

**RESOLUTION No. 49/2017
of the Annual General Meeting
of Powszechna Kasa Oszczędności
Bank Polski Spółka Akcyjna
of 20 July 2017**

on the election of the Chairman of the Annual General Meeting

Pursuant to Article 409 § 1 of the Commercial Companies Code the Annual General Meeting elects as its Chairman Rafał Kos.

Additional information concerning the Resolution:

Number of shares on which valid votes were cast		682,591,728
% of share capital represented by the shares on which valid votes were cast		54.61%
Total number of valid votes		682,591,728
including votes:	for	682,591,727
	against	0
	abstaining	1

**RESOLUTION No 50/2017
of the Annual General Meeting
of Powszechna Kasa Oszczędności
Bank Polski Spółka Akcyjna
of 20 July 2017**

on the amendment to the Articles of Association of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna

Acting pursuant to Article 430 § 1 of the Commercial Companies Code, the Annual General Meeting hereby adopts the following:

§ 1.

The Articles of Association of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna shall be amended as follows:

1) § 4 section 2 item 16 of the Bank's Articles of Association of the Bank shall be reworded as follows:

“16) provision of trust services and issuing electronic identification means within the meaning of the laws on trust services,”;

2) § 9 of the Bank's Articles of Association of the Bank shall be reworded as follows:

“§ 9

1. The competences of the General Meeting, apart from other matters stipulated in the separate provisions of these Articles of Association, cover adopting resolutions in the matters of:

- 1) appointing and recalling the members of the Supervisory Board in accordance with § 11,
- 2) approving the Regulations of the Supervisory Board,
- 3) acquiring the shares of the Bank in order to redeem them and determining the amount of payment for the redeemed shares,
- 4) creating and liquidating special funds created of the net profit,
- 5) selling by the Bank of the real property, an interest in real property or perpetual usufruct, if the value of the real property or the right being the object of such action exceeds 25% of the share capital; such consent shall not be required, if the purchase of the real property sold in this way, interest in real property or perpetual usufruct was made as part of the execution, bankruptcy, restructuring proceedings or another agreement with the Bank's debtor,
- 6) issuing bonds convertible to shares, bonds with pre-emptive rights or subscription warrants,
- 7) determining the wage-setting policy for the members of the Management Board,
- 8) determining the wage-setting policy for the members of the Supervisory Board,
- 9) approving the reports of the Management Board of the Bank's operations containing also information on representation expenses, legal fees, costs of marketing services, public relations and social communication services and advisory services relating to the management, as well as the report of the Management Board of the operations of the Bank's capital group,

- 10) approving the report of the Supervisory Board's operations,
 - 11) approving financial statements of the Bank and the consolidated financial statements of the capital group of the Bank,
 - 12) granting a vote of acceptance to the performance by the members of the Management Board and the Supervisory Board,
 - 13) distribution of profits or covering loss,
 - 14) specifying the dividend date and the date of dividend pay-out,
 - 15) disposing or leasing a part of business or its organised part and establishing a limited property right thereon,
 - 16) amendments to the Articles of Association of the Bank,
 - 17) increasing or decreasing the share capital of the Bank,
 - 18) other than indicated above, and resulting from the generally applicable legal provisions.
2. The matters to be addressed at the General Meeting should be, in accordance with the Regulations of the Supervisory Board, subject to the opinion of the Supervisory Board in the time enabling the shareholders to become aware of the opinion of the Supervisory Board.”;
- 3) §11 section 1 of the Bank’s Articles of Association shall be reworded as follows:
- „1. The Supervisory Board shall be composed of 5 (five) to 13 (thirteen) members appointed for the joint three-year term. The number of the members of the Supervisory Board shall be established by the Authorised Shareholder (in accordance with the definition below), including in the case of submission of the application for the election of the Supervisory Board by voting in separate groups.”;
- 4) in §11 section 2 first sentence of the Bank’s Articles of Association shall be reworded as follows:
- “The members of the Supervisory Board shall be appointed and recalled by the General Meeting, taking into account the assessment of fulfilment by the candidates of the requirements resulting from Art. 22aa of the Banking Law of 29 August 1997”;
- 5) §11 section 6 of the Bank’s Articles of Association shall be reworded as follows:
- “6. As long as the Supervisory Board is composed of at least 5 (five) members, the Supervisory Board is capable of taking any actions stipulated by law and the Articles of Associations. In the event that the number of the members of the Supervisory Board decreases below 5 (five) members of the Supervisory Board, the Management Board shall convene the General Meeting in order to complete the composition of the Supervisory Board.”;
- 6) § 14a of the Bank’s Articles of Association shall be deleted;
- 7) §15 section 1 of the Bank’s Articles of Association shall be reworded as follows:
- “1. The Supervisory Board shall exercise constant supervision over the Bank’s operations in all areas of its business. The competences of the Supervisory Board, apart from the rights and obligations provided for in other provisions of these Articles of Association, include:
- 1) approval of the annual financial plan adopted by the Management Board,

