

*Binding from 24 April 2026*

**Statutes  
of  
Erste Bank Polska S.A.**  
*(the consolidated text)*

**I. General Provisions**

§ 1.

The name of the Bank is “Erste Bank Polska Spółka Akcyjna”.

§ 2.

The founder of the Bank is the State Treasury.

§ 3.

The Bank has its registered office in Warsaw.

§ 4.

The Bank operates in the territory of the Republic of Poland and abroad.

§ 5.

The Bank can establish branches and other units in Poland and abroad.

§ 6.

Provisions of the Commercial Companies Act and the Banking Law apply to all matters not regulated herein.

**II. Scope of Business**

§ 7.

The scope of the Bank’s business includes:

1. The following banking operations:
  - 1) accepting money deposits payable on demand or at a due date as well as operating accounts for these deposits, including accepting and depositing cash in domestic and foreign banks;
  - 2) operating other bank accounts,
  - 3) granting loans,
  - 4) granting and confirming bank guarantees as well as opening and confirming letters of credit,
  - 5) issuing banking securities,
  - 6) performance of financial settlements,
  - 6a) (repealed),
  - 7) granting cash advances,
  - 8) concluding check and B/E transactions,
  - 9) issuing payment cards and processing card operations,
  - 10) (repealed),

- 11) trading in receivables,
- 12) safekeeping of objects and securities as well as providing access to safe deposit boxes,
- 13) providing agency services in international funds transfers and settlements in international trade,
- 14) granting and confirming guarantees,
- 15) performing operations related to the issue of securities, including conducting business consisting in:
  - a) performing activities as part of the issue agent service consisting in the verification of: documents, completeness of documentation and statements and representations, compliance of securities and their issuer with the conditions for registration in the depository, and in the conclusion, on behalf of the issuer, of an agreement the subject of which is this registration;
  - b) providing payment agent services;
  - c) providing documentation agent services;
- 16) acting as the representative of bond holders.
- 17) purchase and sale of fx values,
- 18) intermediation in conclusion the agreements related to acquiring services,
- 19) providing the service of initiating a payment transaction,
- 20) providing the service to access account information.

2. Other operations consisting in:

- 1) (repealed),
- 2) (repealed),
- 3) (repealed),
- 4) performing swaps of debts into components of the debtor's assets on the terms and conditions agreed with the debtor,
- 5) acquiring and disposing of real estates,
- 6) providing consulting and advisory services in relation to financial matters,
- 6a) provision of electronic identification means as defined by regulations on trust services,
- 6b) enabling the electronic submission, via the ICT system, of applications referred to in statutory provisions, in particular in the Act on state aid in raising children and the Act on support for the family and the foster care system, as well as the transfer, at the customer request, of the data necessary for authentication to the Social Insurance Institution (Zakład Ubezpieczeń Społecznych) so that an account can be opened in the system made available by the Social Insurance Institution,
- 7) providing other financial services including:
  - a) performing activities consisting in acquisition of brokerage customers or prospective brokerage customers or activities within the scope by the investment firm and equivalent to investment advisory with regard to structured deposits, acquisition of

holders or potential holders of structured deposits, activities related to making brokerage agreements, agreements for activities equivalent to investment advisory performed by the investment company in respect of structured deposits, agency agreements for making structured deposit agreement/s or facilitating performance of such agreements, including in the capacity of the investment firm's agent,

- b) intermediation and co-operation in obtaining loans and guarantees ,
- c) performing collection activities on the basis of documents certifying the existence of cash receivables,
- d) concluding and executing agreements with businesses, including foreign ones, on agency in lodgments to bank accounts,
- e) financial and operational participation in international projects and undertakings,
- f) *(repealed)*,
- g) providing leasing, factoring and forfaiting services,
- h) trading in transferable property rights from securities and in transferable property rights, the price of which directly or indirectly depends on the price of securities (derivatives) – in the Bank's account or at the request of third parties,
- i) *(repealed)*,
- j) accepting the State Treasury shares for management,

7a) performing activities, other than brokerage business, consisting in:

- a) reception and transmission of orders to buy or sell financial instruments;;
- b) execution of buy or sell orders for financial instruments for the benefit of the mandating party;
- c) buying or selling financial instruments on one's own account;
- d) providing investment advice on the securities issued by the State Treasury and the National Bank of Poland, including on non-publicly traded instruments: participations in undertakings for collective investments and securities;
- e) offering financial instruments;
- f) providing services under underwriting agreements or any other similar agreements regarding financial instruments.

