

23-04-2015

Re. Resolutions of the Annual General Meeting of BZ WBK Shareholders

Current report no. 11/2015

Bank Zachodni WBK S.A. hereby announces the contents of the resolutions adopted by the Annual General Meeting on 23rd April 2015.

AGM Agenda:

1. Opening of the General Meeting.
2. Electing the Chairman of the General Meeting.
3. Establishing whether the General Meeting has been duly convened and has the capacity to adopt resolutions.
4. Adopting the agenda for the General Meeting.
5. Reviewing and approving the Management Board's report on the Bank's Zachodni WBK S.A. activities and the Bank's Zachodni WBK S.A. financial statements for 2014.
6. Reviewing and approving the Management Board's report on the BZ WBK Group activities and the consolidated financial statements of the BZ WBK Group for 2014.
7. Adopting resolutions on distribution of profit, the dividend day and dividend payment date.
8. Giving discharge to the members of the Bank Zachodni WBK S.A. Management Board.
9. Reviewing and approving the Supervisory Board's report on its activities in 2014 and the Supervisory Board's report on the assessment of the financial statements of the Bank and the BZ WBK Group as well as the reports on the Bank's and the BZ WBK Group's activities.
10. Giving discharge to the members of the Bank Zachodni WBK S.A. Supervisory Board.
11. Changes in the composition of the Supervisory Board.
12. Determining the remuneration of the Supervisory Board Members.
13. Adopting the Rules of Corporate Governance for Supervised Institutions.
14. Reviewing and approving of interim financial statements of Dom Maklerski BZ WBK S.A. prepared for the period from 1 January 2014 to 31 October 2014.
15. Giving discharge to the members of the Dom Maklerski BZ WBK S.A. Management Board.
16. Giving discharge to the members of the Dom Maklerski BZ WBK S.A. Supervisory Board.
17. Adoption of "The Remuneration Policy for Bank Zachodni WBK S.A. Supervisory Board Members".
18. Closing the General Meeting.

re: item 2 of the agenda

RESOLUTION NO. 1 OF THE ANNUAL GENERAL MEETING OF BANK ZACHODNI WBK S.A.

re. appointing Chairman of the Meeting

§ 1

Annual General Meeting shall elect the Chairman of the Meeting in the person of Radosław Kwaśnicki.

§ 2

This resolution shall come into force on the day of its adoption.

82 786 416 valid votes were cast on the resolution, out of 82 786 416 shares representing 83.43% of the Bank's share capital. Out of the total number of the valid votes 82 786 416 were in favor of the resolution, 0 abstained and 0 were against.

re: item 4 of the agenda

RESOLUTION NO. 2 OF THE ANNUAL GENERAL MEETING OF BANK ZACHODNI WBK S.A.

re. adopting the meeting's agenda

Annual General Meeting shall adopt the following agenda of the meeting:

1. Opening of the General Meeting.
2. Electing the Chairman of the General Meeting.
3. Establishing whether the General Meeting has been duly convened and has the capacity to adopt resolutions.
4. Adopting the agenda for the General Meeting.
5. Reviewing and approving the Management Board's report on the Bank's Zachodni WBK S.A. activities and the Bank's Zachodni WBK S.A. financial statements for 2014.
6. Reviewing and approving the Management Board's report on the BZ WBK Group activities and the consolidated financial statements of the BZ WBK Group for 2014.
7. Adopting resolutions on distribution of profit, the dividend day and dividend payment date.
8. Giving discharge to the members of the Bank Zachodni WBK S.A. Management Board.
9. Reviewing and approving the Supervisory Board's report on its activities in 2014 and the Supervisory Board's report on the assessment of the financial statements of the Bank and the BZ WBK Group as well as the reports on the Bank's and the BZ WBK Group's activities.
10. Giving discharge to the members of the Bank Zachodni WBK S.A. Supervisory Board.
11. Changes in the composition of the Supervisory Board.
12. Determining the remuneration of the Supervisory Board Members.
13. Adopting Rules of Corporate Governance for Supervised Institutions.
14. Reviewing and approving of interim financial statements of Dom Maklerski BZ WBK S.A. prepared for the period from 1 January 2014 to 31 October 2014.
15. Giving discharge to the members of the Dom Maklerski BZ WBK S.A. Management Board.
16. Giving discharge to the members of the Dom Maklerski BZWBK S.A. Supervisory Board.
17. Adoption of "The Remuneration Policy for Bank Zachodni WBK S.A. Supervisory Board Members".
18. Closing the General Meeting.

82 802 835 valid votes were cast on the resolution, out of 82 802 835 shares representing 83.44% of the Bank's share capital. Out of the total number of the valid votes 82 802 835 were in favor of the resolution, 0 abstained and 0 were against.

re: item 5 of the agenda

RESOLUTION NO. 3 OF THE ANNUAL GENERAL MEETING OF BANK ZACHODNI WBK S.A.

re. approval of Bank Zachodni WBK S.A. Management Board report on the Bank's performance and the Bank's financial statements for 2014

Pursuant to art. 393 point 1 and art. 395 §2 point 1 of the Commercial Companies Code, the following is hereby resolved:

§ 1

The General Meeting of Shareholders has considered and hereby approves the following documents submitted by the Bank's Management Board:

- a) financial statements of Bank Zachodni WBK S.A. seated in Wrocław for the period beginning on the first day of January of the year two thousand and fourteen /1.01.2014/ and finishing on the thirty first day of December of the year two thousand and fourteen /31.12.2014/, including:
 - statement of financial position prepared as at the thirty first of December two thousand and fourteen /31.12.2014/ which on the assets and liabilities side shows the amount of PLN 121 607 365 k,

- income statement for the accounting year from the first of January two thousand and fourteen /1.01.2014/ until the thirty first of December two thousand and fourteen /31.12.2014/ which shows profit-after-tax in the amount of PLN 1 994 632 k,
 - statement of comprehensive income for the accounting year from the first of January two thousand and fourteen /1.01.2014/ until the thirty first of December two thousand and fourteen /31.12.2014/ which shows total comprehensive income in the amount of PLN 2 228 791 k,
 - statement of cash flows for the accounting year from the first of January two thousand and fourteen /1.01.2014/ until the thirty first of December two thousand and fourteen /31.12.2014/ which shows a decrease of PLN (144 509) k in the net cash balance,
 - movements in the equity showing as at the thirty first of December two thousand and fourteen /31.12.2014/ the equity of PLN 17 112 012 k,
 - explanatory notes;
- b) Management Board report on BZ WBK S.A. performance in 2014.

§ 2

The resolution becomes effective as of the date of its adoption.

82 802 835 valid votes were cast on the resolution, out of 82 802 835 shares representing 83.44% of the Bank's share capital. Out of the total number of the valid votes 82 802 835 were in favor of the resolution, 0 abstained and 0 were against.

re: item 6 of the agenda

RESOLUTION NO. 4 OF THE ANNUAL GENERAL MEETING OF BANK ZACHODNI WBK S.A.

re. approval of the Consolidated Financial Statements of Bank Zachodni WBK Group for the year 2014 and the Report on Bank Zachodni WBK Group Performance in the year 2014

Pursuant to art. 395 § 5 of the Commercial Companies Code, the following is hereby resolved:

§ 1

Annual General Meeting of Shareholders of Bank Zachodni WBK S.A. has reviewed and hereby approves the following documents submitted by the Bank's Management Board:

- a) consolidated financial statements of Bank Zachodni WBK Group for the period beginning on the first day of January of the year two thousand and fourteen /1.01.2014/ until the thirty first day of December of the year two thousand and fourteen /31.12.2014/, including:
 - consolidated statement of financial position prepared as at the thirty first of December two thousand and fourteen /31.12.2014/ which on the assets and liabilities side shows the amount of PLN 134 501 874 k,
 - consolidated profit and loss account for the accounting year from the first of January two thousand and fourteen /1.01.2014/ until the thirty first of December two thousand and fourteen /31.12.2014/ which shows profit-after-tax in the amount of PLN 2 047 292 k (of which PLN 132 581 k is attributable to non-controlling interests),

- consolidated statement of comprehensive income for the accounting year from the first of January two thousand and fourteen /1.01.2014/ until the thirty first of December two thousand and fourteen /31.12.2014/ which shows total comprehensive income in the amount of PLN 2 291 838 k (of which PLN 134 488 k is attributable to non-controlling interests),
- consolidated statement of cash flows for the accounting year from the first of January two thousand and fourteen /1.01.2014/ until the thirty first of December two thousand and fourteen /31.12.2014/ which shows the increase in net cash balance of PLN 60 496 k,
- movements in consolidated equity showing as at the thirty first of December two thousand and fourteen /31.12.2014/ the amount of PLN 18 051 694 k,
- explanatory notes;

b) Report on Bank Zachodni WBK Group Performance in 2014.

§ 2

The resolution becomes effective as of the date of its adoption.

82 802 835 valid votes were cast on the resolution, out of 82 802 835 shares representing 83.44% of the Bank's share capital. Out of the total number of the valid votes 82 802 835 were in favor of the resolution, 0 abstained and 0 were against.

re: item 7 of the agenda

RESOLUTION NO. 5 OF THE ANNUAL GENERAL MEETING OF BANK ZACHODNI WBK S.A.

re: profit distribution

Pursuant to art. 395 §2 point 2 of the Commercial Companies Code, the following is hereby resolved:

§ 1

General Meeting of Shareholders has divided the net profit generated by Bank Zachodni WBK in the accounting year commenced on 01.01.2014 and ended on 31.12.2014 in the amount of PLN 1,994,631,702.59 allocating the amount of PLN 1,041,980,176.19 to the reserve capital, the remaining part of net profit in the amount of PLN 952,651,526.40 is left undivided.

§ 2

The resolution becomes effective as of the date of its adoption.

82 802 835 valid votes were cast on the resolution, out of 82 802 835 shares representing 83.44% of the Bank's share capital. Out of the total number of the valid votes 81 771 340 were in favor of the resolution, 1 031 495 abstained and 0 were against.

re: item 8 of the agenda

RESOLUTION NO. 6 OF THE ANNUAL GENERAL MEETING OF BANK ZACHODNI WBK S.A.

on giving discharge to the President of the Management Board for performance of his duties

Pursuant to art. 395 §2 point 3 of the Commercial Companies Code, the following is hereby resolved:

§ 1

Mr. Mateusz Morawiecki, the Management Board President, is granted the word of approval for performance of his duties in the period from 1.01.2014 to 31.12.2014.

§ 2

The resolution becomes effective as of the date of its adoption.

82 802 835 valid votes were cast on the resolution, out of 82 802 835 shares representing 83.44% of the Bank's share capital. Out of the total number of the valid votes 82 792 095 were in favor of the resolution, 830 abstained and 9 910 were against.

**RESOLUTION NO. 7
OF THE ANNUAL GENERAL MEETING OF BANK ZACHODNI WBK S.A.**

on giving discharge to the Member of the Management Board for performance of his duties

Pursuant to art. 395 §2 point 3 of the Commercial Companies Code, the following is hereby resolved:

§ 1

Mr. Andrzej Burliga, the Management Board Member, is granted the word of approval for performance of his duties in the period from 1.01.2014 to 31.12.2014.

§ 2

The resolution becomes effective as of the date of its adoption.

82 802 835 valid votes were cast on the resolution, out of 82 802 835 shares representing 83,44% of the Bank's share capital. Out of the total number of the valid votes 82 792 095 were in favor of the resolution, 830 abstained and 9 910 were against.

**RESOLUTION NO. 8
OF THE ANNUAL GENERAL MEETING OF BANK ZACHODNI WBK S.A.**

on giving discharge to the Member of the Management Board for performance of his duties

Pursuant to art. 395 §2 point 3 of the Commercial Companies Code, the following is hereby resolved:

§ 1

Mr. Eamonn Crowley, the Management Board Member, is granted the word of approval for performance of his duties in the period from 1.01.2014 to 31.12.2014.

§ 2

The resolution becomes effective as of the date of its adoption.

82 802 835 valid votes were cast on the resolution, out of 82 802 835 shares representing 83,44% of the Bank's share capital. Out of the total number of the valid votes 82 792 095 were in favor of the resolution, 830 abstained and 9 910 were against.

RESOLUTION NO. 9

OF THE ANNUAL GENERAL MEETING OF BANK ZACHODNI WBK S.A.

on giving discharge to the Member of the Management Board for performance of his duties

Pursuant to art. 395 §2 point 3 of the Commercial Companies Code, the following is hereby resolved:

§1

Mr. Michael McCarthy, the member of the Management Board, is granted the word of approval for performance of his duties in the period from 1.01.2014 to 31.12.2014.

§ 2

The resolution becomes effective as of the date of its adoption.

82 802 835 valid votes were cast on the resolution, out of 82 802 835 shares representing 83,44% of the Bank's share capital. Out of the total number of the valid votes 82 792 095 were in favor of the resolution, 830 abstained and 9 910 were against.

**RESOLUTION NO. 10
OF THE ANNUAL GENERAL MEETING OF BANK ZACHODNI WBK S.A.**

on giving discharge to the Member of the Management Board for performance of his duties

Pursuant to art. 395 §2 point 3 of the Commercial Companies Code, the following is hereby resolved:

§1

Mr. Piotr Partyga, the member of the Management Board, is granted the word of approval for performance of his duties in the period from 1.01.2014 to 31.12.2014.

§ 2

The resolution becomes effective as of the date of its adoption.

82 802 835 valid votes were cast on the resolution, out of 82 802 835 shares representing 83,44% of the Bank's share capital. Out of the total number of the valid votes 82 792 095 were in favor of the resolution, 830 abstained and 9 910 were against.

**RESOLUTION NO. 11
OF THE ANNUAL GENERAL MEETING OF BANK ZACHODNI WBK S.A.**

on giving discharge to the Member of the Management Board for performance of his duties

Pursuant to art. 395 §2 point 3 of the Commercial Companies Code, the following is hereby resolved:

§1

Mr. Juan de Porras Aguirre, the member of the Management Board, is granted the word of approval for performance of his duties in the period from 1.01.2014 to 31.12.2014.

§ 2

The resolution becomes effective as of the date of its adoption.

82 802 835 valid votes were cast on the resolution, out of 82 802 835 shares representing 83,44% of the Bank's share capital. Out of the total number of the valid votes 82 792 095 were in favor of the resolution, 830 abstained and 9 910 were against.

**RESOLUTION NO. 12
OF THE ANNUAL GENERAL MEETING OF BANK ZACHODNI WBK S.A.**

on giving discharge to the Member of the Management Board for performance of his duties

Pursuant to art. 395 §2 point 3 of the Commercial Companies Code, the following is hereby resolved:

§1

Mr. Marcin Prell, the member of the Management Board, is granted the word of approval for performance of his duties in the period from 1.01.2014 to 31.12.2014.

§ 2

The resolution becomes effective as of the date of its adoption.

82 802 835 valid votes were cast on the resolution, out of 82 802 835 shares representing 83,44% of the Bank's share capital. Out of the total number of the valid votes 82 792 095 were in favor of the resolution, 830 abstained and 9 910 were against.

**RESOLUTION NO. 13
OF THE ANNUAL GENERAL MEETING OF BANK ZACHODNI WBK S.A.**

on giving discharge to the Member of the Management Board for performance of his duties

Pursuant to art. 395 §2 point 3 of the Commercial Companies Code, the following is hereby resolved:

§1

Mr. Marco Antonio Silva Rojas, the member of the Management Board, is granted the word of approval for performance of his duties in the period from 1.01.2014 to 31.12.2014.

§ 2

The resolution becomes effective as of the date of its adoption.

82 802 835 valid votes were cast on the resolution, out of 82 802 835 shares representing 83,44% of the Bank's share capital. Out of the total number of the valid votes 82 792 095 were in favor of the resolution, 830 abstained and 9 910 were against.

**RESOLUTION NO. 14
OF THE ANNUAL GENERAL MEETING OF BANK ZACHODNI WBK S.A.**

on giving discharge to the Member of the Management Board for performance of his duties

Pursuant to art. 395 §2 point 3 of the Commercial Companies Code, the following is hereby resolved:

§ 1

Mr. Mirosław Skiba, the Management Board Member, is granted the word of approval for performance of his duties in the period from 1.01.2014 to 31.12.2014.

§ 2

The resolution becomes effective as of the date of its adoption.

82 802 835 valid votes were cast on the resolution, out of 82 802 835 shares representing 83,44% of the Bank's share capital. Out of the total number of the valid votes 82 792 095 were in favor of the resolution, 830 abstained and 9 910 were against.

**RESOLUTION NO. 15
OF THE ANNUAL GENERAL MEETING OF BANK ZACHODNI WBK S.A.**

on giving discharge to the Member of the Management Board for performance of his duties

Pursuant to art. 395 §2 point 3 of the Commercial Companies Code, the following is hereby resolved:

§1

Mr. Feliks Szyszkowiak, the member of the Management Board, is granted the word of approval for performance of his duties in the period from 1.01.2014 to 31.12.2014.

§ 2

The resolution becomes effective as of the date of its adoption.

