

Warsaw, November 16, 2015

**Current Report No. 29/2015**

**Subject: Determination of a uniform text of the Articles of Association of Bank Handlowy w Warszawie S.A.**

**Legal basis:**

Article 56, clause 1, point 2) of the Act dated 29th July 2005 on Public Offering and Conditions Governing Introduction of Financial Instruments into Organized Trading System and Public Companies in connection with Paragraph 38 item 1 point 2 of the Ordinance of the Minister of Finance dated 19th February 2009 on current and periodic information published by issuers of securities and the conditions for regarding as equivalent the information required by the law of a non-member state (Journal of Laws of Dz. U. of 2009, No. 33, item 259), the Management Board of Bank Handlowy w Warszawie S.A. ("the Bank") hereby announces that by way of Decision dated November 16, 2015, the Supervisory Board determined a uniform text of the Articles of Association of the Bank Handlowy w Warszawie S.A. in the wording as per the attachment hereto.

*Uniform text of the Articles of Association of the Bank Handlowy w Warszawie S.A. edited by the Resolution of the Supervisory Board of November 16, 2015.*

**ARTICLES OF ASSOCIATION  
OF THE BANK HANDLOWY W WARSZAWIE S.A.**

**I. NAME AND SEAT**

§ 1.

Bank Handlowy w Warszawie Spółka Akcyjna (hereinafter referred to as the “Bank”), established by virtue of original Articles of Association dated 24 February 1870, operates pursuant to the applicable laws and these Articles of Association.

§ 2.

1. The name of Bank is: “Bank Handlowy w Warszawie Spółka Akcyjna”.
2. The Bank may use an abbreviated form of its name: “Bank Handlowy w Warszawie S.A.”.

§ 3.

The seat of the Bank is in the Metropolitan City of Warsaw.

§ 4.

The activities of the Bank extend throughout the territory of the Republic of Poland and abroad. The Bank may establish branch offices and other agencies throughout of Poland and abroad.

## II. ACTIVITIES OF THE BANK

### § 5.

1. The subject of activities of the Bank is to extend banking services in Poland and abroad and, within the provisions of applicable laws, to perform any other activities, which are related with bank activities.
2. In relation to its business, the Bank is entitled to possess foreign exchange values and to deal in such values.
3. The Bank may carry out the following activities:
  - 1) accept cash deposits upon request or upon the specified deadline as well as maintain accounts for the deposits,
  - 2) maintain other bank accounts,
  - 3) perform settlements and effect payments in all forms accepted in domestic and international banking relations,
  - 4) grant credits and cash loans,
  - 5) perform cheque and bill of exchange and warrant transactions,
  - 6) grant and confirm sureties,
  - 7) grant and confirm bank guarantees and open and confirm letters of credit,
  - 8) purchase and sell foreign currencies,
  - 9) act as an intermediary in dealing with money transfers and foreign exchange settlements,
  - 10) issue bank's securities,
  - 11) perform ordered activities related to issue of securities,
  - 12) perform safe-keeping of valuables and securities and provide bank safes,
  - 13) issue credit cards and perform the related operations,
  - 14) acquire and sell receivables,
  - 15) perform term financial operations,
  - 16) issues electronic cash instrument.
4. Additionally, the Bank is entitled to:
  - 1) come into possession and purchase shares and rights to shares, shares of another legal person and participation units in investment funds,

- 2) organize and provide services in financial leasing,
- 3) render factoring services,
- 4) trade in securities,
- 5) maintain securities accounts,
- 6) render consulting and advising services on financial matters, including services in favour of companies associated with the Bank or with a dominant entity of the Bank within the scope of management oversight over the entities' business, which consists mainly in providing functioning of this entities in accordance with law, requirements of administrative or regulatory authorities and internal regulations applicable within the group of a dominant entity of the Bank,
- 7) contract liabilities due to issuance of securities,
- 8) play the role of a bank representative within the meaning of the Bond Act,
- 9) purchase and sell real estate, perpetual usufruct of or shares in real estate,
- 10) settle trading in securities, property rights and derivatives,
- 11) convert receivables into items of property subject to confiscation on the terms agreed with the debtor,
- 12) purchase and sell derivatives on its own account or by order of other parties,
- 13) render financial services with reference to canvassing activity in the understanding of the Law on organization and functioning of pension funds,
- 14) accept purchase and sale orders as well as maintain subscriptions for participation units or investment certificates in investment funds,
- 15) provide insurance brokerage services in the form of agency services,
- 16) act as a depository for pension funds,
- 17) act as a depository for investment funds,
- 18) render in favour of companies associated with the Bank or with a dominant entity of the Bank the following services within the scope of auxiliary financial activity with the usage of informational systems and technologies, including services within the scope of the development and maintenance of software, informational infrastructure and data processing,
- 19) act as investment company agent, in the name and on behalf of investment company, within the scope of agency for the activity of this company,
- 20) render financial services related to the trading on financial instruments issued abroad and their safe-keeping, including the maintenance of the register of financial instruments recorded by foreign financial and custody-settlement institutions,
- 21) perform brokerage activities,
- 22) issuing electronic payment instruments other than indicated in § 5 Item 3 Point 13 and 16 of the Articles of Association and performing operations with use of these,

