

Content of the proposed amendments to the Articles of Association of Bank Pekao SA and current wording of the amended provisions

The amendments of the Statute proposed by the Bank's Management Board include:

- 1) giving the current § 6 para. 1 item 17 of the Bank's Statute in the current wording:

"17) Providing payment services:

- a) within the scope of issuing payment instruments and execution of payment operations with the use of such instruments,
- b) as a paying agent
and performing activities connected these services,"

a new wording:

"17) Providing payment services:

- a) within the scope of issuing payment instruments and execution of payment operations with the use of such instruments,
- b) as a paying agent,
- c) within the scope of initiating payment transaction and
- d) within the scope of access to account information
and performing activities connected with these services,"

- 2) giving the current § 6 para. 1 item 20 of the Bank's Statute in the current wording:

"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,"

a new wording:

"20) Taking up shares or acquisition of shares and rights to vote, shares of other legal entity not being a bank or participation units and investment certificates of investment funds,"

- 3) giving the current § 6 para. 1 item 24 of the Bank's Statute in the current wording:

"24) Purchasing and selling real estate,"

a new wording:

"24) Purchasing and selling real estate, as well as letting them on hire or lease,"

- 4) replacing a full stop with a comma in § 6 para. 1 item 36 of the Bank's Statute and adding a new item 37 of the wording:

"37) Performing acquisition activities for the benefit of entities offering employee capital plans and performing activities related to servicing participants of employee capital plans,"

- 5) adding in § 6 para. 1 of the Bank's Statute a new item 38 of the wording:

"38) Performing acquisition activities for the benefit of voluntary pension funds and servicing participants of voluntary pension funds,"

- 6) adding in § 6 para. 1 of the Bank's Statute a new item 39 of the wording:
 "39) Keeping stock records under the concluded contracts,"
- 7) adding in § 6 para. 1 of the Bank's Statute a new item 40 of the wording:
 "40) Financial and operational participation in international projects and ventures,"
- 8) adding in § 6 para. 1 of the Bank's Statute a new item 41 of the wording:
 "41) Running online platform of social financing (crowdfunding) that combines financing granted by the Bank with social financing,"
- 9) adding in § 6 para. 1 of the Bank's Statute a new item 42 of the wording:
 "42) Providing services to the benefit of companies associated with the Bank or Bank's shareholders, including among others:
 a) use of information technologies and systems, including among others the use of software, IT infrastructure and data processing,
 keeping accounting books
 and financial and organisational participation in projects realized jointly with the capital related companies with the Bank or Bank's Shareholders,"
- 10) adding in § 6 para. 1 of the Bank's Statute a new item 43 of the wording:
 "43) Cooperation with other entities within the capital group, in particular, using free technical, organisational and human, or IT resources, in accordance with their economic intended use and with special account to safety of the Bank's and the entities' operation,"
- 11) adding in § 6 para. 1 of the Bank's Statute a new item 44 of the wording:
 "44) Execution, independently or jointly with other entities, of other economic projects, domestically and abroad, including agency services in offering financial and non-financial services."
- 12) giving the current § 13 item 17 of the Bank's Statute in the current wording:
 "17) Appointment of the entity authorised to examine financial statements and review the financial statements,"
 a new wording:
 "17) Selection of auditing company to audit financial statements,"
- 13) adding in §14, para. 5 of the Bank's Statute a new item 11 in the wording:
 "11) is not a member of the Bank's Supervisory Board for longer than 12 years."
- 14) giving the current § 14 para. 5a of the Bank's Statute in the current wording:
 "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."
 a new wording:

"5a. The majority of the members of the Supervisory Board, being the members of the Audit Committee, including its chairman, shall meet the independency conditions within the meaning of art. 129 para. 3 of the act of 11 May, 2017 on chartered auditors, auditing companies and public supervision. Members of the Supervisory Board being the members of the Audit Committee shall have the knowledge and skills in the fields of the Bank's operations, whereas the condition is considered met if at least one member of the Audit Committee has the knowledge and skills in these fields or individual members have the knowledge and skills in these fields within some specific scopes. At least one member of the Supervisory Board being the member of the Audit Committee shall have the knowledge and skills in accountancy and auditing of financial statements.

