

Attachment to the draft Resolution of the Ordinary General Meeting of Bank Polska Kasa Opieki Spółka Akcyjna on establishing the uniform text of the Statute of Bank Polska Kasa Opieki Spółka Akcyjna

The draft uniform text of the Statute of Bank Polska Kasa Opieki Spółka Akcyjna

**THE STATUTE OF
BANK POLSKA KASA OPIEKI SPÓŁKA AKCYJNA
I.GENERAL PROVISIONS**

§ 1

1. Bank Polska Kasa Opieki Spółka Akcyjna, established in 1929, is a bank organised in the form of a joint stock company, operating pursuant to the binding legal regulations, and in particular according to the Banking Law, regulations of the Code of Commercial Companies and provisions of this Statute.
2. Bank Polska Kasa Opieki S.A. is a member of the UniCredit Banking Group. UniCredit S.p.A. has the right, in accordance with the Polish law, through the statutory authorities of the Bank, to affect activities of the Bank aimed at ensuring the stability of the Group.

§ 2

1. The name of the company shall be: "Bank Polska Kasa Opieki Spółka Akcyjna".
2. The Bank shall use the abbreviated name: "Bank Pekao S.A."

§ 3

The Bank shall have its registered seat in the capital city of Warsaw.

§ 4

1. The Bank shall operate within the territory of the Republic of Poland and abroad.
2. The Bank may own, establish and liquidate branches and other organizational units in the country and abroad.

§ 5

The Bank's organizational structure shall comprise:

- 1) the Head Office of the Bank,
- 2) operational units at the Head Office of the Bank,
- 3) Regions,
- 4) Domestic Branches (inclusive of their respective sub-branches and banking services outlets) and abroad,
- 5) Other organizational units, including Corporate Customers Centers.

II. ACTIVITIES OF THE BANK

§ 6

The scope of the activities shall comprise the conducting of the following activities in Poland and abroad:

- 1) Accepting cash as demand deposits or term deposits and keeping deposit accounts,
- 2) Keeping other bank accounts,
- 3) Granting credits and loans,

- 4) Performing financial settlements in all forms accepted in domestic and international bank relations,
- 5) Performing banking operations regarding bills of exchange and cheques,
- 6) Accepting and making deposits in domestic and foreign banks,
- 7) Giving and confirming sureties and bank guarantees and opening and confirming letters of credit,
- 8) Conducting purchase and sale of foreign exchange values,
- 9) Servicing state loans and managing funds on order,
- 10) Issuing banking securities, trading in such securities and keeping securities accounts,
- 11) Performing ordered activities related with the issue of securities,
- 12) Safe-keeping of objects, documents and securities, and making available safe deposit boxes,
- 13) Organizing and participating in bank syndicates,
- 14) Trading and agency in financial debts,
- 15) Performing term financial operations,
- 16) Providing trustee services,
- 17) Issuing payment cards and performing operations with the use of such cards,
- 18) Keeping housing savings,
- 19) Providing consulting and advisory services in financial matters,
- 20) Acquiring or purchasing shares and rights arising from shares of stock of another legal entity other than a bank, or investment in investment funds,
- 21) Taking up obligations relating to issuance of securities,
- 22) Trading in securities,
- 23) Carrying out conversion of debt into the debtor's property components, on terms and conditions agreed with the debtor,
- 24) Purchasing and selling real estate,
- 25) Conducting acquisition activities pursuant to regulations of the act on organization and operation of pension funds,
- 26) Organizing and rendering financial services in leasing and factoring,
- 27) Performing activities in insurance brokerage,
- 28) Rendering services in transportation of valuables,
- 29) Safe-keeping and registering financial instruments,
- 30) Performance of the function of a depository pursuant to provisions of the act on organization and operation of pension funds and the act on investment funds,
- 31) Acting as an intermediary in carrying out money transfers and settlements in foreign exchange payments,
- 32) Issuing the instrument of electronic money,
- 33) Conducting vindication activity by order of banks,
- 34) Conducting brokerage activity,
- 35) Performing upon demand of other banks and credit institutions specified activities belonging to their scope of activity,
- 36) Acting as an agent for investment company,
- 37) Performing the following activities not classified as brokerage activity:
 - a) acceptance and transfer of orders to acquire or dispose of financial instruments,
 - b) execution of the orders referred to in point a, for the account of the customer,
 - c) acquisition or disposal for the own account of financial instruments,
 - d) offering of financial instruments,
 - e) investment advice,