- 23) provide investment advisory services involving financial instruments not admitted to organized trading and securities issued by the Treasury or the National Bank of Poland.
5. The Bank may undertake cooperation within the group, including it may participate financially or operationally in projects implemented jointly with companies associated with the Bank or with a dominant entity of the Bank.

§ 6.

Pursuant to the applicable Laws, the Bank is bound to keep secret any information on the transactions or balances of accounts as well as any components of property entrusted to it by its customers.

### **III. AUTHORITIES OF THE BANK**

§ 7.

The authorities of the Bank are:

- A. General Meeting of Shareholders,
- B. Supervisory Board,
- C. Management Board.

#### **A. General Meeting of Shareholders**

§ 8.

1. The ordinary General Meeting of Shareholders is convened by the Management Board. It shall be held within the first six months after the end of each financial year.
2. The Supervisory Board shall have the right to convene an ordinary General Meeting of Shareholders if the Management Board fails to convene it within the timeframe set in the Articles of Association or an extraordinary General Meeting of Shareholders if it considers it necessary.
3. The Management Board shall convene an extraordinary General Meeting of Shareholders on its own initiative and at the request of a shareholder or shareholders representing at least one-twentieth part of the share capital. A request for convening an extraordinary General Meeting of Shareholders should be submitted to the Management Board in writing or in an electronic form.

4. If within two weeks from the submission to the Management Board of a request, referred to in § 3 above, an extraordinary General Meeting of Shareholders is not convened, the registry court, by way of a decision, can authorize a shareholder or shareholders, who have made such request, to convene the extraordinary General Meeting of Shareholders. The shareholder or shareholders authorized by the registry court, in the announcement of the convention of an extraordinary General Meeting of Shareholders, shall refer to the decision of the registry court mentioned in the previous sentence. The chairman of such extraordinary General Meeting of Shareholders shall be appointed by the court.
5. An Extraordinary General Meeting of Shareholders can also be convened by shareholders representing at least one half of the Bank's share capital or at least one half of the total number of votes at the Bank. The chairman of such Meeting of Shareholders shall be appointed by the shareholders.
6. The General Meeting of Shareholders shall be convened by way of an announcement placed on the Bank's website and in the manner stipulated for the distribution of current filings by public companies; provided that such announcement should be made at least twenty-six days before the date of the General Meeting of Shareholders.
7. Shareholders who have the right to demand that a certain matter be placed on the agenda of a General Meeting of Shareholders, in order to exercise such right, should submit a motion to the Bank Management Board in writing or in an electronic form, along with a justification or a draft resolution related to the proposed item on the agenda, no later than twenty-one days before the date of the General Meeting of Shareholders. The Management Board shall place the matter on the agenda of the next General Meeting of Shareholders immediately, but no later than eighteen days before the scheduled date of the General Meeting of Shareholders.
8. General Meeting of Shareholders may be recalled only if there are some extraordinary obstacles preventing it or it has become expressly irrelevant. Cancellation or the change of date of holding a General Meeting of Shareholders shall be effected in the same way as convening, with the provision that twenty six day period is not applicable. Cancellation or the change of date of holding a General Meeting of Shareholders must ensure the minimum adverse effects for the Bank and the shareholders.
9. The General Meeting of Shareholders can resolve not to consider a matter placed on its agenda and to change the order of matters covered by the agenda. However, in order to remove from the agenda or resolve not to consider a matter placed on the agenda at shareholders' request, the consent of all present shareholders who have made such request shall be required, supported by 80 % of votes at the General Meeting of Shareholders. Motions in such matters should be justified in a detailed way.

