

Opinion of the Supervisory Board and of the Supervisory Board Remuneration Committee on the functioning of the remuneration policy at mBank S.A. in 2018.

The Supervisory Board and the Supervisory Board Remuneration Committee (appointed in March 2012 in order to support the Supervisory Board in performing its statutory duties and tasks resulting from legal regulations regarding the remuneration policy), guided by prudent and stable management of risk, capital and liquidity as well as taking particular care to protect the interest of the bank in the long term and the interests of shareholders, investors and holders of ownership interests in the bank **positively assess the remuneration policy in force at mBank S.A. as well as its functioning in 2018.**

The remuneration policy for employees applicable in 2018 stems from two regulations adopted by the Bank's Management Board and Supervisory Board (based on the recommendation of the Remuneration Committee of the Supervisory Board):

- 1/ "Remuneration policy of mBank S.A." applicable to all bank employees (outside of the managerial body) and
- 2/ separate "Remuneration Policy for employees having a material impact on the risk profile of mBank S.A.", hereinafter referred to as the "Remuneration Policy for Risk Takers".

The "Remuneration policy of mBank S.A" adopted by the Supervisory Board by the resolution no 38/17 on 7th December 2017 replaces the "Remuneration and benefits policy" which has been in force at the bank since the beginning of 2014. The "Remuneration policy of mBank S.A" describes the principles for awarding remuneration to mBank's employees. The first pillar of the policy is approaching the remuneration structure through the prism of total remuneration (fixed salary and variable remuneration). The second pillar which plays a crucial role in the remuneration process is dialogue between managers and employees, which aims to provide comprehensive information and justification for the decisions which have been made.

Separate Remuneration Policy concerning risk takers also plays an important role in remuneration management, since it is a tool supporting mBank Group system management and encourages risk takers to take particular care for long-term interests of the Bank and avoid excessive exposure to risk.

Each year, the "Remuneration Policy for Risk Takers" are verified and modified by the Management Board of mBank and Remuneration Committee of the Supervisory Board and approved by the Supervisory Board.

The adopted "Remuneration Policy for Risk Takers" is compliant with the following regulations:

- 1/ EBA (European Banking Authority) guidelines on sound remuneration policies referred to in Art. 74 (3) and 75 (2) of Directive 2013/36/EU and on disclosure of information in line with Article 450 of Regulation (EU) No 575/2013 – EBA/GL/2015/22 of 27 June 2016,
- 2/ The Polish Banking Law Act of 29 August 1997 (Journal of Laws of 2017, item 1876) implementing Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC,
- 3/ Regulation of the Minister of Development and Finance of 6 March 2017 on the Risk

Management System, the Internal Control System, the Remuneration Policy as well as the Detailed Method for Banks' Internal Capital Assessment (Journal of Laws of 2017, item 637).

Detailed information on The "Remuneration Policy for Risk Takers" as well as quantitative data pertaining to remuneration disbursed to this employees group are published annually on mBank's website. The Polish Financial Supervision Authority did not raise any objections, in the course of the inspections carried out, to the manner in which the bank announces information pertaining to variable remuneration as part of disclosures on mBank Group's capital adequacy.

The above description of functioning of the remuneration policy in place at mBank was assessed positively in terms of being conducive to the operational growth and safety of a supervised institution, firstly by the Supervisory Board Remuneration Committee and then this was also confirmed by the Supervisory Board.

Maciej Leśny

Chairman of the Supervisory Board