regarding statutory audit of financial statements of public-interest entities (Regulation No. 537/2014).

The policy for selecting an audit firm at mBank S.A. approved by the Audit Committee meets the requirements set out in the Act of May 11, 2017 on Statutory Auditors, Audit Firms and Public Oversight and Regulation No. 537/2014. The policy incorporates the principle regarding the rotation of statutory auditors.

In accordance with Article 17 of Regulation No. 537/2014, an engagement of a particular auditor or audit firm may not exceed ten years (Article 17 (1)). Until March 31, 2020, the Act of May 11, 2017 on Statutory Auditors, Audit Firms and Public Oversight contained Article 134 (1) which stipulated that the maximum duration of uninterrupted statutory audit engagements carried out by one audit firm or an audit firm related to this audit firm, or any member of the network may not exceed five years. On March 31, 2020, the Act of March 31, 2020 on Amendments to the Act on Specific Solutions Related to Prevention, Counteracting and Combating COVID-19, Other Infectious Diseases and Crisis Situations Caused by Them introduced an amendment to the Act on Statutory Auditors which removed the five-year rotation period for statutory auditors of public interest entities. At the same time, Articles 134 (2) and (3) of the Act on Statutory Auditors remained in force, stipulating that a key statutory auditor may not conduct statutory audits at the same public interest entity for more than five years, and may undertake another audit at this entity after the cooling-off period of at least three years from the end of the last audit.

The bank complies with applicable regulations regarding the rotation of statutory auditors.

The policy on the provision of permitted non-audit services to mBank S.A. by the audit firm carrying out the audit, by entities related to the audit firm and by a member of the audit firm's network, approved by the Audit Committee meets the requirements set out in the Act on Statutory Auditors, Audit Firms and Public Oversight and Regulation No. 537/2014.

Pursuant to the policy on the provision of permitted non-audit services to mBank S.A. by the audit firm carrying out the audit, by entities related to the audit firm and by a member of the audit firm's network, a statutory auditor or an audit firm carrying out the statutory audit, or any member of the network to which the statutory auditor or the audit firm belongs, do not directly or indirectly provide to the audited entity, to its parent undertaking or to its controlled undertakings within the EU:

- any prohibited non-audit services in the period between the beginning of the period audited and the issuing of the audit report;

- any services that consist in designing and implementing internal control or risk management procedures related to the preparation and/or control of financial information or designing and implementing financial information technology systems.

Under Article 136 of the Act on Statutory Auditors, prohibited services do not include the following:

1. services that consist in:
 - a. conducting due diligence procedures with regard to economic and financial condition,
 - b. issuing comfort letters in connection with prospectuses issued by the audited entity, in accordance with the national standard of related services and by means of agreed procedures;
2. assurance services with regard to pro forma financial information, forecasts of results or estimated results, published in the prospectus issued by the audited entity;
3. auditing historical financial information to be included in a prospectus;
4. verification of consolidation packages;
5. confirmation of fulfilment of conditions of the concluded loan contracts on the basis of analysis of financial information coming from financial statements audited by a given audit firm;
6. assurance services in reporting concerning corporate governance, risk management and corporate social responsibility;
7. services consisting in the assessment of compliance of information disclosed by financial institutions and investment companies with the requirements for disclosing information concerning capital adequacy and variable remuneration components;
8. certification concerning financial statements or other financial information for supervision bodies, the supervisory board or another supervisory authority of the company, or owners, exceeding the scope of the statutory audit, to help these authorities to perform their statutory duties.

Provision of the said services is possible only in the scope not related to the tax policy of the bank, after the Audit Committee evaluates hazards to and safeguards for an audit firm's independence.

The audit firm selection procedure has been developed by the Audit Committee of the Supervisory Board of mBank. For the purposes of organising and conducting tender proceedings to select an audit firm, at the request of the Vice-President of the Management Board, Chief Financial Officer the Audit Committee appoints the Evaluation Committee which conducts tender proceedings to select an audit firm. The selection criteria applied when assessing bids submitted by bidders are clear and do not discriminate against any bidder. The Audit Committee presents the Supervisory Board with a recommendation regarding the appointment of an audit firm containing a justification and at least two recommended audit firms, one of them indicated as the preferred choice with reasons for the preference. The Supervisory Board recommends one of the audit firms indicated in the Audit Committee's recommendation to the Annual General Meeting of mBank S.A.

The audit firm auditing the financial statements of mBank and mBank Group provided permitted non-audit services to mBank. Therefore, the Audit Committee each time assessed the independence of the audit firm and granted its consent to the provision of the services.

