

**ARTICLES OF  
ASSOCIATION OF**

**ALIOR BANK  
SPÓŁKA AKCYJNA**

## **I. GENERAL PROVISIONS**

### **§ 1.**

1. The Bank's business name shall be as follows: "Alior Bank Spółka Akcyjna".
2. The Bank may also use its abbreviated name: "Alior Bank S.A.".

### **§ 2.**

The Bank's founders are:

- Alior Polska spółka z ograniczoną odpowiedzialnością with its registered office in Warsaw,
- Alior S A. with its registered office in Luxemburg, and
- Alis S A. with its registered office in Luxemburg.

### **§ 3.**

The Bank's registered office is located in Warsaw.

### **§ 4.**

The Banks operates within the territory of the Republic of Poland and the European Economic Area.

### **§ 5.**

The Bank may own, establish and liquidate branches, representative offices and other organizational units.

### **§ 6.**

Matters not regulated in these Articles of Association shall be governed by applicable provisions of the Code of Commercial Companies, the Banking Law and other provisions of law.

## **II. OBJECTS AND SCOPE OF ACTIVITIES OF THE BANK**

### **§ 7.**

1. The objects of the Bank include performance of the following banking activities:
  - 1) accepting deposits payable on demand or on maturity date, in addition to maintaining the related deposit accounts,
  - 2) maintaining other bank accounts,
  - 3) granting credits,

- 4) issuing and confirming bank guarantees as well as opening and confirming letters of credit,
  - 5) issuing bank securities,
  - 6) carrying out banking cash transactions,
  - 7) granting of money loans,
  - 7<sup>1</sup>) carrying out operations on promissory notes and checks and operations related to warrants,
  - 8) issuing of payment cards and carrying out operations with the use thereof,
  - 9) timely financial operations,
  - 10) acquisition and disposal of cash liabilities,
  - 11) safekeeping of valuables and securities and making safe deposit boxes available,
  - 12) purchasing and selling of foreign exchange values,
  - 13) granting and confirming sureties,
  - 14) intermediating in performance of money transfers and settlements in foreign exchange,
  - 15) issuing electronic money,
  - 16) performing ordered activities related to the issuance of securities.
2. The objects of the Banks also include performance of the following activities:
- 1) entering into financial commitments related to the issuance of securities,
  - 2) trading in securities,
  - 3) rendering consulting and advisory services in terms of financial matters,
  - 4) rendering the following financial services:
    - a) factoring services,
    - b) forfaiting services,
    - c) agency services within the scope of concluding leasing agreements,
    - d) agency services within the scope of granting credits and loans,
    - e) services based on performance of factual acts within the scope of intermediation in purchasing and selling foreign exchange values,
    - f) agency services of cash settlements to the benefit of banks, financial institutions, settlement agents and brokerage houses, entities providing leasing services, investment fund companies and investment funds,
    - g) financial services associated with securities issued abroad and other financial instruments and their retention, including keeping records of financial instruments registered by foreign financial institutions, foreign credit institutions and depository and clearing institutions.
  - 5) conducting brokerage activity, including:
    - a) accepting and transferring orders to purchase or sell financial instruments;
    - b) completing orders referred to in item a) above for the account of the party placing that order,
    - c) purchasing and selling financial instruments for its own account,
    - d) investment advisory,
    - e) offering financial instruments,

- f) safekeeping or registration of financial instruments, including maintaining securities accounts, derivative accounts and omnibus accounts as well as cash accounts.
- 6) performing activities within the scope of insurance intermediation,
- 7) performing activities related to issuance and handling of financial instruments that are not securities,
- 8) rendering specialist services to the benefit of companies related by capital with the Bank, based in particular on making systems and IT technologies available, including data processing services, development, operation and maintenance services for software and IT infrastructure and other services for the purpose of facilitating cooperation with said entities within the scope of the offered financial services,
- 9) sale of coins, bills and numismatics issued by NBP as collectibles and for other purposes,
- 10) acting as a settlement agent,
- 11) conducting trust activities,
- 12) acting as a depository for pension and investment funds, keeping records of contributors to the investment fund and register of participants of the investment fund,
- 13) performing collection activities,
- 14) performing activities of a bank-representative within the meaning of the Act on Bonds,
- 15) accepting orders of acquiring and disposal of shares and units of investment funds or units of foreign funds and signing up for shares or investment certificates in investment funds,
- 16) keeping personal credit and saving accounts and granting contractual credits as part of operations of the building society,
- 17) rendering services of initiating payment transactions from the payment account of the user held by a different provider,
- 18) rendering access services of providing access to information on payment accounts of a user held by a different provider or more than one provider,
- 19) acting as intermediary on behalf of or for the benefit of the financial institutions referred to in the Act on Employee Capital Plans of 4 October 2018, when concluding contracts on managing employee capital plans,
- 20) activities performed pursuant to Article 70(2) of the Act on Trading in Financial Instruments, which are not brokerage activities, consisting in:
  - a) execution of orders to purchase or dispose of financial instruments on behalf of the party placing the order,
  - b) purchasing or disposing of financial instruments on one's own behalf,
- 21) issuance of electronic identification means within the meaning of the provisions on trust services.

2<sup>1</sup>. The Bank may perform commissioned activities, within the scope of the activities of the

Bank, to the benefit of other domestic banks, foreign banks and credit or financial institutions.