f) provision of services under standby underwriting agreements and firm commitment underwriting agreements or execution and performance of other similar agreements on financial instruments,
with a reservation that the activities specified in letters a)-f) can only involve securities issued by the State Treasury or the National Bank of Poland or other financial instruments and bonds precluded from the organized trading system, specified in Art. 39p sec. 1 of the Act of 27th October 1994 on paid motorways and the National Road Fund.

III. BODIES OF THE BANK

§ 7

The Bodies of the Bank are:

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

The General Meeting

§ 8

1. The General Meeting shall be convened by way of publishing an announcement on the Bank's internet site and in a manner determined for providing current information in accordance with the regulations on the public offer and terms of introducing financial instruments into the organised trading system and on public companies.
2. The Ordinary General Meeting shall be convened by the Bank Management Board.
3. The Ordinary General Meeting should be held in June at latest. Should the General Meeting be not convened by the Management Board within the time limit set out in this Statute, the Supervisory Board shall have the right to convene the Meeting.
4. The Extraordinary General Meeting shall be convened, if required, by the Management Board of the Bank on its own initiative or on the motion of the Supervisory Board or on demand of the shareholders representing at least 1/20 of the statutory capital. These shareholders may also require introducing specific matters in the agenda of this General Meeting.
5. Should the Management Board not satisfy the requirements of the shareholders within two weeks from the date the requirement was submitted, the shareholders shall have the right to convene the Extraordinary General Meeting pursuant to the authorisation of the court.
6. The Extraordinary General Meeting convened upon the request of the shareholders representing at least 1/20 of the statutory capital shall pass the resolution deciding on whether the costs of convening and holding the General Meeting shall be borne by the Bank.
7. The Extraordinary General Meeting may also be convened by the Supervisory Board once the Supervisory Board finds such Meeting justified or by shareholders representing at least half of the statutory capital or at least half of the votes within the Bank.

8. The shareholder or shareholders representing at least 1/20 of the statutory capital may require introducing specific matters in the agenda of next General Meeting. The requests for convening the General Meeting and for including specific matters in the agenda of the General Meeting should contain relevant justifications or the draft of a resolution concerning the proposed item of the agenda of the Meeting and shall be submitted to the Bank Management Board no later than 21 days prior to the scheduled date of the General Meeting.
9. The Management Board shall be obligated to announce instantly, but no later than 18 days prior to the scheduled date of the General Meeting, the changes to the meeting agenda introduced upon the shareholders' request. This announcement shall be made in a way appropriate to the convening of the General Meeting.
10. The shareholder or shareholders representing at least 1/20 of the statutory capital may, prior to the date of the General Meeting, submit to the Bank, in writing or by electronic means, drafts of resolutions concerning matters included in the agenda of the General Meeting or matters which are to be included in the agenda. Bank shall instantly publish the drafts of the resolutions on the Bank's internet site.
11. Each shareholder may, during the general meeting, submit drafts of resolutions concerning the matters included in the agenda.

§ 8a

1. The participation in the General Meeting with the use of electronic communication means is allowed, provided that the Management Board of the Bank adopts such decision. The Management Board shall take a decision referred to in the preceding sentence in case of fulfilling by the Bank the technical conditions necessary to participate in the General Meeting with the use of electronic communication means which includes in particular:
 - 1) broadcasting the deliberations of the General Meeting in real time,
 - 2) two-way communication in real time whereby the shareholders may make their views known during the deliberations of the General Meeting while being present in a place other than the venue of the General Meeting,
 - 3) exercising the voting right, personally or by proxy, prior to or during the General Meeting.
2. In each case of convening the General Meeting, the Management Board of the Bank defines whether the participation in the General Meeting with the use of electronic communication means is possible and what are the requirements and limitations necessary to identify of shareholders and to ensure the safety of electronic communication.
3. Detailed conditions of participation in the General Meeting with the use of electronic communication means are specified in regulation adopted by the General Meeting and notice of calling the General Meeting.