## § 9.

1. The agenda of the Ordinary General Meeting of Shareholders shall include:
  - 1) examination and approval of the report from business of the Bank prepared by the Management Board and the financial statements for the previous financial year,
  - 2) adoption of resolution on the distribution of net profit or covering of net losses,

- 3) absolve the authorities of the Bank from performance of their duties.
2. Besides those issues, absolutely required by the applicable law, the General Meeting of Shareholders shall also have authority to:
  - 1) sell and lease the whole or any part of the Bank's enterprise or its organized part and to establish a restricted property title over it,
  - 2) amend these Articles of Association,
  - 3) increase or decrease the share capital of the Bank,
  - 4) define the date of determining the right to enlist for shares of any new issue,
  - 5) define the date of determining the right to dividend for the previous financial year and the date of dividend payment,
  - 6) create and liquidate special funds out of the net profit,
  - 7) appoint and recall members of the Supervisory Board,
  - 8) define the remuneration for members of the Supervisory Board,
  - 9) merge or liquidate the Bank,
  - 10) appoint and recall liquidators,
  - 11) redeeming of Bank's shares.

§ 10.

Motions in matters set forth in § 9, except for § 9 Item 2 Points 7 and 8, submitted to the General Meeting of Shareholders should have been previously submitted by the Management Board to the Supervisory Board for issue of an opinion by the latter.

§ 11.

1. Shareholders may participate in and exercise voting rights at the General Meeting of Shareholders either in person or represented by attorneys.
2. A power of attorney to participate in a General Meeting of Shareholders and to vote should be granted in writing or by e-mail; otherwise, it shall be null and void. A power of attorney granted by e-mail shall not require a safe electronic signature verified by a valid qualified certificate.
3. A person performing the function of a Bank Management Board member or a Bank employee can act as a proxy at a General Meeting of Shareholders.
4. If the proxy is a Management Board member, a Supervisory Board member, a Bank liquidator, employee or a member of Bank's bodies or an employee of a company controlled by the Bank, the proxy instrument shall entitle such person to representation at only one General Meeting of Shareholders and such person shall be required to vote in conformity with instructions given by the shareholder. In addition, the proxy referred to

above should advise the shareholder represented by him of the circumstances indicating the existence or possibility of occurrence of a conflict of interests.

§ 12.

1. The General Meeting of Shareholders shall be valid irrespective of the number of shares in attendance, unless applicable laws require otherwise.
2. Resolutions of the General Meeting of Shareholders shall be adopted by an absolute majority of votes present, unless otherwise provided by law or the provisions hereof.

§ 13.

1. Voting at the General Meeting of Shareholders is open. Closed ballot is ordered during elections, as well as on voting motions for the recalling of members of the Bank's authorities or liquidators, on making them accountable, and in voting on private matters. Moreover, a secret ballot shall be ordered on request of at least one Shareholder present or being represented at the General Meeting of Shareholders.
2. A General Meeting of Shareholders is opened by the Chairman of the Supervisory Board and in case of his absence, by the Vice-Chairman of the Supervisory Board or one of the members of the Supervisory Board in succession.
3. The General Meeting of Shareholders elects its Chairman from among persons entitled to participate in the General Meeting of Shareholders.
4. The Bank may organize a General Meeting of Shareholders in a manner allowing the shareholders to participate in the General Meeting of Shareholders by means of electronic communication, in particular by:
  1. transmitting the General Meeting of Shareholders on-line;
  2. two-way on-line communication allowing the shareholders to use means of electronic communication, remote speaking during the General Meeting of Shareholders;
  3. voting personally or by proxy, before or during the General Meeting of Shareholders.
5. The principles of the shareholders' participation in a General Meeting of Shareholders, the procedure during a General Meeting of Shareholders, and the manner of the shareholders' communication with the Bank by means of electronic communication shall be laid down in the General Meeting of Shareholders Regulations. The General Meeting of Shareholders Regulations may authorize the Management Board to establish additional methods of the shareholders' communication with the Bank by means of electronic communication (other than those set out in the Regulations). The Management Board shall

include the additional methods of communication in the announcement on convening the General Meeting of Shareholders.

6. Irrespective of the above, the Bank may transmit the General Meeting of Shareholders on the Internet as well as recording of the General Meeting of Shareholders and placing a recording of the General Meeting of Shareholders on the Bank's website after the General Meeting of Shareholders.

