

Report of the Remuneration Committee of the Supervisory Board  
of Bank Handlowy w Warszawie S.A.  
for 2014

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,
- 3) Shirish Apte – Member of the Committee,
- 4) 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, 2014,
- 2) March 19, 2014,
- 3) May 20, 2014,
- 4) July 21, 2014,
- 5) December 18, 2014.

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.

In particular, during the meeting of January 20, 2014, as part of carrying out the provisions set forth in the "Variable Remuneration Component Policy for Managerial Staff at Bank Handlowy w Warszawie S.A.", the Committee issued an opinion on acquiring rights by the Management Board Members to the Variable Remuneration of 2012 in the form of first tranche of the Long-Term Phantom Share of Bank Handlowy w Warszawie S.A. and first tranche of Deferred Cash Awards and their amount as well as concerning acquiring rights by the persons holding managerial positions at the Bank who are not the Management Board Members to the Variable Remuneration for 2012 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 the amount.

Moreover, the Committee issued recommendations for the Supervisory Board regarding the amounts of the annual awards for 2013 for the Management Board Members and agreements regarding assigning Annual Rewards for 2013 as well as issuing an opinion for the Management Board concerning the amounts of the annual awards for 2013 for persons holding managerial positions at the Bank who are not the Management Board Members and agreements regarding assigning Annual Rewards for 2013.

During its next meeting held on March 19, 2014, as part of the remuneration monitoring process, the Committee reviewed the current report on the remuneration of the Identified Staff (IS).

In the meeting held on July 21, 2014 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 2013 in the form of the Short-Term Phantom Share Awards and their payments. The Committee also adopted a resolution on the opinion concerning confirmation of acquiring rights by the persons holding managerial positions at the Bank who are not the Management Board Members to the Variable Remuneration paid for 2013 in the form of the Short-Term Phantom Share Awards and their payments.

During the Committee's next meeting held on December 18, 2014 the Committee adopted a resolution on amendments to the "Variable Remuneration Components Policy for Managerial Staff at Bank Handlowy w Warszawie S.A. "

The Remuneration Committee states that it performed its tasks correctly in the year ending on December 31, 2014.

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