§ 9

All matters to be submitted to the General Meeting shall be first submitted to the Supervisory Board for consideration.

§ 10

1. Shareholders may participate in the General Meeting in person or through their attorneys. A power of attorney to attend and vote at the General Meeting shall be

made in writing or in the electronic format and attached to the Minutes of the General Meeting under the pain of invalidity.

2. The General Meeting shall be entitled to adopt resolutions if at least 50% of the shares plus one share are represented, subject to the mandatory provisions of law.
3. In the case the resolution has not been adopted for the lack of the quorum required by the Statute of the Bank, during the next General Meeting, with the same agenda as the General Meeting, which did not adopt a resolution for the lack of the quorum, the presence of the shareholders representing at least 20% of the shares is required for an adoption of the resolution.
4. The General Meeting referred to in Section 3 should be held on the date falling – not later than within eight weeks after the General Meeting which has not adopted the resolutions for the lack of quorum.
5. Resolutions of the General Meeting shall be adopted by an absolute majority of votes, subject to the provisions of the Code of Commercial Companies and the Statute of the Bank.
6. The removal from the agenda or abandoning the reconsideration of an issue placed in the Agenda upon a motion from shareholders requires the General Meeting to adopt a resolution by $\frac{3}{4}$ majority of votes, upon prior consent of all present shareholders who submitted such motion.

§ 11

1. Each share of the Bank shall give right to one vote.
2. The Shareholder may vote differently out of each share he or she owns.

§ 12

1. The General Meeting shall be opened by the Chairman, or one of the Deputy Chairmen, or in their absence – by one of the members of the Supervisory Board. If these persons are absent, the General Meeting shall be opened by the President of the Management Board or a person designated by the Management Board.
2. Detailed procedure of conducting the sittings of the General Meeting shall be determined by the regulation adopted by the General Meeting.

§ 13

The General Meeting, apart from other matters specified in law provisions, in particular in the Code of Commercial Companies, the Banking Law, in recommendations of the supervision authorities and in the Statute of the Bank, shall have the authority to:

- 1) Review and approve the report on the activities and the financial reports of the Bank for the previous reporting year,
- 2) Adopt resolutions regarding distribution of profits or covering losses,
- 3) Review and approve the report on activities of the Supervisory Board,
- 4) Acknowledge the approval of duties by members of the Supervisory Board and the Management Board,
- 5) Review and approve the report on activities and the financial report of the Bank's capital Group,
- 6) Set the date of determining the right to dividend and the date of paying out the dividend,

- 7) Sell and lease of the enterprise, or its organised part, and establish a limited property right of usufruct thereof,
- 8) Amend the Statute of the Bank and establish its uniform text,
- 9) Increase or decrease the Bank's statutory capital,
- 10) Issue bonds, including bonds convertible into shares or the bonds with pre-emptive right to acquire shares, and subscription warrants,
- 11) Redeem shares and determine conditions of such redemption,
- 12) Carry out a merger, division or liquidation of the Bank,
- 13) Create and liquidate special funds,
- 14) Appoint and recall members of the Supervisory Board,
- 15) Determine the rules of remunerating members of the Supervisory Board,
- 16) Conclude the agreement with a controlled company which provides for a management over the controlled company or a transfer of profit by such company,
- 17) Appointment of the entity authorised to examine financial statements and review the financial statements,
- 18) Deal with other matters falling within the scope of the Bank's activities which are submitted to the General Meeting.

The Supervisory Board

§14

1. The Supervisory Board consists of seven to nine members appointed by the General Meeting for the period of their common term of office, which shall last three years.
2. The number of members of the Supervisory Board shall be determined by the General Meeting.
3. At least half of the members of the Supervisory Board, including the Chairman of the Supervisory Board, should possess testimonials of good knowledge of the banking market in Poland due to the joint fulfillment of the following criteria:
 - 1) possession of professional experience on the Polish market suitable for the performed supervisory function in the Bank,
 - 2) permanent place of domicile in Poland,
 - 3) knowledge of the Polish language.
4. Independent members shall constitute at least half of the composition of the Supervisory Board. The independent members of the Supervisory Board shall be free of any associations that might bear a material impact upon their capacity of to take impartial decisions.
5. An independent member of Supervisory Board is considered to be a person, who meets jointly the following conditions:
 - 1) is not and has not been in the period of the last 3 years employed at the Bank, its subordinated units as defined in the accounting act or in its parent company,
 - 2) does not perform and has not performed in the period of the last 5 years in the Bank, its subordinated units as defined in the accounting act or in its parent company a function of a member of the Management Board or other managerial function,
 - 3) is not and has not been in the period of the last 3 years a chartered public accountant, a partner or an employee of an entity providing, now or in the last 3 years, auditing services in favour of the Bank, its subordinated units as defined in the accounting act or parent company,

