

Report of the Remuneration Committee of the Supervisory Board  
of Bank Handlowy w Warszawie S.A.  
for 2015

The Committee is a permanent advisory body to the Supervisory Board. The Committee consists of 3 (three) or more members of the Supervisory Board, including one independent member of the Supervisory Board. All Members of the Committee, including its Chairman and Vice Chairman, are elected by the Supervisory Board. Members of the Committee have the powers as set out in the Regulations under Article 390 of the Commercial Companies Code.

The Remuneration Committee was established under a resolution of the Bank Council dated October 23, 1997.

In 2005, the Supervisory Board passed the Remuneration Committee Regulations, in line with the "Good Practices in Public Companies in 2005", which were adopted by all governing bodies of the Company at that time. The Regulations were amended upon a resolution of the Supervisory Board dated March 20, 2008 and a resolution of the Supervisory Board dated December 9, 2011.

The Regulations of the Remuneration Committee are available on the Bank's websites – [www.citihandlowy.pl](http://www.citihandlowy.pl).

In the reporting period the Committee was composed of:

- 1) Andrzej Olechowski, PhD – Chairman of the Committee,
- 2) Adnan Omar Ahmed – Vice Chairman of the Committee (until October 1, 2015),
- 3) Shirish Apte – Member of the Committee (until June 22, 2015)
- 4) Zdenek Turek – Member of the Committee (starting from June 22, 2015)
- 5) Prof. Stanisław Sołtysiński – Member of the Committee,

The Remuneration Committee met on the following dates during the reporting period coinciding with the calendar year:

- 1) January 20, 2015,
- 2) July 21, 2015
- 3) September 30, 2015,
- 4) December 3, 2015.

The tasks performed by the Remuneration Committee within its powers in the reporting period included:

- assessment of the remuneration paid to members of the Bank's Management Board;
- submission of recommendations concerning the amounts of remuneration of members of the Bank's Management Board to the Supervisory Board;
- assessment of the remuneration paid to members of the Bank's Management Board as compared to their duties and performance;
- assessment if the Bank's policy of remuneration of its non-Board executives is correct.

Based on the above-mentioned competencies, during its meeting held on January 20, 2015 the Compensation Committee passed a resolution on the recommendation to the Supervisory Board regarding the amounts of the Variable Remuneration in the form of annual awards for 2014 for the Management Board Members and agreements regarding annual awards laying down the rules for granting and payment of the Variable Remuneration for 2014 as well as resolutions on the issue of opinion as to the acquisition of rights by Management Board members to the Variable Remuneration for previous years.

Furthermore, the Committee passed a resolution on the opinion concerning the amounts of the annual awards for 2014 for the staff under the Variable Remuneration Components Policy for Managerial Staff at Bank Handlowy w Warszawie S.A. ("VRC Policy") who are not the Management Board Members and agreements regarding annual awards laying down the rules for granting and payment of the Variable Remuneration for 2014. Additionally, the Committee issued an opinion concerning the confirmation of acquiring rights by managerial staff who are not Members of the Management Board to the Variable Remuneration for 2012 in the form of the second tranche of the Long-Term Phantom Share of Bank Handlowy w Warszawie S.A. Award and the second tranche of the Deferred Cash Award and the rights to the Variable Remuneration for 2013 in the form of the first tranche of the Long-Term Phantom Share of Bank Handlowy w Warszawie S.A. Award and the first tranche of the Deferred Cash Award and approval of their amounts.

Moreover, the Committee received information about the amendments to the Remuneration Level Check Procedure for the Internal Audit Compliance Employees of Bank Handlowy w Warszawie S.A.

During its next meeting held on July 21, 2015, the Committee discussed the motion on the confirmation of acquiring rights by the members of the Management Board of the Bank to the Variable Remuneration paid for 2014 in the form of the Short-Term Phantom Share Award and approval on its payments. The Committee also passed a resolution on the opinion concerning confirmation of acquiring rights by persons holding managerial positions at the Bank who are not the Management Board Members to the Variable Remuneration paid for 2014 in the form of the Short-Term Phantom Share Awards and their payments.

During its next meeting held on September 30, 2015 the Committee issued a recommendation for the Supervisory Board regarding the approval of the Method of identification of the Identified Staff for 2015 and the draft list of the Identified Staff for 2015.

During its next meeting the Supervisory Board's Remuneration Committee passed a resolution on recommending to the Supervisory Board the draft changes to the "Variable Remuneration Components Policy for Managerial Staff at Bank Handlowy w Warszawie S.A." and the adoption of the Remuneration Policy for the Key Persons at Bank Handlowy w Warszawie S.A.

The Remuneration Committee states that it performed its tasks correctly in the year ending on December 31, 2015.

Pursuant to § 2.2 of the Remuneration Committee Regulations, the Committee hereby submits this report to the Supervisory Board. This report will soon after be released to our shareholders on the Bank's websites.

Andrzej Olechowski PhD  
Chairman of the Remuneration Committee