- 2) selection of the audit firm to audit and review financial statements of the Bank and the consolidated financial statements of the capital group of the Bank,
- 3) adopting the Regulations of the Supervisory Board,
- 4) adopting the rules of granting loans, cash loans, bank guarantees or sureties to the members of the Management Board, the Supervisory Board, persons holding managerial positions at the Bank and entities linked with it by capital or organisationally, referred to in Art. 79a of the Banking Law of 29 August 1997,
- 5) appointing and recalling, in a secret ballot, the President of the Management Board, Vice-presidents and members of the Management Board.
- 6) suspending in duties, due to important reasons, individual or all members of the Management Board and delegating the members the Supervisory Board, for the period no longer than three months, for the temporary performance of duties of the members of the Management Board who have been recalled, resigned or cannot perform their duties for other reasons,
- 7) conducting qualification procedure for the member of the Management Board and specifying detailed rules and manner of its conducting,
- 8) setting the remuneration and terms of employment of the members of the Management Board on the basis of wage-setting policy for the members of the Management Board, referred to in § 9 section 1 item 7,
- 9) granting consent for opening or closing the branch abroad,
- 10) approving the following strategies, policies and regulations adopted by the Management Board:
 - a) Bank's Strategy,
 - b) Risk management strategy,
 - c) Bank management strategy,
 - d) Dividend policy,
 - e) Remuneration policy,
 - f) Policy on estimating internal capital and capital management and reviewing strategies and procedures of estimating internal capital and capital management,
 - g) Compliance policy of the Bank,
 - h) Rules of managing special funds created of the net profit,
 - i) Organisational Regulations of the Bank,
 - j) Regulations of the Management Board,
- 11) granting prior consent to:
 - a) purchase and disposal of non-current assets of the value exceeding 10% of own funds of the Bank, excluding real property, an interest in real property or perpetual usufruct,
 - b) excluding the actions, referred to in § 9 section 1 item 5, purchase and sale by the Bank of the real property, an interest in real property or perpetual usufruct or encumbering them with a limited property right or making available to third party, if the value of the real property or the right being the object of such action exceeds 2% of the share capital of the Bank; such consent shall not be

required, if the purchase of the real property, an interest in real property or perpetual usufruct is made as part of the execution, bankruptcy, restructuring proceedings or another agreement with the Bank's debtor, as well as in the case of legal actions relating to the real property or rights acquired by the Bank in the above way; in such cases the Management Board is obliged to only inform the Supervisory Board of the actions made,

- c) establishment of a company, taking up or purchase of shares, convertible bonds or other instruments vesting rights to take up or purchase shares, if the Bank's financial exposure resulting from such act exceeds 10% of its shareholders' equity,
 - d) concluding by the Bank of the significant agreement with the shareholder holding at least 5% of the total number of votes at the Bank or with a related entity, typical transactions and transactions concluded at arm's length as part of the Bank's operations shall not be subject to the above obligation, if they are concluded with the entities forming part of the Bank's capital group,
 - e) concluding by the Bank of the agreement for legal services, marketing services, public relations and social communication services as well as advisory relating to the management services, if the value of the remuneration provided for in total for the rendered services exceeds PLN net 500 000 per annum,
 - f) amendment to the concluded by the Bank agreement for legal services, marketing services, public relations and social communication services as well as advisory relating to the management services increasing the remuneration above the amount, referred to in letter e),
 - g) concluding by the Bank of the agreement for legal services, marketing services, public relations and social communication services as well as advisory relating to the management services, in which the maximum amount of remuneration is not provided for,
 - h) concluding by the Bank of the donation agreement or another agreement with similar effect of the value exceeding PLN 20 000 or 0.1% of total assets,
 - i) concluding by the Bank of the release of debt agreement or another agreement with similar effect of the value exceeding PLN 50 000 or 0.1% of total assets,
- 12) filing an application to the Polish Financial Supervision Authority for granting consent to appoint the President of the Management Board and the member of the Management Board supervising management of significant risk in the Bank's operations, as well as entrusting the function of the member of the Management Board supervising management of significant risk in the Bank's operations to the current member of the Management Board who has not supervised the management of this risk,
- 13) assessing the functioning of the remuneration policy at the Bank and presenting report in this regard to the General Meeting,
- 14) issuing opinions on application by the Bank of the "Principles of corporate governance for supervised institutions",
- 15) presenting to the General Meeting an annual report of the Supervisory Board's operations, including also the assessment of the Management Board's report of the Bank's operations and financial statements of the Bank for the last financial year in terms of their compliance with the books and documents, as well as with the actual state and requests of the Management Board regarding the distribution of profit or covering loss,

