

Warsaw, May 10, 2019

Current report No 13/2019

Subject: Informations contained in the notice of convening the Ordinary General Meeting of Bank Handlowy w Warszawie S.A. to be held on 5 June 2019

Legal grounds: § 19 section 1 point 1) of the Regulation of the Minister of Finance of 29 March 2018 on Current and Periodic Information Published by Issuers of Securities and Conditions for Regarding Information Required by the Law of a Non-member State as Equivalent (Journal of Laws of 2018, Item 757).

**ANNOUNCEMENT OF MANAGEMENT BOARD OF
BANK HANDLOWY W WARSZAWIE S.A.,
WITH ITS REGISTERED OFFICE IN WARSAW,
ON CONVENING THE ORDINARY GENERAL MEETING**

of Bank Handlowy w Warszawie Spółka Akcyjna, a joint-stock company with its registered office in Warsaw, ul. Senatorska 16, 00-923 Warsaw, registered with the District Court for Warsaw in Warsaw, 12th Commercial Department of the Polish Court Register, under no. KRS 0000001538; entry dated 22 February 2001 (further: the “**Bank**”).

1. DATE, TIME AND VENUE OF THE ANNUAL GENERAL MEETING AND ITS DETAILED AGENDA

1.1 Date and venue

The Bank’s Management Board, acting pursuant to article 395 § 1 and article 399 § 1 of the Polish Code of Commercial Companies and § 8 section 1 of the Bank’s Articles of Association, hereby convenes the Ordinary General Meeting (further: the “**Meeting**”) to be held at 01:00PM on 5 June 2019 at 7/9 Traugutta Street, Warsaw, Poland.

1.2 Agenda

1. Opening of the Meeting;
2. Electing the Chairperson of the Meeting;
3. Stating that the Meeting has been duly convened and is legally capable for undertaking valid resolutions;
4. Approving the agenda;
5. Taking resolutions on:
 - 1) consideration and approval of the annual financial statements of Bank for the financial year ended 31 December 2018;
 - 2) consideration and approval of the annual consolidated financial statements of the Capital Group of Bank for the financial year ended 31 December 2018;

- 3) consideration and approval of the report on the activity of Bank and Capital Group of Bank;
 - 4) granting of approval of the performance by the members of the Bank's Management Board of duties in 2018;
 - 5) consideration and approval of the Bank's Supervisory Board's report on its activity for the period of time from the date of the Bank's Ordinary General Meeting in 2018 to the date of the Bank's Ordinary General Meeting in 2019 containing: assessment of reports on activities and financial statements of the Bank and Capital Group of the Bank in year 2018, assessment of the Management Board's motion on distribution of the net profit for year 2018, reports and assessments as defined in approved for use by Bank the Principles of Corporate Governance for Supervised Institutions and the Best Practice for GPW Listed Companies 2016 and assessment of the functioning of the remuneration policy in the Bank;
 - 6) granting of approval of the performance by the members of the Bank's Supervisory Board of their duties in 2018;
 - 7) distribution of the net profit for year 2018;
 - 8) changes in the Articles of Association and establishment of a uniform text of the Articles of Association of Bank Handlowy w Warszawie S.A.;
 - 9) changes in the composition of the Supervisory Board of the Bank.
6. Closing of the Meeting.

2. ELECTRONIC COMMUNICATION BETWEEN SHAREHOLDERS AND THE BANK

Subject to the restrictions provided for in the Code of Commercial Companies, Bank's shareholders may contact the Bank by electronic means of communication. In particular, shareholders of the Bank may file motions, requests and inquiries and submit notifications and documents.

The Bank's shareholders communicate with the Bank by electronic means using the dedicated e-mail address: relacjeinwestorskie@citi.com The risk connected with the use of electronic means of communication by a Bank's shareholder in dealings with the Bank rests with the shareholder.