82 802 835 valid votes were cast on the resolution, out of 82 802 835 shares representing 83,44% of the Bank's share capital. Out of the total number of the valid votes 82 792 095 were in favor of the resolution, 830 abstained and 9 910 were against.

re: item 9 of the agenda

**RESOLUTION NO. 16
OF THE ANNUAL GENERAL MEETING OF BANK ZACHODNI WBK S.A.**

on approval of the Supervisory Board reports

Pursuant to art. 382 §3 and 395 §5 of the Commercial Companies Code, the following is hereby resolved:

§ 1

Approval is given for the BZ WBK Supervisory Board's report on: its activities in the period from 1.01.2014 to 31.12.2014, report on the examination of: BZ WBK financial statements for 2014; consolidated financial statements of the BZ WBK Group for 2014; report on BZ WBK operations, report on the BZ WBK Group operations and the Management Board's motion concerning distribution of profit earned in 2014 and the BZ WBK Supervisory Board's assessment of the BZWBK Group's operations in 2014 (Appendix hereto).

§ 2

The resolution becomes effective as of the date of its adoption.

Appendix:

I. SUPERVISORY BOARD ACTIVITY IN 2014

1. BOARD COMPOSITION & MANNER OF DISCHARGE FROM DUTIES & RESPONSIBILITIES

1.1. As at 1 January 2014, the Supervisory Board (SB) had the following composition:

- Supervisory Board Chairman - Mr Gerry Byrne
- Deputy Chairman of the Supervisory Board - Mr Jose Manuel Varela

- Members of the Supervisory Board:
 - Mr Jose Antonio Alvarez
 - Mr David Hexter
 - Mr Witold Jurcewicz
 - Mr Jose Louis De Mora
 - Mr John Power
 - Mr Jerzy Surma

1.2. Changes in the Supervisory Board composition:

On 16 April 2014, given the end of the Supervisory Board's term of office, the General Meeting of Bank Zachodni WBK Shareholders established the following composition of the Board:

- Mr José Antonio Alvarez,
- Mr. Gerry Byrne,
- Ms Danuta Dąbrowska,
- Mr José Louis de Mora,
- Mr David Hexter,
- Mr Witold Jurcewicz,
- Mr. John Power,
- Mr Jerzy Surma,
- Ms Marynika Woroszyńska-Sapieha,
- Mr José Manuel Varela.

The General Meeting of Shareholders appointed Mr Gerry Byrne to the position of the Supervisory Board Chairman.

Pursuant to Par. 26 of the Bank's Statutes, the Bank's Supervisory Board appointed the Deputy-Chairman out of its members and vested the function in Mr José Louis de Mora.

1.3. Independence of the Supervisory Board Members

All Members of the Supervisory Board submitted written statements on their independence as well as on their personal, factual and organizational connections with the Bank's shareholders. In line with the submitted statements, as at 31 December 2014, the status of an independent Supervisory Board Member was held by the following individuals:

- Ms Danuta Dąbrowska
- Ms Marynika Woroszyńska-Sapieha
- Mr David Hexter,
- Mr Witold Jurcewicz,
- Mr Jerzy Surma.

1.4. The Supervisory Board activities and manner of discharging its duties and responsibilities are governed by the Supervisory Board's Terms of Reference available on the Bank's Internet site.

2. STATISTICAL DATA ON THE SUPERVISORY BOARD'S ACTIVITY IN 2014

From 1 January until 31 December 2014, the Supervisory Board held 7 meetings and passed 59 resolutions. The Board Members' average attendance rate was 91%.

3. INTEGRATION WITH KREDYT BANK S.A.

The Supervisory Board exercised an independent oversight of the integration of Bank Zachodni WBK with Kredyt Bank, which was put in place given the process scale and significant impact on the combined organization, market, shareholders, including minority shareholders, and employees. The oversight of the merger process was exercised by the Board Member, Mr John Power, seconded by the Board to perform this task. While performing the task, Mr John Power informed the Board about

progress in work at the individual stages of the Merger Program and provided the Board Members with full explanation on all matters related to the merger process.

In 2014, the Bank successfully completed the integration process. The last stage comprised the integration of IT systems and migration of data from former exKB systems to the operational platform of Bank Zachodni WBK. The Integration Program was completed on time, as set out in the schedule presented to the Polish Financial Supervision Authority two years ago.

The Supervisory Board monitored the process of achieving synergies generated by the harmonization of the business model, product offering, operational procedures and technological processes. In particular, the Board monitored the effectiveness of and current trends in sales and financial results of in the former Kredyt Bank branch network.

4. INCORPORATION OF SANTANDER CONSUMER BANK S.A. INTO BANK ZACHODNI WBK GROUP

As of 1 July 2014, the transaction of acquiring shares of Santander Consumer Bank S.A (SCB S.A.) by Bank Zachodni WBK S.A. was finalized given the fulfilment of all conditions precedent to closing the transaction set out in the investment agreement of 27 November 2013 concluded by BZ WBK S.A., Santander Consumer Finance S.A. (SCF S.A.) and Banco Santander S.A. on acquisition by BZ WBK S.A. of SCB S.A. shares representing 60% of the share capital and 67% of votes at the General Meeting.

While waiting for the KNF approval for Bank Zachodni WBK to acquire a stake in Santander Consumer Bank by BZ WBK, the Supervisory Board was informed about the progress in adjusting processes and procedures to ensure effective supervision, consolidated reporting and risk management in the area of Finance, Risk Management, Internal Audit, Legal and Compliance.

In connection with the incorporation of SCB into Bank Zachodni WBK Group as of 1 July 2014, the Supervisory Board, as part of the consolidated supervision reviewed the Santander Consumer Bank's activity.

5. MAJOR AREAS OF THE SUPERVISORY BOARD'S ACTIVITY IN 2014

The Supervisory Board carried out its activities based on the adopted schedule of meetings and the general work plan. The agenda of each meeting was extended (if required) by current business matters, issues submitted by the Bank's Management Board for consideration and any other issues the Board deemed necessary to be covered by the agenda. The Supervisory Board requested and received from the Bank's Management Board comprehensive materials and reports on issues covered by the agenda of meetings as well as those pertaining to other matters important to the Bank's operations.

In 2014, the Supervisory Board focused both on strategic matters as well as on the supervision of the Bank's day-to-day business. Apart from the abovementioned independent oversight of Bank Zachodni WBK and Kredyt Bank merger, the key areas of the Supervisory Board's activity were as follows:

- In the pursuit of its duties arising from Par. 32 of the Bank's Statutes, the Supervisory Board conducted ongoing assessment of the financial performance of Bank Zachodni WBK and its Group as well as current projections prepared on that basis, taking account of the business and operational trends in place, opportunities and threats, variances against the Plan and management actions taken by the Management Board. The assessment was based on financial reports presented by the Bank's Management Board.
- The Supervisory Board kept track of the current macroeconomic and market forecasts and their impact on the Polish economy as well as operations, financial and business performance of Bank Zachodni WBK and its Group.
- The Supervisory Board was regularly advised on key forecasts emerging in the banking sector and the performance of competitive banks as well as on BZ WBK's position against them along with tendencies projected for the sector.

- In line with the applicable procedure of strategic, business and financial planning, the Supervisory Board analysed the implementation of the Business Strategy. Conclusions from those analyses became the basis for the revision of Bank Zachodni WBK Group strategic targets and strategic plans of Business Segments. As a result of the analysis conducted in February 2014, The Supervisory Board approved the revised Strategy for 2014-2016. During the 2015 planning process, conclusions arising from the Strategy review were reflected in the Bank Zachodni WBK Business strategy for 2015-2017 which was approved by the Supervisory Board in December 2014.
- The Supervisory Board approved the updated Financial Plan for 2014 and for 2014-2016 which takes account of the fact that as of 1 July 2014 Santander Consumer Bank SA (SBC) became a member of Bank Zachodni WBK Group. As part of the 2015 planning process, the Supervisory Board approved the Financial Plan for 2015 and the years 2015-2017 at its meeting on 17th December 2014.
- The Supervisory Board requested information and was kept up-to-date by the Bank's Management Board about current priorities and approach to challenges related to funding, liquidity, capital management, risk management, primarily credit risk management and cost management.
- Due to the key importance of liquidity and funding to the merged Bank, the Supervisory Board was informed by the Management Board about the development of various scenarios and actions taken with respect to raising additional funding.
- The Supervisory Board was informed about the works on the Mortgage Bank concept that stemmed from the need to diversify funding sources and to meet Basel III requirements with regard to the long-term liquidity norm. Thanks to the amendment of the Act on Mortgage Bonds and Mortgage Banks the works on the Mortgage Bank concept entered the project preparation stage. The formal project structure was set up in order to launch the Mortgage Bank operations by the end of 2016 at the latest, after the required consents to issue a banking licence and an operating licence are granted by the Financial Supervision Authority (KNF).
- As part of the overall supervision of the internal capital adequacy assessment processes, the Supervisory Board approved ICAAP policies and regular reports, based on Audit and Compliance Committee reviews and recommendations. The Supervisory Board approved the updated Capital Policy that specifies the capital targets and regulates key aspects of capital management in BZ WBK, including the capital planning and capital allocation.
- The Supervisory Board was updated on the current status of the IRB Method implementation as regards the calculation of capital requirements for the credit risk using the advanced approach.
- As part of the supervision exercised over the risk management process, the Supervisory Board reviewed the main risk areas, focusing on the manner of exercising oversight of individual risks, compliance with applicable policies and internal procedures, KNF recommendations, the EU and EBA regulations, relevant risk identification procedures and setting management actions adjusted to the Bank's needs and its scale of operations.

Based on the conducted review, the Supervisory Board approved the acceptable risk level, expressed as limits set out in the Risk Appetite Statement. Based on the global measures of Santander Bank that were reviewed in terms of adequacy and suitability for Bank Zachodni WBK risk management, specific limits were agreed at the Bank Zachodni WBK Group level to be applied in the daily Bank's management to assess such components as the level of loss or capital and liquidity element. Supplementary measures were also agreed. In addition, relevant watch levels were set in order to identify material phenomena which, after exceeding specific levels, should be subject to particular supervision and reporting. In line with the agreed process, the Supervisory Board supervised and monitored the level of internal limit utilization.

The Supervisory Board approved the updated Risk Appetite Statement to reflect regulatory requirements (e.g. introduction of new limits arising from Recommendation S) and business needs (e.g. including Santander Consumer Bank in Bank Zachodni WBK Group, completion of the Kredyt Bank merger) need to be taken into account,.

In the Supervisory Board's opinion, the risk appetite defined by the Bank is kept up-to-date and matches the current market environment. The risk analysis is supported by stress testing and scenario analysis which are to ensure that Bank Zachodni WBK will continue as a stable and well-capitalized bank even amid adverse market conditions.

- The Supervisory Board approved Bank Zachodni WBK Recovery Plan drafted in accordance with the EU Bank Recovery and Resolution Directive (the so-called Living Will) for the bank as part of the Santander Group. Santander Group was designated as a systematically important financial institution by the Financial Supervision Board which means an obligation for the Group to draft and update (annually) a Recovery Plan for the Group and its subsidiaries. There is no requirement to draft such a document under the Polish law, but the paper was forwarded to the Polish Financial Supervision Authority (KNF).

- As part of the supervision of the credit risk, the Supervisory Board was updated on the current lending strategy and key credit risk factors. The Board conducted regular reviews of the loan portfolio, also in terms of compliance with the Regulator's Recommendations.
In addition, the Supervisory Board was provided with information about individual loan portfolios by products/ customer segments with a special focus on their quality and profitability.
In line with Recommendation S and Recommendation T, the Supervisory Board received current evaluations referring to the execution of the Personal Lending Policy made by the Bank's Management Board and approved the results of those evaluations.

- The Supervisory Board was updated on the asset quality review (AQR), its results as well as stress tests that were run by the Polish Financial Supervision Authority (UKNF) in the Polish banks (also BZ WBK). Bank Zachodni WBK achieved one of the best results in the Polish banking sector, both in the case of the assets quality review as well as in the stress tests. The Supervisory Board reviewed the KNF recommendations provided in relation to AQR.

- The Supervisory Board adopted the recommendation of the Risk Oversight Committee for the Board to approve the assessment of the Management Board Members' knowledge and skills for 2014 that was conducted in line with the Recommendation M. The results of the said assessment indicated that the Bank's Management Board had adequate knowledge and skills to ensure effective operational risk management framework.

- In line with the applicable "Policy on compliance risk management in Bank Zachodni WBK", the Supervisory Board assessed the effectiveness of the compliance risk management in BZ WBK. On this basis, the Supervisory Board stated that the compliance risk management was effective and adjusted to the Bank's scale of operations & needs and did not expose the Bank to the risk of sanctions imposed by the supervisory bodies, financial losses or loss of reputation due to a breach of the applicable provisions of law, regulatory guidelines, standards and codes referring to its operations.
Apart from that, the Supervisory Board carries out the assessment of the compliance risk management each time the Audit & Compliance Committee presents its report on current operations of the Compliance Area.

- The Supervisory Board was informed about the general assumptions of the rebranding process. In line with the Banco Santander's commitments, the change would be consulted with KNF. Consultation will be possible after the research completion and development of solutions that could be presented to the Financial Supervision Authority (KNF), including the name, logo, schedule changes, and the estimated costs.

- The Supervisory Board reviewed the KNF recommendations issued in connection with the KNF comprehensive inspection carried out in the Bank in September 2013. The Board was also

updated on the BION examination (as at 31 December 2013) carried out at the KNF request in accordance with the new methodology.

- The Supervisory Board approved a modification in the Bank's Organizational Regulations reflecting the change of the name of the existing Human Resources Management Division into the Business Partnership Division to reflect its extended scope of duties & responsibilities covering the Bank's overall cost management, contract, purchase and property management.
- The Supervisory Board adopted a relevant resolution on the full application (as of 1 January 2015) of the Principles of corporate governance for supervised institutions, issued by KNF on 22 July 2014 regarding the goal expressed by the KNF on ensuring common standards of corporate governance for all supervised entities and the fact that the Principles do not breach the rights and obligations arising from the laws and the rule of proportionality stemming from the Bank's specific activities. The Principles will be adopted at the Bank's next Annual General Meeting.
- The Supervisory Board conducted a review of the Strategy and performance of the Bank's various areas and its subsidiaries, including actions and projects aimed at improving their functioning, providing opportunities to deliver high, stable and diversified income and the market share increase, including:
 - The Next Generation Bank – the Supervisory Board was updated on the progress in the program, including the progress made in the various business segments and other areas of the Bank.
 - The Supervisory Board approved the division of Dom Maklerski and the transfer of the organized part of the enterprise which will allow the Bank to conduct brokerage business as per the consent issued by the Polish Financial Supervision Authority (KNF) on 10 June 2014. The organized part of Dom Maklerski enterprise dealing with advertising was moved to a newly incorporated company.

6. OPERATIONS OF THE SUPERVISORY BOARD COMMITTEES

Independently of the Supervisory Board's meetings, Supervisory Board Members sat on the following Board's committees:

- Nominations and Remuneration Committee
- Audit and Compliance Committee,
- Risk Oversight Committee

The scope and mode of the Committees' operations is set out in their Terms of Reference, introduced by relevant resolutions of the Supervisory Board. The Terms of Reference are available in the Supervisory Board Secretariat.

The Members of individual Committees have knowledge and experience appropriate for their roles and adequate fulfilment of their responsibilities.

The Committees contribute a lot to improving the effectiveness of the Board's work by supporting it in the discharge of its statutory duties as well as by preparing recommendations and proposed decisions relating to the Board's motions as well as those submitted by the Bank's Management Board. In order to enable the Supervisory Board to appraise in full the Committees' work, their Chairmen present relevant reports at the meetings of the Supervisory Board and the Board Members are provided with copies of the minutes of each meeting of the Committees. Individual Committees received sufficient, reliable and timely information from the Management Board allowing them to fulfil their responsibilities in 2013.

▪ NOMINATIONS & REMUNERATION COMMITTEE

One of the key duties of the Supervisory Board is the introduction of remuneration policies and practice which are both fair and competitive that is highly important given their impact on the effectiveness of the organisation and its capability to recruit, retain and motivate the Management Board Members and senior management. The task of the Nominations and Remuneration Committee

is to support the Supervisory Board in attaining these objectives as well as to ensure the consistency of the remuneration policy with the Bank's corporate culture, objectives, strategy, competitive behaviours as well as recommendation of regulators with regard to remuneration in the banking sector. Dealing with such matters, the Committee Members have no personal financial interest other than that of the Bank's shareholders and are driven by the best interest of the Bank and its shareholders.

The Committee assists the Supervisory Board in:

1. Succession planning at the Bank's Management Board level;
2. Issuing recommendations for the Supervisory Board with regard to the composition of the Management Board;
3. Overall monitoring of the market practices with regard to remuneration and its levels;
4. Preparing recommendations for the Supervisory Board decisions as to fair and competitive Remuneration policies and practices, ensuring adequate motivation for the Management Board Members and senior management to constantly improve the Bank's performance.

The Nominations & Remuneration Committee's composition in 2014 was:

- a) in the period from 1 January – 16 April 2014:
 - Mr Gerry Byrne – the Chairman,
 - Mr José Antonio Alvarez
 - Mr José Luis de Mora
- b) in the period from 16 April – 31 December 2014:
 - Mr Gerry Byrne – the Chairman,
 - Ms Danuta Dąbrowska
 - Mr José Luis de Mora
 - Mr Witold Jurcewicz
 - Mr Jerzy Surma

The Committee usually invites the President of the Management Board, whereas the Business Partnership Division supports the Committee in preparing materials representing grounds for recommendations submitted to the Supervisory Board and sourcing external reports.