- 4) is not a shareholder with the right to execute 5% or more votes at the General Meeting, is not employed by such a shareholder, does not represent – in any manner whatsoever – such a shareholder, or does not have other direct or indirect relations with such shareholder,
 - 5) has not received and is not receiving any additional remuneration in a major amount, from the Bank, its subordinated units as defined in the accounting act or its parent company, apart from the remuneration for membership in the Supervisory Board or fixed-amount remuneration within a pension plan for past work in the Bank, its subordinated unit as defined in the accounting act or its parent company, if a prerequisite for disbursement of such remuneration is not continuation of employment,
 - 6) is not maintaining and has not maintained for the past year significant commercial relationships with the Bank, its subordinated unit as defined in the accounting act or its parent company, directly or as a partner, shareholder, member of the body or employee holding a managerial function,
 - 7) is not a management board member in another company in which the member of the Management Board of the Bank is a supervisory board member and does not have any major relation with Bank Management Board members through shares in other companies or membership in other bodies,
 - 8) is not and has not been in the period of the last 3 years a member of a close family of a Bank Management Board member, does not have other direct or indirect relations with a Bank Management Board member, and is not and has not been in the period of the last 3 years a member of close family of an employee occupying a managerial position in the Bank or persons referred to in items 1-7 above,
 - 9) does not have direct or indirect relations with the Supervisory Board members,
 - 10) does not have direct or indirect relations with companies affiliated with Bank's major shareholders, as defined in the Code of Commercial Companies.
- 5a. At least three independent members of the Supervisory Board should have competence in accounting or financial revision, including at least one of them should additionally fulfill the conditions of independence as defined in art. 86 section 5 of the act of 7 May 2009 on chartered accountants and their governing body, entities authorized to examine financial statements and on public supervision.
 6. Members of the Supervisory Board shall perform their duties only in person.
 7. The Supervisory Board shall elect its Chairman, two Deputy Chairmen and Secretary from among its members. The Deputy Chairman may simultaneously perform the function of the Secretary.
 8. The Supervisory Board shall act in accordance with the Rules of Procedure adopted by it.

§ 15

1. Any member of the Supervisory Board may be recalled at any time by the General Meeting.
2. Mandates of the members of the Supervisory Board shall expire:
 - 1) On the date of holding the General Meeting accepting the financial report for the last full reporting year of performing duties of a member of the Supervisory Board, save as otherwise provided for in Section 3,
 - 2) In the event of resignation of a member of the Supervisory Board from his position,

- 3) In the event of recalling a member of the Supervisory Board by the General Meeting,
- 4) In case of death of a member of the Supervisory Board.
3. Mandate of the member of the Supervisory Board, which has been appointed before the end of the term of the Supervisory Board, shall expire simultaneously with the expiry of the mandates of the remaining members of the Supervisory Board.

§ 16

1. Meetings of the Supervisory Board shall be held as necessary, however, not less frequently than every two months.
2. Meetings of the Supervisory Board shall be convened by the Chairman of the Supervisory Board on his own initiative or on a motion of the Management Board or a member of the Supervisory Board.
3. If the Chairman of the Supervisory Board does not convene the meeting within two weeks after receiving the motion mentioned in Section 2, the proposer of the motion can convene it on his own giving the date, place and the proposed agenda.