7b) performing brokerage activities i.e.:

- a) reception and transmission of orders to buy or sell financial instruments;
- b) execution of orders referred to in item a) to the account of the ordering party;
- c) acquiring and disposing of financial instruments on own account;
- d) providing investment advisory;
- e) offering financial instruments;
- f) providing services under underwriting agreements or any other 3 similar agreements regarding financial instruments;

- g) safekeeping or registering financial instruments, including keeping securities accounts, derivative accounts, omnibus accounts or monetary accounts, and keeping a record of financial instruments;
  - h) corporate advisory services with regard to the capital structure, business strategy or other aspects related to such structure or strategy;
  - i) advisory and other services related to mergers, demergers and acquisitions;
  - j) providing foreign-exchange services when connected with investment services as stipulated in items a-f.
  - k) preparing investment analyses, financial analyses and other general recommendations concerning transactions in financial instruments;
  - l) providing additional services concerning underwriting agreements;
  - m) managing portfolios that include one or more financial instruments,
- 8) (repealed),
  - 9) (repealed),
  - 10) (repealed),
  - 11) Insurance intermediation and agency in selling lease, factoring and forfaiting products,
  - 12) (repealed),
  - 13) as requested by investment funds, foreign funds or entities managing these funds, providing services which consist in performing activities stipulated by law (including regulations on discharging tax obligations and anti-money laundering and counter-terrorist financing obligations), accepting instructions and orders as part of special schemes based on funds or as part of IKE/IKZE-type programmes, as well as services consisting in archiving and storing data, including documents of fund participants,
  - 14) providing services related to the maintenance of pension fund participant registers,
  - 15) (repealed),
  - 16) (repealed),
  - 17) performing the role of a payment agent for foreign investment funds,
  - 18) providing distribution services within the meaning of the Act of 27 May 2004 on investment funds and management of alternative investment funds
3. The Bank can also perform, upon the request of other entities, the operations referred to in Sections 1 and 2, as long as these operations fall within the scope of the mandating entity's activities.
  4. In the course of its operations, the Bank co-operates with domestic, foreign and international banks and financial institutions.
  5. (repealed)

#### § 8.

The Bank may establish or join clearing houses organized under the Commercial Companies law, for the purpose of exchanging payment orders and making mutual settlements resulting from such orders.

§ 9.

If, under any special provision, the Bank is required to obtain separate permits to conduct any of the operations listed in § 7 hereinabove, such operations may only be performed only after such permit has been obtained.

**III. The Bank's share capital**

§ 10.

The Bank's share capital is PLN 1,021,893,140 (one billion twenty one million eight hundred ninety three thousand one hundred and forty) zlotys and shall be divided into 102,189,314 (one hundred and two million one hundred and eighty nine thousand three hundred and fourteen) bearer shares with a nominal value of PLN 10 (ten zlotys) each, including:

- 1) 5,120,000 (five million one hundred and twenty thousand) series A ordinary bearer shares,
- 2) 724,073 (seven hundred and twenty four thousand and seventy three) series B ordinary bearer shares,
- 3) 22,155,927 (twenty two million one hundred and fifty five thousand nine hundred and twenty seven) series C ordinary bearer shares,
- 4) 1,470,589 (one million four hundred and seventy thousand five hundred and eighty nine) series D ordinary bearer shares,
- 5) 980,393 (nine hundred and eighty thousand three hundred and ninety three) series E ordinary bearer shares,
- 6) 2,500,000 (two million and five hundred) series F ordinary bearer shares,
- 7) 40,009,302 (forty million nine thousand three hundred and two) series G ordinary bearer shares,
- 8) 115.729 (one hundred and fifteen thousand seven hundred and twenty nine) series H ordinary bearer shares,
- 9) 1,561,618 (one million, five hundred and sixty-one thousand, six hundred and eighteen) ordinary series I bearer shares,
- 10) 18,907,458 (eighteen million, nine hundred and seven thousand, four hundred and fifty-eight) ordinary series J bearer shares,
- 11) 305,543 (three hundred five thousand five hundred and forty-three) ordinary bearer series K shares,
- 12) 5,383,902 (five million three hundred eighty three thousand nine hundred and two) ordinary bearer series L shares,
- 13) 98,947 (ninety eight thousand nine hundred forty seven) ordinary bearer series M shares,
- 14) 2,754,824 (two million seven hundred and fifty four thousand and eight hundred and twenty four) ordinary bearer series N shares,
- 15) 101 009 (one hundred one thousand and nine) ordinary bearer series O shares.

§ 10a

(repealed)

§ 11.

Bearer shares are shares admitted to trading on the regulated market.

§12.

Shares can be redeemed, following the shareholder's approval, by way of their purchase by the Company (voluntary redemption).

§ 13.

1. The Company can purchase the shares it issued with a view to redeeming them not earlier, however, than after the GM has passed a resolution approving this redemption.
2. Resolution referred to in item 1 should define the legal basis for the redemption, the minimum amount of the remuneration that the shareholder of the redeemed shares is entitled to or rationale behind redeeming the shares without remuneration, the way of reducing the share capital and the source of financing the redemption, maximum number of shares that the Company can purchase for redemption, the maximum total purchase price and the timeframe when the shares should be purchased.
3. The purchase, buy out or redemption of the Company's own shares requires the consent of the Polish Financial Supervision Authority.