3. The Bank may also:

- 1) subscribe to or acquire shares and share rights and holdings of another legal person, as well as acquire units in investment funds.
- 2) perform swap transaction involving securities and the debtor's assets under conditions agreed upon with the debtor,
- 3) acquire and dispose of real estate,

#### **§ 8.**

If, pursuant to the applicable provisions of law, obtaining relevant authorization is needed to perform the activities referred to in § 7 above, the Bank can take these actions after obtaining the authorization, within the restrictions specified therein.

### **III. SHARE CAPITAL**

#### **§ 9.**

1. The share capital of the Bank amounts to PLN 1,305,539,910 (in words: one billion three hundred five million five hundred and thirty-nine thousand nine hundred and ten zlotys) and is divided into 130,553,991 (in words: one hundred thirty million five hundred and fifty-three thousand nine hundred and ninety-one) ordinary shares with a nominal value of PLN 10 (in words: ten zlotys) each, including:

- 1) 50,000,000 (in words: fifty million) class A ordinary shares;
- 2) 1,250,000 (in words: one million two hundred fifty thousand) class B ordinary shares;
- 3) 12,332,965 (in words: twelve million three hundred and thirty-two thousand nine hundred and sixty-five) class C ordinary shares;
- 4) 6,358,296 (in words: six million three hundred and fifty-eight thousand two hundred and ninety-six) class G ordinary shares;
- 5) 863,827 (in words: eight hundred and sixty-three thousand eight hundred and twenty-seven) class D ordinary shares;
- 6) 2,355,498 (in words: two million three hundred and fifty-five thousand four hundred and ninety-eight) class H ordinary shares;
- 7) 56,550,249 (in words: fifty-six million five hundred fifty thousand two hundred and forty-nine) class I ordinary shares;
- 8) 51 (in words: fifty-one) class J ordinary shares;
- 9) 524,404 (in words: five hundred and twenty-four thousand four hundred and four) class E ordinary shares; and
- 10) 318,701 (in words: three hundred eighteen thousand seven hundred and one) class F ordinary shares.

2. All of the Bank's shares are registered shares and shall be converted to bearer shares upon their dematerialization, as understood in the Act of 29 July 2005 on Trading in Financial Instruments.
3. Subject to Art. 28 section 2 of the Banking Law Act of 29 August 1997, converting bearer shares to registered shares is prohibited.

#### **§ 9a.**

1. Pursuant to the Resolution no. 28/2012 of the Extraordinary General Meeting dated 19 October 2012, the share capital of the Bank has been conditionally increased to an amount no higher than PN 33,312,500 (in words: thirty-three million three hundred twelve thousand five hundred zlotys) through issuance of no more than 3,331,250 (in words: three million three hundred and thirty-one thousand two hundred fifty) class D, E and F bearer shares with the nominal value of PLN 10 (in words: ten zlotys) each ("Shares").
2. The purpose of the conditional increase of the share capital, referred to in section 1, is to grant the right to subscribe for Shares to the holders of subscription warrants issued by the Bank under Resolution no. 28/2012 of the Extraordinary General Meeting dated 19 October 2012.
3. Persons authorized to subscribe to Shares shall be the owners of subscription warrants, referred to in section 2.
4. Pursuant to the Resolution no. 3/2014 of the Extraordinary General Meeting dated 2 December 2014, the share capital of the Bank has been conditionally increased to an amount no higher than PN 23,554,980 (in words: twenty-three million five hundred and fifty-four thousand nine hundred eighty zlotys) through issuance of no more than 2,355,498 (in words: two million three hundred and fifty-five thousand four hundred and ninety-eight) class H bearer shares with the nominal value of PLN 10 (in words: ten zlotys) each ("Class H Shares").
5. The purpose of the conditional increase of the share capital, referred to in section 4, is to grant the right to subscribe for Class H Shares to the holders of subscription warrants issued by the Bank under Resolution no. 3/2014 of the Extraordinary General Meeting dated 2 December 2014.
6. Persons authorized to subscribe to Class H Shares shall be the owners of subscription warrants, referred to in section 5.

#### **§ 10.**

1. Shares can be redeemed.
2. Redemption of shares requires the consent of the shareholder whose shares are to be redeemed.

3. Detailed conditions and mode of redemption of shares shall be each time defined by the resolution of the General Meeting, in particular the legal basis of the redemption and the amount of remuneration that the shareholder of redeemed shares is entitled to or justification of the redemption of shares without remuneration and the manner of reducing share capital.
4. Redemption of stocks shall require the consent of the Polish Financial Supervision Authority.

#### **IV. BODIES OF THE BANK**

##### **§ 11.**

The bodies of the Bank include:

- 1) General Meeting,
- 2) Supervisory Board,
- 3) Management Board of the Bank.