- 16) approving of the acceptable general risk level specified by the Management Board,
- 17) determining the rules of reporting to the Supervisory Board about the types and size of risk in operations, after prior presenting proposals by the Management Board, in the manner enabling supervising the risk management system at the Bank,
- 18) analysing reports provided to the Supervisory Board regarding risk management, estimating internal capital and capital management and internal control system,
- 19) making an annual assessment of the adequacy and effectiveness of the risk management system,
- 20) making an annual assessment of the adequacy and effectiveness of the internal control system, including the adequacy and effectiveness of the control function, compliance unit and internal audit unit,
- 21) making an annual assessment of the level of effectiveness of the non-compliance risk management by the Bank,
- 22) approving of, previously accepted by the Bank, rules of functioning of the compliance unit and internal audit unit,
- 23) making an annual assessment of the adequacy and effectiveness of the anonymous reporting procedure of breaches by the Bank's employees,
- 24) taking decisions in other matters subject to the competences of the Supervisory Board on the basis of the generally applicable legal provisions and recommendations issued by the Polish Financial Supervision Authority.”;

8) §15 section 3 of the Articles of Association of the Bank shall be reworded as follows:

“3. The Supervisory Board shall adopt resolutions by an absolute majority of votes in the presence of at least half of the members of the Supervisory Board, including the Chairperson or Vice-chairperson of the Supervisory Board, except for the resolutions on the matters, referred to in section 1 items 1-2, 4-6, 10 letters a-b, 11 letters a-d and 16, for adopting of which apart from the indicated quorum, the qualified majority of two thirds of votes is required.”;

9) §17 section 4 first sentence of the Bank's Articles of Association shall be reworded as follows:

“The Supervisory Board may adopt resolutions in writing (by circulation) or using means of direct remote communication, except for resolutions on the matters referred to in § 15 section 1 items 1-2, 4-6, 10 letters a-b and 16 and resolutions adopted by secret ballot.”;

10) §17a section 1 first sentence shall be reworded as follows:

“The Supervisory Board shall appoint its members to the committees, an obligation of appointment of which results from the applicable provisions.”;

11) § 19 of the Bank's Articles of Association shall be reworded as follows:

„§ 19

1. The members of the Management Board shall be appointed by the Supervisory Board for a joint three-year term.
2. The members of the Management Board shall be appointed by the Supervisory Board after conducting a qualification procedure which aim is to check and assess the

qualifications of candidates and selecting the best candidate for the member of the Management Board.

3. The person who meets jointly the following conditions can be the member of the Management Board:
 - 1) s/he meets the requirements provided for in Art. 22aa of the Banking Law of 29 August 1997,
 - 2) has a higher education or higher education obtained abroad recognised in the Republic of Poland, on the basis of separate provisions,
 - 3) has at least 5-year period of employment under an employment contract, appointment, election, nomination, cooperative employment contract or of providing services under other agreement or conducting business on their own account,
 - 4) has at least 3-year experience on managerial or independent positions or resulting from conducting business on their own account,
 - 5) meets the requirements other than specified in items 1-4 defined in other separate provisions, and in particular does not infringe restrictions or prohibitions of holding a position of the member of governing bodies at commercial companies.
4. The person who meets at least one of the following conditions cannot be a member of the Management Board:
 - 1) a person who works as a social collaborator or is employed in a parliamentary, senatorial, parliamentary and senatorial office or office of a Member of the European Parliament under an employment contract or performs work under a mandate contract or other similar contract,
 - 2) is a member of a political party body representing a political party outside and entitled to incur liabilities,
 - 3) is employed by a political party under an employment contract or performs work under a mandate contract or other similar contract,
 - 4) performs a function by choice at the company's trade union organisation or trade union organisation of the company of the capital group,
 - 5) their social or profit-earning activity creates a conflict of interests towards the activities of the company.”