Risk Committee

The Risk Committee has, among others, the following tasks: exercising permanent supervision over credit risk, market risk, liquidity risk and non-financial risks, including operational 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. The Committee discusses matters related to corporate, financial markets, and retail portfolio risk. In addition, the Committee discusses non-financial risks, such as cyber risk, reputational risk, and legal issues.

Moreover, the Risk Committee provides the Supervisory Board with recommendations for approval or rejection of transactions between the bank and members of the bank's authorities provided for in the Banking Law, and recommendations for approval or rejection of the bank's disclosure policy regarding risk management. The Risk Committee is also responsible for recommending the Supervisory Board to approve or reject strategies and policies created by the Management Board, issuing opinions on the bank's current and future readiness to take risk and issuing opinions on the strategy of risk management in the bank's operating activity prepared by the Management Board of mBank and information on the strategy implementation submitted by the Management Board.

Remuneration and Nomination Committee

The tasks of the Remuneration and Nomination Committee include, among others: considering matters related to the remuneration rules applicable to members of the Management Board and the level of their remuneration, setting rates of remuneration, presenting opinions on granting consent to members of the Management Board of mBank to engaging in competing 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 remuneration policies for individual categories of persons whose professional activities have a material impact on the bank's risk profile. In addition, the Committee monitors the level and structure of remuneration paid to senior management, issues opinions on and monitors the remuneration policies adopted by mBank Group, and assists the bank's bodies in developing and implementing this policy.

The Remuneration and Nomination Committee is also tasked with recommending candidates to the Management Board and the Supervisory Board based on the criteria for suitability of the Management Board and the Supervisory Board as a whole and of individual Management Board and Supervisory Board members designated under the Suitability Policy of mBank, as well as on the diversity criteria for the composition of the Management Board and the Supervisory Board.

In addition, the Remuneration and Nomination Committee also defines the scope of duties for candidates for members of the Management Board and the Supervisory Board of the bank as well as the requirements that must be met by the candidates. The Committee assesses the structure, size, composition, and operational effectiveness of the Management Board and can recommend changes in this respect to the Supervisory Board. The Committee also assesses the knowledge, competences and experience of the Management Board as a whole and of its individual members.

IT Committee

The main tasks of the IT Committee include: ongoing supervision over the bank's IT and IT security operations in the periods between meetings of the Supervisory Board, analysing periodic IT and IT security reports of mBank presented to the Supervisory Board, presenting the Supervisory Board with conclusions from reviews of the bank's periodic reports on IT and IT security, recommending the Supervisory Board to approve or reject IT and cybersecurity strategies. Furthermore, the IT committee monitors the implementation of the Strategic IT Road Map and introduction of Strategic IT Initiatives, and the effectiveness of the IT, IT security and internal IT governance operational risk management system.

The Report of the Supervisory Board on its Activities covering, among other things, reports on the activities of the Committees of the Supervisory Board in a given reporting year, is appended to the set of materials for the Annual General Meeting and can be found on mBank's website (<https://www.mbank.pl/en/investor-relations/general-meeting/>).

In accordance with the Remuneration Policy for Members of the Management Board and Members of the Supervisory Board of mBank S.A., members of the Supervisory Board perform their functions on the basis of appointment and are entitled to remuneration only on this account. Remuneration of a Supervisory Board member is not linked to the company's performance and is not awarded in financial instruments. The company does not grant the members of the Supervisory Board any exceptional variable remuneration components.

The amount of monthly remuneration of the members of the Supervisory Board was set in Resolution No. 31 on the Remuneration Rules for the members of the Supervisory Board of mBank S.A. adopted by the 35th Annual General Meeting of mBank S.A. held on March 31, 2022. The Chairperson of the Supervisory Board earns PLN 21,000 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 the participation in standing committees of the Supervisory Board: 50% of monthly remuneration of a Supervisory Board member for the first standing committee and 25% for participating in a second committee. No additional remuneration is paid to a member of the Supervisory Board who sits on three or more standing committees of the Supervisory Board. However, a Supervisory Board member performing the function of the Chairperson of the Audit Committee of the Supervisory Board of mBank is entitled to additional remuneration equal to 80% of their remuneration.

The remuneration of the Supervisory Board for 2022–2023 is presented in the table below.