In 2014, the Committee focused on the following issues:

- Preparing a recommendation concerning the 2013 bonus payment to the Management Board Members based on the adopted bonus regulations and the Policy on variable components of remuneration applicable in the Bank.
- Performing an annual review of the bonus scheme for the Management Board Members and submitting recommendations to the Supervisory Board re. conditions of awarding the bonus and setting bonus pools for 2014 which were to support the achievement of relevant targets set in the Business Plan and Financial Plan for 2014 and which, at the same time, comply with the provisions of KNF Resolution No. 258/2011 as regards the variable components of remuneration for individuals holding managerial positions.
- Considering the fulfilment of conditions underlying Incentive Scheme IV set out in the AGM Resolution no. 36 of 20 April 2011 (the AGM Resolution) taking into account the assessment of the delivery of the Scheme assumptions, including in particular:
 - The long-term objective of the Scheme confirmed by the consistent profit growth throughout the analysed period,
 - Delivery of the Scheme during the merger with Kredyt Bank – excellent results generated, while ensuring the execution of the merger process as planned,
 - Contribution made by the Scheme's beneficiaries, key employees of the Group.

On this basis, the Committee recommended to the Supervisory Board that Bank Zachodni WBK AGM recognized the fact that the criteria allowing to exercise the Award were met, including the

circumstances justifying the allocation of the Total Award to the scheme participants in the maximum amount referred to in the AGM resolution. In addition, in order to carry out the obligations arising from the AGM resolution and the agreements concluded with the participants of Incentive Scheme IV the Committee recommended to the Supervisory Board to issue a positive opinion on the AGM draft resolution in this respect.

- Recommending to the Supervisory Board that it seeks a revision of the AGM powers to approve a higher – than that specified in the Directive of the European Parliament and of the Council of Europe on 26 June 2013 – maximum level of the fixed components of the remuneration relative to the variable ones at the level of 200% of the fixed component of the total remuneration for all individuals categorized as “holders of managerial positions in Bank Zachodni WBK Group” in line with the list defined in the Ordinance of the Management Board President.
- Given the new term of the Supervisory Board, preparing recommendations for the Strategic Shareholder on presenting to the General Meeting of Bank Zachodni WBK Shareholders candidates for new members of the Bank’s Supervisory Board.
- Recommending to the Supervisory Board the introduction of a new Long-Term Incentive Schemes that will motivate and encourage retention in the organization, in the long time horizon, of key employees who have knowledge and skills relevant to the Bank and who make an outstanding contribution to performance of their units.
 - Three-year Incentive Scheme V to be pursued in 2014-2017 continues and builds upon the experience of the earlier incentive programs operated by the Bank. Its purpose is to retain and motivate key employees in the longer time horizon in connection with the Bank’s long-term financial performance and expectations of shareholders, while complying with the so-called CDRIV and CRR Package and the European Banking Authority guidelines. On 16 April 2014, the General Meeting of Bank Zachodni WBK Shareholders adopted resolutions which enabled the commencement of Incentive Scheme V. The Committee developed and presented to the Supervisory Board for approval the templates of the Participation Agreement along with the list of recommended Scheme participants that included representatives of the senior executives and management from all divisions and areas of the Bank, 484 people in total;
 - One-year Incentive Scheme for individuals covered by the CRDIV Directive. The scheme was based on the assumptions of the Santander Group Incentive Scheme - the aim is to harmonize a coherent and consistent approach to this group of employees in all geographies.
- Presenting to the Supervisory Board recommendations on changes to the Policy on variable components of remuneration for individuals holding managerial positions in Bank Zachodni WBK Group, based on the conducted annual review which took into account in particular:
 - New EBA standards on the selection of persons holding managerial positions (risk takers) who have a significant impact on the bank’s risk profile;
 - The AGM Resolution re. defining the ratio of the fixed components of the total remuneration to the variable components of remuneration paid to persons holding managerial positions in Bank Zachodni WBK Group
- Consideration of draft remuneration policies for the Supervisory Board and Management Board members, as well as of Management Board’s request to approve the remuneration policy for persons holding managerial positions and presenting recommendations regarding their adoption to the Supervisory Board. The Remuneration policy for the Supervisory Board members will be submitted for approval at the next AGM.

The remuneration policies, referred to above, have been prepared in line with the Principles of Corporate Governance for Institutions Supervised by the Polish Financial Supervision Authority (KNF) and the obligations arising from the CRDIV Directive.
- Succession planning for the Management Board functions and senior management positions - as in the previous years, this issue was one of the Committee’s and Supervisory Board’s priorities in

2014; actions in this area involved the provision of adequate development programs for individuals covered by succession planning, both in the Bank and its subsidiaries.

When preparing recommendations for the Supervisory Board, the Committee used current results of the banking sector's remuneration survey carried out by an independent agency.

▪ **AUDIT & COMPLIANCE COMMITTEE**

The Audit & Compliance Committee's role is to assist the Board in discharging its oversight responsibilities to shareholders and other stakeholders in relation to:

1. The quality and integrity of the accounting policies, financial statements and disclosure practices and satisfying itself that any significant financial judgements made by management are sound;
2. The monitoring of compliance with relevant laws and regulations, taxation obligations and relevant Codes of Conduct and good business ethics;
3. The monitoring of independence and performance of the internal and external Auditors; and
4. the assessment of the effectiveness of the system of internal controls and management of financial and non-financial risks.
5. The on-going discussions with the Head of Internal Audit, Chief Risk Officer, Head of Legal and Compliance and the External Audit Partner.

Both the Audit & Compliance Committee's scope of duties and composition are in accordance with the Polish Chartered Auditors Act of 7 May 2009.

The Committee operates under a written Terms of Reference, which was updated and approved by the Supervisory Board on the 16th April 2014. The updated Terms of Reference incorporated changes resulting from KNF Recommendations, Capital Requirements Directive 4 (CRD4) and the best practice guidelines from the Institute of Internal Auditors.

The Audit & Compliance Committee composition in 2014 was:

- Mr John Power (Chairman)
- Mr Witold Jurcewicz (to 16th April 2014)
- Mr Jose Manuel Varela (to 16th April 2014)
- Mr Jerzy Surma
- Mr David Hexter
- Ms Danuta Dąbrowska (joined 16th April 2014)

Attendance:

- | | |
|----------------------------|-----|
| - Mr John Power (Chairman) | 8/8 |
| - Mr Witold Jurcewicz | 3/3 |
| - Mr Jose Manuel Varela | 1/3 |
| - Mr Jerzy Surma | 7/8 |
| - Mr David Hexter | 8/8 |
| - Ms Danuta Dąbrowska | 5/5 |

2014 Activities

The Committee undertakes its duties in line with an agreed annual work programme that allows the Committee to monitor (and seek assurance on) the management of the financial risks and non-financial risks identified in the company's business plan.

The Audit Committee continued their work programme against the background of the on-going merger of the Bank with Kredyt Bank which was completed on the 27th October and the consolidation of Santander Consumer Bank on the 1st July. The changing regulatory environment, in particular the European Central Bank (ECB) comprehensive assessment of credit institutions and the Polish

Financial Supervision Authority (KNF) Asset Quality Review also shaped our discussions around internal controls, regulatory compliance and Santander Group regulatory reporting requirements.

The Committee members met privately either before or after the meetings to assess particular issues that individual members may want to further review.

The Committee met 8 times during the course of the 2014 and the members' attendance record is set out above. The Committee reviewed key areas of material controls, including financial, operational, regulatory compliance and risk management systems. On a regular basis it receives reports on risk management, fraud, anti money laundering, legal, regulatory and corporate governance matters in order to assess the effectiveness of the risk management and control frameworks.

In 2014, these reports included the following:

- material/significant notifications arising under Policy on "Whistle Blowing",
- updates on significant projects in the Bank,
- detailed analysis of capital ratios,
- assessment of the Asset Quality Review,
- adequacy of provisioning including IBNR provisions,
- the implementation of EU Directives specifically the amended Directive on Statutory Audits,
- IT Risk Framework,
- Internal Capital Adequacy Assessment Process (ICAAP)
- Implementation of the Santander Internal Control Model

Some of the specific matters the Committee reviewed in 2014:

- Technology Controls & Information Security continued to be an area of specific focus in 2014, particularly in view of a number of integration projects ongoing in the Bank and the publicized IT attacks on individuals and businesses. We received an update on cyber-security developments and the resilience Bank Zachodni WBK has in place against cyber-attacks. We also monitored progress in preparation of the Bank for Recommendation D issued by the KNF.
- Specific control environment reviews from some of the following businesses:
 - ✓ Treasury Risk Management
 - ✓ Direct Banking
 - ✓ Customer Compliant Management
 - ✓ Global Banking Markets Division
 - ✓ Business Support Division
 - ✓ Human Resource Division
- Committee also received a number of updates on Anti Money Laundering and Code of Conduct for Securities markets,

In order to ensure effective communication between all relevant parties, the independent Auditor, Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k., the Bank's Internal Auditor, the Chief Risk Officer, the Head of Legal & Compliance, the Head of Accounting & Financial Control and Head of Financial Management were invited to attend all the Committee meetings. Other members of the Management Board are also invited to attend as appropriate in order to present reports. In addition, the Committee held separate meetings with members of senior management and the external auditors to discuss issues relevant to the committee.

Financial Reporting

The Committee has reviewed and discussed the Bank's and Bank Zachodni WBK Group's audited Financial Statements with Management, which has primary responsibility for preparing the Financial Statements. It placed particular emphasis on their fair presentation and the reasonableness of the judgmental factors in particular the level of IBNR provisions for each loan portfolio and the appropriateness of significant accounting policies used in their Polska Spółka z ograniczoną odpowiedzialnością Sp. k. their preparation. In particular we considered the consolidation of Santander Consumer Bank and the impact of one-off items that were of a significant nature in the preparation of the year-end financial statements. The Committee also reviewed and discussed with Deloitte independent review of the financial statements and issues raised with management.

In addition, the Committee continued its detailed review of the Group's capital, liquidity and risk frameworks against the requirements of the KNF Asset Quality Review, Basel II and the requirements of Basel III. The Committee considered the proposed assumptions, methodology and process followed in determining the amount of capital and liquidity required to support the Group's business plans and the adequacy of its capital resources.

In reliance of these reviews, challenges and debates, the Committee concluded that it could recommend that the Supervisory Board approve the audited financial statements for inclusion in the Company's annual report for the year ended 31st December 2014, and the Board accepted the Committee's recommendations.

Internal Audit

The Committee, through the Group Internal Auditor, receives objective independent reports on the operation of internal controls in the Group. The Committee reviewed the Audit Plan and work undertaken during the year, the level of training and skills of the resources of the internal audit function and changes to the internal audit methodology. During 2014 the Group continued its Internal Audit Quality Assurance reporting in accordance with the International Auditing Standards.

External Audit

The Committee recommended to the Board, subject to shareholder approval, the election of Deloitte Audyt as the Company's independent accountants. There is a process in place by which the Audit & Compliance Committee reviews and, if considered appropriate, approves, within parameters approved by the Supervisory Board, any non-audit services undertaken by the Auditors, and the related fees. This ensures that the objectivity and independence of the Auditors is safeguarded.

In addition, the Group paid Pln 3 487 700,00 to Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. for audit services in 2014, relating to the statutory audit of the Group and Company financial statements and the audit of Group subsidiaries (including Santander Consumer Bank) and associates pursuant to legislation. The fees for other services which included advice on accounting, regulatory matters and the fees directly relating to work mentioned above were Pln 1 930 000,00 giving a total fee to Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. of Pln 5 417 700,00 .

The Committee is satisfied that the Group's external auditor provides effective, independent challenge to management and that their comprehensive management letter provides valuable recommendations for improvement of internal controls. In 2014, Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. Polska Spółka z ograniczoną odpowiedzialnością Sp. k. provided to the Committee information on the arrangements it has in place to maintain its independence and objectivity.

Other matters

The Committee conducts a continuous review of its process and performance. The form of the review involved a discussion on the format of the meetings and the effectiveness of the reporting processes. Areas where we could enhance our performance include the form and content of information presented and briefing sessions on industry developments that will impact the scope of work for the Committee.

Focus for 2015

For 2015 the Committee's areas of focus will be continue to be influenced by the changing regulatory environment both in Poland and Europe, the continuous improvement of the Bank's IT Risk framework and increased oversight of the operational risk framework.

▪ RISK OVERSIGHT COMMITTEE

The Risk Oversight Committee is appointed by the Supervisory Board of Bank Zachodni WBK to assist the Board in discharging its oversight responsibilities to shareholders and other stakeholders and to

protect the Group from future events that impede the sustainable achievement of its strategic objectives in relation to:

- Appropriate Risk philosophy, as articulated in Risk Principles;
- Risk appetite, as reflected in policies and risk limits;
- A sharpened focused oversight on the more significant business risks undertaken by the bank and;
- The appropriateness of the overall risk governance framework
- Assessment of potential future risks which may impact on the achievement of strategic objectives

The Risk Oversight Committee composition in 2014 was:

- Mr John Power (Chairman)
- Mr Witold Jurcewicz
- Mr Jose Manuel Varela
- Mr Jerzy Surma (to 16th April 2014)
- Mr David Hexter
- Ms Marynika Woroszyńska-Sapieha (joined 16th April 2014)

Attendance:

- | | |
|--|-----|
| - Mr John Power (Chairman) | 6/6 |
| - Mr Witold Jurcewicz | 6/6 |
| - Mr Jose Manuel Varela | 3/6 |
| - Mr Jerzy Surma (to 16 th April 2014) | 1/2 |
| - Mr David Hexter | 6/6 |
| - Ms Marynika Woroszyńska-Sapieha (joined 16 th April 2014) | 4/4 |

The Committee is conscious, when undertaking its duties that the Bank is in the business of taking risk but at a level that is appropriate relative to the scale and type of business undertaken. The Committee focused on the oversight of forward looking risk issues and the key risk management indicators prepared in accordance to the business strategy.

The Committee operates under a written Terms of Reference updated and approved by the Supervisory Board on 16th April 2014. The Committee undertakes its duties in line with an agreed annual work programme that allows the committee to review the effectiveness of the risk philosophy and the appropriateness of the overall risk governance framework.

The independent Auditors, Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k., Head of Bank Zachodni WBK Internal Audit, the Chief Risk Officer, the Head of Legal & Compliance, Head of Accounting and Financial Control, Head of Finance Management and the President were invited to attend all meetings. Other members of the Management Board are also invited to attend as appropriate in order to present reports.

2014 Activities

The Committee met 6 times during the course of the 2014. The key activities reviewed were:

- Review and evaluation the Group's Risk Appetite Statements.
- Review and evaluation the Internal Capital Adequacy Assessment Process (ICAAP).
- Reviewed the Group's actual risk profile against the Risk Dashboard and addressed limit amendments in light of the growth of the business.
- Comprehensive review of risk arising in Bank Zachodni WBK Aviva following the acquisition of a controlling shareholding, the Recommendation U issued by KNF and regulatory proceedings in the insurance industry.
- Comprehensive assessment of the credit portfolio including comparison to peers in the market and the assessment of future risks in the mortgage market.
- Assessment of the Credit Recovery process and the future challenges with the implementation of the amendment Bankruptcy law.

- Overview of the product commercialization process which approves and monitors new products

On a regular basis the Committee receives reports on the Group's risk profile and key performance indicators, particular in relation to (i) performance vs. risk appetite and tolerance, (ii) risk trends, (iv) risk concentrations.

A key element of the Risk Oversight Committee's work is the oversight of the stress testing undertaken by the bank in accordance with its own assumptions and benchmarked against the requirements set by the KNF. The results of the stress testing are linked closely with the Committee's review of the Group's Risk Appetite Statement and policies appropriate to the overall strategy adopted by the Supervisory Board. As in previous years, the stress testing exercises demonstrated that Bank Zachodni WBK remains well capitalized and profitable in a stress scenario.

The Committee recommended approval to the Supervisory Board, the Group's economic capital framework, the governance over the Internal Capital Adequacy Assessment Process (ICAAP) and the effective implementation of this process by Management.

Other Matters

The Committee conducts a continuous review of its process and performance. The form of the review involved a discussion on the format of the meetings and the effectiveness of the reporting processes. In 2014 the Committee initiated a learning programme on new trends and developments in the financial industry. Outside facilitators provided an insight into the new developments in Cyber risk, future developments in CRD IV and developments in Internal governance & control.

Focus for 2015

In 2015 the Committee will review amendments to the Group Risk Appetite and continue its comprehensive review of the emerging risks in both the core business of the Group and the overall banking industry.

II. REPORT OF THE SUPERVISORY BOARD ON THE EXAMINATION OF BANK ZACHODNI WBK FINANCIAL STATEMENTS AND THE MOTION RELATED TO THE PROFIT DISTRIBUTION

This report was produced based on the conducted examination and includes the opinion of the Supervisory Board on the following documents presented by the Bank's Management Board to the Annual General Meeting of Shareholders of Bank Zachodni WBK, convened for 16th April 2014:

- Financial Statements of Bank Zachodni WBK S.A. for 2014,
- Management Board Report on Bank Zachodni WBK S.A. Performance in 2014,
- Consolidated Financial Statements of Bank Zachodni WBK Group for 2014,
- Management Board Report on Bank Zachodni WBK Group Performance in 2014,
- Management Board motion on the 2014 profit distribution.