#### **V. GENERAL MEETING**

##### **§ 12.**

1. The General Meeting is convened through an announcement on the website of the Bank and in the manner specified for transferring information pursuant with the legislation on public offering, conditions of introduction of financial instruments to organized trade and on public companies.
2. The General Meeting can be convened as an ordinary or extraordinary meeting.
3. An Ordinary General Meeting should take place within the six months following the end of each financial year.
4. The General Meeting shall take place at the registered office of the Bank or at another place indicated in the announcement on the convening of the General Meeting.
5. An Ordinary General Meeting shall be convened by the Management Board. If the Ordinary General Meeting shall not be convened by the Management Board within the timeframe allowing the Ordinary General Meeting to take place within the deadline referred to in section 3 above, the Ordinary General Meeting can be convened by the Supervisory Board.
6. An Extraordinary General Meeting shall be convened by the Management Board:
  - 1) on its own initiative,
  - 2) upon request of the Supervisory Board, submitted in writing or in electronic form, the Extraordinary General Meeting should be convened at the request of the Supervisory Board within two weeks from the date of submission of the request.
7. The Supervisory Board shall be entitled to convene an Extraordinary General Meeting, if it deems such meeting necessary.

8. Shareholders representing at least half of the share capital or at least half of the total number of votes at the Bank shall have the right to convene an Extraordinary General Meeting.
9. Shareholder or shareholders holding at least one-twentieth of the share capital may request convention of an Extraordinary General Meeting and for particular items to be introduced into the agenda of that General Meeting.
10. The request, referred to in section 9, should be submitted to the Management Board in writing or in electronic form. Convocation of a General Meeting should take place within two weeks from the date of submission of the request, referred to in the preceding sentence. In the event where the Management Board fails to satisfy the request of the shareholders, referred to in this section, the shareholders shall be entitled to convene an Extraordinary General Meeting on the basis of an authorization issued by a court.
11. A Shareholder or shareholders representing at least one-twentieth of the share capital may request for certain items be put on the agenda of the next General Meeting.
12. The request, referred to in section 11, should be submitted to the Management Board in writing or in electronic form twenty one days prior to the indicated date of the General Meeting at the latest. The request, referred to in this section, should include a justification or draft resolution concerning the proposed item of the agenda. The Management Board shall immediately, but no later than eighteen days before the set date of General Meeting, announce, in a manner appropriate for convening the General Meeting, changes to the agenda introduced upon the request of shareholders referred to in section 11 above.
13. A Shareholder or shareholders representing at least one-twentieth of the share capital may, before the date of the General Meeting, submit draft resolutions to the Bank in writing or via electronic means concerning matters introduced to the agenda of the General Meeting or matters which may be introduced to the agenda. The Banks shall immediately announce draft resolutions on the website of the Bank.
14. Each of the shareholders may submit draft resolutions concerning matters introduced to the agenda during the General Meeting.

### **§ 13.**

1. Shareholders may participate in the General Meeting and exercise voting rights personally or by proxy.
2. The power of attorney to participate in the General Meeting and exercise the right to vote shall be provided in writing or by electronic means.

### **§ 14.**

Resolutions of the General Meeting shall be adopted by an absolute majority of votes unless



stipulated otherwise by the provisions of the Commercial Companies Code or the provisions of these Articles of Association.

#### **§ 15.**

1. Each share shall entitle to cast one vote at the General Meeting.
2. A shareholder may vote differently using each of the held shares.

#### **§ 16.**

1. The General Meeting shall be opened by the Chairman of the Supervisory Board or one of its Vice-Chairmen which shall be followed by the election of the Chairman of the General Meeting from among the persons authorised to participate in the General Meeting. In the event where none of the aforementioned persons is able to open the General Meeting, it shall be open by the President of the Management Board or a person appointed by the Management Board.
2. In the event where the Extraordinary General Meeting is convened in a mode specified in § 12 section 8, the Chairman of said Meeting shall be appointed by the shareholders.
3. In the event where the Extraordinary General Meeting is convened in a mode specified in Art. 400 section 3 of the Commercial Companies Code, the Chairman of said Meeting shall be appointed by the registry court.
4. The detailed order of business of the General Meeting shall be specified by the Regulations adopted by the General Meeting.

#### **§ 17.**

1. The resolutions of the Ordinary General Meeting require:
  - 1) the review and approval of:
    - a) Management Board's Report on the activities of the Bank, as well as the financial statements for the previous financial year,
    - b) report on the activities and the financial statements of the Bank's capital group for the previous financial year,
    - c) report of the Bank's capital group concerning non-financial information for the previous financial year – if a separate report concerning non-financial information is drawn up,
  - 1a) *deleted*
  - 1b) expressing an opinion on the Supervisory Board's annual remuneration report,
  - 2) adoption of a resolution on profit distribution or loss coverage,
  - 3) acknowledgement of the fulfilment of duties by members of the bodies of the Bank.
2. Resolutions of the General Meeting also require:

- 1) amendment to the Articles of Association of the Bank,
- 2) provision regarding claims for damages caused in the course of establishment of the Bank or its management and supervision,
- 3) disposal or lease of the enterprise or its organized part and establishment of a limited property right thereon,
- 4) acquisition or disposal of real estate or share in real estate or the right of perpetual usufruct or share in perpetual usufruct, the value of which is equal to or higher than PLN 20,000,000 (twenty million zlotys) and the performed activity is not related to satisfying the claim of the Bank against the debtor or securing the Bank's claims,
- 5) increase or decrease of the Bank's share capital,
- 6) issuance of convertible bonds and senior bonds, as well as subscription warrants,
- 7) redemption of shares and determination of specific conditions of said redemption,
- 8) merger, division or liquidation of the Bank, selection of liquidators and the manner of executing the liquidation,
- 9) appointment and dismissal of members of the Supervisory Board,
- 10) determination of the remuneration policy for the members of the Supervisory Board,
- 11) other matters, reserved under the provisions of law and these Articles of Association to the decision of the General Meeting.