§17

1. The Supervisory Board shall adopt resolutions if at least half of its members, including its Chairman, or one of the Deputy Chairmen, are present during the meeting and all the members have been invited.
2. Members of the Supervisory Board may also take part in adoption of the Board's resolutions by casting their vote in writing through other member of the Supervisory Board, excluding the resolutions on matters introduced into agenda at the meeting.
3. Resolutions of the Supervisory Board shall be adopted by an absolute majority of votes unless the provisions of law stipulate otherwise.
4. In special situations, a resolution may be adopted in writing (by correspondence) or with the use of means of distance communication. The procedure of adopting resolutions in writing and with the use of means of distance communication is set out in the Rules of procedure of the Supervisory Board.
5. The mode determined in Section 2 and 4 does not refer to resolutions adopted in secret ballot.

§ 18

Besides other rights and obligations provided for in the law provisions, particularly in the Code of Commercial Companies, the Act on Banking Law, in recommendations of the supervision authorities and in the Bank's Statute, the following matters shall fall in particular into the authority of the Supervisory Board:

- 1) Review of the report of the Management Board on activities of the Bank and review of the Bank's financial report for the previous reporting year,
- 2) Review of the motions of the Management Board regarding distribution of profits or covering losses,
- 3) Review of the report on activities and financial report of the Bank's Capital Group,
- 4) Submitting to the General Meeting a written report on the results of reviews referred to in item (1) to (3),

- 5) Preparation of the report on activities of the Supervisory Board for the previous reporting year,
- 6) Applying to the Financial Supervisory Authority for approval to appoint two members of the Management Board, including the President of the Management Board,
- 7) Appointing, upon approval of the Financial Supervisory Authority, and recalling the President of the Management Board of the Bank in a secret ballot,
- 8) Appointing and recalling in a secret ballot at the request of the President of the Management Board, the Deputy Presidents and members of the Management Board of the Bank, including the appointment of one member of the Management Board upon obtaining the approval of the Financial Supervisory Authority,
- 9) Suspending in their duties for significant reasons individual or all members of the Management Board,
- 10) Delegating the members of the Supervisory Board for a period not exceeding three months, to perform the duties of the members of the Management Board, which were dismissed, resigned, or for other reasons are incapable of performing their duties,
- 11) Determining the terms of contracts regulating employment or other legal relationships between members of the Management Board and the Bank,
- 12) Issue opinions on motions of the Management Board of the Bank regarding the establishing and access by the Bank as a shareholder (stockholder) into other companies, and selling shares (stocks) should such investments be of long-term and strategic nature,
- 13) Issue of opinions on motions of the Bank's long-term development plans and annual financial plans of the Bank,
- 14) Issue of approval for creation and liquidation of foreign branches and representative offices of the Bank,
- 15) Adoption of regulations concerning the creation and use of funds provided for in the Bank's Statute on request of the Management Board,
- 16) Approving motions of the Management Board of the Bank regarding acquisition, encumbering or sale of real estate or a share in real estate, or perpetual usufruct, in the event that its value exceeds 5,000,000 PLN. In other cases decisions are adopted by the Management Board of the Bank without necessity of acceptance of the Supervisory Board,
- 17) Approval of motions of the Management Board concerning incurring obligations or disposal of assets which overall value in relation to one entity exceeds 5 % of equity funds of the Bank.
- 18) Approval of motions of the Management Board of the Bank related to outsourcing in strategic areas of business activity conducted by the Bank or in case of the commission of services having the value not lower than Euro 1,000,000,
- 19) Presentation to the General Meeting, once a year, of a report on evaluation of functioning of the Bank's remuneration policy,
- 20) Performance of regular assessment of the Bank's application of Corporate Governance Rules for Supervised Institutions,
- 21) Performance of assessment of intention of termination of an agreement with an entity authorized to examine financial statements.

The Chairman of the Supervisory Board and, in his absence, the Deputy Chairman indicated by the Chairman of the Supervisory Board, shall be entitled to sign agreements concluded by the Bank with members of the Management Board of the Bank, acting on behalf of the Supervisory Board.