	Remuneration paid in 2023 (in PLN)	Remuneration paid in 2022 (in PLN)	Period of serving on the Supervisory Board
1. Agnieszka Słomka-Gołębiowska	465,020	441,381	01.01.2023-31.12.2023
2. Bettina Orlopp			01.01.2023-31.12.2023
3. Tomasz Bieske	430,774	429,419	01.01.2023-31.12.2023
4. Mirosław Godlewski	255,780	255,780	01.01.2023-31.12.2023
5. Aleksandra Gren	255,780	255,780	01.01.2023-31.12.2023
6. Hans Georg Beyer	216,000		01.01.2023-31.12.2023
7. Marcus Chromik			01.01.2023-31.12.2023
8. Thomas Schaufler			31.03.2023-31.12.2023
1. Arno Walter*	48,000	144,000	01.01.2023-30.03.2023
2. Armin Barthel**		216,000	01.01.2022-31.12.2022
Total	1,671,354	1,742,360	

* Arno Walter resigned from his position as of March 30, 2023.

** Armin Barthel resigned from his position as of December 31, 2022.

Activity of the Supervisory Board in 2023

In 2023, the Supervisory Board held 6 meetings and adopted 94 resolutions. The resolutions covered all areas of the bank's operation and were consistent with the scope of supervisory functions specified in generally applicable laws, the Banking Law, recommendations of the Polish Financial Supervision Authority (KNF), corporate governance principles, mBank's By-laws, and the Rules of the Supervisory Board. The members of the Supervisory Board were in ongoing contact with the Management Board and monitored the situation at the bank in the context of changes in the economic situation and regulatory environment.

At its meetings in 2023, the Supervisory Board discussed and assessed the current results of mBank Group and individual business lines in the context of the financial plan. The Supervisory Board also discussed and accepted other legally required detailed reports covering different areas of the bank's activity, including regular risk, compliance, audit, bancassurance, IT and IT security reports.

The status of the CHF mortgage loan portfolio was discussed periodically at meetings of the Supervisory Board, taking into account the progress of the settlement program. The Supervisory Board also discussed issues related to the bank's activities in the ESG area and non-financial reporting in the light of applicable and new regulatory requirements. The Supervisory Board also received reports on the capital position, MREL and RWA development. In addition, the Supervisory Board was provided with information on remedial measures to strengthen the capital base, both implemented and analyzed, taking into account the current and predicted capital position, potential risks and stress scenarios.

In 2023, the Supervisory Board approved the updated Information Technology and Security Strategy for 2021-2025 and reviewed the annual status of the implementation of the mBank Group's strategy for 2021-2025, including revised measures and selected goals.

During their regular meetings in 2023, the Supervisory Board committees discussed in detail the key issues concerning individual areas of the bank's activity, which, pursuant to the applicable regulations, must be approved by the Supervisory Board.

The Audit Committee issued a statement on the selection of an audit firm responsible for auditing financial statements of mBank and mBank Group for 2022 in line with the applicable laws. In addition, the Committee approved the report from the procedure of selecting the audit firm and issued a recommendation concerning the selection of the audit firm to audit financial statements of mBank and mBank Group for 2024 and 2025.

The Audit Committee was regularly informed about the bank's performance and financial position. These issues were discussed in detail during the Committee's meetings with representatives of the external auditor. During regular meetings, the impact of key changes in the regulatory and market environment on the bank's financial results was also discussed, including: reform of WIBOR/WIRON reference indices. Each quarter, the Committee recommended that the Supervisory Board approve the Disclosures concerning mBank Group's capital adequacy. The Committee also issued opinions on

the cooperation with the external auditor in the scope of services not related to the financial statements audit.

The Audit Committee was regularly informed about the progress of work in preparing the bank to adapt to the regulatory requirements of non-financial reporting in the ESG area. The Committee approved the provision of attestation services by an external auditor in relation to ESG disclosures - non-financial information in the Management Board Report for 2023 and in the ESG report for 2023. Having familiarised itself with the information received from the bank's Management Board, the Audit Committee recommended the Supervisory Board to assess significant transactions concluded by the bank with affiliated entities in 2022 as transactions concluded at arm's length in the normal course of the bank's business.

In 2023, the Committee received and reviewed, on an on-going basis, reports on the effectiveness of the control function and the status of recovery plans, reports on compliance risk management, and reports presenting the results of audits and the status of the implementation of recommendations, including recommendations issued after inspections conducted by the Polish Financial Supervision Authority. In addition, the members of the Audit Committee and the Chairwoman of the Supervisory Board received reports on all audits conducted by the Internal Audit Department at the bank and the subsidiaries.

In 2023, the Risk Committee analyzed in detail the situation of CHF's mortgage loan portfolio, including the progress of the settlement program with borrowers and the dynamics of court cases in the context of subsequent CJEU rulings. Due to the high costs of legal risk, the Committee supervised the activities of the Management Board to strengthen the capital position of the Group, including securitization of loan portfolios.