#### **§ 17a.**

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### **VI. SUPERVISORY BOARD**

#### **§ 18.**

1. The Supervisory Board comprises of 5 to 8 members appointed by the General Meeting for a joint term of 4 years.
2. The number of the members of the Supervisory Board is determined by the General Meeting.
3. Members of the Supervisory Board can be at any time dismissed by way of a resolution of the General Meeting.
4. At least two members of the Supervisory Board must meet the criteria of independence from the Bank and the Bank's affiliated entities. The criteria of independence of the members of the Supervisory Board shall be stipulated in the Regulations of the Supervisory Board of the Bank in accordance with the criteria stipulated in the Best Practices of WSE Listed Companies.
5. A candidate for membership of the Supervisory Board appointed by a company with a

stake held by the State Treasury, which remains a dominant undertaking in relation to the Bank, within the meaning of Art. 4 section 3 of the Competition and Consumer Protection Act of 16 February 2007, should meet the requirements stipulated in Art. 19 sections 1-3 and 5 of Act on the Rules of Management of State-owned Assets of 16 December 2016.

6. The General Meeting shall take immediate actions intended to dismiss a Member of the Supervisory Board who does not meet the requirements stipulated in the Articles of Association.
7. The obligation referred to in section 6 shall not be applied towards Members of the Supervisory Board appointed by an entity other than a company with a stake held by the State Treasury, which remains a dominant undertaking in relation to the Bank, within the meaning of Art. 4 section 3 of the Competition and Consumer Protection Act of 16 February 2007.

#### **§ 19.**

1. The Supervisory Board shall select the Chair and the Deputy Chair from among its Members. The selection shall be made based on the absolute majority of votes present at the meeting of the Members of the Supervisory Board by way of a secret ballot.
2. The work of the Supervisory Board is managed by the Chairman, who is responsible for proper organisation of its work, in particular convening meetings of the Supervisory Board.
3. In the absence of the Chairman of the Supervisory Board, their powers related to the organisation of the work of the Supervisory Board, resulting from the Articles of Association and the Rules and Regulations of the Supervisory Board, regarding convening and chairing of the meetings of the Supervisory Board and voting on resolutions, shall be vested in the Deputy Chairman of the Supervisory Board or, in his absence, a member of the Supervisory Board indicated for this purpose, previously by the Chairman.

#### **§ 20.**

1. The Supervisory Board operates pursuant to the adopted Regulations, which specify its organization and manner of performing activities.
2. The Supervisory Board appoints the Audit Committee, the Risk Committee and other committees required by law from among its Members. The Supervisory Board may also appoint standing or ad hoc committees in order to perform specific activities.
3. Tasks and competencies of particular committees shall be stipulated by the Supervisory Board.

#### **§ 21.**

1. Meetings of the Supervisory Board shall be convened as necessary, but no less frequently than once a quarter in every financial year.
2. The Management Board or a Member of the Supervisory Board may request

convocation of a Supervisory Board meeting by submitting a proposed agenda. The Chairman of the Supervisory Board shall convene a meeting within two weeks from the date of receipt of the request.

3. If the Chairman of the Supervisory Board fails to convene a meeting pursuant to section 2, the requester may convene it on his or her own by providing the date, place, and proposed agenda.
4. In order for the resolutions of the Supervisory Board to be valid all of the members of the Supervisory Board have to be invited and at least half of the members need to be present at the meeting
5. The resolutions of the Supervisory Board shall be passed with the absolute majority of votes, unless the provisions of law or the Articles of Association provide otherwise. In the event of an equal number of votes, the vote of the Chairman of the Supervisory Board shall be the casting vote.

#### **§ 22.**

1. Resolutions of the Supervisory Board may be adopted by circulation (in writing) or using means of direct remote communication. A resolution shall be deemed valid provided that all members of the Supervisory Board have been notified of the content of the draft resolution and at least half of the members of the Supervisory Board participated in adopting the resolution.
2. Members of the Supervisory Board may participate in adopting resolutions by voting in writing via another member of the Supervisory Board. Votes cast in writing cannot concern any of the matters introduced to the agenda at the meeting of the Supervisory Board.
3. Adopting resolutions in the mode referred to in sections 1 and 2 shall not concern the selection of the Chairman and the Vice-Chairman of the Supervisory Board, appointment of the member of the Management Board and dismissal or suspension of said individuals.