## **B. Supervisory Board**

### § 14.

1. The Supervisory Board shall consist of five to twelve members elected by the General Meeting of Shareholders. Each member of the Supervisory Board shall be elected for a term of office of three years. At least a half of the members of the Supervisory Board, including its Chairman, should be Polish citizens.
2. The number of members of the Supervisory Board is determined by the General Meeting of Shareholders within the bounds provided for in Item 1.
3. The procedure of appointing members of the Supervisory Board shall be provided for in the regulations of the General Meeting of Shareholders.
4. The independent Supervisory Board member shall be deemed the Supervisory Board member who:
  1. is not the member of management board of the Bank, the Bank's dominant company or associated company with the Bank or with the Bank's dominant company with the meaning of the Commercial Companies Code (hereinafter: an associated company), and has not been in such a position for the previous five years;
  2. is not an employee of the Bank or an associated company, and has not been in such a position for the previous three years;
  3. is not receiving, or has not been receiving any additional remuneration from the Bank or an associated company apart from the pay received as the Supervisory Board member. Such additional remuneration covers in particular any participation in a share option or any other performance-related pay scheme; it does not cover the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the Bank (provided that such compensation is not contingent in any way on continued service);
  4. is not or does not represent in any way the dominant company;
  5. does not have, or has not had within the last twelve months, a significant business relationship with the Bank or an associated company, either directly or as a partner, shareholder, director or senior employee of a body having such a relationship. Business relationships include the situation of a significant supplier of goods or services (including financial, legal, advisory or consulting services), of a significant customer, and of organizations that receive significant contributions from the Bank or its group;

6. is not, or has not been within the last three years, a partner or employee of the present or former entity authorized to audit financial statements of the Bank or an associated company;
7. is not a member of the management board in another company in which the Management Board member of the Bank is a management board member or supervisory board member, and does not have other significant links with the Management Board members of the Bank through involvement in other companies or bodies;
8. has not served on the Supervisory Board for more than 12 years however, this period shall be calculated no earlier than from January 1, 2008;
9. is not a close family member of the Management Board member, or of persons in the situations referred to in points (1) to (8).

In addition, a relationship with a shareholder precluding the independence of a member of the Supervisory Board is an actual and significant relationship with any shareholder who has the right to exercise at least 5% of all votes at the General Meeting of Shareholders.

#### § 15.

The mandate of a Supervisory Board member expires:

- 1) on the day the General Meeting of Shareholders approving the Management Board's report, the balance-sheet and profit-and-loss account for the full last year of fulfilling the functions of members of the Board,
- 2) due to death of a member of the Board,
- 3) on the date of recalling the Board member by the General Meeting of Shareholders,
- 4) on the day of submitting resignation in writing to the Chairman or Vice-Chairman of the Board.

#### § 16.

1. The Supervisory Board elects its Chairman and Vice-Chairmen's of the Supervisory Board from among its members. Such election shall take place during a meeting of the Supervisory Board, in secret ballot.
2. The Supervisory Board shall adopt its regulations, which shall in detail provide for its proceedings.

#### § 17.

Members of the Board may exercise their duties in person, only.

§ 18.

1. Besides the rights and obligations provided for in applicable laws and other matters provided for in these Articles of Association, the Supervisory Board is authorized to resolve upon:
  - 1) appointing and recalling the President of the Management Board in a secret ballot,
  - 2) appointing and recalling on the President's motion in secret ballot of Vice-Presidents and other members of the Bank's Management Board,
  - 3) determine terms and conditions of agreements which cover contracts of employment or other legal relationship among members of the Management Board and the Bank,
  - 4) consent to the opening and closing of a branch office abroad,
  - 5) resolving upon regulations of the Supervisory Board and approving the following regulations adopted by the Bank's Management Board:
    - a) regulations of the Management Board,
    - b) regulations for the application of special funds created out of the net profit,
  - 6) granting prior consent to any disposition of the Bank's fixed assets with value in excess of 1/10 of the Bank's share capital,
  - 7) appointing of the entity authorized to audit financial statements to audit or review the financial statements,
  - 8) granting consent for the employment and dismissal of the person in charge of the internal Audit Department and of the person in charge of the Compliance Department, upon the motion of the Management Board,
  - 9) any performance to be made by the Bank or any of its associated entities for any reason whatsoever, to the benefit of any of the Management Board's members and granting consent for the conclusion by the Bank or its subsidiary of a material agreement with any entity associated with the Bank, the Supervisory Board member, the Management Board member or entities associated with them.
  - 10) performing supervision over the introduction and monitoring of the management system in the Bank, including in particular performing supervision over the management of the non-compliance risk, and conducting, at least once a year, the assessment of the adequacy and effectiveness of such system,
  - 11) approving a strategy of the Bank's activity and the rules of prudent and stable management of the Bank,
  - 12) approving the fundamental organizational structure of the Bank, harmonized with the size and profile of incurred risk and determined by the Bank's Management Board,
  - 13) accepting a general level of the Bank's risk,
  - 14) approving foundations of the Bank's policy on non-compliance risk,