In accordance with the Committee's recommendation, taking into account the growing formal and legal requirements, the scope of responsibilities of Management Board members in the area of sustainable development was clarified and the position of Chief Environmental Risk Officer was created. The Committee issued a number of recommendations and monitored the progress of work on the decarbonization of loan portfolios, as well as identifying and mitigating the risk of greenwashing.

In the area of credit risk, the Committee's attention focused on the threats arising from the economic slowdown, inflation and interest rates for the retail portfolio and selected segments of the corporate portfolio.

Taking into account the high level of digitalization of mBank in 2023, the Committee analyzed in detail the potential threats related to the sudden outflow of deposits (electronic bank run), which was the cause of the bankruptcy of SVB and Credit Suisse banks. The Committee ordered scenario analyzes in this regard and an update of the liquidity risk strategy.

In the second half of 2023, the Committee analyzed the risks related to the results of the parliamentary elections in Poland, as well as the potential threats to the bank resulting from the conflict in the Gaza zone.

The Remuneration Committee considered matters relating to, among others: the principles of remunerating the members of the Management Board, persons having a material impact on the bank's risk profile (risk takers) and mBank employees, setting and accounting for the achievement of MbO targets and determining the amount of bonuses for the members of the Management Board and the bonus pool for mBank employees. The Committee also analysed initiatives aimed at bridging the gender pay gap and measures to improve gender balance.

The committee also reviewed the comparison of mBank employees' remuneration with the market. Diversity and inclusion issues were repeatedly raised in the discussions. The Remuneration and Nomination Committee also periodically reviewed the Policy on assessing the suitability of members of the bank's governing bodies and the minimum requirements for members of the Supervisory Board and the Management Board. The Committee also approved a package of policies: Policy for identifying key functions in mBank S.A., Policy for Identification and Remuneration of Persons Having a Significant Impact on the bank's risk profile and Policy for remuneration of bank employees.

The IT Committee supported the Supervisory Board in supervising mBank's IT and ICT security area. At its meetings, the IT Committee discussed in detail periodic reports of the Management Board on IT and IT security, including HR reports in this area. At the March meeting, the Committee reviewed the proposal to update the IT&Sec Strategy and recommended its acceptance to the Supervisory Board. The subject of the work of the IT Committee in 2023 was also the analysis of materials relating to the current situation and topics of interest to the Committee.

Attendance of the Supervisory Board members at Supervisory Board meetings in 2023 is presented in the table below.

	Attendance ¹⁾
Agnieszka Słomka-Gołębiowska	6/6
Bettina Orlopp	6/6
Hans-Georg Beyer	6/6
Tomasz Bieske	6/6
Marcus Chromik	6/6
Mirosław Godlewski	6/6
Aleksandra Gren	6/6
Thomas Schaufler (Member since March 31, 2023)	6/6
Arno Walter (Member until March 30, 2023)	6/6

¹⁾ Attendance at meetings / number of meetings during the term of office

From April 15, 2023, most of the competences of the Executive and Nomination Committee and all competences of the Remuneration Committee have been transferred and integrated within the scope of competences appropriate to the newly established Remuneration and Nomination Committee.

Attendance of the members of individual committees of the Supervisory Board is presented in the tables below:

Executive Committee*		
Dr. Bettina Orlopp	Dr. Marcus Chromik	Professor Agnieszka Słomka-Gołębiowska
5/5	5/5	5/5

¹⁾ Attendance at meetings / number of meetings during the term of office on a committee

* Until April 15, 2023 – the Executive and Nomination Committee

Remuneration Committee (until April 15, 2023)			
Dr. Bettina Orlopp	Tomasz Bieske	Mirosław Godlewski	Dr. Marcus Chromik
1/1	1/1	1/1	1/1

¹⁾ Attendance at meetings / number of meetings during the term of office on a committee

Remuneration and Nomination Committee (from April 15, 2023)				
Prof. Agnieszka Słomka-Gołębiowska	Dr. Bettina Orlopp	Tomasz Bieske	Mirosław Godlewski	Dr. Marcus Chromik
5/5	5/5	5/5	5/5	4/5

¹⁾ Attendance at meetings / number of meetings during the term of office on a committee

Risk Committee					
Dr. Marcus Chromik	Mirosław Godlewski	Dr. Bettina Orlopp	Prof. Agnieszka Słomka-Gołębiowska	Aleksandra Gren	Thomas Schaufler
4/4	4/4	1/1	4/4	3/3	3/3

¹⁾ Attendance at meetings / number of meetings during the term of office on a committee

Audit Committee				
Tomasz Bieske	Aleksandra Gren	Dr. Hans-Georg Beyer	Dr. Bettina Orlopp	Prof. Agnieszka Słomka-Gołębiowska
6/6	6/6	6/6	4/4	4/4