#### **§ 23.**

1. The Supervisory Board exercises continuous oversight of the Bank's activities in all its aspects.
2. The responsibilities of the Supervisory Board, in addition to other rights and responsibilities provided for in the Commercial Companies Code or in the Articles of Association include in particular:
  - 1) assessment of the Management Board's report on the activities of the Bank and the financial statements for the previous financial year, in terms of its compliance with books and documents, as well as with the facts,
  - 2) assessment of the Management Board's motions concerning profit distribution or

- loss coverage,
- 3) submission, to the General Meeting of Shareholders, of an annual written report on the results of the assessment referred to in items 1) and 2) above and in item 5) below,
  - 3a) issuance of opinions on the report of the Management Board on representation expenses as well as expenditures on legal services, marketing services, public relations and social communication services and management consultancy services,
  - 3b) examination of the report on best practice, referred to in Art. 7 section 3 of the Act on the Rules of Management of State-owned Assets;
  - 4) assessment of periodic information on internal control,
  - 5) assessment of the report on the activities and of the financial statements of the Bank's capital group for the previous financial year, in terms of their compliance with books and documents, as well as with the facts,
  - 6) appointment and dismissal of members of the Management Board,
  - 7) applying to the Polish Financial Supervision Authority for acceptance of the appointment of two members of the Management Board of the Bank, including the President of the Management Board,
  - 8) conclusion and amendment of agreements with the members of the Management Board,
  - 9) adoption of the rules and regulations of the Supervisory Board;
  - 10) approval of bylaws of the Management Board established by the Management Board of the Bank,
  - 11) determination of the remuneration of members of the Management Board employed on the basis of an employment agreement or another agreement, taking into account the rules specified by the General Meeting, in accordance with § 17 sec. 2 point 10a,
  - 12) representation of the Bank regarding any matters between members of the Management Board and the Bank,
  - 13) suspension in duties, for compelling reasons, of specific or all members of the Management Board of the Bank,
  - 14) delegation of the members of the Supervisory Board, for a period no longer than three months, to carry out the activities of the members of the Management Board of the Bank who were dismissed, resigned or cannot carry out their duties for different reasons,
  - 15) issuance of opinions on requests of the Management Board of the Bank on the establishment and accession of the Bank as member or shareholder (stockholder) of companies and dispose of shares where such investments are long-term and strategic,
  - 16) issuance of opinions on multi-annual Bank development programs and Bank's annual financial plans,
  - 17) adoption, at the request of the Management Board of the Bank, of regulations for the establishment and use of the funds provided for in the Bank's Articles of Association,

- 18) approval of requests of the Management Board of the Bank for acquisition, encumbrance or disposal of real estate or share in real estate, or perpetual usufruct, if their value amounts to more than PLN 5,000,000. In other cases, the decision shall be made by the Management Board of the Bank without the need to obtain the authorization from the Supervisory Board, subject to § 23a,
- 19) approval of requests of the Management Board of the Bank for incurring liability or disposal of assets, the value of which with regard to a single entity exceeds 5% of the Bank's own funds,
- 20) oversight of the introduction and monitoring of the management system in the Bank, including, in particular, overseeing the compliance risk management, and carrying out, at least once a year, the assessment of adequacy and effectiveness of that system,
- 21) approval of the rules of conducting internal control and procedures related to the estimation of internal capital, capital management, and capital planning,
- 22) approval of the Bank's business strategy, and the rules of prudent and stable management of the Bank,
- 23) approval of the Organizational Regulations of the Bank and the overall organizational structure of the Bank established by the Management Board of the Bank, adapted to the size and profile of risks taken,
- 24) acceptance of the overall level of risk taken by the Bank,
- 25) approval of the assumptions of the Bank's policy within the scope of compliance risk,
- 26) approval of the Bank's information policy,
- 27) selection of an auditor,
- 28) approval of the remuneration policy formulated by the Management Board and overseeing its introduction and operation,
- 29) preparing an annual remuneration report.

### **§ 23a.**

The following require the approval of the Supervisory Board:

- 1) conclusion of an agreement for legal services, marketing services, public relations and social communication services, and management consultancy services, if the amount of remuneration for the services provided jointly in this agreement or other agreements concluded with the same entity exceeds PLN 500,000 net per annum,
- 2) amendment of the contract for legal services, marketing services, public relations and social communication services, and management consultancy services increasing the remuneration above the amount referred to in point 1,
- 3) entering into an agreement for legal services, marketing services, public relations and social communication services and management consultancy services for which the maximum remuneration amount is not provided,
- 4) conclusion of an agreement for:
  - a) a donation or any other agreement of a similar effect, the value of which exceeds

- PLN 20,000 or 0.1% of total assets within the meaning of the Accounting Act of 29 September 1994, determined based on the last approved financial statements,
- b) a debt release agreement or any other agreement of a similar effect, the value of which exceeds PLN 50,000 or 0.1% of total assets within the meaning of the Accounting Act of 29 September 1994, determined based on the last approved financial statements.
- 5) subject to § 17 section 2 point 4, disposing of fixed assets, as understood in the Accounting Act of 29 September 1994 (Dz. U. of 2016 items 1047 and 2255) classified as intangible assets, tangible assets or long-term investments, including contribution to a company or a cooperative, if the market value of said assets exceeds the value of 5% of the sum of assets, as understood in the Accounting Act of 29 September 1994, determined on the basis of the latest approved financial statements, as well as making the assets available for use to another entity, for a period no longer than 180 days in a calendar year, under the legal act, if the market value of the object of the legal act exceeds 5% of the sum of assets, whereas making assets available for use in the case of:
- a) lease agreement, tenancy agreements and other agreements on handing over an asset for use in return for payment to other entities - market value of the object of the legal act shall be understood as the value of consideration for:
- a year - if handing over of the asset took place under agreements concluded for an indefinite period of time,
  - an entire term of the agreement - in the case of agreements concluded for a definite period of time,
- b) lending for use agreements and other gratuitous contracts on handing over an asset for use to other entities - market value of the object of the legal act shall be understood as the equivalent of consideration due in the event of conclusion of a lease or tenancy agreement for:
- a year - if handing over of the asset took place under agreements concluded for an indefinite period of time,
  - an entire term of the agreement - in the case of agreements concluded for a definite period of time;
- 6) acquisition of fixed assets, as understood in the Accounting Act of 29 September 1994, of the value exceeding:
- a) PLN 100,000,000 or
- b) 5% of the value of total assets, as understood in the Accounting Act of 29 September 1994, determined on the basis of the last approved financial statements;
- 7) subscription to or acquisition of shares or stocks of other company of the value exceeding:
- a) PLN 100,000,000 or
- b) 10% of the value of total assets, as understood in the Accounting Act of 29 September 1994, determined on the basis of the last approved financial statements;
- 8) disposal of shares or stocks of another company of the value exceeding:

- a) PLN 100,000,000 or
- b) 10% of the value of total assets, as understood in the Accounting Act of 29 September 1994, determined on the basis of the last approved financial statements.

## **VII. MANAGEMENT BOARD**

### **§ 24.**

- 1. The Management Board of the Bank comprises of at least 3 members appointed for a joint term of 3 years.
- 2. The number of members of the Management Board is determined by the Supervisory Board.
- 3. The Management Board shall be composed of President of the Management Board, Vice-Presidents and Members of the Management Board.

### **§ 25.**

- 1. Members of the Management Board shall be appointed and dismissed by the Supervisory Board.
  - 1a. Members of the Management Board shall be appointed pursuant to the qualification procedure, the purpose of which is to verify and assess the competencies of the candidates and to select the best candidate.
- 2. Appointment of two members of the Management Board, including the President, shall take place with the approval of the Polish Financial Supervisory Authority.

### **§ 25a.**

A Member of the Management Board:

- 1) can only be a person, who jointly meets the following conditions:
  - a) has higher education obtained domestically or abroad and recognized in the Republic of Poland, pursuant to separate provisions,
  - b) has at least 5 years of experience on the basis of an employment agreement, appointment, selection, designation, cooperative employment agreement or provision of services on the basis of another agreement or running a sole proprietorship,
  - c) has at least 3 years of experience in managerial or independent positions, or resulting from conducting business activity on their own account;
  - d) meets other requirements, not listed in letters a-c, specified in other provisions, in particular does not breach restrictions or prohibitions of holding the position of a member of a management authority in trading companies,
- 2) cannot be a person, who meets at least one of the following criteria:



- a) acts in the capacity of a voluntary assistant or is employed at an office of a Member of Parliament or a senator or an office of a Member of the European Parliament under an employment agreement or performs work under a mandate agreement or other agreement of a similar nature,
- b) is a member of a statutory body of a political party, which represents that party externally and is authorized to enter into obligations,
- c) is employed by a political party under an employment agreement or performs work under a mandate agreement or any other agreement of a similar nature,
- d) holds a position by choice in a company trade union organization or a company trade union organization of a company from the capital group,
- e) his or her social activities give rise to a conflict of interests with the activities of the Company.

## § 26.

1. The Management Board operates on the basis of the Bylaws adopted by the Board and the Supervisory Board. The Bylaws specify the organization of work of the Management Board, specific competences of the President of the Management Board and detailed manner of adopting resolutions by the Management Board by circulation.
  - 1a. The Management Board shall formulate and present to the Supervisory Board, the report on representation expenses, as well as expenditure on legal services, marketing services, public relations and social communication services, and management consultancy services.
  - 1b. The Management Board shall formulate and present to the Supervisory Board the report on best practice, referred to in Art. 7 section 3 of the Act on the Rules of Management of State-owned Assets.
2. The Management Board shall make decisions in the form of resolutions. The Management Board can issue opinions and recommendations.
3. Resolutions of the Management Board shall be adopted by an absolute majority of votes. In the case of equal number of votes, the vote of the President of the Management Board prevails.

## § 27.

1. The Management Board manages the Bank and represents it against third parties. Any matters not reserved by provisions of law or these Articles of Association for competences of other bodies of the Bank shall fall within the competence of the Management Board. In particular, the Management Board shall formulate the Bank's development strategy and annual financial plans.
2. The competences of the President of the Management Board include:
  - 1) directing the works of the Management Board of the Bank,
  - 2) convening meetings of the Management Board of the Bank and chairing the meetings of the Management Board,

- 3) presenting the position of the Management Board on the governing bodies of the Bank, state authorities and the public,
  - 4) issuing internal provisions governing the operations of the Bank and authorizing other members of the Management Board or other employees of the Bank to issue such provisions,
  - 5) exercising other powers and obligations provided for in the Bylaws the Management Board.
3. The competences of a second member of the Management Board, the appointment of which was approved by a banking authority, include overseeing organizational units of the Bank responsible for credit risk.

## **VIII. SUBMISSION OF DECLARATIONS WITHIN THE SCOPE OF PROPERTY RIGHTS AND OBLIGATIONS OF THE BANK**

### **§ 28.**

1. The following entities shall be authorized to submit declarations of will within the scope of property rights and obligations of the Bank:
  - 1) two members of the Management Board acting jointly or one member of the Management Board acting jointly with a proxy or a representative or two proxies acting jointly,
  - 2) representatives within the limits of the received powers of attorneys.