§ 14.

The Company's Management Board announces the information about purchasing shares for redemption not later than within 30 days after the date when the shares are to be purchased as stipulated in the resolution referred to in § 13, convening at the same time, the general meeting of shareholders to pass a resolution on the redemption of the purchased shares and reduction in the share capital.

§ 15.

If the Company does not conclude any agreement on the purchase of shares for redemption within the timeframe specified in the resolution referred to in §13, the Management Board shall announce the ineffective expiration of the deadline within 30 days after this expiration.

§ 16.

Voluntary redemption must not be carried out more often than once in an accounting year.

§ 17.

The Bank may issue convertible bonds and contingent convertible bonds.

#### **IV. The Authorities of the Bank**

##### § 18.

The authorities of the Bank are:

1. General Meeting of Shareholders;
2. Supervisory Board;
3. Management Board.

#### **V. General Meetings of Shareholders**

##### § 19.

1. General Meetings may be either annual or extraordinary.
2. The Annual General Meeting should be held annually, not later than by the end of June every year.
3. The Extraordinary General Meeting is convened in the circumstances specified in the Commercial Companies Code.
4. The General Meeting of Shareholders is held in the Bank's registered office or in another location indicated in the notice of General Meeting.

##### § 19a

1. A shareholder may participate in the General Meeting through electronic communication means.
2. The detailed rules of participation in the General Meeting in the manner referred to in section 1 above shall be defined by the Supervisory Board.

##### § 20.

1. The Annual General Meeting is convened by the Management Board.
2. The Supervisory Board can convene the Annual or Extraordinary General Meeting in the circumstances specified in the Commercial Companies Code and when the Management Board fails to convene Extraordinary General Meeting within two weeks of the date of submitting such a request by shareholders who represent at least one tenth of the share capital.

##### § 21.

The Supervisory Board provides an opinion on the issues to be decided by the General Meeting, except for the issues related exclusively to the Supervisory Board. A rationale for such issues should be provided if it would aid shareholders in the decision.

##### § 22.

Each share entitles to one vote.

§ 23.

Chairman or Vice Chairman of the Supervisory Board opens each General Shareholders' Meeting and conducts an election of the Chairman of the Meeting. If none of the above is available to open the General Shareholders Meeting, the Meeting shall be opened by a member of the Supervisory Board.

§ 24.

1. The General Shareholders' Meeting adopts resolutions on matters solely within their discretions, arising in particular from the Commercial Companies code regulations, banking law and Statutes.
2. Purchase or disposal of real estate, perpetual usufruct rights or a share in real estate does not require a resolution of the General Meeting.

**VI. Supervisory Board**

§ 25.

1. The Supervisory Board consists of at least 5 (five) members appointed for a joint three year term of office. Members and Chairman of the Supervisory Board are appointed and recalled by the General Shareholders' Meeting. The Management Board informs the Financial Supervision Authority about the composition of the Supervisory Board.

2. At least one half of the members of the Supervisory Board will have the status of independent members. An independent member of the Supervisory Board is a person who meets all the following conditions:

- 1) not to be a member of the Management Board of the Bank or an associated company, and not having been in such a position for the previous five years;
- 2) not to be an employee of the Bank or an associated company, and not having been in such a position for the previous three years;
- 3) not to receive, or have received, significant additional remuneration from the Bank or an associated company apart from a fee received as the member of the Supervisory Board;
- 4) not to be or to represent in any way the controlling shareholder(s);
- 5) not to have, or have had within the last year, a significant business relationship with the Bank or an associated company;
- 6) not to be, or have been within the last three years, partner or employee of the present or former external auditor of the Bank or an associated company;
- 7) not to be a member of the management board in another company in which a member of the Management Board of the Bank is a member of the supervisory board, and not to have other significant links with the members of the Management Board of the Bank through involvement in other companies or bodies;
- 8) not to have served on the Supervisory Board as a member for more than 12 years;
- 9) not to be a close family member of a member of the Management Board of the Bank, or of persons in the situations referred to in points 1) to 8);

10) not to have factual and material connections with a shareholder who holds at least 5% of total votes at the General Meeting of Shareholders of the Bank.

3. At least half of the Supervisory Board members, including members referred to in item 2 should be familiar with (aware of) the reality of Polish market helpful in supervising the Bank's operations with a concurrent requirement for at least two Supervisory Board members referred to in item 2 to be permanent residents of Poland and speak Polish.

§ 26.

The Supervisory Board appoints Vice Chairman of the Board and may appoint a Secretary of the Board from amongst its members.