A person exercising the right of electronic communication with the Bank should prove the shareholder status or the entitlement to participation in the Meeting. In order to do so, such person is obliged to send to the Bank by e-mail at relacjeinwestorskie@citi.com the following documents attached to the request, motion, draft resolution, inquiry or notification:

- (a) scan of a depositary receipt or of a certificate of eligibility to participate in the Meeting, issued by the entity that keeps the securities account or a collective account on which shares held in the Bank by the shareholder (shareholders) are recorded,

confirming that this actually is a shareholder (these actually are shareholders) of the Bank, and also:

- (b) in the case of an individual – scan of identity card or passport (containing data enabling the holder’s identification),
- (c) in the case of a legal person or an unincorporated organisational unit – scan of an excerpt from the register applicable to this person or unit.

When a shareholder electronically sends to the Bank documents the originals of which were drawn up in a language other than Polish, their certified translations into Polish must be attached by such shareholder.

All documents sent by a shareholder to the Bank and by the Bank to the shareholder by electronic means must be scanned to PDF format.

3. BANK SHAREHOLDER’S RIGHT TO REQUEST PLACEMENT OF INDIVIDUAL ITEMS ON THE MEETING AGENDA PRIOR TO THE MEETING DATE

A shareholder or shareholders of the Bank representing at least one-twentieth of the Bank’s share capital may request placement of specific items on the Meeting agenda. Such request may be filed with the Bank’s Management Board not later than twenty-one days prior to the Meeting date, i.e. by 15 May 2019.

The request to place specific items on the Meeting agenda should contain a justification or draft resolution concerning the proposed agenda item. The request may be filed in writing or electronically in accordance with the principles described in section 2 above.

To the request being filed electronically and in writing, a shareholder or shareholders of the Bank must attach a copy of the depositary receipt or a certificate issued by the entity that keeps the securities account or a collective account on which shares held in the Bank by the shareholder (shareholders) are recorded, confirming that this actually is a shareholder (these actually are shareholders) of the Bank and confirming the fact that the shareholder(s) represent(s) at least one twentieth part of the Bank’s share capital.

4. SHAREHOLDER’S RIGHT TO SUBMIT DRAFT RESOLUTIONS CONCERNING ITEMS PLACED ON THE MEETING AGENDA PRIOR TO THE MEETING DATE

A shareholder or shareholders of the Bank representing at least one-twentieth of the Bank’s share capital may, prior to the date of the Meeting, submit to the Bank in writing or electronically, in accordance with the principles described in section 2 above, draft resolutions concerning the items placed on the Meeting agenda.

To the submission being filed electronically and in writing, a shareholder or shareholders of the Bank must attach a copy of the depositary receipt or a certificate issued by the entity that keeps the securities account or a collective account on which shares held in the Bank by the shareholder (shareholders) are recorded, confirming that this actually is a shareholder (these actually are shareholders) of the Bank and confirming the fact that the shareholder(s) represent(s) at least one twentieth part of the Bank’s share capital.

5. SHAREHOLDER'S RIGHT TO SUBMIT DRAFT RESOLUTIONS CONCERNING ITEMS PLACED ON THE AGENDA DURING THE MEETING

During the Meeting, each of the Bank's shareholders may submit draft resolutions concerning the items placed on the agenda.

6. NOTICE ABOUT THE MANNER OF EXERCISING VOTING RIGHT BY A PROXY, INCLUDING ABOUT THE FORMS USED BY THE PROXY FOR VOTING AND ABOUT THE MANNER OF NOTIFYING THE BANK BY MEANS OF ELECTRONIC COMMUNICATION OF A PROXY APPOINTMENT

A Bank's shareholder being an individual may attend the Meeting and exercise the voting right both in person and also through a proxy.

A Bank's shareholder other than an individual may attend the Meeting and exercise the voting right through a person or persons authorised to submit declarations of intent on its behalf and also through a proxy.

A power of attorney to attend the Meeting and to exercise the voting right must be granted in writing or in the electronic form, otherwise it will be null and void. A power of attorney granted electronically does not have to be signed with a secure electronic signature verified by way of a qualified certificate.

The forms enabling exercise of the voting right through a proxy are made available from the date of convening the Meeting on the Bank's website at <http://www.citibank.pl/poland/homepage/english/general-meetings-050619.htm>

The power of attorney forms were prepared separately for Bank's shareholders who are individuals and separately for Bank's shareholders other than individuals.

