

Warsaw, July 23, 2018

**Current report no. 19/2018**

**Subject:**

Information on the registration of the amendment made to the Articles of Association of the Bank Handlowy w Warszawie S.A.

**Legal basis:**

Paragraph 5 point 1) of the Ordinance of the Minister of Finance dated March 29, 2018 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 2018, item 757).

**Content of the current report:**

Bank Handlowy w Warszawie S.A. hereby announces that on July 9, 2018 the District Court for the Capital City of Warsaw, XII Commercial Division of the National Court Register entered (registered) into the Register of Entrepreneur of the National Court Register an amendment to the Articles of Association of Bank Handlowy w Warszawie S.A. adopted by the Ordinary General Meeting of Bank Handlowy w Warszawie S.A. on June 8, 2018 by means of Resolution No. 29/2018.

Paragraph 18 Section 1 of the Articles of Association of the Bank Handlowy w Warszawie S.A. shall now read as follows:

- „1. Besides the rights and obligations provided for in applicable laws and other matters provided for in these Articles of Association, the Supervisory Board's responsibilities include the following:
- 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) determining the terms and conditions of agreements which cover contracts of employment or other legal relationship among members of the Management Board and the Bank,
  - 4) granting 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 of the Bank,
    - 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 the external auditor to audit or review the financial statements,

- 8) granting consent for the employment and dismissal (after giving a hearing) of the person in charge of the internal Audit Department and of the person in charge of the compliance unit, upon the motion of the Management Board of the Bank,
- 9) granting consent for the conclusion by the Bank of a material agreement with a shareholder who holds at least 5% of the total vote in the Bank or with entity associated with the Bank,
- 10) performing supervision over the introduction of the management system in the Bank and conducting the assessment of the adequacy and effectiveness of such system, including supervision over the introduction of the risk management system and conducting an annual assessment of the adequacy and effectiveness of such system, as well as supervision over the introduction of the internal control system and conducting an annual assessment of the adequacy and effectiveness of such system, taking into account the assessment of adequacy and effectiveness of control functions, the compliance unit and the Audit Department and the assessment of effectiveness of the non-compliance risk management by the Bank,
- 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) approving the acceptable risk level of the Bank,
- 14) approving the Bank's compliance policy,
- 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 remuneration policies,
- 19) *deleted*,
- 20) *deleted*,
- 21) approving the risk management strategy as well as determining the principles of reporting the types and sizes of risks in the Bank's operations to the Supervisory Board,
- 22) approving regulations of the compliance unit and the Audit Department,
- 23) approving the criteria for the assessment of adequacy and efficiency of the internal control system drafted by the Management Board of the Bank,
- 24) approving the principles of categorization of irregularities detected by the internal control system,
- 25) approving an annual plan of activities of the compliance unit,
- 26) approving the principles of cooperation of the compliance unit and the Audit Department with the corresponding entities of the dominant entity and the subordinated entity,

- 27) approving the principles of annual presentation of reports on its activities by the compliance unit to the Management Board and the Supervisory Board,
- 28) approving the principles of cooperation of the Audit Department with the external auditor,
- 29) approving the strategy of the Audit Department,
- 30) approving the auditing procedures, prepared by the Audit Department Head, ensuring objective completion of tasks by the Audit Department, the principles of transfer of employees from other organizational units of the Bank to the Audit Department, principles of professional development, including the rules for determining the number of internal auditors with professional certificates as well as the periodic assessment of work performance of internal auditors,
- 31) approving the remuneration of the Audit Department Head,
- 32) approval of strategic (long-term) and operational (annual) audit plans and amendments to such plans,
- 33) approving the remuneration of the compliance unit Head, which responsibility may be delegated by resolution to the Audit Committee,
- 34) granting consent, each time, to cooperation of the Audit Department with the corresponding unit of the dominant entity during an audit, which responsibility may be delegated by resolution to the Audit Committee,
- 35) approving the principles of presenting reports by the Audit Department to the Management Board of the Bank and the Supervisory Board.”