

Report of the Remuneration Committee of the Supervisory Board
of Bank Handlowy w Warszawie S.A.
for 2013

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

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

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

The Regulations of the Remuneration Committee are available on the Bank's websites – www.citihandlowy.pl.

In the reporting period the Committee was composed of:

- 5) Andrzej Olechowski, PhD – Chairman of the Committee,
- 6) Adnan Omar Ahmed – Vice Chairman of the Committee,
- 7) Shirish Apte – Member of the Committee,
- 8) Prof. Stanisław Sołtysiński – Member of the Committee,
- 9)

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

- 1) January 21, 2013,
- 2) March 19, 2013,
- 3) May 24, 2013,
- 4) July 22, 2013,
- 5) December 16, 2013.

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

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

In particular, in the meeting of January 21, 2013, as part of carrying out the provisions set forth in the "Variable Remuneration Component Policy for Managerial Staff at Bank Handlowy w Warszawie S.A.", the Committee adopted resolutions recommending that the Bank's Supervisory Board should grant variable remuneration to the President of the Bank's Management Board and other Members of the Management Board in the form of an annual reward for the year 2012.

On November 21, 2013 the Remuneration Committee adopted a resolution concerning amendments to the "Variable Remuneration Component Policy for Managerial Staff at Bank Handlowy w Warszawie S.A." and amendments to the "General Principles of the Variable Remuneration Component Policy for Managerial Staff at Bank Handlowy w Warszawie S.A." in order to adjust the Policy to the requirements of resolution no. 258/2011 of the Polish Financial Supervision Authority in respect of detailed principles of the functioning of the system of risk management, system of internal audit and detailed conditions of banks' assessment of internal capital and reviews of the process of assessing and maintaining the internal capital, as well as the principles of establishing the variable remuneration component policy for the bank's managerial staff.

In its meeting of December 16, 2013 the Committee adopted a recommendation to re-adjust the above Policy.

The Remuneration Committee states that it performed its tasks correctly in the year ending on December 31, 2013.

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

Andrzej Olechowski PhD
Chairman of the Remuneration Committee