A shareholder holding shares that are recorded on the collective account may appoint separate proxies to exercise the rights attached to the shares recorded on this account.

6.1 Written power of attorney

When a shareholder has granted a power of attorney in writing, the proxy is obliged to produce the following documents at the time of preparing the attendance list:

- (a) the original of the power of attorney containing details of the principal or of the persons acting on the principal's behalf in accordance with representation rules applicable at the principal's place;
- (b) identity card or passport (containing data enabling the holder's identification) of a proxy being an individual,
- (c) excerpt from the register applicable to a proxy being a legal person or an unincorporated organisational unit.

If a power of attorney is granted by an individual, the proxy is obliged to additionally show at the list preparation stage:

- (a) scan of an excerpt from the register in which the shareholder is entered; or

- (b) scan of another document confirming the powers of persons acting on behalf of such shareholder.

If any of the documents listed above is drawn up in a language other than Polish, their certified translations into Polish must be attached by such proxy.

6.2 Notifying the Bank by means of electronic communication of a power of attorney being granted

Shareholders notify the Bank electronically of a power of attorney being granted using the dedicated e-mail address: relacjeinwestorskie@citi.com

In the notification of granting a power of attorney, the Bank's shareholder provides his telephone number and e-mail address, as well as his proxy's telephone number and e-mail address, by way of which the Bank will be able to communicate with the shareholder and the proxy. The notification of granting a power of attorney should also specify the scope of the power of attorney, i.e. indicate the number of shares with respect to which voting rights will be exercised and the date of the Meeting at which such voting rights will be exercised.

Together with the electronic notification of granting a power of attorney, the shareholder sends the following documents to the Bank:

- (a) scan of the power of attorney (save for instructions on exercising the voting right by the proxy) containing details of the principal or of the persons acting on the principal's behalf in accordance with representation rules applicable at the principal's place,
- (b) scan of identity card or passport (containing data enabling the holder's identification) of a proxy being an individual,
- (c) scan of an excerpt from the register applicable to a proxy being a legal person or an unincorporated organisational unit,
- (d) e-mail address for communication with the shareholder or the shareholder's proxy.

Documents referred to in point 2 should be attached to the notification.

The principles described above apply accordingly to electronic notifications sent to the Bank with respect to revocations of powers of attorney.

Electronic notifications of granting or revoking a power of attorney should be sent by 03:00 PM on the day preceding the Meeting date.

The principles described above do not release the proxy from the obligation to produce identification documents at the time of preparing the list of attendance of the persons eligible to attend the Meeting.

6.3 Verification of validity of the power of attorney and identification of shareholder and proxy

In order to verify validity of the power of attorney granted electronically and to identify the Bank's shareholder and proxy, the Bank – following receipt of an electronic notification of granting a power of attorney as per the provisions of section 6.2 – checks whether the

information and scans of the documents listed in section 6.2 have been enclosed and, for persons other than individuals, whether the power of attorney has been granted by persons authorised to represent a given entity.

The Bank is authorised to make contacts by telephone, using the telephone number designated by the shareholder as per section 6.2 or sending a return e-mail message, in order to verify the fact of granting a power of attorney in the electronic form by a given shareholder of the Bank. The Bank is authorised to contact both the shareholder and the proxy.

The Bank may additionally take other measures to identify the shareholder and the proxy in order to verify validity of the power of attorney granted in the electronic form, however such measures will be proportionate to their purpose.

The notification of granting or revoking a power of attorney in the electronic form filed in breach of the requirements designated in section 6.2 will not be binding on the Bank.

6.4 Power of attorney granted to Bank's Management Board member or employee

Bank's Management Board members and employees may act as proxies for Bank's shareholders at the Meeting.

