

While preparing the new strategy, the Management Board, taking into account the current results of the Bank as well as the risk of periodic balance sheet loss caused by additional external burdens, is also considering the need to submit to the Polish Financial Supervision Authority for approval of the "Plan of sustained improvement in profitability", which meets the requirements of Article 142 of the Banking Law. In the opinion of the Management Board the transformation of Getin Noble Bank defined this way, providing for the reconstruction of retail banking, maintaining a leading position in the automotive segment, as well as the digitization of services, will contribute to the sustainable growth of the Bank's business efficiency and thus improve its profitability

7. Corporate governance

7.1. Compliance with best practices

In 2015 Getin Noble Bank S.A. complied with the corporate governance rules as described in The Code of Best Practices for WSE Listed Companies launched by Resolution No. 19/1307/2012 of the Warsaw Stock Exchange Supervisory Board dated 21 November 2012, with the exclusion of the provisions and recommendations described below.

The document can be accessed at the official website of the Warsaw Stock Exchange dedicated to corporate governance (<http://www.corp-gov.gpw.pl>).

I. RECOMMENDATIONS FOR BEST PRACTICE FOR LISTED COMPANIES

'5. A company should have a remuneration policy and rules of defining of policy. The remuneration policy should in particular determine the form, structure, and level of remuneration of members of supervisory and management bodies. Commission Recommendation of 14 December 2004 fostering an appropriate regime for the remuneration of directors of listed companies (2004/913/EC) and Commission Recommendation of 30 April 2009 complementing that Recommendation (2009/385/EC) should apply in defining the remuneration policy for members of supervisory and management bodies of the company'

The Bank partially adapted to the requirements of this recommendation to the extent that results from the Banking Law Act dated 29 August 1997 (Journal of Laws of 2015, item 128, as amended), Regulation of the European Parliament and of the Council (EU) No. 575/2013 of 26 June 2013 on prudential requirements and investment firms, as well as the KNF resolutions No. 258/2011 and 259/2011. The Bank does not apply the provisions of the recommendation in terms of going beyond the content of the regulations generally applicable in Poland. Taking into account that according to the recommendations of the European Commission, Poland is obliged to take the necessary measures to support the adoption of principles contained in these recommendations, for the full implementation of the above mentioned principle, the Bank believes it is necessary to regulate the manner of implementation of recommendations in a consistent manner for all listed companies and in line with the prevailing Polish legal system. In so far as relevant regulations are introduced, the Bank immediately takes steps to adapt to it. Within the scope of the provisions of the Banking Law Act dated 29 August 1997 (Journal of Laws of 2015, item 128, as amended), Regulation of the European Parliament and of the Council (EU) No. 575/2013 of 26 June 2013 on prudential requirements and investment firms, as well as the KNF resolutions No. 258/2011 and 259/2011 the Bank has adapted its internal regulations, in particular by adopting a policy for variable components of remuneration of the management. In the Bank there is established the Remuneration Committee within the Supervisory Board.

'9. The WSE recommends to public companies and their shareholders that they ensure a balanced proportion of women and men in management and supervisory functions in companies, thus reinforcing the creativity and innovation of the companies' economic business'

In opinion of the Bank's Management Board the main criterion for selection of members of the Management Board and the Supervisory Board is their professional attitude and competencies for the applied position, so other conditions like gender of the candidate should not matter. Therefore, the Bank does not consider it legitimate to impose the parity and the choice of the members of the Management and the Supervisory Board is to be decided by eligible authorities.

'12. company should enable its shareholders to exercise the voting right during a General Meeting either in person or through a plenipotentiary, outside the venue of the General Meeting, using electronic communication means.'

In 2015 the Bank did not apply this rule to the technical and economic reasons, taking into account the lack of appropriate ICT solutions and the associated risks of irregularities in the course of the meeting, among others, in the identification of shareholders, the stability of the connection, the validity of the resolutions and the possible future of their appeal. These risks with regard to the subject of adopted resolutions, relevant to the strategy of the Bank had to be limited. In addition, significant costs associated with servicing the communication with shareholders or their plenipotentiaries, in the Bank's opinion were disproportionate to the potential benefits.

However, taking into account the technical development and growing market experience in e-meetings, the Management Board of the Bank has already undertaken efforts aiming at preparing the Bank to the implementation of the rule by introducing to the Articles of Association and the Rules of the General Shareholders Meeting applicable provisions regulating the manner and mode of action in this regard.

Additionally, the Bank has decided to provide the ability to track live session of the General Meeting of Shareholders, as well as recordings of their course on www.gnb.pl.

II. BEST PRACTICE FOR MANAGEMENT BOARDS OF LISTED COMPANIES:

'1 A company should operate a corporate website and publish on it, in addition to information required by legal regulations:

9a) a record of the General Meeting in audio or video format'

In December 2015 the Bank began applying the rule. Earlier lack of application of that principle was caused by economic factors. The Management Board believes the costs associated with the technical support of registration of the General Meetings in the form of audio and video were not justified due to the shareholding structure of the Bank

However, due to the will to improve accessibility to the proceedings, not only to shareholders, but also to a wider range of potential investors, the Bank has decided to provide the ability to track live session of the General Meeting of Shareholders, as well as recordings of their course on www.gnb.pl.

IV. BEST PRACTICES OF SHAREHOLDERS

'10. A company should enable its shareholders to participate in a General Meeting using electronic communication means through:

- 1) real-life broadcast of General Meetings,
- 2) real-time bilateral communication where shareholders may take the floor during a General Meeting from a location other than the General Meeting'

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Bank's shareholders with major shareholding

The ownership structure of major shareholdings as at the date of this report in accordance with the information held by the Bank were as follows

	Number of shares	Number of votes at AGM	% share in share capital	% share in votes at AGM
LC Corp B.V.	1,011,728,750	1,011,728,750	38.18%	38.18%
Leszek Czarnecki (directly)	264,626,609	264,626,609	9.99%	9.99%
Nationale-Nederlanden Otwarty Fundusz Emerytalny (former: ING Otwarty Fundusz Emerytalny)	181,767,000	181,767,000	6.86%	6.86%
Getin Holding S.A.	200,314,774	200,314,774	7.56%	7.56%
Aviva Otwarty Fundusz Emerytalny Aviva BZ WBK	171,540,000	171,540,000	6.47%	6.47%
Other shareholders	820,166,186	820,166,186	30.94%	30.94%
Total	2,650,143,319	2,650,143,319	100.00%	100.00%

Special rights and limitations concerning the issuer's equity securities

All shares of Getin Noble Bank S.A. are ordinary bearer shares with no special control rights

The Bank's Articles of Association does not introduce any limitations concerning voting rights, like limitation for holders of specific share or amount of shares or time limits concerning execution of voting rights. It also does not contain resolutions regarding separation of capital rights and shareholding.

There are also no limitations in trading in equity securities issued by the Bank.

7.2. Supervisory and management authorities of the Bank

The functioning and rights of the General Shareholders Meeting

The General Shareholders Meeting is the superior governing body of the Bank. The General Meeting is convened as an ordinary or extraordinary one pursuant to the generally applicable regulations, the Bank's Articles of Association and the Rules of the General Shareholders Meeting. Corporate documents are available at the Bank's website.