12) § 20 section 1 of the Bank’s Articles of Association shall be reworded as follows:

“1. Any matters related to the transacting of the Bank’s business not specifically reserved under the general laws or these Articles of Association for the discretion of the Annual General Meeting or the Supervisory Board shall fall within the powers of the Management Board, including the purchase and sale of real property, an interest in real property or perpetual usufruct, which do not require approval of the General Meeting as per § 9 or the approval of the Supervisory Board as per § 15.”

13) section 6 of § 22 of the Bank’s Articles of Association shall be deleted;

14) Following Chapter IV. Governing Bodies of the Bank, a new Chapter IVa. Rules of Disposal of the Bank’s Non-Current Assets shall be added to the Articles of Association of the Bank, as follows:

“IVa. Rules of Disposal of the Bank’s Non-Current Assets

§ 23b

1. Non-current assets with a value exceeding 0.1% of total assets shall be disposed of in a tender procedure, with the reservation of sections 5 and 6.
2. The tender shall be conducted by the Bank or another entity commissioned by the Bank to conduct the tender.
3. Intending to dispose of non-current assets as mentioned in section 1, the Management Board shall set the tender method and procedure, including in particular:
 - 1) how information about the tender is to be made available,
 - 2) how the asking price of the non-current assets to be disposed is to be determined if the tender formula assumes that the Bank should set an asking price,
 - 3) the minimum requirements to be satisfied by a bidder and by a bid,
 - 4) the final date for tendering bids and the end date of the tender,
 - 5) the conditions under which the price may be reduced below the asking price or the conditions of the tender might be changed or the tender might be terminated without selecting a bid,
 - taking into account the need to safeguard the interest of the Bank.
4. Where the disposal of non-current assets requires approval of the General Meeting, the Bank may only perform the act in law leading to the disposal of such non-current assets subject to prior approval expressed by the General Meeting.
5. Where non-current assets are to be disposed of by approval of the General Meeting, the obligation to follow the tender procedure shall not apply.
6. Where the disposal of non-current assets does not require approval of the General Meeting, the Management Board may choose not to follow the tender procedure, subject to prior notification to the Supervisory Board of its intention not to follow the tender procedure, if:
 - 1) the non-current assets to be sold were previously purchased by the Bank in execution, bankruptcy or restructuring proceedings or a part of another arrangement with a Bank’s debtor, or
 - 2) the necessity to follow the tender procedure might expose the Bank to a loss (in particular by adversely affecting the conditions of the disposal of the non-current assets) or if it might cause the Bank to breach the requirements of the law or regulatory enactments.”;

15) § 36 of the Bank’s Articles of Association shall be reworded as follows:

“§ 36

Whenever a reference is made in the Articles of Association to:

- 1) **“non-current assets”** – they shall be understood as the Bank’s assets which are non-current assets in the sense of the Act of 29 September 1994 on Accounting,
- 2) **“affiliated entity”** – it shall be understood as an affiliate in the sense of the Act of 29 September 1994 on Accounting,
- 3) **“dominant entity”** and **“subsidiary”** - it shall be understood as the entity defined in § 10 section 9,
- 4) **“related party”** - it shall be understood as a related party in the sense of the law on trading in financial instruments,
- 5) **“total assets”** - it shall be understood as total assets in the sense of the Act of 29 September 1994 on Accounting, determined on the basis of the most recent approved financial statements of the Bank.”.

§ 2.

The Supervisory Board shall hereby be authorised to prepare the consolidated text of the Articles of Association of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna comprising the amendments referred to in § 1 of this resolution.

§ 3.

The Annual General Meeting obligates the Management Board of the Bank to provide for, in the articles and memorandums of associations of the companies in relation to which the Bank is the dominant undertaking in the sense of Article 4 item 3 of the Act of 16 February 2007 on Protection of Competition and Consumers (Journal of Laws 2017.229), the requirements set out in Article 17 section 1-6, Article 18 section 1, Article 19 section 1-6 and Article 22 of the Act of 16 December 2016 on the Rules of Management of State Assets (Journal of Laws, item 2259).

§ 4.

The resolution shall come into force on the day of its adoption.

Additional information concerning the Resolution:

Number of shares on which valid votes were cast		682,591,728
% of share capital represented by the shares on which valid votes were cast		54.61%
Total number of valid votes		682,591,728
including votes:	for	650,014,924
	against	0
	abstaining	32,576,804