If a proxy for a Bank's shareholder at the Meeting is:

- (a) member of the Bank's Management Board;
- (b) member of the Bank's Supervisory Board;
- (c) employee of the Bank; or
- (d) member of authorities or employee in a Bank's subsidiary;

the power of attorney may authorise its holder to represent the shareholder at one Meeting only. The proxy must disclose to the Bank's shareholder any circumstances indicating existence or likely occurrence of a conflict of interests. In such case, granting a further power of attorney is excluded.

If a proxy referred to above is appointed, the Bank's shareholder will provide such proxy with voting instructions and the proxy is obliged to vote in accordance with such instructions.

6.5 Power of attorney granted to a Bank shareholder

A Bank's shareholder may, as a proxy acting for another shareholder, vote on adoption of resolutions concerning his liability to the Bank for any reason whatsoever including acknowledgment of the fulfilment of duties, release from an obligation towards the Bank or dispute between the shareholder and the Bank, subject to fulfilment of the requirements referred to in section 6.4 above.

7. POSSIBILITY AND MANNER OF ATTENDANCE AT THE MEETING USING ELECTRONIC MEANS OF COMMUNICATION

The Bank does not provide a possibility to attend the Meeting using electronic means of communication. The shareholders will be able only to track the Meeting session via real-

time transmission available on the Bank's website at <http://www.citibank.pl/poland/homepage/english/general-meetings-050619.htm>

8. NOTE ABOUT THE MANNER OF MAKING STATEMENTS DURING THE MEETING USING ELECTRONIC MEANS OF COMMUNICATION

The Bank does not provide a possibility to make statements during the Meeting using electronic means of communication.

9. NOTE ABOUT THE MANNER OF EXERCISING VOTING RIGHTS BY CORRESPONDENCE OR USING ELECTRONIC MEANS OF COMMUNICATION

The Bank does not provide a possibility to exercise voting rights by correspondence or using electronic means of communication.

10. DATE OF REGISTRATION FOR ATTENDANCE AT THE GENERAL MEETING

Under article 406 (1) of the Code of Commercial Companies, the date of registration for attendance at the Meeting is 20 May 2019 (further: the **Registration Date**) falling 16 days prior to the Meeting date.

11. NOTE ABOUT ELIGIBILITY TO ATTEND THE MEETING

Only persons who are shareholders of the Bank as at the Registration Date are eligible to attend the Meeting.

At the request made by a holder of dematerialised bearer shares not earlier than after publication of the announcement on convening the Meeting and not later than on the first business day after the Registration Date, that is not later than on 21 May 2019, the entity keeping the securities account will issue a personal certificate of eligibility to attend the Meeting.

The list of bearer share holders eligible to attend the Meeting is determined by the Bank based on the list drawn up by the National Depository for Securities (*KDPW*) as per the regulations governing trading in financial instruments.

The National Depository for Securities will draw up the list referred to above on the basis of lists sent not later than twelve days prior to the Meeting date by entities eligible under the regulations governing trading in financial instruments. The certificates of eligibility to attend the Meeting will serve as the basis for drawing up the lists sent to the National Depository for Securities.

12. LIST OF SHAREHOLDERS

Under article 407 § 1 of the Code of Commercial Companies, the list of the shareholders eligible to attend the Meeting will be put on display at the Bank's registered office in Warsaw, at ul. Senatorska 16, from 09:00 AM to 03:00 PM, three business days prior to the Meeting date.

The list of shareholders referred to above will be drawn up based on the list prepared and made available to the Bank by the National Depository for Securities as per article 406(3) §§ 7 and 8 of the Code of Commercial Companies.

A Bank's shareholder may request a list of the shareholders eligible to attend the Meeting to be sent free of charge by e-mail, providing his e-mail address to which such list should be sent. The request should be sent to the Bank's address designated in section 2 hereof.

Under article 407 § 2 of the Code of Commercial Companies, a Bank's shareholder is entitled to request copies of the motions filed with respect to the matters placed on the agenda one week prior to the Meeting.