The obligation to review the above documents is imposed on the Supervisory Board by § 32 clause 1 and clause 6 of the Bank's Statutes.

1. Examination of Financial Statements and Reports on operations for 2014

By force of resolution no. 27/2014, adopted on 11th June 2014, the Supervisory Board, based on the recommendation of the Audit & Compliance Committee, selected Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. as the Bank's auditor and vested it with a task of auditing the Financial Statements for 2013. The above audit covered the following documents produced by the Bank's Management Board:

1.1. Financial Statements of Bank Zachodni WBK S.A. for 2014:

- Statement of Financial Position as at 31 December 2014,
- Income Statement for the accounting year ended 31 December 2014,
- Statement of Comprehensive Income for the accounting year ended 31 December 2014,
- Movements in Equity for the accounting year ended 31 December 2014,
- Cash Flow Statement for the accounting year ended 31 December 2014,
- Additional Notes.

1.2. Management Board Report on Bank Zachodni WBK S.A. Performance in 2014.

1.3. Consolidated Financial Statements of Bank Zachodni WBK Group for 2014:

- Consolidated Statement of Financial Position as at 31 December 2014,
- Consolidated Income Statement for the accounting year ended 31 December 2014,
- Consolidated Statement of Comprehensive Income for the accounting year ended 31 December 2014,
- Movements in consolidated equity for the accounting year ended 31 December 2014,
- Consolidated Cash Flow Statement for the accounting year ended 31 December 2014,
- Additional Notes.

1.4. Management Board Report on Bank Zachodni WBK Group in 2014.

Based on the findings of the audit conducted by Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k., presented in the following documents:

- Opinion of the Independent Auditor and Report supplementing the Auditor's opinion on the separate Financial Statements of Bank Zachodni WBK S.A. for the financial year ended 31 of December 2014,
- Opinion of the Independent Auditor and Report supplementing the Auditor's opinion on the consolidated Financial Statements of Bank Zachodni WBK Group for the financial year ended 31 of December 2014,

the Supervisory Board stated that the 2014 Financial Statements presented by the Management Board, have been prepared, in all material respects, and give a true and fair view of the financial position of the Bank and the Group as at 31 December 2014 and of their financial performance and their cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union, and are in compliance with the respective regulations that apply to the Bank's unconsolidated financial statements and the consolidated financial statements applicable.

The Supervisory Board decided with resolution no. 5/2015, dated 5th March 2015, to submit to the AGM for approval:

- Financial Statements of Bank Zachodni WBK for 2014,
- Management Board Report on Bank Zachodni WBK Performance in 2014,
- Consolidated Financial Statements of Bank Zachodni WBK Group for 2014,
- Management Board Report on Bank Zachodni WBK Group Performance in 2014.

2. Review of the Bank's Management Board motion related to the 2014 profit distribution

The Supervisory Board examined the Bank's Management Board motion related to the 2014 profit distribution, and with resolution no. 8/2015, dated 23rd March 2015 decided to recommend approval of the above motion to the Annual General Meeting of Shareholders.

3. Summary

The Supervisory Board stated that it acted with due care with regard to comprehensive examination of the documents presented by the Bank's Management Board and in line with its resolution no. 9/2015, dated 23rd March 2015, the Supervisory Board presents this report to the Annual General Meeting of Shareholders of Bank Zachodni WBK.

III. ASSESSMENT OF BANK ZACHODNI WBK STANDING INCLUDING AN EVALUATION OF THE INTERNAL CONTROL SYSTEM AND THE SIGNIFICANT RISK MANAGEMENT SYSTEM

1. BANK ZACHODNI WBK PERFORMANCE IN 2014

Merger of Bank Zachodni WBK and Kredyt Bank

On 4 January 2013 (date of merger) the Bank registered the business combination of Bank Zachodni WBK and Kredyt Bank. The transaction was settled through the issue of merger shares. As a result, eligible shareholders of Kredyt Bank S.A. were entitled to take up shares in accordance with the agreed exchange ratio of 6.96 Merger Shares for every 100 shares of the Kredyt Bank. This represents a total of 18 907 458 ordinary shares with a nominal value of PLN 10 each, with a total nominal value of PLN 189 074 580. For the purposes of the settlement, the price of the new shares was determined in the amount of PLN 240.32.

As at the date of publication of the consolidated report of Bank Zachodni WBK Group for 2014, the acquisition of Kredyt Bank was closed and accounted for.

Acquisition of the controlling stake in Santander Consumer Bank S.A.

On 1 July 2014, Bank Zachodni WBK completed the acquisition of the controlling stake in Santander Consumer Bank S.A. ("Group SCB") following the execution of the Investment Agreement of 27 November 2013 by Bank Zachodni WBK, Santander Consumer Finance S.A. (SCF) and Banco Santander S.A. (Santander) pursuant to which Bank Zachodni WBK agreed to acquire 3 120 000 shares (i.e. 1 040 001 preferred shares and 2 079 999 ordinary shares) with a nominal value of PLN 100 each in Santander Consumer Bank S.A. (SCB) with its registered office in Wrocław, constituting 60% of the share capital of SCB and ca.67% of the votes at the General Meeting of SCB SA. The shares were acquired by way of a private placement and an in-kind contribution.

Following the completion of the transaction the bank holds 60% of the share capital of SCB and 60% of the votes at its General Meeting.

Bank Zachodni WBK Group's Financial Standing in 2014

In 2014, the Polish economy was growing by more than 3%YoY, yet the economic activity lost momentum in the second half of the year due to considerable changes in the external economic environment - the euro zone slid into stagnation and Russia introduced counter-sanctions against the European Union. This undermined the external demand for Polish products and weighed on the country's economic prospects.

The main driver of GDP growth was domestic demand. Private consumption growth was improving steadily, supported by favourable situation on the labour market and decent growth of households' income, but it kept at a moderate level. A healthy growth was also recorded in fixed investment, which rose at a nearly double-digit pace. Stronger domestic demand and slower growth of external demand resulted in deterioration of net exports contribution to GDP growth, which was most likely negative. However, a further deterioration of economic prospects of the main Poland's trade partners negatively affected, among others, domestic exports and industrial output, which significantly slowed in the second half of 2014.

Inflationary pressure was really low throughout 2014 under the impact of still relatively weak economic growth and deflationary tendencies outside Poland. The Russian embargo on food from the European Union was another factor supporting a decline in prices, as it caused an oversupply of food products in the Polish and the wider EU market. At the end of the year oil prices plunged, which translated into a decline of fuel prices in the domestic market. In July CPI inflation fell below zero, reaching -0.9% YoY at the year-end. Annual average CPI inflation was equal to 0.0%, core inflation, excluding food and energy prices, was at 0.6% YoY and PPI inflation at -1.5%YoY.

The downside risk for growth, much-lower inflation and monetary easing combined to support a rally on the Polish fixed income market, with yields falling to all-time lows. In the FX market, the EURPLN rate was relatively stable throughout the year, fluctuating between 4.10 and 4.25 per euro.

In 2014, the situation on the loan market improved. Corporate investment loan growth accelerated from 1.6% YoY at the beginning of the year to ca. 6% YoY at the end (after FX adjustment). Loans in the household sector also rebounded quite visibly (increasing by ca. 5% YoY on average), but the pace of growth was slower as compared with corporate loan growth.

The second half of 2014 brought some termination in positive tendencies in this sector, but the pace of growth remained slightly above 4% YoY. The growth rate of household deposits was relatively slower than in the previous year, but gradually improved over 2014. At the same time the growth rate of corporate deposits was higher than in 2013 and was characterized by high volatility.

Profit and Loss Account

Since December 2013, Bank Zachodni WBK has acquired direct control over three subsidiaries: BZ WBK-Aviva TUO, BZ WBK-Aviva TUnŻ and Santander Consumer Bank and included them in its consolidated accounts, which resulted in significant increases in the individual income and cost items of the consolidated income statement, with a moderate impact on the profit before tax for 2014.

The BZ WBK-Aviva insurance companies, that have been consolidated in the financial statements since 1 January 2014, met the definition of associates and were recognised using the equity method in 2013.

Since 1 July 2014, the consolidated pre-tax profit of Bank Zachodni WBK Group had also contained the results of Santander Consumer Bank and its connected entities: the SCB Group, which for the second half of 2014 was PLN 268.6m (after consolidation and intercompany adjustments).

In 2014 r. Bank Zachodni WBK Group earned the gross profit of PLN 2 640,0 m, higher by 5,0% than in 2013.

The profit attributable to the shareholders of Bank Zachodni WBK for the year was PLN 1,914.7m, i.e. down by 3.4% YoY.

Income

The total income for 2014 was PLN 6,579.0m and increased by 8.0% YoY. Adjusting for the gains on subordinated entities (Krynicki Recykling in 2014 and BZ WBK-Aviva companies in 2013), the respective income increased by 15.8% YoY.

The interest income for 2014 was PLN 3,996.8m and increased by 22% YoY.

The YoY increase in the net interest income was achieved in the falling interest rate environment as a combined result of: increase in the Group's interest income (+9.7% YoY to PLN 5,723.0m) on the back of the half-yearly interest income of Santander Consumer Bank S.A., and the fast decrease in interest expense, which decelerated over the year as a result of incorporation of SCB and a deposit sales campaign conducted by Bank Zachodni WBK during H2 (-11.0% YoY to PLN 1,726.2m).

Until the end of June 2014, the net interest margin of Bank Zachodni WBK Group gradually increased from 3.26% in Q1 2013 to 3.72% in Q2 2014 amid sharp declines in reference interest rates and their relative stabilisation in the subsequent periods. This upward trend in the net interest margin is a combined effect of harmonisation of the bank's post-merger offer, effective management of the schedule of interest rates and also expanding business volumes.

In Q3 2014, the quarterly net interest margin climbed from 3.72% to 4.07% due to incorporation of the gross credit receivables (PLN 13.5bn) and the net interest income of SCB Group (PLN 259.8m) in the consolidated financial statements.

Over the last three months of 2014, the net interest margin slid from 4.07% to 3.55% as a result of the October rate cuts, which lowered the cap on the maximum interest rate on consumer loans and exerted a negative pressure on WIBOR rates. This caused erosion of interest income from credit portfolios while constraining the growth of interest expenses generated by the enlarged deposit base.

In 2014, the net fee and commission income was PLN 1,847.8m an increase of 3.9% YoY.

The most pronounced growth on a year-on-year basis was noted in the net credit card fee income (+37.9% YoY), which was primarily attributed to the developing credit card base, increase in credit card transaction volumes and revision of selected credit card fees and charges.

The high growth in FX fees (+12.1% YoY) stems from increased FX customer trading volumes and volatility of the currency market.

The bancassurance fee income grew by 18% YoY due to the six-month contribution of PLN 61.9m from Santander Consumer Bank. Viewed on a stand-alone basis, the underlying insurance fee income of Bank Zachodni WBK went up by 14.4% YoY, driven mainly by the sale of cash loan and card insurance.

Costs

In 2014, the total expenses of the Group amounted to PLN 3,103.8m, and were 8.4% higher YoY. Excluding the integration and other non-recurring costs (PLN 205.8m in 2014 and PLN 264.4m in the corresponding period), the operating costs of SCB Group, BZ WBK-Aviva TUO and BZ WBK-Aviva TUnŻ, and the depreciation of PLN 84.4m arising from allocation of the purchase price of the two insurance companies, the total underlying costs dropped by 2.8% YoY.

It should be noted that this result was achieved by continuing intensive development initiatives geared towards improvement of the Group's product range, customer service and corporate culture in accordance with the "Next Generation Bank" strategic programme.

As the Group's costs and income were growing at a similar pace YoY (+8.4% and +8%, respectively), the Group's cost-to-income ratio was 47.2%, which is nearly the same as a year before (47.0% in 2013). Adjusted for the integration costs, the cost-to-income ratio was 44.5% vs. 42.7% in the corresponding period.

Assets

As at 31 December 2014, total assets of Bank Zachodni WBK Group amounted to PLN 134,501.9m, and increased by 26.8% YoY. The value and structure of the Group's statement of financial position is mainly affected by the parent company, which accounts for 90.4% of the consolidated total assets vs. 88.3% at the end of September 2014 and 97.5% at the end of December 2013. The lower share of Bank Zachodni WBK reflects the assumption of control over and consolidation of Santander Consumer Bank effective from 1 July 2014.

Basing on NBP statistics market share of Bank Zachodni WBK Group in the end of 2014 was 8.9% for loans and 9.5% for deposits.

Credit portfolio

As at 31 December 2014, gross loans and advances to customers were PLN 90,947.1m, increasing by 27% on the end of 2013.

As a result of consolidation of SCB Group (a gross credit portfolio of PLN 13.9bn), the main item in the structure of gross loans and advances of Bank Zachodni WBK Group are loans and advances to individuals, followed by loans and advances to enterprises and public sector customers.

Compared with the end of 2013, loans and advances to individuals increased by 40.4% YoY to PLN 47,784.1m at the end of December 2014, including PLN 12.5bn contributed by SCB Group. Home mortgages, which represent the major portion of loans and advances to individuals, increased by 22% YoY to PLN 30,860.8m. Cash loans, grew by 72.5% to PLN 9,741.6m.

Loans and advances to enterprises and public sector companies amounted to PLN 39,340.7m, up 14.1% YoY due to the strong business lending activity of Bank Zachodni WBK, particularly in the segment of corporate and GBM customers.

As at 31 December 2014, non-performing loans to customers accounted for 8.4% of the gross portfolio vs. 7.9% twelve months before. The provision coverage for the NPLs was 58.4% vs. 53.8% as at 31 December 2013.

The loan to deposit ratio was at the level of 90.4% as at 31 December 2014 in comparison to 86.7% as at 31 December 2013.

Equity and Liabilities

In the consolidated liabilities and equity as at 31 December 2014, the highest YoY growth was observed in the subordinated liabilities and debt securities in issue (+160.6% YoY), which was down to the latest issue of bonds by Bank Zachodni WBK with a nominal value of PLN 475m and the contribution of SCB Group of PLN 2.5bn made up of the bonds issued as part of the debt securities programme guaranteed by Santander Consumer Finance, and the bonds issued as part of the securitisation of the retail loans portfolio of Santander Consumer Bank.

The growth in the portfolio of financial liabilities held for trading and hedging derivatives (+145.6% YoY and 39.6% QoQ) was driven by IRS and FX swaps.

An increase in deposits from banks (+33.1% YoY and 7.3% QoQ) reflects the Group's stronger trading in the repo market, including the contribution of PLN 1.4bn from SCB Group.

Deposits from customers increased by 20.9% YoY under the impact of higher balances in personal and corporate term deposits with an accompanying moderate increase in current account balances.

Deposits

The retail deposits base increased by 21.4% YoY to PLN 58,257.0m due to a rapid growth in term deposits from individuals (+38.5% YoY) driven by consolidation of SCB Group and strong acquisition activity pursued by the bank in Q3 and Q4, mainly by means of the attractively priced New Easy Earning Deposit, which attracted approx. PLN 5bn of new funds from its launch in mid-August 2014 to the end of October. In Q4 2014, the focus was placed on strengthening the relations with new customers by offering them deposits combined with other active products, retaining maturing deposits and building long-term co-operation.

With respect to enterprises and public sector customers the bank launched new attractive products (e.g. one-month Business Impet Deposit for new funds), increased interest rates on negotiated deposits, enhanced service quality and strengthened the relationship with customers. Deposits from this segment grew by 20.2% YoY to PLN 36,724.8m under the impact of higher term deposits (+21.0% YoY) and current accounts balances (+20.5% YoY).

Diversification of Funding Sources for the Core Business

Issue of Own Bonds

On 17 July 2014, Bank Zachodni WBK issued 475,000 bearer bonds with a nominal value of PLN 1,000 each. The bonds were issued in a private placement with a variable interest rate (WIBOR + 1.0% p.a.) and a 3-year maturity. All the bonds with a total value of PLN 475m were taken up by the bondholders.

On 29 July 2014, the Management Board of the Warsaw Stock Exchange adopted Resolution no. 862/2014 on introducing the bonds to the Catalyst alternative trading system.

Agreement with the European Investment Bank

On 8 September 2014, a drawing was made under the agreement of 17 June 2014 between Bank Zachodni WBK and European Investment Bank (EIB). The agreement provided for a EUR 100m worth of credit line to be used for financing credit delivery to SME and corporate clients. The facility is to be repaid in bullet within seven years.

Credit Agreement

On 18 December 2014, Bank Zachodni WBK signed an agreement with a foreign bank for USD 50m worth of general purpose financing. The funds were disbursed on 16 January 2015. Pursuant to the agreement, the loan bears a variable interest rate based on 6M Libor and is to be repaid in 728 days of the date of the agreement.

Share Price of Bank Zachodni WBK

In 2014, the share price of Bank Zachodni WBK continued to trend sideways. Despite strong fluctuations of up to 20% during the year, the bank's share price closed down 3.4% (from PLN 387.60 as at 30 December 2013 to PLN 375.00 as at 30 December 2014) in line with WIG20 (-3.5% YoY).