- 15) approving the Bank's internal procedures on processes for the assessment of internal capital, capital management and capital planning,
  - 16) approving the Bank's information policy,
  - 17) approving of an internal control procedure,
  - 18) approving the general principles of the variable remuneration components policy for persons holding managerial positions and carrying out periodic reviews of these principles,
  - 19) approving the variable remuneration components policy for persons holding managerial positions at the Bank,
  - 20) approving the list of persons holding managerial positions at the Bank having material impact on the Bank's risk profile.
2. A material agreement, referred to in Item 1 Point 9 above, is an agreement:
- 1) with a value having influence on the Bank's financial results exceeding 5% of the net income presented in the last annual standalone financial statement of the Bank, reviewed by an auditor, or
  - 2) with a value exceeding 0.5% of the balance sheet sum presented in the last annual standalone financial statement of the Bank, reviewed by an auditor, or
  - 3) with which high legal, regulatory or reputation risk is connected, or
  - 4) to be concluded with an entity associated with the Bank with a value exceeding the equivalent of EUR 500,000,
- except for agreements concluded within the day-to-day operational activity, in particular connected with liquidity management.
3. A value of a material agreement, referred to in Item 1 Point 9 above, shall mean a value of cash and non-cash charges determined during the negotiations of such agreement that the Bank will be obliged to pay under the agreement. If an agreement is to be concluded for an indefinite period of time or a period exceeding 1 year, for the determination of its value for the above purposes the estimated charges for a 1-year period shall be taken into account.
4. The resolutions of the Supervisory Board regarding the matters, referred to in Item 1 Item 7 and 9 above, may not be adopted without consent of the majority of independent Supervisory Board's members.

## § 19.

1. Meetings of the Board are held at least once every quarter year. The Chairman of the Board or, failing him, one of the Vice-Chairmen of the Board shall convene a meeting of the Board either on their own initiative or at the motion of a Board member or of the Management Board.

2. The Supervisory Board shall meet on the date of the General Meeting of Shareholders provided for in § 21 Item 2 of these Articles of Association for the purpose of electing members of the Bank's Management Board.
3. Members of the Supervisory Board may participate in adopting resolutions by casting their vote in writing through another member of the Supervisory Board. Casting of a vote in writing may not be done in matters introduced into the Agenda at the Supervisory Board meeting.
4. The Supervisory Board may adopt resolutions according to a written procedure or using means of direct distance communication. The resolution shall be binding when all members of the Supervisory Board have been notified of the wording of the draft resolution, and an absolute majority of them had been in favour thereof.

### **C. Management Board**

#### § 20.

1. The Management Board is composed of five to nine members.
2. Members of the Management Board include: The President of the Management Board of the Bank, Vice Presidents of the Management Board of the Bank and other members of the Management Board.
3. At least a half of members of the Management Board should be Polish citizens.

#### § 21.

1. Each member of the Management Board is appointed by the Supervisory Board for tenure of three years.
2. The tenure of the members of the Management Board shall expire:
  - 1) on the date of holding the General Meeting, which approves the Management Board's report from business of the Bank and financial statements for the last full year of fulfilment by them of the function of member of the Management Board,
  - 2) upon death of a member of the Management Board,
  - 3) upon being recalled,
  - 4) on the day of submitting a written resignation to the Chairman of the Supervisory Board.

#### § 22.

The Management Board adopts decisions in matters, which have not been reserved by the applicable law and by these Articles of Association to authority of other authorities of the Bank.

§ 23.

The Management Board shall proceed according to the regulations of the Management Board.

§ 24.