13. ACCESS TO DOCUMENTS

The full content of the documents (including Bank's financial statements for 2018) to be presented at the Meeting together with draft resolutions (and – if no resolution is to be adopted on a given matter – Management Board's comments) will be displayed on the Bank's website <http://www.citibank.pl/poland/homepage/english/general-meetings-050619.htm>, as of the date of the Meeting being convened, as per article 402(3) § 1 of the Code of Commercial Companies and/or in the registered office of Bank Handlowy w Warszawie S.A. at ul. Senatorska 16, Warsaw, 4th floor, phone no. 226577089, from 09:00AM to 03:00PM.

14. ADDRESS OF WEBSITE WHERE INFORMATION ON THE MEETING WILL BE MADE AVAILABLE

All information concerning the Meeting will be made available on the Bank's website <http://www.citibank.pl/poland/homepage/english/general-meetings-050619.htm>

15. SUBMISSION OF BANK'S SUPERVISORY BOARD CANDIDATES

If shareholder intends to submit candidate for a member of the Bank's Supervisory Board, the shareholder should contact the Bank by e-mail address: relacjeinwestorskie@citi.com or in person in order to receive from the Bank the forms of the documents to be included in the candidate application.

16. OTHER INFORMATION

The Management Board gives notice that the Meeting session will be transmitted in real time on the Internet. To view the transmission of the Meeting shareholders should have installed on the computer plug-in Adobe Flash Player v.11 or above. Recommended internet connection with required bandwidth of 512 kpbs or higher.

The transmission of the Meeting session will be available in real time on the website: <http://www.citibank.pl/poland/homepage/english/general-meetings-050619.htm>

In order to access the transmission of the Meeting session in real time, shareholder should choose link: <http://www.citibank.pl/poland/homepage/english/general-meetings-050619.htm> and click „The transmission of the GM session”.

The shareholders electronically sending notifications concerning powers of attorney or other documents referred to in point 2 above incur the risks related thereto, in particular those arising from inability to communicate or to exercise the voting rights during the Meeting as a result of temporary or permanent breakdown of or disturbances in the power grid or telecommunications infrastructure within the meaning of the Telecommunications Law of 16 July 2004 (consolidated text: Journal of Laws 2018 item 1954).

17. UNDER ARTICLE 402 § 2 OF THE CODE OF COMMERCIAL COMPANIES, THE BANK PROVIDES THE CONTENT OF PROPOSED AMENDMENTS TO THE BANK'S ARTICLES OF ASSOCIATION AND THE PROPOSED UNIFORM TEXT OF THE ARTICLES OF ASSOCIATION

Amendment to paragraph 40 of the Articles of Association.

The existing wording of Paragraph 40 of the Articles of Association:

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.

The proposed wording of Paragraph 40 of the Articles of Association:

1. The Management Board of the Bank designs, implements and ensures operation of an adequate and effective internal control system and the Supervisory Board of the Bank oversees its implementation and performs an annual assessment of its effectiveness and adequacy.
2. The internal control system is adjusted to the Bank's organizational structure, character, risk profile and scale of operations.

3. The objective of the internal control system is to support the Bank's Management decision making, which contributes to ensuring effectiveness and efficiency of the Bank's operations, credibility of financial reporting, observance of risk management principles in the Bank and compliance of the Bank's activities with laws, internal regulations and market standards.
4. The risk management and internal control systems, functioning in the Bank, are organized at three, independent levels. Level 1 covers risk management in the Bank's operational activity. Level 2 consist of at least: risk management by employees at specially designated positions or in organizational units as well as the activity of the compliance unit. Level 3 covers the activity of the Audit Department.
5. The Bank's internal control system is comprised of:
 - 1) control function,
 - 2) compliance unit,
 - 3) Audit Department.
6. The control function includes:
 - 1) control mechanisms within processes existing in the Bank, executed by positions, groups of people or organizational units, responsible for observance of control mechanisms, including continuous activities,
 - 2) independent monitoring of abidance of control mechanisms, especially independent testing, executed by dedicated people or specialized organizational units, consisting in examining, analysing and assessing internal processes, recommending corrective action plans to the Bank's organizational units' current activities,
 - 3) reporting within the control function.
7. The compliance unit is a separate organizational unit operating within the organizational structure of the Bank, reporting directly to the President of the Management Board of the Bank.
8. The main objective of the compliance unit is to ensure compliance through its activity within the control function and non-compliance risk management.
9. The Audit Department is a separate organizational unit operating within the organizational structure of the Bank, organizationally subordinated to the President of the Management Board of the Bank.
10. Oversight over the Audit Department is executed by the Supervisory Board of the Bank through its Audit Committee.
11. The Audit Department is responsible for examining and assessing – independently and objectively – the adequacy and effectiveness of the risk management system and internal control system in all the Bank's activities by performing audits, specified in the identified audit process.