The Management Board of the Bank

§ 20

1. The Management Board consists of 5 to 9 members. The Management Board of the Bank shall consist of the:
 - 1) President of the Management Board of the Bank,
 - 2) Vice Presidents of the Management Board of the Bank,
 - 3) Members of the Management Board of the Bank.
2. At least half of the members of the Management Board of the Bank, including the President of the Management Board of the Bank should possess testimonials of good knowledge of the banking market in Poland due to the joint fulfillment of the following criteria:
 - 1) possession of professional experience on the Polish market suitable for the performed managerial function in the Bank,
 - 2) permanent place of domicile in Poland,
 - 3) knowledge of the Polish language.
3. The Management Board of the Bank shall operate on the basis of the Rules of procedure adopted by it. Rules of procedure shall in particular define the matters which require joint consideration by the Management Board, as well as the procedure for adopting a resolution in writing.
4. Resolutions of the Bank Management Board may be adopted after all members have been duly notified of the Management Board meeting. Resolutions are deemed valid when adopted in the presence of at least half of the Management Board members.
5. Resolutions shall be adopted by an absolute majority of votes unless the provisions of law stipulate otherwise.

§ 21

1. The members of the Management Board shall be appointed for the common term, which shall last three years.
2. Mandates of Members of the Management Board of the Bank shall expire:
 - 1) On the day of holding the General Meeting accepting the financial report for the last full reporting year of performing the duties of the member of the Management Board save as otherwise provided for in Section 3,
 - 2) In the event of resignation of a member of the Management Board from his position,
 - 3) In the event of recalling a member of the Management Board by the Supervisory Board,
 - 4) In case of death of a member of the Management Board.
3. Mandate of the member of the Supervisory Board appointed before the end of the term of the Management Board shall expire simultaneously with the expiry of the mandates of the remaining members of the Management Board.

§ 22

1. The President of the Management Board shall:
 - 1) Convene and preside over meetings of the Management Board of the Bank,
 - 2) Present the standpoint of the Management Board of the Bank towards the organs of the Bank and in external relations, in particular towards the State organs,
 - 3) Issue internal orders, rules of procedure and other regulations governing the Bank's operations. The President of the Management Board may authorize other persons to issue internal regulations of the Bank,
 - 4) Coordinate the activities of the members of the Management Board of the Bank,
 - 5) Supervise in particular the following areas of the Bank's activity: internal audit, compliance and corporate communication, including investor relations.
2. During the absence of the President of the Management Board of the Bank, his duties shall be taken over by a member of the Management Board of the Bank appointed by the President of the Management Board.
3. The Vice President of the Management Board, appointed upon the approval of the Financial Supervision Authority, supervises the area of risk management, including credit risk, with exception of the compliance risk.
4. The Management Board shall conduct the matters of the Bank and represent the Bank. All issues not reserved by virtue of the provisions of the law or of the Statute to fall within the scope of competence of other authorities, shall fall within the scope of competence of the Bank Management Board. The members of the Management Board shall co-ordinate and supervise the activity of the Bank pursuant to the division of competence, adopted by the Management Board and approved by the Supervisory Board.
5. The Management Board of the Bank in the framework limited by the rules of the binding Polish law submits to UniCredit S.p.A. as the parent company all required information and data.
6. The Management Board of the Bank, operating through the statutory bodies of the subsidiaries of the Bank, co-ordinates and affects their activities aimed at ensuring the stability of the group.

§ 23

The Management Board of the Bank may issue commercial powers of attorney only to employees of the Bank and other employees belonging to the UniCredit Banking Group. The commercial power of attorney may be revoked by any member of the Management Board.

IV. PROCEDURE FOR SUBMITTING STATEMENTS REGARDING PROPERTY RIGHTS AND OBLIGATIONS OF THE BANK

§ 24

1. The following persons are authorised to make statements regarding property rights and obligations of the Bank and to sign on behalf of the Bank:
 - 1) Two members of the Management Board or a member of the Management Board with a commercial attorney,
 - 2) Two commercial attorneys,
 - 3) Member of the Management Board or a commercial attorney acting jointly with an attorney,

- 4) Attorneys acting individually or jointly within the limits of their powers of attorney.
2. Persons empowered to submit statements regarding property rights and obligations shall place their signatures under the name of the Bank.

V. CAPITAL AND FUNDS OF THE BANK

§ 25

1. Equity funds of the Bank, including positions decreasing them, in accordance with the regulations of Banking Law, shall consist of:
 - 1) Basic funds,
 - 2) Supplementary capital in the amount not higher than the basic funds of the Bank.
2. The basic funds of the Bank are:
 - 1) Statutory capital,
 - 2) Obligatory reserve equity,
 - 3) Reserve equities, including the fund for conducting brokerage activity,
 - 4) General risk fund for unidentified risk of the bank activity,
 - 5) Retained profit from previous years,
 - 6) Profit under approval and net profit of the current reporting period, calculated in accordance with the applicable accounting principles, minus any anticipated charges and dividends whose amounts should not exceed the amount of the net profit, as verified by expert auditors.