The upward trend in the share price of Bank Zachodni WBK reported in 2013 reversed by 3.5% on account of factors beyond the bank's control, such as the reform of open-end pension funds, conflict in Ukraine and interest rate cuts.

In 2014, the closing price ranged from PLN 422 on 5 March to PLN 345 on 16 July. In May, the bank paid out a dividend at PLN 10.70 per share out of the profit earned in 2013.

As at 31 December 2014, market capitalisation of Bank Zachodni WBK was PLN 37,213.0m compared to PLN 36,258.1m a year before, with the number of shares growing by 5,689,445 on account of two increases in the bank's capital during 2014.

Rating

Bank Zachodni WBK has a bilateral credit rating agreement with Fitch Ratings Ltd.

On 2 June 2014, Fitch Ratings upgraded the following ratings of Bank Zachodni WBK:

- long-term foreign currency IDR: from "BBB" to "BBB+", outlook stable
- short-term foreign currency IDR: from "F3" to "F2"
- national long-term rating: from "A+(pol)" to "AA-(pol)", outlook stable.

The support and viability ratings were reaffirmed.

The above rating actions and key drivers were confirmed by Fitch Ratings in its release of 26 November 2014.

2. ASSESSMENT OF INTERNAL CONTROL SYSTEM

As required by the Statutes, the bank operates an internal control system which supports the decision-making processes and contributes to the bank's efficient operation, reliability of financial reporting as well as compliance with the law and internal regulations.

The bank's internal control system is adequately adjusted to the bank's organisational structure and risk management system as well as to the size and complexity of the bank's business. It covers all units across the bank as well as its subsidiaries.

The bank's Management Board is responsible for designing, implementing and functioning of the system of internal control. The internal control system includes: risk controls, monitoring and testing of Bank's compliance with external and internal regulations, and internal audit.

Internal control and risk management systems are structured into three lines of defense. Control measures under the first line check compliance with procedures and they are an ad hoc/on-going response to any identified deficiencies or shortcomings.

The second line of defense is formed by specialized units performing control functions which support the bank's management in risk identification and management and serve assessment of the first line controls.

The third line of defense is the Internal Audit Area, which activity is supervised by the Audit and Compliance Committee of the Supervisory Board. IAA provides independent and objective examination as well as assurance on the first and second tier controls as well as on the bank's management system, including the effectiveness of managing the risk related to the bank's business. For that matter, Internal Audit verifies the adequate coverage of the Group's risks, in compliance with top management policies, applicable procedures and internal and external regulations. Using its own risk matrix and knowledge, IAA performs a regular assessment of the present and future risk across the bank and Bank Zachodni WBK Group, developing annual audit plans to cover them. Also, priorities

highlighted by the bank's management, the Audit and Compliance Committee, the external auditor, and banking supervision institutions are taken into account.

The Supervisory Board is responsible for the supervision over the implementation of the internal control system and for assessing its adequacy and effectiveness. It receives current and accurate information on compliance with the law and internal regulations, identified irregularities and efficient management actions undertaken to remove these issues, completeness and correctness of accounting procedures as well as adequacy, functionality and security of the IT system. The Risk Management Committee and the Audit and Compliance Committee are updated on a regular basis on the operation of the internal control system from the units of the second and third lines of defense which facilitates the on-going monitoring of the system's effectiveness.

The control findings are taken account of and used to improve the existing processes and safety by making relevant changes to internal processes and regulations. The implementation of a necessary new process is regularly verified by Internal Audit Area.

3. ASSESSMENT OF THE RISK MAMNAGEMENT SYSTEM

Bank Zachodni WBK has an integrated risk management framework ensuring that all risks having material impact on the bank's operations are identified, measured, monitored and controlled. In the Supervisory Board's opinion, this framework is appropriately matched to the bank's size and risk profile. The Bank optimizes the risk management framework on a regular basis, adapting it to the changing environment and risk profile associated with the planned strategy.

The responsibility for the management of individual risks was split between the Bank's organizational units that are supported by relevant Committees. The risk management strategy is set by the Risk Management Committee (RMC) overseeing the activity of other Committees having risk management authority. The fact that Members of Management Board and senior management sit on key Committees ensures senior management engagement in the risk management of the Bank.

One of the basic elements of the risk management framework of Bank Zachodni WBK is setting the levels of risk that the Bank is ready to accept in its day-to-day business. The acceptable risk level is expressed in the form of quantifiable limits set out in the "Bank Zachodni WBK Group Risk Appetite Statement" approved by the Management Board and the Supervisory Board. The Bank conducts a detailed review of the limits with regard to the existing and potential risks, market conditions as well as the financial and capital plan at least once a year. Stress-testing and scenario analyses represent the key tool used to analyse the limits and ensure that the bank retains an adequate capital position even in extreme and severe circumstances.

The Bank has methodologies and processes in place to identify and assess risks to determine their potential impact on the Bank's operations now and in the foreseeable future. With a view to identifying and assessing risks for the entire organisation, the review of material risks is carried out as part of the ICAAP process. Identified risks are managed using policies and best practices to keep them at an acceptable level. The Bank uses various risk assessment and measurement techniques depending on risk type and materiality, including:

- Customer and/or transaction grading models - for credit risk assessment purposes;
- VAR methodology for market risk; and
- Operational risk self-assessment methodologies.

The comprehensive risk management framework is supported by a consistent and transparent system aimed at monitoring and reporting risk levels and excesses against defined limits. The reporting system covers key management levels. The Supervisory Board receives regular reports assessing the level of identified risks and reports assessing the effectiveness of actions taken by the Bank's Management Board.

The Bank aims to keep the right risk/reward balance. Support for the Bank's development strategy, while retaining best in class risk management standards and compliance with the regulatory environment, is amongst the key assumptions underlying the risk management process.

In 2014, higher growth of the credit portfolio was observed. This was a consequence of both the improvement of macroeconomic situation and of the optimisation of the credit policy resulting from full unification of internal credit regulations of the former Kredyt Bank and Bank Zachodni WBK . The Bank also thoroughly analysed the macroeconomic market fluctuations and closely monitored the risk exposure, thus adjusting, on an ongoing basis, the risk management policy parameters to reflect the changing market climate.

The Bank continued its ongoing work aimed at strengthening the risk assessment tools, in particular by introducing innovative data sources in risk analysis. With regard to the lending process, it is worth pointing to the fact that the Bank launched the I-Risk Programme, which is aimed at implementing over the next few years the Advanced IRB method for calculating internal capital as well as the optimization of credit processes for all customer segments through deployment of appropriate workflow tools (to accelerate and simplify the process by replacing multiple IT applications used for credit process with a single tool).

In 2014, the Bank continued to adjust the Bank to the requirements of *CRD 4 / CRR*, in particular adequate liquidity risk monitoring and reporting system was implemented. Based on the assumptions behind the *Bank Union (Single Supervisory Mechanism)*, especially the *Recovery and Resolution Regime*, the Bank developed its own *Recovery Plan*, the so-called "*Living Will*", which describes the actions that the Bank would take to maintain adequate capital and liquidity position in the event of a crisis or a severe stress event.

One of the key tasks accomplished by the Bank in 2014 was also the effective merger with Kredyt Bank SA regarding complete integration of IT systems supporting the risk management process among others.

To reinforce the supervision over the risk management, the Internal Control Model Department was included in organisational structures of Risk Management Division. As far as risk governance framework is concerned, the Restructuring Committee was established. The Committee takes decisions concerning the relationship management strategy for corporate borrowers in distress whose exposure does not exceed PLN 25m, debt –reductions and sales of receivables.

4. SUMMARY:

The Supervisory Board assesses the situation of the Bank as good and stable. The assessment is justified by:

1. The execution of the Kredyt Bank merger plan on time and achieving benefits ahead of target, incorporation Santander Consumer Finance into Bank Zachodni WBK Group,
2. Good financial results in a challenging economic environment,
3. Excellent cost management,
4. Effective risk management,
5. Strong capital and funding position, and
6. Strong internal control system.

82 802 834 valid votes were cast on the resolution, out of 82 802 834 shares representing 83,44% of the Bank's share capital. Out of the total number of the valid votes 82 802 834 were in favor of the resolution, 0 abstained and 0 were against.

re: item 10 of the agenda

RESOLUTION NO. 17 OF THE ANNUAL GENERAL MEETING OF BANK ZACHODNI WBK S.A.

on giving discharge to the Chairman of the Supervisory Board for performance of his duties

Pursuant to art. 395 § 2 point 3 of the Commercial Companies Code, the following is hereby resolved:

§ 1

Mr Gerry Byrne, the Chairman of the Bank's Supervisory Board, is granted the word of approval for performance of his duties in the period from 1.01.2014 to 31.12.2014.

§ 2

The resolution becomes effective as of the date of its adoption.

82 802 835 valid votes were cast on the resolution, out of 82 802 835 shares representing 83,44% of the Bank's share capital. Out of the total number of the valid votes 82 792 095 were in favor of the resolution, 830 abstained and 9 910 were against.

**RESOLUTION NO. 18
OF THE ANNUAL GENERAL MEETING OF BANK ZACHODNI WBK S.A.**

on giving discharge to the Member of the Supervisory Board for performance of his duties

Pursuant to art. 395 § 2 point 3 of the Commercial Companies Code, the following is hereby resolved:

§ 1

Mr Jose Antonio Alvarez, the member of the Bank's Supervisory Board, is granted the word of approval for performance of his duties in the period from 1.01.2014 to 31.12.2014.

§ 2

The resolution becomes effective as of the date of its adoption.

82 802 835 valid votes were cast on the resolution, out of 82 802 835 shares representing 83,44% of the Bank's share capital. Out of the total number of the valid votes 82 792 095 were in favor of the resolution, 830 abstained and 9 910 were against.

**RESOLUTION NO. 19
OF THE ANNUAL GENERAL MEETING OF BANK ZACHODNI WBK S.A.**

on giving discharge to the Member of the Supervisory Board for performance of her duties

Pursuant to art. 395 § 2 point 3 of the Commercial Companies Code, the following is hereby resolved:

§ 1

Ms Danuta Dąbrowska, the member of the Bank's Supervisory Board, is granted the word of approval for performance of her duties in the period from 16.04.2014 to 31.12.2014.

§ 2

The resolution becomes effective as of the date of its adoption.

82 802 835 valid votes were cast on the resolution, out of 82 802 835 shares representing 83,44% of the Bank's share capital. Out of the total number of the valid votes 82 792 095 were in favor of the resolution, 830 abstained and 9 910 were against.

**RESOLUTION NO. 20
OF THE ANNUAL GENERAL MEETING OF BANK ZACHODNI WBK S.A.**

on giving discharge to the Member of the Supervisory Board for performance of his duties

Pursuant to art. 395 § 2 point 3 of the Commercial Companies Code, the following is hereby resolved:

§ 1

Mr David R. Hexter, the member of the Bank's Supervisory Board, is granted the word of approval for performance of his duties in the period from 01.01.2014 to 31.12.2014.

§ 2

The resolution becomes effective as of the date of its adoption.

82 802 834 valid votes were cast on the resolution, out of 82 802 834 shares representing 83,44% of the Bank's share capital. Out of the total number of the valid votes 82 792 094 were in favor of the resolution, 830 abstained and 9 910 were against.

**RESOLUTION NO. 21
OF THE ANNUAL GENERAL MEETING OF BANK ZACHODNI WBK S.A.**

on giving discharge to the Member of the Supervisory Board for performance of his duties

Pursuant to art. 395 § 2 point 3 of the Commercial Companies Code, the following is hereby resolved:

§ 1

Mr Witold Jurcewicz, the member of the Bank's Supervisory Board, is granted the word of approval for performance of his duties in the period from 1.01.2014 to 31.12.2014.

§ 2

The resolution becomes effective as of the date of its adoption.

82 802 835 valid votes were cast on the resolution, out of 82 802 835 shares representing 83,44% of the Bank's share capital. Out of the total number of the valid votes 82 776 095 were in favor of the resolution, 830 abstained and 25 910 were against.

**RESOLUTION NO. 22
OF THE ANNUAL GENERAL MEETING OF BANK ZACHODNI WBK S.A.**

on giving discharge to the Member of the Supervisory Board for performance of his duties

Pursuant to art. 395 § 2 point 3 of the Commercial Companies Code, the following is hereby resolved:

§ 1

Mr Jose Luis De Mora, the member of the Bank's Supervisory Board, is granted the word of approval for performance of his duties in the period from 1.01.2014 to 31.12.2014.

§ 2

The resolution becomes effective as of the date of its adoption.

82 802 835 valid votes were cast on the resolution, out of 82 802 835 shares representing 83,44% of the Bank's share capital. Out of the total number of the valid votes 82 792 095 were in favor of the resolution, 830 abstained and 9 910 were against.

**RESOLUTION NO. 23
OF THE ANNUAL GENERAL MEETING OF BANK ZACHODNI WBK S.A.**

on giving discharge to the Member of the Supervisory Board for performance of his duties

Pursuant to art. 395 § 2 point 3 of the Commercial Companies Code, the following is hereby resolved:

§ 1

Mr John Power, the member of the Bank's Supervisory Board, is granted the word of approval for performance of his duties in the period from 1.01.2014 to 31.12.2014.

§ 2

The resolution becomes effective as of the date of its adoption.

82 802 835 valid votes were cast on the resolution, out of 82 802 835 shares representing 83,44% of the Bank's share capital. Out of the total number of the valid votes 82 792 095 were in favor of the resolution, 830 abstained and 9 910 were against.

**RESOLUTION NO. 24
OF THE ANNUAL GENERAL MEETING OF BANK ZACHODNI WBK S.A.**

on giving discharge to the Member of the Supervisory Board for performance of his duties

Pursuant to art. 395 § 2 point 3 of the Commercial Companies Code, the following is hereby resolved:

§ 1

Mr Jerzy Surma, the member of the Bank's Supervisory Board, is granted the word of approval for performance of his duties in the period from 1.01.2014 to 31.12.2014.

§ 2

The resolution becomes effective as of the date of its adoption.

82 802 835 valid votes were cast on the resolution, out of 82 802 835 shares representing 83,44% of the Bank's share capital. Out of the total number of the valid votes 82 792 095 were in favor of the resolution, 830 abstained and 9 910 were against.

**RESOLUTION NO. 25
OF THE ANNUAL GENERAL MEETING OF BANK ZACHODNI WBK S.A.**

on giving discharge to the Member of the Supervisory Board for performance of his duties

Pursuant to art. 395 § 2 point 3 of the Commercial Companies Code, the following is hereby resolved:

§ 1

Mr Jose Manuel Varela, the member of the Bank's Supervisory Board, is granted the word of approval for performance of his duties in the period from 1.01.2014 to 31.12.2014.

§ 2

The resolution becomes effective as of the date of its adoption.

82 802 835 valid votes were cast on the resolution, out of 82 802 835 shares representing 83,44% of the Bank's share capital. Out of the total number of the valid votes 82 792 095 were in favor of the resolution, 830 abstained and 9 910 were against.

**RESOLUTION NO. 26
OF THE ANNUAL GENERAL MEETING OF BANK ZACHODNI WBK S.A.**

on giving discharge to the Member of the Supervisory Board for performance of her duties

Pursuant to art. 395 § 2 point 3 of the Commercial Companies Code, the following is hereby resolved:

§ 1

Ms Marynika Woroszyńska-Sapieha, the member of the Bank's Supervisory Board, is granted the word of approval for performance of her duties in the period from 16.04.2014 to 31.12.2014.

§ 2

The resolution becomes effective as of the date of its adoption.

82 802 835 valid votes were cast on the resolution, out of 82 802 835 shares representing 83,44% of the Bank's share capital. Out of the total number of the valid votes 82 792 095 were in favor of the resolution, 830 abstained and 9 910 were against.

re: item 11 of the agenda

**RESOLUTION NO. 27
OF THE ANNUAL GENERAL MEETING OF BANK ZACHODNI WBK S.A.**

re. appointing the Supervisory Board Member

Pursuant to art. 385 §1 of the Commercial Companies Code, the following is hereby resolved:

§ 1

Mr Jose Garcia Cantera shall be appointed as a member of the Supervisory Board of Bank Zachodni WBK S.A.

§ 2

The resolution becomes effective as of the date of its adoption.