The proposed Uniform text of the Articles of Association:

**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) *deleted*,

- 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) perform non-brokerage activities in the following scope:
 - a) receive and transmit orders to buy or sell financial instruments;
 - b) execute orders to buy or sell financial instruments for the account of the ordering party;
 - c) buy and sell financial instruments for its own account;
 - d) provide investment advice;
 - e) offer financial instruments;
 - f) provide services under standby underwriting agreements and firm commitment underwriting agreements or execution and performance of other agreements of similar nature, if they are applicable to financial instruments.
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. The Bank may perform actions restricted for banks, defined by the Act on the State Support in Raising Children.

§ 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 irrespectively 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. Members of the Supervisory Board shall be elected for a common term of office of three years. At least a half of the members of the Supervisory Board, including its Chairman, should be Polish citizens. In case of expiration of mandate of one or several members, during their term, resulting in fall of the number of the Supervisory Board members with Polish citizenship below half of the members of the Supervisory Board, the Management Board should take up action in order to complete the composition of the Supervisory Board as soon as practical. If the number of Supervisory Board members holding Polish citizenship is less than half of the total number of Supervisory Board members, the Supervisory Board will still be able to hold meetings, adopt resolutions and conduct any other factual or legal actions.
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's responsibilities include the following:
 - 1) appointing and recalling the President of the Management Board in a secret ballot,
 - 2) appointing and recalling 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.

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 CONTROL SYSTEM

§ 40.

1. The Management Board of the Bank designs, implements and ensures operation of an adequate and effective internal control system and the Supervisory Board of the Bank oversees its implementation and performs an annual assessment of its effectiveness and adequacy.
2. The internal control system is adjusted to the Bank's organizational structure, character, risk profile and scale of operations.
3. The objective of the internal control system is to support the Bank's Management decision making, which contributes to ensuring effectiveness and efficiency of the Bank's operations, credibility of financial reporting, observance of risk management principles in the Bank and compliance of the Bank's activities with laws, internal regulations and market standards.
4. The risk management and internal control systems, functioning in the Bank, are organized at three, independent levels. Level 1 covers risk management in the Bank's operational activity. Level 2 consist of at least: risk management by employees at specially designated positions or in organizational units as well as the activity of the compliance unit. Level 3 covers the activity of the Audit Department.
5. The Bank's internal control system is comprised of:
 - 1) control function,

- 2) compliance unit,
 - 3) Audit Department.
6. The control function includes:
- 1) control mechanisms within processes existing in the Bank, executed by positions, groups of people or organizational units, responsible for observance of control mechanisms, including continuous activities,
 - 2) independent monitoring of abidance of control mechanisms, especially independent testing, executed by dedicated people or specialized organizational units, consisting in examining, analysing and assessing internal processes, recommending corrective action plans to the Bank's organizational units' current activities,
 - 3) reporting within the control function.
7. The compliance unit is a separate organizational unit operating within the organizational structure of the Bank, reporting directly to the President of the Management Board of the Bank.
8. The main objective of the compliance unit is to ensure compliance through its activity within the control function and non-compliance risk management.
9. The Audit Department is a separate organizational unit operating within the organizational structure of the Bank, organizationally subordinated to the President of the Management Board of the Bank.
10. Oversight over the Audit Department is executed by the Supervisory Board of the Bank through its Audit Committee.
11. The Audit Department is responsible for examining and assessing – independently and objectively – the adequacy and effectiveness of the risk management system and internal control system in all the Bank's activities by performing audits, specified in the identified audit process.

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.