## **IX. ISSUANCE OF INTERNAL REGULATIONS**

### **§ 29.**

1. The following entities shall be authorized to issue internal regulations of the Bank:
  - 1) in matters requiring a decision of the General Meeting - the General Meeting in the form of a resolution,
  - 2) in matters requiring a decision of the Supervisory Board - the Supervisory Board in the form of a resolution,
  - 3) in matters requiring a decision of the Management Board and consent or approval of the Supervisory Board - the Management Board, subject to obtaining the required consent or approval,
  - 4) in matters requiring decision of the Management Board and not requiring consent or approval of another body - the Management Board in the form of a resolution,
  - 5) in current matters within the scope of internal organization of the Bank - the President of the Management Board of in the form of an instruction.

## **X. PRINCIPLES OF THE BANK'S DECISION-MAKING PROCESS**

### **§ 30.**

1. Decisions at the Bank shall be made in the following mode:

- 1) decisions on matters reserved for the General Meeting shall be made in the form of resolutions of the General Meeting,
  - 2) decisions on matters reserved for the Supervisory Board shall be made in form of resolutions of the Supervisory Board,
  - 3) decisions on matters, which in accordance with the Bylaws of the Management Board require collective actions of the Management Board shall be made in form of resolutions of the Management Board,
  - 4) decisions on matters do not require collective actions of the Management Board and which, according to the Bylaws of the Management Board, were delegated to the competences of specific members of the Management Board shall be made in form of a decision of a specific member of the Management Board,
  - 5) decisions on matters not reserved for the competences of the Management Board or specific members of the Management Board shall be made in form of a decision of a Director at an appropriate level of an organizational structure of the Bank, in accordance with the Organizational Regulations, referred to in § 33 section 3 of these Articles of Association.
2. Decisions on incurring liability or dispose of assets, the value of which with regard to a single entity exceeds 5% of the Bank's own funds, shall be made by Management Board after prior approval of a request of the Management Board concerning this matter by the Supervisory Board.

## **XI. MANAGEMENT SYSTEM**

### **§ 31.**

1. The Bank has a management system in place, which consists of a set of rules and mechanisms related to the decision-making processes taking place at the Bank and to the assessment of the conducted banking operations.
2. As part of the management system, the Bank has the following systems in place:
  - 1) risk management system,
  - 2) internal control system,
3. The Bank's Management Board develops, implements and ensures operation of the management system.
4. The Supervisory Board of the Bank oversees the implementation of the management system and assesses the adequacy and effectiveness of said system.

## **CHAPTER XIa. RISK MANAGEMENT SYSTEM**

### **§31a.**

1. The risk management system is aimed at identifying, measuring or estimating, controlling, and monitoring of risk occurring in the Bank's activities.
2. As part of the risk management system the Bank:

- 1) applies formalized rules aimed at defining the volume of the undertaken risk and rules of risk management,
  - 2) applies formalized procedures aimed at identifying, measuring or estimating and monitoring of risk occurring in the Bank's activities, taking into the account estimated risk level in the future,
  - 3) applies formalized limits curtailing risk and rules of conduct in the case of exceeding said limits,
  - 4) applies the adopted management reporting system allowing to monitor the risk level,
  - 5) has a organizational structure in place adjusted to the level and profile of the risk taken by the Bank.
3. The Bank supervises the risk related to the activities of its subsidiaries.

## **XII. INTERNAL CONTROL SYSTEM**

### **§ 32.**

1. The Bank has a internal control system in place, the aim of which is to ensure:
  - 1) effective and efficient Bank performance,
  - 2) reliability of financial reporting,
  - 3) compliance with the rules of risk management,
  - 4) compliance of the Bank's operations with the provisions of law, internal regulations, and market standards.
2. As part of the internal control system, the Bank shall separate:
  - 1) a control function, the task of which shall be to ensure compliance with controls relating in particular to the risk management at the Bank and covering positions, groups of human resources or organizational units responsible for the implementation of tasks entrusted to that function;
  - 2) a compliance unit, the task of which shall be to identify, evaluate, control, and monitor compliance risk in the Bank's activities with regard to law regulations, internal regulations, and market standards, and to present reports in that scope;
  - 3) an independent internal audit unit, the task of which shall be to review and assess, in an independent and objective manner, the adequacy and effectiveness of the risk management system and the internal control system, except for the internal audit unit.
3. The internal control system includes organizational units of the Bank, branches of the Bank, as well as subsidiaries.
4. The Supervisory Boards oversees the implementation of the internal control system and annually evaluates its adequacy and effectiveness in order to ensure stable and cautious management of the Bank.
5. The Management Board shall be responsible for the formulation of the procedures of the internal control system. Internal control procedures shall be subject to approval by the Supervisory Board.

6. The internal audit unit and the compliance unit shall report directly to the President of the Management Board. Supervision over the activities of the internal audit unit shall be exercised by the Supervisory Board through the Audit Committee.
7. The Management Board of the Bank undertakes actions aimed to ensure continuity of operation of the internal control system, including proper cooperation of all employees of the Bank within the scope of the control function and cooperation with the internal audit unit and the compliance unit.
8. The manner in which the internal audit unit and the compliance unit are situated within the organizational structure of the Bank guarantees their independence.
9. The directors of the internal audit unit and the compliance unit shall have unrestricted direct access to the members of the Management Board and the Supervisory Board. Their appointment, as well as dismissal (after prior hearing) takes place upon the consent of the Supervisory Board. In the case of any change regarding the positions in question, the Bank shall immediately inform the Polish Financial Supervision Authority and indicate reasons behind the change.