- 15) deleting from § 18 of the Bank's Statute the current item 18 in a wording:

"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,".

- 16) giving the current § 18 item 21 of the Bank's Statute in the current wording:

"21) Performance of assessment of intention of termination of an agreement with an entity authorized to examine financial statements,"

a new wording:

"21) Assessment of the intent to terminate the agreement with auditing company authorised to audit financial statements,"

- 17) giving the current § 18 item 24 of the Bank's Statute in the current wording:

"24) Approval of the recovery plan of the Bank or the recovery plan of the Bank's Capital Group prepared under the provisions of the Banking Act. "

a new wording:

"24) Approval of the Bank Recovery Plan or Group Recovery Plan, prepared under the regulations of the Banking Act."

- 18) giving the current § 20 para. 3 of the Bank's Statute in the current wording:

"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."

a new wording:

"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. The Rules and Regulations shall define the principles of holding the Board's meetings, including the Board's meetings using the means of distance communication, and the principles of adopting resolutions by written procedure or by using the means of distance communication."

19) giving the current § 20 para. 4 of the Bank's Statute in the current wording:

"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."

a new wording:

"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 at the Board of Director's meeting in the presence of at least half of the Management Board members."

20) adding in § 20 of the Bank's Statute a new item 6 in the wording:

"6. Adopting resolutions by written procedure and by using the means of distance communication shall not apply to resolutions taken in secret voting."

21) giving the current § 25 of the Bank's Statute in the current wording:

„§ 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."

a new wording:

"§ 25 Basic capital (funds) of the Bank include:

- 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) Revaluation reserve,
- 6) Retained result from previous years,
- 7) Net result of the current reporting period.

22) giving the current § 26 para. 2 of the Bank's Statute in the current wording:

"2. Bank shall create funds provided for in binding legal acts.

a new wording:

"2. Bank shall create funds under the principles provided for in the applicable legal acts."

23) giving the current title of Chapter VII of the Bank's Statute in the current wording:

"VII. INTERNAL CONTROL"

a new wording:

"VII. INTERNAL CONTROL AND RISK MANAGEMENT"

24) giving the current § 38 para. 1 of the Bank's Statute in the current wording:

"1. The aim of the internal control system of the Bank is to ensure:

- 1) compliance of Bank's operations with law, internal regulations and market standards and with the strategy of the Bank,
- 2) effectiveness and efficiency of the Bank's activity,
- 3) protection of assets,
- 4) prevention of losses and errors,
- 5) security, stability and effectiveness of operations,
- 6) reliability and completeness of accounting, management information and reliability of financial reporting,
- 7) compliance of transactions with generally binding provisions of law, supervisory rules and internal policies, plans, regulations and procedures,
- 8) support of the decision-making process,
- 9) observance of risk management principles in the Bank."

a new wording:

"1. The purpose of the system of internal Bank's control is to ensure:

- 1) efficiency and effectiveness of the Bank's activity;
- 2) credibility of financial reporting
- 3) observance of risk management principles in the Bank.
- 4) compliance of the Bank's operations with law, internal regulations and market standards."

25) giving the current § 38 para. 2 item 2 of the Bank's Statute in the current wording:

"2) a compliance unit whose task is to identify, evaluate, control and monitor the risk of non-compliance of Bank's operations with law, internal regulations and market standards and to present relevant reports;"

a new wording:

"2) independent a compliance unit whose task is to identify, evaluate, control and monitor the risk of non-compliance of Bank's operations with law, internal regulations and market standards and to present relevant reports;"

26) adding in § 38 of the Bank's Statute a new item 5 in the wording:

"5. As a part of the risk management system, the Bank shall:

- 1) apply formalised principles intended to determine the amount of risk taken and the principles of risk management,
- 2) apply formalised principles intended to identification, measurement or estimation and monitoring of the risk present in the Bank's operations, taking also into account the forecasted level of risk in the future,

- 3) apply formalised risk-reducing limits as well as procedures for the event the limits are exceeded.
- 4) apply formalised system of management reporting which enables monitoring of risk level,
- 5) have organisational structure adjusted to the amount and parameters of risk incurred by the Bank.”