1. The Management Board shall by way of a resolution:

- 1) determine strategy of the Bank,
- 2) establish and liquidate committees of the Bank and defines their authorities,
- 3) determine its regulations and submit them for approval to the Supervisory Board,
- 4) determine regulations for the application of special funds created out of net profit submit them for approval to the Supervisory Board,
- 5) determine the date of dividend payment within the period defined by the General Meeting,
- 6) appoint registered proxies, general attorneys and general attorneys entitled to appoint further attorneys,
- 7) decide in matters provided for in regulations of the Management Board,
- 8) resolve in matters submitted by the President of the Management Board, Vice-President or member of the Management Board,
- 9) *deleted*
- 10) adopt a draft of the annual financial projections for the Bank, investment plans and reports on the completion thereof,
- 11) endorse reports on the Bank's operations as well as the financial statements,
- 12) prepare motions for the distribution of profits or the covering of losses,
- 13) endorse the human resource and crediting policy as well as the legal principles for the Bank's operations,
- 14) endorse the principles for managing the Bank's capitals,
- 15) endorse the employment structure,
- 16) determine the core organizational structure of the Bank, appoint and dismiss Sector Managers and Division Managers as well as define the scope of the powers vested in them,

- 17) endorse the principles for inspection operations within the Bank, as well as approve reports on the completion of any audits,
  - 18) resolve any other issues which, pursuant to the Articles of Association, must be submitted for approval to the Supervisory Board and the General Meeting,
  - 19) decide to incur obligations or dispose of assets whose aggregate value, in relation to one entity, exceeds 5% of the Bank's equity or shall authorize designated persons to make such a decision, provided that decisions in matters within the powers vested in Committees formed in the Bank are made upon consultation with the relevant Committee.
2. The acquisition and transfer of ownership or the right of perpetual usufruct of a real estate property or a share in those rights by the Bank shall not require a resolution by the General Meeting. Decisions in these matters shall be taken independently by the Management Board of the Bank by way of resolution. However, in matters including acquisition and transfer of ownership or the right of perpetual usufruct of a real estate property or a share in those rights by the Bank, if the value of those rights in the individual case does not exceed PLN 500,000.00 and the acquisition or transfer is connected with the Bank's seeking collection of debts resulting from banking operations, such acquisition or transfer can be made also without the resolution of the Management Board.
  3. The Management Board of the Bank shall design, implement and assure operation of management system in the Bank.

## § 25.

1. The President of the Management Board:
  - 1) manages the activities of the Bank's Management,
  - 2) convenes meetings of Management and presides the meetings,
  - 3) presents views of the Management in respect to other bodies of the Company, authorities of the State and to the public,
  - 4) files motions with the Supervisory Board regarding the appointment or dismissal of Vice Presidents and other members of the Bank's Management Board and determining the remuneration thereof,
  - 5) issues internal regulations controlling activities of the Bank and may authorize remaining members of the Management or other employees of the Bank to issue such regulations,
  - 6) performs other authorities provided for in the regulations specified in § 24.
2. The Management Board Member managing risk in the Bank shall be responsible for the risk management system including:
  - 1) credit policy of the Bank,
  - 2) quality of the credit portfolio,

- 3) credit risk,
- 4) market risk,
- 5) operational risk,
- 6) coordination of activities related to the implementation in the Bank of the requirements resulting from the regulations in the area of risk management, including regulators' recommendations.

§ 26.

Other members of the Management Board manage activities of the Bank as provided for in the regulations of the Management Board.

**IV. TERMS AND CONDITIONS FOR ADOPTING DECISIONS AND MAKING REPRESENTATIONS AS TO MATERIAL RIGHTS AND OBLIGATIONS**

§ 27.

1. The following persons are authorized to make statements in respect of material rights and obligations of the Bank and to sign on behalf of the Bank:
  - 1) the President of the Management Board and Vice Presidents of the Management Board - each individually,
  - 2) two persons from among the remaining members of the Bank's Management Board acting jointly or one of the remaining members of the Bank's Management Board acting jointly with one of the persons holding joint commercial representation or one of the remaining members of the Bank's Management Board acting jointly with one of the persons being an attorney acting within the limits of the power of attorney granted to him.
2. For the execution of the activities of defined nature or specific nature, there may be appointed attorneys, acting within the limits of the powers of attorney granted to them. Such attorneys may either be acting individually or they may be restricted by the obligation to act jointly with another authorized person, including with one of the persons holding joint commercial representation.
3. Commercial proxies may be appointed only on the principles of joint commercial representation (allowing an authorized person to act jointly with at least one of the other persons holding joint commercial representation). A general power of attorney to act on behalf of the Bank may be granted only if it is limited by the requirement of acting jointly with another authorized person, including with one of the persons holding joint commercial representation.
4. Decisions on matters in which no resolution of the Management Board is required and which are not reserved for other competent authorities shall be adopted by persons in managerial positions in the Bank, within the scope of powers vested in them and the tasks assigned to the organizational unit managed by them.