§ 26

1. Bank may create and liquidate special funds during and at the end of the financial year, on the basis of resolutions of the General Meeting..
2. Bank shall create funds provided for in binding legal acts.

§ 27

1. The statutory capital of the Bank amounts to 262.470.034,- (two hundred sixty two million four hundred seventy thousand thirty four) PLN and is divided into 137.650.000 (one hundred thirty seven million six hundred and fifty thousand) Series A bearer shares with the nominal value of 1,- (one) PLN per share, 7.690.000 (seven million six hundred and ninety thousand) Series B bearer shares of the Bank with the nominal value of 1,- (one) PLN per share, 10.630.632 (ten million six hundred thirty thousand six hundred and thirty two) Series C bearer shares with the nominal value of 1,- (one) PLN per share, 9.777.571 (nine million seven hundred seventy seven thousand five hundred and seventy one) Series D bearer shares with the nominal value of 1,- (one) PLN per share, 373.644 (three hundred seventy three thousand six hundred and forty four) Series E bearer shares with the nominal value of 1 (one) PLN per share, 621,411 (six hundred twenty one thousand four hundred eleven) Series F bearer shares with the nominal value of 1,- (one) PLN per share, 603.377 (six hundred three thousand three hundred seventy seven) Series G bearer shares with the nominal value of 1,- (one) PLN per share, 359.840 (three hundred fifty nine thousand eight hundred and forty) Series H bearer shares with the nominal value of 1,- (one) PLN per share and 94,763,559 (ninety four million seven hundred sixty three thousand five hundred and fifty nine) Series I bearer shares with the nominal value of 1,- (one) PLN each.

2. Statutory capital of the Bank may be increased through the issue of new bearer shares, or through the increase of the nominal value of the existing shares. The General Meeting may increase the statutory capital earmarking for this purpose the funds from reserve capital or other funds set up from profit, provided they can be used for this purpose in compliance with the Code of Commercial Companies and the Bank's Statute.
3. Shares may be issued as collective shares certificates.
4. Shares may be redeemed on conditions determined by the General Meeting.

§ 28

1. Obligatory reserve equity shall be created out of annual write-offs from the net profit to cover possible balance sheet losses, as may result from operations of the Bank. Annual write-offs into obligatory reserve equity shall amount to at least 8 % of net profit and shall be continued until the obligatory reserve equity reaches at least 1/3 part of statutory capital of the Bank. The surplus achieved by the issue of shares over their nominal value shall be transferred to the obligatory reserve equity and other surplus – after the cover of cost of issue.
2. The amount of any such write-off shall be determined by the General Meeting.
3. The General Meeting shall decide about using of obligatory reserve equity. However, a part of this equity in the amount of one-third part of statutory capital may be only used to cover the loss showed in the financial report.

§ 29

1. The general risk fund shall be established out of write-offs from net profit for unidentified risks associated with banking activities.
2. The amount of any such write-offs shall be determined by the General Meeting.

§ 30

1. The reserve equities shall be established out of write-offs from net profit for the equities.
2. Amount of any such write-offs shall be determined by the General Meeting.
3. The reserve equities may be designated for covering the particular losses or expenses as well as for increasing the statutory capital and paying out of the dividend.
4. The General Meeting of shall decide about using the reserve equities.

§ 31

1. Special funds shall be established out of write-offs from net profit made pursuant to a resolution of the General Meeting, which, in each case, shall determine the amount of the write-off to be allocated to each particular fund, unless the obligation to create such funds results from a legal act.
2. Rules of procedure of establishing and using of special funds shall be adopted by the Supervisory Board.

VI. FINANCIAL MANAGEMENT OF THE BANK, DISTRIBUTION OF PROFIT, COVERING OF LOSSES, ACCOUNTING

§ 32

The financial management of the Bank shall be conducted on the basis of annual financial plans.