¹⁾ Attendance at meetings / number of meetings during the term of office on a committee

IT Committee		
Aleksandra Gren	Mirosław Godlewski	Dr. Marcus Chromik
3/3	3/3	2/3

¹⁾ Attendance at meetings / number of meetings during the term of office on a committee

1.8. Application of the Diversity Policy of mBank S.A. to the Management Board and Supervisory Board

The Diversity and Inclusion Policy of mBank S.A. is based on the following rules:

- creating an organisational culture based on respect for diversity and integrating the principles of equal treatment into company policies and procedures;
- applying the principle of equal treatment and managing diversity in the following areas: recruitment, development, access to promotion, benefits, succession planning and remuneration;
- preventing and counteracting unacceptable behaviour, including discrimination and mobbing, among others by organising educational activities, in particular targeted at the management staff;
- analysing how our employees perceive diversity and equal treatment, and responding to problems identified through regular analysis of Pulse Check results; and
- raising awareness among employees, among others by organising training courses, educational programmes and social campaigns.

With regard to the Management Board and the Supervisory Board, we apply the Policy for the Assessment of Qualifications (Suitability) of Members of the Supervisory Body, Management Body and Key Function Holders at mBank S.A. The Policy sets out principles which must be fulfilled so that key functions at the bank are held by individuals who have relevant qualifications, knowledge, skills, professional experience, abilities and reputation. The Diversity Policy Applicable to Company Bodies forms an integral part of this Policy.

The principle of diversity applied when selecting members of the bank's bodies is based on objective, merit-based criteria in the scope of education, skills and professional experience. Additional criteria supporting diversity of the composition of the bank's bodies are gender and age. The objectives concerning the diversification of the bank's bodies are taken into account during the candidate selection process only to the extent to which doing so does not impair the operations and suitability of the bank's bodies.

When selecting the composition of the Supervisory Board and the Management Board, the AGM and the Supervisory Board take into account the results of the suitability assessment and strive to reach gender balance in the composition of the Supervisory Board and the Management Board, or at least a minimum 33% share of gender minority both in the Management Board and the Supervisory Board by 2026 or a level required by the law.

The Supervisory Board is composed of representatives of mBank's main shareholder, representatives of science and business, and people with in-depth economic knowledge and experience in banking. The number of female members is taken into account as well.

At the end of 2023, there were three women among the eight Supervisory Board members, making up 37.5% of the total number of members.

Supervisory Board of mBank										
	Dec 31, 2019		Dec 31, 2020		Dec 31, 2021		Dec 31, 2022		Dec 31, 2023	
	number of members	%	number of members	%	number of members	%	number of members	%	number of members	%
Women	2	20.0%	4	50.0%	3	37.5%	3	37.5%	3	37.5%
Men	8	80.0%	4	50.0%	5	62.5%	5	62.5%	5	62.5%
Total	10	100%	8	100%	8	100%	8	100%	8	100%

As at December 31, 2023, there was one woman among the seven Management Board members.

Management Board of mBank										
	Dec 31, 2019		Dec 31, 2020		Dec 31, 2021		Dec 31, 2022		Dec 31, 2023	
	number of members	%	number of members	%	number of members	%	number of members	%	number of members	%
Women	1	14.3%	0	0.0%	0	0.0%	0	0%	1	14.3%
Men	6	85.7%	7	100%	6	100%	6	100%	6	85.7%
Total	7	100%	7	100%	6	100%	6	100%	7	100%

The composition of the Management Board and the Supervisory Board by age is presented in the table below (as at December 31, 2023).

December 31, 2023	Management Board of mBank		Supervisory Board of mBank	
	number of members	%	number of members	%
30-40	1	14.3%	-	0.0%
40-50	4	57.1%	2	25.0%
50+	2	28.6%	6	75.0%

mBank's managers graduated in different fields of study in Poland and abroad, including economics, technology, IT, law, philology and other. The management consists of people with diverse experience in Polish, European and American financial and non-financial institutions. The management team is aware of the importance of diversity to the work environment. By implementing the Diversity Policy we aim to increase the participation of women in recruitment for managerial positions and reduce the wage gap in peer groups.

In 2018 mBank signed the Diversity Charter, an international initiative for social cohesion and equality launched in Poland by the Responsible Business Forum. As signatories of the Charter, we have undertaken to support diversity and counteract workplace discrimination. In 2023, for the third time mBank was among the elite group of companies included in the Bloomberg Gender Equality Index 2023, serving as a touchstone for listed companies actively striving to provide equal opportunities in the workplace.