82 802 835 valid votes were cast on the resolution, out of 82 802 835 shares representing 83,44% of the Bank's share capital. Out of the total number of the valid votes 82 706 679 were in favor of the resolution, 0 abstained and 96 156 were against.

re: item 12 of the agenda

**RESOLUTION NO. 28
OF THE ANNUAL GENERAL MEETING OF BANK ZACHODNI WBK S.A.**

determining the remuneration of the Supervisory Board members

Acting pursuant to art. 390 § 3 and art. 392 § 1 of the Commercial Companies Code, the following is hereby resolved:

§ 1

1. Subject to it. 3, the following monthly remuneration is determined:
 - 1) the Chairman of the Supervisory Board – PLN 24,000 (twenty four thousand zloty),
 - 2) other Supervisory Board members domiciled in Poland - PLN 12,000 (twelve thousand zloty),
 - 3) other Supervisory Board members not domiciled in Poland – EUR 3,000 (three thousand euro).
2. Irrespective of the remuneration specified in it. 1 the following additional remuneration is set for the members of the Supervisory Board who are members of individual Committees of the Supervisory Board. The remuneration is paid for participation in each meeting of the Committee:
 - 1) for the Audit and Compliance Committee Chairman domiciled in Poland – PLN 12,000 (twelve thousand zloty) per each meeting,
 - 2) for the Audit and Compliance Committee Chairman not domiciled in Poland – EUR 3,000 (three thousand euro) per each meeting,
 - 3) for other members of the Audit and Compliance Committee domiciled in Poland – PLN 8,400 (eight thousand four hundred zloty) per each meeting,
 - 4) for other members of the Audit and Compliance Committee Chairman not domiciled in Poland – EUR 2,100 (two thousand one hundred euro) per each meeting,
 - 5) for members of the Nominations and Remuneration Committee domiciled in Poland – PLN 4,800 (four thousand eight hundred zloty) per each meeting,
 - 6) for members of the Nominations and Remuneration Committee not domiciled in Poland – EUR 1,200 (one thousand two hundred euro) per each meeting,
 - 7) for members of the Risk Oversight Committee domiciled in Poland – PLN 8,400 (eight thousand four hundred zloty) per each meeting,
 - 8) for members of the Risk Oversight Committee not domiciled in Poland – EUR 2,100 (two thousand one hundred euro) per each meeting,
3. Remuneration is not granted to the following Supervisory Board members:
 - 1) Mr Gerry Byrne,
 - 2) Mr Jose Louis De Mora,
 - 3) Mr Jose Garcia Cantera.

§ 2

The Bank will pay the remuneration referred to in §1 by the 10th day of the month following the month in which the remuneration was earned.

§ 3

The remuneration is determined for Mr John Power, the Supervisory Board member seconded by the Supervisory Board to exercise on-going individual oversight of the merger of Bank Zachodni WBK S.A. and Kredyt Bank S.A., at EUR 240,000 (two hundred forty thousand euro).

§ 4

Resolution no. 53 of the Annual General Meeting on determining the remuneration of the Supervisory Board members dd. 16 April 2014 is hereby revoked.

§ 5

This resolution becomes effective on the day of its adoption.

82 802 835 valid votes were cast on the resolution, out of 82 802 835 shares representing 83,44% of the Bank's share capital. Out of the total number of the valid votes 76 794 505 were in favor of the resolution, 887 644 abstained and 5 120 686 were against.

re: item 13 of the agenda

**RESOLUTION NO. 29
OF THE ANNUAL GENERAL MEETING OF BANK ZACHODNI WBK S.A.**

re. approval of the “Rules of Corporate Governance for Supervised Institutions”

Whereas, the “Rules of Corporate Governance for Supervised Institutions” issued by Komisja Nadzoru Finansowego (Polish financial regulator):

- are to ensure that universal corporate governance standards are used across all supervised financial institutions,
- will be applied taking into account the principle of proportionality arising from the activities of Bank Zachodni WBK S.A.,
- will be interpreted in a way ensuring no impact on the rights and obligations of Bank Zachodni WBK S.A., its authorities and shareholders primarily arising from:
 - (i) the Commercial Companies Code with regard to corporate governance standards for a joint stock company, including those related to the nature of a joint stock company;
 - (ii) the Banking Act with regard to liability regime of domestic banks’ shareholders for commitments made in connection with holding a significant block of shares/voting rights in such a bank; and
 - (iii) the Act on Public Offer and the Conditions for Introducing Financial Instruments to the Organised Trading System and on Public Companies with respect to the bank as a public company,

acting pursuant to art. 395(5) of the Commercial Companies Code, the following resolution is passed:

§ 1

The Annual General Meeting of Shareholders approves the “Rules of Corporate Governance for Supervised Institutions” issued by Komisja Nadzoru Finansowego on 22 July 2014 attached to this resolution and approved for application by the Management Board and Supervisory Board of Bank Zachodni WBK S.A.

§ 2

This resolution enters into force on the day of its adoption.

Appendix:

RULES OF CORPORATE GOVERNANCE FOR SUPERVISED INSTITUTIONS

Bearing in mind:

- 1) *objectives of the supervision that is ensuring*
 - a) *proper operation of the financial market*
 - b) *stability, safety and transparency of the financial market,*

- c) confidence in the financial market,*
 - d) protection of financial market participants,*
 - e) trading security and adherence to the rules of fair trading*
 - f) safety of customers' funds;*
- 2) *tasks of the Polish Financial Supervision Authority (KNF) consisting in taking actions aimed at proper operation of the financial market and at developing the financial market as well as enhancing its competitiveness;*
- 3) *supervisory experience in supervision over the banking, pension, insurance, capital markets and credit unions (SKOKs),*
- the Rules of Corporate Governance for supervised institutions are hereby issued.*

BACKGROUND

The Rules of Corporate Governance form a set of rules defining the internal and external relation of the supervised institutions, including relations with shareholders and customers, their organization, and operation of the internal supervision and key internal systems and functions, as well as statutory bodies and principles of their cooperation.

In the view of the Polish Financial Supervision Authority, the Rules of Corporate Governance should be adopted by the supervised institutions, becoming an important program document in their strategic corporate policy and influence the formation of relevant principles of conduct in the supervised institutions.

Bearing in mind that entities supervised by KNF as institutions of public trust should conduct business with the utmost diligence, it is necessary to pay particular attention to the professionalism and ethics of members sitting at different bodies of the supervised entities and require a responsible and loyal conduct from their shareholders. Therefore, the Rules of Corporate Governance point to the need of setting high requirements for persons who are members of the above mentioned bodies and of developing appropriate relations with shareholders, highlighting in particular the need for shareholders to act responsibly in the interest of the supervised institution and recommend that the corporate powers be exercised while safeguarding the interest of the supervised institution.

Good relations of the supervised institution with customers build confidence not only in the very institution, but in the entire financial market, hence care for customers should be one of the overriding objectives of the supervised institution. Good relations of the supervised institution with customers build confidence not only in the very institution, but in the entire financial market, hence care for customers should be one of the overriding objectives of the supervised institution. Informing customers reliably about the service or product offered in a manner understandable to a common customer, taking into account the risk embedded in them are the primary responsibility of the institution, which should be pursued at the stage of marketing communication, selection of a service or financial product suitable for a customer and establishment of a legal relationship. The supervised institutions should require the compliance with this rule from their counterparties.

Strengthening the role of internal supervision contributes to the efficiency and transparency of the supervised institutions and helps to retain its safety.

Effective delivery of strategic objectives by the supervised institution requires a proper organizational structure with appropriate internal control, audit and risk management frameworks.

The remuneration policy, being an essential element of the development and safety of the supervised institution should be pursued with the active participation of the legislative body.

Information policy should serve building proper relations, in particular by facilitating access to information for both customers and shareholders.

All employees of the supervised institution should be involved in the system of identifying irregularities or conditions that threaten the safety of the supervised institution's operations.

The supervised institution should take efforts to protect the rights and development of its employees in order to build the value and reputation of the supervised institution.

The supervised institution should strive to apply to the biggest possible extent the principles set out in the Rule of Corporate Governance taking into account the rule of proportionality resulting from the scale, nature of business and specificity of that institution. The Rules of Corporate Governance also apply to supervised institutions having the status of a public company.

Giving up the application of the defined rules in the full scope can take place only when their comprehensive introduction would be unduly burdensome for the supervised institution.

The supervised institution provides information on the application of the Corporate Governance Rules or information on giving up the application of the defined rules on its websites.

The rules defined in the Rules of Corporate Governance may be inadequate for the type and form of business of some entities operating on the financial market and therefore the following entities are excluded from the scope of their application:

- a) transfer agents;
- b) investment firm agents;
- c) energy companies running accounts or records of exchange commodities;
- d) insurance agents;
- e) payment service offices;
- f) insurance brokers;
- g) distributors of investment fund participation units;
- h) employers managing employee pension schemes;
- i) managers of securitized debts and
- j) entities being third parties entrusted by the supervised entities with the performance of certain actions on the basis of concluded contracts, in accordance with the binding laws

Moreover, the rules set out in the Rules of Corporate Governance do not apply to issuers of public offerings, or whose securities are admitted to trading on the regulated market, as well as to foreign legal persons operating pursuant to a relevant permit.

The principles set out in the Rules of Corporate Governance Rules do not affect rights and obligations arising from the law.

Chapter 1.

Organization and organizational structure

§ 1.

1. Organization of the supervised institution should facilitate the delivery of long-term objectives of the conducted business.
2. Organisation of the supervised institution should include management and control, an internal reporting systems, information flow and protection of information as well as documentation flow, which should be duly regulated in internal regulations.
3. Organization of the supervised institution should be duly reflected in the organizational chart.
4. The supervised institution should ensure transparency of its organizational structure set out in the internal regulations by publishing at least basic organizational structure on its websites.

§ 2.

1. The supervised institution should have a transparent organizational structure adequate to the scale and nature of the business run and risk taken where the reporting lines, tasks, a range of duties and responsibilities are clearly assigned and appropriately allocated.

The organizational structure should include and reflect the entire area of operations of the supervised institution clearly separating each key function within the performed tasks. This applies both to the allocation of tasks and responsibilities to members of the supervised institution's managing body, as well as allocation of tasks and responsibilities to organizational units of the headquarters, branches and individual positions or groups of positions.

2. The organizational structure should be defined in such a way that there is no doubt as the range of tasks and responsibilities of particular organizational units, branches and positions, and in particular, that there are no overlapping duties and responsibilities of the organizational units, branches and positions or groups of positions.

§ 3.

The supervised institution is obliged to comply with the requirements under the law and take into account supervisory recommendations issued by the relevant supervision authorities, in particular by KNF or respectively EBA (*European Banking Authority*), ESMA (*European Securities and Markets Authority*), EIOPA (*European Insurance and Occupational Pensions Authority*), as well as commitments or declarations made towards the supervision authorities and take into account individual recommendations issued by the supervision authorities.

§ 4.

1. The supervised institution should define its own strategic objectives taking into account the nature and scale of the conducted business.
2. Organization of the supervised institution should enable to achieve the planned/assumed strategic objectives, taking into account the need for effective monitoring of the risk inherent in its business.
3. Organization of the supervised institution should allow for taking appropriate action immediately in emergency situations when it is necessary to abandon the adopted strategic objectives or when it is not possible to deliver them due to unexpected changes in the economic or legal environment of the supervised institution or when further delivery of the adopted objectives can lead to the violation of norms laid down in regulations relating to the conduct of business by a given supervised institution or of the established rules of conduct.

4. Organization of the supervised institution should ensure that:
- 1) performing tasks within the entity's scope of business is entrusted to persons who have the necessary knowledge and skills and who are supervised by individuals with appropriate experience,
 - 2) when defining the scope of entrusted tasks, the possibility of proper and reliable performance of those tasks at a given position is taken into account,
 - 3) employees' rights are duly protected and their interests are properly taken into account, in particular by way of applying transparent and objective rules of employment and remuneration, evaluation, reward and professional promotion.

§ 5.

1. When creating an organizational structure or making changes to it, it is necessary to ensure consistency, in particular with the fundamental legislative act on incorporation and operations of the supervised institution and the manner its bodies operate.
2. This requirement referring to the organizational structure should be complied with also in relation to other internal documents related to the organization and operations of individual organizational units and positions in the headquarters as well as branches, their organizational units, positions or groups of positions.
3. Employees of the supervised institution should be provided with adequate access to information about scope of powers, duties and responsibilities of individual organizational units.

§ 6.

1. In the case of introducing to the supervised institution an anonymous method of notifying the management or supervising body of abuses in this supervised institution, it should be possible to use this tool by employees without fear of negative consequences from management and other employees of the supervised institution.
2. The managing body shall submit reports on the notification of serious abuses to the supervising body.

§ 7.

The supervised institution applies business continuity plans aimed at ensuring business continuity and limiting losses in the event of serious disturbances in the entity's operations.

Chapter 2.

**Relations with shareholders of the supervised
institution**

§ 8.

1. The supervised institution should act in the interest of all shareholders, respecting at the same time the customer interest.
2. When conducting its business, the supervised institution should take into account interests of all stakeholders as long as they are not in clash with interests of the supervised institution.
3. The supervised institution should ensure that shareholders have proper access to information, in

particular when taking decisions by the legislative body.

4. The supervised institution, when it is justified by the number of shareholders, should strive to facilitate the participation of all shareholders in a meeting of the supervised institution's legislative body, inter alia, by providing the possibility to participate actively in the meetings of the legislative body by way of an electronic connection.

§ 9.

1. Shareholders of the supervised institution should cooperate in achieving its objective and ensuring safe operations of that institution.
2. Shareholders may influence the operation of the supervised institution only by the way of decisions of the legislative body without infringing the competence of the remaining bodies. Exercising unauthorized influence on the management or supervising body should be reported to KNF.
3. In their decisions, shareholders should be guided by interests of the supervised institution.
4. A meeting of the legislative body should be convened immediately in a situation when it is required for the further proper operation of the supervised institution.
5. Shareholders should effectively use the tools of the shareholder oversight to ensure the proper operation of the management and supervising body in the supervised institution. The bodies of the institution should operate in such a way as to ensure the segregation of ownership and management functions. Combining the role of a shareholder with the management function requires limiting the role of the connected entities in the supervising body in order to avoid a decline in the effectiveness of the internal supervision.
6. The arising conflicts between shareholders should be resolved immediately so that there is no violation of interests of the supervised institution and its customers.

§ 10.

1. Shareholders cannot interfere with the way of exercising management, incl. the way of handling cases by the managing body of the supervised institution.
2. Granting personal powers or other special powers to shareholders of the supervised institution should be justified and support the delivery of significant objectives of the supervised institution. Holding such powers by the shareholders should be reflected in the fundamental legislative act of the institution.
3. Powers of shareholders should not lead to hampering the proper operations of the supervised institution or to discriminating other shareholders.
4. Shareholders should not take advantage of their position to make decisions leading to transfer of assets from the supervised institution to other entities as well as to buy or sell or to enter into other transactions resulting in the management by the supervised institution of its assets on terms other than market ones or posing a risk to the safety or interest of the supervised institution.

§ 11.

1. A transaction with a connected entity should be justified by the interest of the supervised institution and should be made in a transparent manner.
2. Transactions with connected entities, which have a significant impact on the financial or legal

position of the supervised institution or lead to buying or selling or another manner of managing significant assets require consultation with the supervising body. If members of the supervising body provide a dissenting opinion, the appropriate information and reasons for which a dissenting opinion was made is included in the minutes.

3. In the case when a decision on transaction with a connected entity is made by the legislative body, all shareholders should have an access to all information necessary for the evaluation of terms&conditions under which it is carried out and its impact on the supervised institution's position.

§ 12.

1. Shareholders are responsible for the immediate recapitalization of supervised institution in a situation where it is necessary to maintain equity of the supervised institution at the level required by the law or supervisory regulations, as well as when the safety of the supervised institution requires that.
2. Shareholders should be responsible for providing the supervised institution immediately with financial support in a situation where it is necessary to maintain liquidity of the supervised institution at the level required by the law or supervisory regulations, as well as when the safety of the supervised institution requires that.
3. Decisions on the payment of dividends should be reliant on the need to maintain an adequate level of equity and the delivery of strategic objectives by the supervised institution and should take into account recommendations and guidelines issued by the supervision authorities (regulatory guidelines).

Chapter 3.

Managing body

§ 13.

1. The managing body should be collegial in nature.
2. Member of the managing body should have skills to manage the affairs of the supervised institution resulting from:
 - 1) knowledge (possessed by virtue of education, held training sessions, obtained professional degrees/titles and knowledge acquired in other ways in the course of the professional career)
 - 2) experience (gained in the course of performing certain functions or holding certain positions).
 - 3) the necessary skills to perform the entrusted function.
4. Member of the managing body should give assurance of proper exercise of duties assigned to them.
5. Individual powers of particular members of the collegial managing body should complement one another in such a way as to enable to provide an adequate level of collegial management of the supervised institution.
6. The composition of the managing body should ensure an appropriate number of persons who speak the Polish language and demonstrate appropriate experience and knowledge of the Polish

financial market necessary in the management of the supervised institution on the Polish financial market.

§ 14.

1. The managing body acting in the interest of the supervised institution should take into account objectives and rules of conducting business by the supervised institutions defined by laws, internal regulations and supervisory regulations.
2. The managing body, while pursuing the adopted business strategy, should be guided by safety of the supervised institution.
3. The managing body should be the only legitimate body responsible for managing the operations of the supervised institution.
4. Management of the supervised institution includes, in particular, managing affairs, planning, organizing, decision-making, leading and controlling the activities of the institution.

§ 15.

1. The composition of the managing body should provide for a separate function of the president of the managing body in charge of this body's work.
2. Members of the managing body bear collegial responsibility for decisions reserved to the remit of the managing body, irrespective of the introduction of internal division of responsibilities for different areas of the supervised institution's business among members of the managing body or delegating certain powers to lower management levels.
3. Internal division of responsibilities for different areas of the supervised institution's business among members of the managing body should be made in a transparent and unambiguous way and be reflected in the internal regulations. Such a division should not lead to overlapping powers of members of the managing body or to internal conflicts of interest.
4. The internal division of responsibilities among the members of the managing body should not lead to a situation where a specific area of activity of the institution supervised is not assigned to any member of the managing body.