§ 33

1. Annual net profit may be allocated for the following purposes, in amounts to be resolved upon by the General Meeting:
 - 1) Obligatory reserve fund,
 - 2) General risk fund,
 - 3) Reserve equities, including the fund for conducting brokerage activity,
 - 4) Dividend,
 - 5) Special funds,
 - 6) Other purposes.
2. Any claim for dividend shall expire after three years. The Bank shall pay no interest on the uncollected dividend.

§ 33a

1. The Management Board is authorized to make an advance payment of anticipated dividend for the end of the financial year, provided that the Bank has sufficient funds for such a payment and that the financial statement for the previous year indicates a profit.
2. The disbursement of such advance payment requires the approval of the Supervisory Board and arrangements with the Financial Supervision Authority.
3. The advance payment for dividend may only amount to half of the Bank's profit made by the end of the previous financial year, reported in the financial statement examined by a chartered auditor, reduced by the uncovered losses and own shares.

§ 34

The Bank shall create a general risk reserve to debit the costs in order to cover rights connected with conducting banking operations.

§ 35

Balance sheet losses shall be covered from obligatory reserve equity and reserve equities in the manner specified by a resolution of the General Meeting.

§ 36

The Bank shall conduct accounting on the basis of the plan of accounts and in accordance with the binding legal regulations.
The organization and method of accounting shall be determined by the Management Board of the Bank.

§ 37

Financial year shall be equivalent to the calendar year.

VII. INTERNAL CONTROL

§ 38

1. The internal control system of the Bank shall include all regulations, procedures and organizational structures which - acting together - aim to ensure:
 - 1) compliance with the strategy of the Bank,
 - 2) effectiveness and efficiency of procedures,
 - 3) protection of assets,
 - 4) prevention of losses and errors,
 - 5) security, stability and effectiveness of operations,
 - 6) reliability and completeness of accounting and management information,
 - 7) compliance of transactions with generally binding provisions of law, supervisory rules and internal policies, plans, regulations and procedures, and
 - 8) support of the decision-making process.
2. The Internal Control System shall involve - in different roles - authorities of the Bank, individual units and organizational cells of the Bank, in particular being part of the Organization Division, as well as all employees of the Bank, and consists of the following types of control:
 - 1) Line (including Functional) Control,
 - 2) Risk Management (including Functional) Control, and
 - 3) Internal Audit (Institutional Control).
3. The purpose of Functional Control shall be assurance of conformity of activities of the Bank with procedures, limits and provisions, reaction to shortcomings and failures and monitoring of the implementation of the given recommendation. This control is carried out by each employee within the scope, quality and correctness of his/her activities; and, additionally, by his/her supervisors and people co-operating therewith.
4. The purpose of the Line Control shall be assurance of correctness of operations. This control is carried out by the units of the Bank themselves (i.e. self and hierarchical control) and incorporated in procedures.
5. The purpose of the Risk Management Control shall be defining risk measurement methods, verifying observance of assigned limits, and controlling consistency of operations of Units with assigned risk return rate. This control shall be carried out by units other than units directly involved in the management of the given process and independent from any business activity.
6. The purpose of the Internal Audit (the Institutional Control) shall be the examination, assessment and recommendation of improvements to actual procedures and mechanisms of the Internal Control System and assessment of violations to rules and procedures. It is performed in an objective and independent manner by the Internal Audit unit, which is subordinated directly to the President of the Management Board. This unit also submits reports to the Supervisory Board.
7. The following authorities of the Bank shall be involved in the Internal Control System:
 - 1) The Management Board - responsible for designing, implementing and operating the Internal Control System, adjusted to size and profile of the risk related to the operations of the Bank,
 - 2) the Supervisory Board - exercising supervision over the Internal Control System and assessing its adequacy and effectiveness through the Audit Committee and the Internal Audit.
8. The President of the Management Board of the Bank shall issue in the form of the order the By-laws of internal control.

VIII. FINAL PROVISIONS

§ 39

In case of liquidation of the Bank, the General Meeting at the request of the Supervisory Board shall appoint one or more liquidators and determine the method of carrying out the liquidation.

§ 40

Obligatory notices, which must be published according to the Commercial Companies Code, excluding the notice specified in Par. 8 Section 1 of the Statute shall be published by the Management Board of the Bank in the "Court and Business Monitor".