5. Statements in respect of material rights and obligations of the Bank in the implementations of the decisions made are submitted on behalf of the Bank pursuant to the rules described in Items 1-3 of this Paragraph.

## **V. THE ORGANIZATIONAL STRUCTURE OF THE BANK**

### **§ 28.**

1. The Bank's Management Board manages the Bank's affairs through the organizational units comprising the Bank's organizational structure.
2. The Bank's Management Board may appoint Committees to perform internal decision-making, advisory and controlling tasks within the Bank.
3. The Bank's organizational structure shall be comprised of Sectors.
4. As regards the geographic division within the organizational structure of the Bank, branches that provide regular services to the Bank's clients constitute the Bank's basic organizational units.
5. The Bank's organizational rules and regulations set forth its organizational structure.

## **VI. PROCEDURE FOR PROMULGATING INTERNAL REGULATIONS**

### **§ 29.**

1. Internal regulations of the Bank shall be issued in the form of:
  - 1) ordinances of the President of the Bank's Management Board,
  - 2) decisions issued by Sector Managers, Division Managers, Chairmen of the Committees operating within the Bank and the directors of organizational units within the Bank, on the basis of the powers vested in them pursuant to a relevant ordinance of the President of the Bank's Management Board.
2. The President of the Bank's Management Board shall issue ordinances pursuant to the resolutions of the Bank's Management Board or at his own initiative.
3. The detailed principles, procedures and techniques for the issue of internal regulations in the Bank shall be specified in an ordinance of the President of the Bank's Management Board.

## **VII. FUNDS OF THE BANK**

§ 30.

1. The statutory financial resources of the Bank are composed of:
  - 1) share capital,
  - 2) reserve capital,
  - 3) reserve funds,
  - 4) general risk fund.
2. The Bank may create and liquidate during and at the end of the financial year special funds pursuant to resolutions of the General Meeting of Shareholders.
3. The Bank creates funds provided for in the applicable Laws.

§ 31.

1. The Bank's share capital shall amount to PLN 522,638,400 (five hundred twenty two million six hundred thirty eight thousand four hundred Polish Zloty) and shall be divided into 130,659,600 (one hundred and thirty million six hundred and fifty nine thousand six hundred) bearer shares, each with a nominal value of PLN 4 (four Polish Zloty), including:
  - 1) 65,000,000 (sixty five million) A Series bearer shares,
  - 2) 28,000,000 (twenty eight million) B Series bearer shares,
  - 3) 37,659,600 (thirty seven million six hundred and fifty nine thousand six hundred) C Series bearer shares.
2. Shares may be issued in collective units.
3. Share capital of the Bank may be increased through the issue of new shares, which may be registered or bearer shares, or through the increase in the nominal value of the existing shares.
4. Bearer shares are not convertible into registered shares.
5. The Bank is entitled to issue bonds convertible into shares or bonds with preference rights.
6. Shares of the Bank may be redeemed on consent of the Shareholder by acquisition of shares by the Bank (voluntary redeeming).
7. Redeeming of shares required a resolution of the General Meeting of Shareholders. The resolution shall in particular specify the legal basis of redeeming shares, amount of remuneration due to the Shareholder of redeemed shares or justification for redeeming of shares without payment for such shares and manner of decreasing the share capital.

§ 32.

1. The supplementary capital shall be created out of annual write-offs from the net profit of no less than 8% of the net profit for a given fiscal year, until the supplementary capital

reaches at least one-third of the share capital. The General Shareholders' Meeting may adopt a resolution ordering that further write-offs be made.

2. The supplementary capital is supplied also from additional payments to be made by the Shareholders in consideration of special rights vested onto the shares hitherto held, as long as such additional payments are not used to recover extraordinary deductions or losses defined by the General Meeting of Shareholders.
3. The supplementary capital shall also be supplemented with surplus attained by issue of shares above their par price, and remaining after covering the costs of share issue.
4. The supplementary capital shall be used to cover any balance sheet losses incurred by the Bank or for any other purposes, including the payment of dividends to shareholders. The General Shareholders' Meeting shall decide how to appropriate the supplementary capital, provided that the portion of the supplementary capital, which equals one-third of the share capital may only be used to cover losses reported in the financial statements.