### **XIII. THE BANK'S ORGANIZATIONAL STRUCTURE**

#### **§ 33.**

1. The Bank's organizational units include:
  - 1) The Bank headquarters, which include Divisions, Areas, Departments and Offices,
  - 2) Macro-regions,
  - 3) Regions,
  - 4) Branches,
  - 5) other organizational units.
2. The Bank has standing or ad-hoc committees of opinion-giving, advice-offering and decision-making nature, established pursuant to resolutions of the Bank's Management Board. The standing committees include, in particular the Capital, Assets and Liabilities Management Committee (CALCO) and the Bank's Credit Committee.
3. Detailed internal organization of the Bank shall be defined in the Organizational Regulations of the Bank, adopted by the Management Board and approved by the Supervisory Board. When determining the organization of the Bank and distribution of tasks implemented at the Bank, the Management Board shall strive to ensure independence of the function of measurement, monitoring and controlling of risk from the operational activity, which is the reason behind the risk undertaken by the Bank.

### **XIV. BANK'S FUNDS**

#### **§ 34.**

The Bank's own funds include:

- 1) paid up and registered share capital,

- 2) supplementary capital,
- 3) reserves with the exclusion of any liabilities arising from preference shares,
- 4) retained profit,
- 5) profit under approval and net profits of the current reporting period, calculated in accordance with the applicable accounting principles, reduced by any estimated obligations and dividends, in the amounts no higher than the amounts of profits verified by auditors,
- 6) revaluation capital of financial assets, classified as fair value measurement by other comprehensive income,
- 7) revaluation capital of the effective portion of cash flow hedges,
- 8) a fund concerning write-offs for deferred income tax assets and liabilities.

**§ 35.**

*deleted*

**§ 36.**

1. Supplementary capital shall be established from net profit write-offs designated for covering balance-sheet losses, which may arise in relation to the Bank's operations.
2. Annual supplementary capital write-offs should amount to at least 8% of net profit and shall be made until the supplementary capital reaches at least 1/3 (one-third) of the Bank's share capital.
3. Decisions on use of the supplementary capital shall be made by the General Meeting.

**§ 37.**

1. The reserve capital shall be established from the annual net profit write-offs in the amount determined by the General Meeting.
2. The reserve capital is used for the purpose of covering specific losses and expenses.
3. Decisions regarding use of the reserve capital shall be made by the General Meeting.

**§ 38.**

*deleted*

## **XV. PRINCIPLES OF FINANCIAL MANAGEMENT OF THE BANK, PROFIT DISTRIBUTION, ACCOUNTING**

### **§ 39.**

The financial management of the Bank shall be conducted on the basis of annual financial plans specified by the Management Board of the Bank.

### **§ 40.**

1. Net profit of the Bank, subject to section 3 below and in the amount approved by the General Meeting, shall be allocated to:
  - 1) supplementary capital,
  - 2) reserve capital,
  - 3) *deleted*
  - 4) dividends for shareholders,
  - 5) other purposes.
2. The record date and the deadline for payment of dividends shall be determined by the General Meeting.
3. Coverage of losses, which may occur as a result of the Bank's operations, shall be made with the use of the supplementary capital, subject to principles resulting from the Banking Law Act of 29 August 1997. Decisions on the use of the supplementary capital shall be made by the General Meeting.

### **§ 40a.**

1. Disposal of fixed assets by the Bank, within the meaning of the Accounting Act of 29 September 1994, shall take place in a form of a tender or an auction in the case of assets with a market value above 0.1% of total assets, determined on the basis of the last approved financial statements, unless the market value of the disposed asset does not exceed PLN 20,000.
2. The Bank may dispose of fixed assets, referred to in section 1, without carrying out a tender or auction procedure:
  - 1) if the disposal of the aforementioned assets takes place within the scope of performance of the Bank's operations, referred to in Art. 6 of the Banking Law Act,
  - 2) if the disposal of the aforementioned assets is related to satisfying claims of the Bank towards the debtor in relation to the security of the Bank's claim,
  - 3) in justified cases, after the Management Board grants its consent by way of a resolution, approved by the Supervisory Board.

### **§ 41.**

1. The Bank maintains its accounts and issues financial statements in accordance with the applicable provisions of law.
2. Detailed accounting principles (policy) shall be determined by the Management Board

of the Bank.

**§ 42.**

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

**XVI. FINAL PROVISIONS**

**§ 43.**

1. The Bank's announcements required by law shall be published in accordance with the existing legal regulations.
2. The provisions of § 12 sections 1, 12 and 13 and § 13 section 2 shall come into force on the date when the Bank shall be given the status of a public company and the provisions of § 9a and § 18 section 4 on the first day when the Bank's shares become listed on a regulated market kept by Giełda Papierów Wartościowych w Warszawie S.A., whereas the provisions of § 9a subject to admission and introduction of the Bank's shares to trading on a regulated market kept by GPW, on 31 December 2012 at the latest.