§ 16.

1. It is appropriate that meetings of the managing body are held in Polish. If necessary, the required assistance of an interpreter has to be provided.
2. Minutes and content of adopted resolutions or other relevant decisions of the managing body of the supervised institutions should be drawn up in Polish or translated into Polish.

§ 17.

1. Performing a function in the managing body should be the main area of professional activity of a member of the managing body. Additional professional activity of a member of the managing body outside the supervised institution should not lead to such commitment of time and work that would adversely affect the proper performance of the function held by the person in the managing body of the supervised institution.
2. In particular, a member of the managing body should not be a member of bodies in other entities, if the time devoted to perform the functions in other entities prevents him/her from the diligent

performance of duties in the supervised institution.

3. A member of the managing body should refrain from taking up professional or non-professional activity that could lead to a conflict of interest or adversely affect his/her reputation as a member of the managing body in the supervised institution.
4. Rules of limiting a conflict of interest should be specified in a relevant internal regulation specifying, inter alia, the principle of identification, management and prevention of conflicts of interest as well as rules of excluding a member of the managing body in the event of a conflict of interest or the possibility of its occurrence.

§ 18.

In the case of incomplete composition of the managing body in the supervised institution, it should be immediately replenished.

Chapter 4. Supervising body

§ 19.

1. Member of the supervising body should have skills to supervise the delivery of all obligations of the supervised institutions arising from:
 - 1) knowledge (possessed by virtue of education, held training sessions, obtained professional degrees and scholar titles as well as knowledge acquired in other ways in the course of the professional career),
 - 2) experience (gained in the course of performing certain functions or holding certain positions).
 - 3) the necessary skills to perform the entrusted function.
2. Individual powers of particular members of the collegial supervising body should complement in such a way as to enable to provide an adequate level of collegial supervision over all areas of the supervised institution's operations.
3. Member of the supervising body should give assurance of proper exercise of duties assigned to him/her.
4. The composition of the supervising body should ensure an appropriate number of persons who speak the Polish language and demonstrate appropriate experience and knowledge of the Polish financial market necessary for the supervision of a supervised institution on the Polish financial market.

§ 20.

1. The supervising body exercises supervision over affairs of the supervised institutions guided in the delivery of its tasks by care for proper and safe operation of the supervised institution.
2. The supervising body should have the ability to take necessary supervisory measures on an ongoing basis, in particular with regard to delivery of adopted strategic objectives or significant changes in the level of risk or materialization of significant risks in the activities of the supervised institution, as well as in respect to financial reporting, including the introduction of significant changes in the accounting policy having a material impact on the content of the financial

information.

3. The supervising body and its individual members when exercising the supervision are guided by an objective assessment and judgement.

§ 21.

1. Size of the supervising body (number of members) should be adequate to the nature and scale of business conducted by the supervised institution.
2. The composition of the supervising body should provide for a separate function of the chairman who is in charge of this body's work. The selection of the chairman should be made based on experience and skills of heading such a team taking into account the independence criterion.

§ 22.

1. The supervising body of the supervised institution should have ensured an adequate share of independent members appointed from among and, where possible, candidates nominated by minority shareholders. Independence is manifested primarily by a lack of direct and indirect links with the supervised institution, members of the managing and supervising bodies, significant shareholders and entities connected with them.
2. In particular, independence should be demonstrated by members of the audit committee or members of the supervising body with skills in accounting or financial audit.
3. If members of the supervising body provide a dissenting opinion, the appropriate information and reasons for which a dissenting opinion was made is included in the minutes
4. The audit committee or the supervising body as part of monitoring the performance of financial audit activities should agree the rules of conducting the activities by an entity authorized to audit financial statements, including the proposed plan of activities.
5. The audit committee or the supervising body when presenting the results of financial audit activities by the entity authorized to audit financial statements should express its opinion on the financial statements subject to the financial audit.
6. The co-operation of the audit committee and the supervising body with the entity authorized to audit financial statements should be documented. Termination of an agreement with the entity authorized to audit financial statements should be assessed by the supervising body who will include information on the reasons for such termination in the annual report containing an assessment of financial statements of the supervised institution

§ 23.

1. A member of the supervising body in the supervised institution should perform their functions in an active way by demonstrating the necessary level of engagement in the work of the supervising body.
2. The necessary level of commitment is manifested in devoting enough time to duly perform the tasks of the supervising body.
3. The remaining professional activity of the supervising body's member cannot be to the detriment of the quality and effectiveness of the exercised supervision.
4. A member of the supervising body should refrain from taking up professional or non-professional

activity that could lead to a conflict of interest or adversely affect his/her reputation as a member of the supervising body in the supervised institution.

5. Rules of limiting a conflict of interest should be specified in a relevant internal regulation specifying, inter alia, the rules of identification, management and prevention of conflicts of interest as well as rules of excluding a member of the managing body in the event of a conflict of interest or the possibility of its occurrence.

§ 24.

1. It is appropriate that meetings of the supervising body are held in Polish. If necessary, the necessary assistance of an interpreter has to be provided.
2. Minutes and content of adopted resolutions or other relevant decisions of the managing body of the supervised institutions should be drawn up in Polish or translated into Polish.

§ 25.

1. Supervision exercised by the supervising body should be ongoing in nature, and meetings of the supervising body should be held depending on the needs. If an audit committee or other committees entrusted with certain issues related to the activities of supervised institution operate in the supervised institution, meetings of the supervising body should be held not less frequently than four times a year, otherwise, not less frequently than every two months.
2. If in the course of exercising supervision, there are identified any abuses, serious errors, including those having a significant impact on the content of financial information or other serious irregularities in the operations of the supervised institution, the supervising body should take appropriate measures, in particular, it shall require explanations from the managing body and shall advise it to introduce effective solutions to prevent the occurrence of similar irregularities in the future.
3. The supervising body, if it is necessary for the exercise of proper and effective supervision, may request the managing body to appoint a selected external entity to perform certain analyses or obtain its opinion on specific issues.

§ 26.

In the case of incomplete composition of the supervising body in the supervised institution, it should be immediately replenished.

§ 27.

The supervising body makes a regular assessment of applying the rules introduced by this document and results of such assessment are available on the website of the supervised institution and communicated to the other bodies of the supervised institution.

Chapter 5.

Remuneration policy

§ 28.

1. The supervised institution should pursue a transparent remuneration policy for members of the supervising and the managing body, as well as key function holders. Remuneration rules should be specified in a relevant internal regulation (remuneration policy).
2. When determining the remuneration policy, it is necessary to take into account the financial standing of the supervised institution.
3. Once a year, the supervising body prepares and presents to the legislative body a report assessing the operation of the remuneration policy in the supervised institution.
4. The legislative body evaluates whether the remuneration policy in place supports the development and security of the supervised institution.

§ 29.

1. Remuneration of members of the supervising body is set adequately to the performed function and adequately to the scale of the supervised institution's business. Members of the supervising body appointed to work in committees, including the audit committee, should be remunerated adequately to the additional tasks performed as part of the committee's work.
2. Remuneration of members of the supervising body, unless the regulations prohibit such payment of such remuneration, should be set by the legislative body.
3. The principles of remuneration of the members of the supervising body should be transparent and included in the relevant internal rules of the supervised institution.

§ 30.

1. The supervising body, taking into account the decisions of the legislative body, is responsible for establishing internal regulation setting out the terms of remuneration for the members of the managing body, including detailed criteria and conditions justifying the obtainment of variable components of remuneration.
2. The supervising body exercises supervision over the introduced remuneration policy, including verification of meeting the criteria and conditions that justify obtainment of variable components of remuneration before payment of such remuneration, in full or in part.
3. In relation to key function holders, the responsibility for the introduction of appropriate internal regulations and supervision in this respect rests with the managing body.
4. Variable components of remuneration of members of the managing body or key function holders should be driven in particular by objective criteria, the quality of the supervised institution's management and take into account the long-term aspects of the operation and the manner of delivering strategic objectives. When determining the variable components of remuneration, awards or benefits, arising e.g. from incentive schemes and other bonus programs, paid out or potentially due, are taken into account. The set remuneration policy should not represent an inducement to take up excessive risk in the operations of the supervised institution.
5. The remuneration of the managing body's member or key function holders should be financed and paid from the funds of the supervised institution.

Chapter 6. Information Policy

§ 31.

1. The supervised institution should run a transparent information policy, taking into account the needs of its shareholders and customers, as described on the website of that institution.
2. The information policy should be based on facilitating access to information. In particular, reports published by the supervised institution including financial information, whenever justified by the number of shareholders, should be made available in an electronic form and contain solutions facilitating readers to get familiar with the published information (interactive reports).
3. The supervised institution should provide shareholders with equal access to information.
4. The information policy should specify in particular the principles and timelines of providing responses to shareholders and customers.
5. The information policy should ensure the protection of information and take into account separate regulations related to holding the status of a public company or arising from specific regulations governing the operations of the supervised institutions.

Chapter 7

Promotional activity and relations with customers

§ 32.

1. The advertising message concerning a product or service offered by the supervised institution or its activities, hereinafter referred to as the "advertised item", should be reliable, not misleading and demonstrate respect for the commonly applicable laws, rules of fair trade and best practice.
2. The advertising message should clearly indicate what product or service it pertains to.
3. The advertising message cannot expose benefits in a manner that would diminish the significance of costs and risks related to the purchase of the product or service.

§ 33.

The advertising message should not be misleading or create opportunities to mislead, in particular with regard to:

- 1) legal nature of the advertised item, including customer's rights and obligations,
- 2) identity of the advertising entity,
- 3) significant features of the advertised item,
- 4) benefits that can be achieved by buying or availing of the advertised item and period within which they originate,
- 5) total costs incurred by the customer in relation to buying or availing of the advertised item and the period those costs pertain to,
- 6) time, value and territorial availability of the advertised item,
- 7) risks related to buying or availing of the advertised item.

§ 34.

When creating and publishing an advertising message, the supervised institution should, in particular: care for the nature and design of advertising messages prepared and published on behalf of the supervised institutions or for its benefit,

- 1) provide recipients with freedom of getting acquainted with all contents making up the

message, especially with all kinds of indications and reservations that are an integral part of the advertising message,

- 2) ensure that graphic solutions used in the advertising message do not make it difficult for the recipient to get familiar with relevant information concerning the item advertised in that message, in particular with the information required by law and regulatory recommendations,
- 3) indicate the source of the presented information, if the advertising message refers to results of surveys, statistical research, rankings, ratings, or other data.

§ 35.

The process of offering financial products or services should be conducted by adequately prepared individuals in order to ensure the reliability of information communicated to consumers and to provide them with comprehensible explanations.

§ 36.

1. The supervised institution should make an effort to offer financial products or services that are adequate to the needs of customers they are addressed to.
2. At the stage of presenting the nature and design of a recommended financial product or service, supervised institutions and entities cooperating with them take into account needs referred to in sec. 1 in particular as regards the customer's individual situation, including knowledge and experience in the financial market and, whenever justified, the desired duration of the investment and risk appetite level.

§ 37.

The supervised institution and entities cooperating with them should fairly and in an understandable manner for average recipients inform about the offered product or service, including in particular about the nature and design of that product or service, benefits and determinants of achieving a potential profit, as well as about any risks embedded in them, including fees and expenses (also those related to the earlier resignation from a product or service).

§ 38.

1. All the necessary information on the nature and design of the product or financial service relevant for the customer to take a decision should be made available to customers in such a way that they have time to get acquainted with their contents before concluding an agreement.
2. Provisions of the agreement, including agreement templates and relevant information about the agreement contained in other documents, should be submitted to the customer by the supervised institutions and entities cooperating with them before the customer makes a decision on concluding the agreement.
3. If in the customer's view, it is not possible to get acquainted with the submitted documents at the outlet, the supervised institution should provide the customer with copies of relevant documents at their own expense.
4. Supervised institutions should take appropriate actions and due diligence to ensure that agreement templates do not contain ambiguous provisions.

§ 39.

The supervised institution should develop and provide customers with clear and transparent rules of processing the complaints.

§ 40.

The supervised institution should introduce an organized form of processing complaints and taking remedial actions aimed at limiting the situations that may cause their occurrence in the future.

§ 41.

The process of handling complaints by the supervised institution should be carried out immediately, not later than within 30 days, and also be characterized by reliability, discernment, objectivity and respect for generally applicable laws, rules of fair trade and good manners.

§ 42.

Content of a response to a complaint should contain, if possible, full and exhaustive factual and legal justification, relative to allegations contained in the complaint.

§ 43.

The supervised institution should strive for amicable settlement of disputes with its customers.

§ 44.

The supervised institution when pursuing its claims, in particular when conducting debt collection activities towards customers, should act professionally and take care of reputation of the public trust institution.

Chapter 8

Key systems and internal functions

§ 45.

1. The supervised institution should have an adequate, efficient and effective system of internal control aimed at ensuring:
 - 1) correctness of administrative and accounting procedures as well as financial reporting and reliable internal & external reporting,
 - 2) compliance with laws and internal regulations while taking into account regulatory recommendations.
2. The process of ensuring the delivery of objectives of the internal control system should consist of: internal control organization, controls, estimation of the risk of failure to achieve objectives ref. to in sec. The supervised institution should document the process of ensuring the delivery of objectives of the internal control system.

§ 46.

1. The internal control system of the supervised institution should cover all levels of the organizational structure of the supervised institution.
2. The managing body should develop and implement an adequate, efficient and effective system of internal control while the supervising body or the audit committee should periodically assess the adequacy, efficiency and effectiveness of both the overall internal control system and its selected elements.
3. Employees of the supervised institution, as part of their duties should be assigned appropriate

tasks associated with delivering objectives of the internal control system.

§ 47.

1. The supervised institution should develop and implement an effective and independent function ensuring compliance of the supervised institutions' operations with laws and internal regulations taking into account regulatory recommendations.
2. The manner of organizing the compliance function should ensure the independence of delivering tasks in this regard.

§ 48.

1. The supervised institution should develop and implement an efficient, effective, independent internal audit function with the task of regular examination of adequacy, efficiency and effectiveness of the internal control system, compliance function and risk management framework.
2. The manner of organizing the internal audit function should ensure the independence of delivering tasks in this regard.

§ 49.

1. The head of the internal audit and the head of the compliance function have an assured possibility to communicate directly with the managing body and the supervising body or the audit committee as well as should have the possibility of direct and simultaneous reporting to these bodies.
2. The head of the internal audit and the head of compliance function participate in meetings of the managing and supervising bodies or the audit committee if items on the agenda are related to the internal control system, internal audit or compliance function.
3. Appointment and dismissal of the head of the internal audit or compliance function in the supervised institution requires consent of the supervising body or the audit committee.
4. In the supervised institution where there are no internal audit unit or compliance unit, powers arising from sec 1-3 are vested in individuals responsible for performing those functions.

§ 50.

1. The supervised institution should effectively manage the risks embedded in its activities, in particular through the development and implementation of an adequate and effective risk management framework taking into account risk management strategy covering the risk appetite defined by the supervised institution.
2. The risk management process should comprise the risk identification, measurement, assessment, monitoring and application of controls that mitigate the identified, measured or assessed risk level.
3. The risk management framework should be organized adequately to the scale, nature and complexity of the conducted business, taking into account the strategic objectives of the supervised institution, including the risk management strategy and risk appetite defined by the supervised institution

§ 51.

1. Irrespective of tasks assigned to organizational units of the supervised institution, and other bodies of this institution, the responsibility for the effective risk management should rest with the managing body

2. Members of the managing body, taking into account the nature, scale and complexity of the conducted business should not combine responsibility for management of a given risk with responsibility for the area of operations that generates this risk.

§ 52.

1. The supervising body approve and oversee the delivery of the risk management strategy exercising oversight of the risk management effectiveness. The managing body should ensure that the supervising body obtains regular and valid information about the risks identified in the current or future activities of the supervised institution, nature, scale and complexity of risk and actions taken as part of that risk management, including information sourced directly from the internal audit, compliance or other function responsible for this area.
 2. In the supervised institution where there are no internal audit unit or compliance unit or where no unit was assigned responsibility for this area, then the information referred to in sec. 1 is provided by individuals responsible for performing those functions

Chapter 9

Exercising rights from assets purchased at the customer's risk

§ 53.

The supervised institution that manages assets at the customer's risk should effectively manage those assets as to ensure the necessary protection of the customer's interests.

§ 54.

1. The supervised institution should use the available means of the corporate governance - issuers of securities which are the subject of management, in particular, when the level of investment in securities is significant or when it is required to protect the customer's interests.
2. The supervised institution that manages assets at the customer's risk should introduce transparent rules of interaction with other financial institutions when exercising the corporate governance over entities - issuers of securities which are the subject of management.
3. The supervised institution that manages assets at the customer's risk, develops and discloses to customers its corporate governance policy, including procedures of attending and voting at meetings of legislative bodies.

§ 55.

The supervised institution that manages assets at the customer's risk should avoid in its business the situations that may cause a conflict of interests, and in the event of a conflict of interests, it should be guided by interests of the customer, informing him/her about the existing conflict of interest.

§ 56.

The supervised institution that manages assets at the customer's risk should introduce transparent rules on interaction with other supervised institutions when executing transactions at the customer's risk

§ 57.