#### § 33.

1. The reserve capitals (funds) are built up of the annual deductions made out of the net profit or from other sources, apart from the reserve capital.
2. The reserve capitals shall be used to cover any balance sheet losses incurred by the Bank or for any other purposes, including the payment of dividends to shareholders. The General Shareholders' Meeting shall decide how to appropriate the reserve capital.
3. The Bank may establish a capital (fund) for accumulating retained profit (not allocated to dividend). The decision on the allocation of the reserve fund shall be taken by the General Meeting of Shareholders.

#### § 34.

1. The general risk fund is created from net profit earmarked for unidentified risks of banking activity.
2. Sums to supply the fund are annually deducted from net profit in the amount resolved upon by the General Meeting of Shareholders.
3. The use of the fund is decided upon by the General Meeting of Shareholders on the basis of applicable regulations.

#### § 35.

The use of special funds established out of net profit takes place on the basis of respective regulations.

### **VIII. MANAGEMENT OF FINANCE**

§ 36.

1. The General Meeting of Shareholders shall decide on the distribution of net profit, determining the amount of deductions to be made to:
  - 1) the reserve capital, subject to the provisions of § 32 Item 1,
  - 2) the reserve fund,
  - 3) the general risk fund,
  - 4) dividend,
  - 5) other special funds,
  - 6) for other purposes.

§ 37.

The dividend on shares is paid on dates fixed by the Management Board of the Bank within the period defined by the General Meeting of Shareholders. Dividend not collected within the period of three years is transferred into favour of the Bank. The Bank does not pay any interest on uncollected dividends.

§ 38.

1. Management Board shall assure preparation of the annual financial statements and the consolidated financial statements of the Bank's capital group.
2. The annual report, and the consolidated financial statements of the Bank's capital group shall be submitted by the Management Board to the General Meeting of Shareholders upon their consideration by the Supervisory Board of the Bank.

§ 39.

The Bank's financial year shall be a calendar year.

## **IX. INTERNAL AUDIT SYSTEM**

§ 40

1. The Bank shall have an internal control system which shall verify the operations of the Bank, both in terms of their legality and correctness, as well as the accuracy of the statements and information submitted by the Bank.

2. The internal control system covers risk control mechanisms, examining compliance of Bank's operations with provisions of laws and internal regulations and internal audit.
3. The internal control system is aimed at supporting decision making processes which are contributory to ensuring effectiveness and efficiency of the Bank's operations, credibility of financial statements and compliance of Bank's operations with provisions of laws and internal regulations.
4. The internal audit in the Bank is performed by the Audit Department which shall constitute a separate organizational unit operating as part of the Bank's structure and directly dependent on the President of the Management Board. The task of the Audit Department shall be to examine and assess, independently and objectively, the adequacy and efficiency of the internal audit system, as well as to issue opinions on the Bank's management system, including the efficiency of the management of risk resulting from the Bank's operations.
5. The functional internal control at the Bank shall be performed by each employee and, additionally, by such employee's direct superior and persons cooperating with the superior, as well as by managers of organizational units of the Bank, in terms of the quality and correctness of tasks performed by individual employees in order to ensure the compliance of their tasks with the Bank's control procedures and mechanisms.
6. The Supervisory Board shall perform supervision over the Audit Department activity through internal audit committee.
7. The head of the Audit Department shall regularly, at least once a year, provide the Supervisory Board and the Management Board with information about the discovered irregularities and conclusions from internal audits conducted and measures taken to remedy such irregularities or implement such conclusions. The head of the Audit Department shall be authorized to participate in the Management Board and Supervisory Board meetings at which matters pertaining to the Bank's internal audit will be discussed.
8. The Management Board of the Bank shall determine the detailed rules of the internal audit at the Bank and the organization and scope of activity of the Audit Department.

## **X. FINAL PROVISIONS**

### § 41.

In case of liquidation of the Bank, the General Meeting of Shareholders appoints, at the motion of the Supervisory Board, one or more liquidators and determines the method of liquidation.

### § 42.

Unless relevant provision of law provides otherwise, all announcements shall be placed by the Management Board only on the Bank's website.

### § 43.

The applicable laws shall prevail in all matters not provided for in these Articles of Association.