The supervised institution when buying assets at the customer's risk should act in the customer's interest. The decision making process should be duly documented.

82 802 835 valid votes were cast on the resolution, out of 82 802 835 shares representing 83,44% of the Bank's share capital. Out of the total number of the valid votes 82 802 835 were in favor of the resolution, 0 abstained and 0 were against.

re: item 14 of the agenda

**RESOLUTION NO. 30
OF THE ANNUAL GENERAL MEETING OF BANK ZACHODNI WBK S.A.**

re: approval of financial statements of Dom Maklerski BZ WBK S.A. for the 10-month period ended 31 October 2014

Pursuant to art. 393 point 1 and art. 395 §2 point 1 of the Commercial Companies Code, the following is hereby resolved:

§ 1

The General Meeting of Shareholders has considered and hereby approves submitted by the Bank's Management Board financial statements of Dom Maklerski BZWBK S.A. for the period beginning on the first day of January of the year two thousand and fourteen /1.01.2014/ and finishing on the thirty first day of October of the year two thousand and fourteen /31.10.2014/.

§ 2

The resolution becomes effective as of the date of its adoption.

82 802 835 valid votes were cast on the resolution, out of 82 802 835 shares representing 83,44% of the Bank's share capital. Out of the total number of the valid votes 77 696 878 were in favor of the resolution, 5 105 957 abstained and 0 were against.

re: item 15 of the agenda

**RESOLUTION NO. 31
OF THE ANNUAL GENERAL MEETING OF BANK ZACHODNI WBK S.A.**

on giving discharge to the President of the Management Board of Dom Maklerski BZ WBK S.A. for performance of his duties

Pursuant to art. 395 §2 point 3 of the Commercial Companies Code, the following is hereby resolved:

§1

Mr Mariusz Sadłocha, the President of the Management Board of Dom Maklerski BZ WBK S.A., is granted the word of approval for performance of his duties in the period from 1.01.2014 to 10.01.2014.

§ 2

The resolution becomes effective as of the date of its adoption.

82 802 835 valid votes were cast on the resolution, out of 82 802 835 shares representing 83,44% of the Bank's share capital. Out of the total number of the valid votes 77 694 505 were in favor of the resolution, 5 100 830 abstained and 7 500 were against.

**RESOLUTION NO. 32
OF THE ANNUAL GENERAL MEETING OF BANK ZACHODNI WBK S.A.**

**on giving discharge to the President of the Management Board of Dom Maklerski BZ WBK S.A.
for performance of his duties**

Pursuant to art. 395 §2 point 3 of the Commercial Companies Code, the following is hereby resolved:

§1

Mr Marcin Groniewski, the President of the Management Board of Dom Maklerski BZ WBK S.A., is granted the word of approval for performance of his duties in the period from 13.01.2014 to 31.10.2014.

§ 2

The resolution becomes effective as of the date of its adoption.

82 802 835 valid votes were cast on the resolution, out of 82 802 835 shares representing 83,44% of the Bank's share capital. Out of the total number of the valid votes 77 688 548 were in favor of the resolution, 5 106 787 abstained and 7 500 were against.

**RESOLUTION NO. 33
OF THE ANNUAL GENERAL MEETING OF BANK ZACHODNI WBK S.A.**

**on giving discharge to the Member of the Management Board of Dom Maklerski BZ WBK S.A.
for performance of his duties**

Pursuant to art. 395 §2 point 3 of the Commercial Companies Code, the following is hereby resolved:

§1

Mr Jacek Idczak, the Member of the Management Board of Dom Maklerski BZ WBK S.A., is granted the word of approval for performance of his duties in the period from 1.01.2014 to 31.10.2014.

§ 2

The resolution becomes effective as of the date of its adoption.

82 802 835 valid votes were cast on the resolution, out of 82 802 835 shares representing 83,44% of the Bank's share capital. Out of the total number of the valid votes 77 688 548 were in favor of the resolution, 5 106 787 abstained and 7 500 were against.

**RESOLUTION NO. 34
OF THE ANNUAL GENERAL MEETING OF BANK ZACHODNI WBK S.A.**

**on giving discharge to the Member of the Management Board of Dom Maklerski BZ WBK S.A.
for performance of her duties**

Pursuant to art. 395 §2 point 3 of the Commercial Companies Code, the following is hereby resolved:

§1

Ms Jolanta Matuszczak, the Member of the Management Board of Dom Maklerski BZ WBK S.A., is granted the word of approval for performance of her duties in the period from 1.01.2014 to 31.10.2014.

§ 2

The resolution becomes effective as of the date of its adoption.

82 802 835 valid votes were cast on the resolution, out of 82 802 835 shares representing 83,44% of the Bank's share capital. Out of the total number of the valid votes 77 696 048 were in favor of the resolution, 5 106 787 abstained and 0 were against.

**RESOLUTION NO. 35
OF THE ANNUAL GENERAL MEETING OF BANK ZACHODNI WBK S.A.**

**on giving discharge to the Member of the Management Board of Dom Maklerski BZ WBK S.A.
for performance of his duties**

Pursuant to art. 395 §2 point 3 of the Commercial Companies Code, the following is hereby resolved:

§1

Mr Krzysztof Pierzchała, the Member of the Management Board of Dom Maklerski BZ WBK S.A., is granted the word of approval for performance of his duties in the period from 1.01.2014 to 31.10.2014.

§ 2

The resolution becomes effective as of the date of its adoption.

82 802 835 valid votes were cast on the resolution, out of 82 802 835 shares representing 83,44% of the Bank's share capital. Out of the total number of the valid votes 77 688 548 were in favor of the resolution, 5 106 787 abstained and 7 500 were against.

**RESOLUTION NO. 36
OF THE ANNUAL GENERAL MEETING OF BANK ZACHODNI WBK S.A.**

**on giving discharge to the Member of the Management Board of Dom Maklerski BZ WBK S.A.
for performance of her duties**

Pursuant to art. 395 §2 point 3 of the Commercial Companies Code, the following is hereby resolved:

§1

Ms Magdalena Żardecka- Wiśniewska, the Member of the Management Board of Dom Maklerski BZ WBK S.A., is granted the word of approval for performance of her duties in the period from 26.03.2014 to 31.10.2014.

§ 2

The resolution becomes effective as of the date of its adoption.

82 802 835 valid votes were cast on the resolution, out of 82 802 835 shares representing 83,44% of the Bank's share capital. Out of the total number of the valid votes 77 688 548 were in favor of the resolution, 5 106 787 abstained and 7 500 were against.

re: item 16 of the agenda

**RESOLUTION NO. 37
OF THE ANNUAL GENERAL MEETING OF BANK ZACHODNI WBK S.A.**

**on giving discharge to the Chairman of the Supervisory Board of Dom Maklerski BZ WBK S.A.
for performance of his duties**

Pursuant to art. 395 §2 point 3 of the Commercial Companies Code, the following is hereby resolved:

§1

Mr Mateusz Morawiecki, the Chairman of the Supervisory Board of Dom Maklerski BZ WBK S.A., is granted the word of approval for performance of his duties in the period from 1.01.2014 to 31.10.2014.

§ 2

The resolution becomes effective as of the date of its adoption.

82 802 835 valid votes were cast on the resolution, out of 82 802 835 shares representing 83,44% of the Bank's share capital. Out of the total number of the valid votes 77 688 548 were in favor of the resolution, 5 106 787 abstained and 7 500 were against.

**RESOLUTION NO. 38
OF THE ANNUAL GENERAL MEETING OF BANK ZACHODNI WBK S.A.**

**on giving discharge to the Vice-Chairman of the Supervisory Board of Dom Maklerski BZ WBK
S.A. for performance of his duties**

Pursuant to art. 395 §2 point 3 of the Commercial Companies Code, the following is hereby resolved:

§1

Mr Justyn Konieczny, the Vice-Chairman of the Supervisory Board of Dom Maklerski BZ WBK S.A., is granted the word of approval for performance of his duties in the period from 1.01.2014 to 31.10.2014.

§ 2

The resolution becomes effective as of the date of its adoption.

82 802 835 valid votes were cast on the resolution, out of 82 802 835 shares representing 83,44% of the Bank's share capital. Out of the total number of the valid votes 77 688 548 were in favor of the resolution, 5 106 787 abstained and 7 500 were against.

**RESOLUTION NO. 39
OF THE ANNUAL GENERAL MEETING OF BANK ZACHODNI WBK S.A.**

**on giving discharge to the Member of the Supervisory Board of Dom Maklerski BZ WBK S.A.
for performance of his duties**

Pursuant to art. 395 §2 point 3 of the Commercial Companies Code, the following is hereby resolved:

§1

Mr Eamonn Crowley, the Member of the Supervisory Board of Dom Maklerski BZ WBK S.A., is granted the word of approval for performance of his duties in the period from 1.01.2014 to 31.10.2014.

§ 2

The resolution becomes effective as of the date of its adoption.

82 802 835 valid votes were cast on the resolution, out of 82 802 835 shares representing 83,44% of the Bank's share capital. Out of the total number of the valid votes 77 688 548 were in favor of the resolution, 5 106 787 abstained and 7 500 were against.

**RESOLUTION NO. 40
OF THE ANNUAL GENERAL MEETING OF BANK ZACHODNI WBK S.A.**

**on giving discharge to the Member of the Supervisory Board of Dom Maklerski BZ WBK S.A.
for performance of his duties**

Pursuant to art. 395 §2 point 3 of the Commercial Companies Code, the following is hereby resolved:

§1

Mr Janusz Krawczyk, the Member of the Supervisory Board of Dom Maklerski BZ WBK S.A., is granted the word of approval for performance of his duties in the period from 1.01.2014 to 31.10.2014.

§ 2

The resolution becomes effective as of the date of its adoption.

82 802 835 valid votes were cast on the resolution, out of 82 802 835 shares representing 83,44% of the Bank's share capital. Out of the total number of the valid votes 77 688 548 were in favor of the resolution, 5 106 787 abstained and 7 500 were against.

**RESOLUTION NO. 41 OF THE ANNUAL GENERAL MEETING
OF BANK ZACHODNI WBK S.A.**

**on giving discharge to the Member of the Supervisory Board of Dom Maklerski BZ WBK S.A.
for performance of his duties**

Pursuant to art. 395 §2 point 3 of the Commercial Companies Code, the following is hereby resolved:

§1

Mr Jacek Marcinowski, the Member of the Supervisory Board of Dom Maklerski BZ WBK S.A., is granted the word of approval for performance of his duties in the period from 1.01.2014 to 31.10.2014.

§ 2

The resolution becomes effective as of the date of its adoption.

82 802 835 valid votes were cast on the resolution, out of 82 802 835 shares representing 83,44% of the Bank's share capital. Out of the total number of the valid votes 77 688 548 were in favor of the resolution, 5 106 787 abstained and 7 500 were against.

**RESOLUTION NO. 42
OF THE ANNUAL GENERAL MEETING OF BANK ZACHODNI WBK S.A.**

**on giving discharge to the Member of the Supervisory Board of Dom Maklerski BZ WBK S.A.
for performance of his duties**

Pursuant to art. 395 §2 point 3 of the Commercial Companies Code, the following is hereby resolved:

§1

Mr John Power, the Member of the Supervisory Board of Dom Maklerski BZ WBK S.A., is granted the word of approval for performance of his duties in the period from 1.01.2014 to 31.10.2014.

§ 2

The resolution becomes effective as of the date of its adoption.

82 802 835 valid votes were cast on the resolution, out of 82 802 835 shares representing 83,44% of the Bank's share capital. Out of the total number of the valid votes 77 688 548 were in favor of the resolution, 5 106 787 abstained and 7 500 were against.

**RESOLUTION NO. 43
OF THE ANNUAL GENERAL MEETING OF BANK ZACHODNI WBK S.A.**

**on giving discharge to the Member of the Supervisory Board of Dom Maklerski BZ WBK S.A.
for performance of her duties**

Pursuant to art. 395 §2 point 3 of the Commercial Companies Code, the following is hereby resolved:

§1

Ms Wanda Rogowska, the Member of the Supervisory Board of Dom Maklerski BZ WBK S.A., is granted the word of approval for performance of her duties in the period from 1.01.2014 to 31.10.2014.

§ 2

The resolution becomes effective as of the date of its adoption.

82 802 835 valid votes were cast on the resolution, out of 82 802 835 shares representing 83,44% of the Bank's share capital. Out of the total number of the valid votes 77 688 548 were in favor of the resolution, 5 106 787 abstained and 7 500 were against.

re: item 17 of the agenda

**RESOLUTION NO. 44
OF THE ANNUAL GENERAL MEETING OF BANK ZACHODNI WBK S.A.**

**re. adopting the "Remuneration policy for Bank Zachodni WBK S.A. Supervisory Board
Members"**

Acting pursuant to 395 § 5 of the Commercial Companies Code as well as bearing in mind the following:

- having regard to 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, and in particular Article 92 and 94 thereof, under which Bank is obliged to develop and apply the total remuneration policies, inclusive of salaries and discretionary pension benefits, for categories of staff including senior management, risk takers, staff engaged in control functions and any employee receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, whose professional activities have a material impact on their risk profile,

- while defining the above mentioned staff categories, the Bank is obliged to apply qualitative and appropriate quantitative criteria defined in the Commission delegated Regulation no. 604/2014 of 4 March 2014 supplementing Directive of the European Parliament and of the Council 2013/36/EU with regard to regulatory technical standards with respect to qualitative and appropriate quantitative criteria to identify categories of staff whose professional activities have a material impact on an institution's risk profile,
- in line with the a/m delegated regulation, the persons covered by the remuneration policy include members of the managing body performing a supervisory function, i.e. Members of the Supervisory Board, which is also consistent with the “Corporate Governance Rules for Supervised Institutions” adopted by Polish Financial Supervision Authority,

the following Resolution is adopted:

§ 1

“The remuneration policy for Bank Zachodni WBK S.A. Supervisory Board Members” representing an appendix to this resolution is hereby introduced.

§ 2

The Resolution becomes effective as of the day of its adoption.

Appendix:

REMUNERATION POLICY FOR BANK ZACHODNI WBK S.A. SUPERVISORY BOARD MEMBERS

1. INTRODUCTION

Whereas:

- Directive of the European Parliament and of the Council 2013/36 / EU of 26 June 2013 on the access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms and amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (Official Journal of the EU No. L 176/338) (the "Directive") introduced a requirement for the introduction and application of the remuneration policy taking into account the criteria for determining remuneration including its fixed and variable components,
- the Directive has not been implemented into the legal system of the Republic of Poland,
- the intention of the Bank is to ensure far-reaching compliance with the provisions of the Directive, while respecting the specific provisions related to the remuneration policy defined in the Corporate Governance Rules for Supervised Institutions adopted by the Polish Financial Supervision Authority (KNF),

this Remuneration Policy applicable to BZWBK Supervisory Board Members is hereby adopted (“Policy”).

2. RULES OF SETTING REMUNERATION FOR THE SUPERVISORY BOARD MEMBERS

§ 1

This Policy sets out the rules of remunerating the Supervisory Board Members of Bank Zachodni WBK (further referred to as “the Board Members”).

§ 2

The level of remuneration paid to the Board Members is set by the Annual General Meeting of Shareholders (AGM) in a transparent manner and adequately to the scale of the Bank’s business.

§ 3

While deciding on remuneration to be paid to individual Board Members, the AGM makes its level dependent on the role performed on the Board and on participation in works of the Board's Committees - adequately to the role performed in a given Committee.

§ 4

The Supervisory Board Members can be remunerated:

- 1) monthly – for the role performed on the Supervisory Board,
- 2) for participation in the meetings of Committees whose members they are – depending on the role performed in a given Committee.

§ 5

The remuneration for participation in the meetings of the Board's Committees is granted based on a confirmation issued by the Supervisory Board Secretary that a meeting of a given Committee was held and based on a submitted list of the Board Members who participated in the meeting.

§ 6

The AGM's resolution re. remuneration of the Board Members may indicate the names of those Board Members who, in relation to submitted statements, will not be paid any remuneration.

§ 7

The remuneration is paid on dates specified in the AGM's resolution setting out the level of remuneration for the Board Members.

§ 8

The remuneration paid to the Board Members is subject to relevant deductions required under law made by the Bank.

3. FINAL PROVISIONS

Bearing in mind the stipulations of art. 92 (1) of Directive of the European Parliament and of the Council 2013/36/EU of 26 June 2013 on the access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms and amending Directive 2002/87 / EC and repealing Directives 2006/48 / EC and 2006/49 / EC (Official Journal of the EU No. L 176 / 338) setting out the requirement to comply with the regulations on remuneration on a consolidated basis, i.e. at the group level, in the scope not regulated by this Policy, the remuneration policy of the dominant entity for the Bank is applied with regard to the rules of setting remuneration for the Board members, if this is communicated to the Board members.

81 885 232 valid votes were cast on the resolution, out of 81 885 232 shares representing 82,52% of the Bank's share capital. Out of the total number of the valid votes 80 883 362 were in favor of the resolution, 1 001 536 abstained and 334 were against.

Legal basis:

§38 clause 1 point 7 of the Finance Minister's Ordinance of 19 February 2009 on current and periodic reports published by the issuers of securities and the rules of equal treatment of the information required by the laws of non-member states.