§ 26a

1. From amongst its members the Supervisory Board appoints an audit committee, a risk committee, a remuneration committee and may appoint other committees to support and facilitate the work of the Supervisory Board.
2. The terms of reference for such committees are determined by the Supervisory Board.

§ 27.

1. The Supervisory Board members can perform their duties in person only.
2. The remuneration of the Supervisory Board members is set by the General Meeting of Shareholders.

§28.

1. The Supervisory Board operates based on the terms of reference it adopted.
2. The Supervisory Board informs the General Meeting about the adoption of its terms of reference and amendments introduced to the document at its first meeting thereafter.

§ 29.

1. Meetings of the Supervisory Board are convened by Chairman or Vice Chairman of the Supervisory Board on their own initiative, upon a motion of the Management Board or at the request of a member of the Supervisory Board.
2. Meetings of the Supervisory Board may also be held, without the need of gathering all members in one place, by using remote direct communication means. The rules of participating in meetings according to this procedure are set out by the Supervisory Board.

§ 30.

1. Resolutions of the Supervisory Board are adopted by an absolute majority of votes of the Board members attending the meeting. In the event of a parity of votes, the Chairman of the Supervisory Board has a casting vote.

2. If there is a need resolution of the Supervisory Board can be taken in writing or by using direct communication over distance. Resolutions adopted in writing become valid when all Supervisory Board members have been informed about the contents of the draft resolution and when at least half of them took part in adopting the resolution.
3. Members of the Supervisory Board may participate in passing resolutions by means of a written proxy vote through another member of the Supervisory Board. A written vote may not be cast in the case of matters introduced to the agenda during a Supervisory Board meeting. The rules of voting by means of this procedure are determined by the Supervisory Board Regulations.

#### § 31.

The Supervisory Board expresses its opinion on all motions and requests that require a resolution of the General Shareholders' Meeting, except for matters related exclusively to the Supervisory Board.

#### § 32.

The Supervisory Board exercises on-going supervision over the Bank's activities. In addition to the statutory rights and responsibilities and those set forth in the Bank's Statutes, the Supervisory Board has the power to:

- 1) examine the financial statements in terms of their compliance with books, documents and current status;
- 2) approve annual and long-term development plans for the Bank and financial plans for its operations prepared by the Management Board, Bank's business strategy as well as prudent and stable management of the Bank;
- 3) approve motions of the Bank's Management Board concerning the establishment and liquidation of Bank's branches abroad;
- 4) approve equity investments by the Bank, if
  - the value of such investment exceeds a PLN equivalent of EUR 4,000,000, where "the investment value" means the purchase price or sales price of a particular asset, or
  - the value of a such investment exceeds EUR 400,000 and at the same time, if as a result of such investment the Bank's shareholding in another entity is equal to 20% of votes or exceeds 20% of votes or drops below the level of 20% of votes at the GM or the Meeting of Partners, while "the value of investment" shall mean the purchase price or the sales price of a given asset,

except for agreements on underwriting securities issues, if the total exposure of the Bank arising from such agreement does not exceed one tenth (1/10) of the total equity of the Bank;

An equity investment is understood, in particular, as joining by the Bank and exiting from joint undertakings, i.e. incorporating and dissolving commercial law companies, joining and exiting commercial law companies, including contributions made to limited partnerships or limited joint

stock partnerships. Purchase of shares and interests with a guarantee of their repurchase by another entity is not an equity investment.

- 5) approve acquisition, disposal or encumbrance of fixed assets (as defined in the Accounting Act), in particular any real estate, if the value of such fixed asset exceeds a PLN equivalent of EURO 4,000,000 except for seizing a real estate by the Bank as a mortgage creditor, as a result of an ineffective auction conducted under execution proceedings, or as a result of repossessing another fixed asset or securities by the Bank as the creditor secured by a registered pledge in line with the regulations on registered pledges and pledge register, or a creditor secured by repossession of the security in line with the regulations of the Banking Law Act;
- 6) examine the Management Board's reports and its motions regarding the profit distribution or coverage of losses;
- 7) determine remuneration of the President of the Management Board and Management Board members;
- 8) conclude contracts on behalf of the Bank, falling within the authority of the Supervisory Board, including employment contracts or management contracts with Members of the Management Board, where the Supervisory Board may appoint its Chairperson or another Supervisory Board member to submit a declaration of will in this respect,
- 9) adopt the Bank's Management Board Regulations and other regulations laid down in the Statutes, legislation and recommendations of the Polish Financial Supervision Authority as well as approve the Bank's Organisational Regulations, Internal Control System Policy and other regulations envisaged in the Statutes, legislation and recommendations of the Polish Financial Supervision Authority;
- 10) appointing an entity authorised to audit the Bank's financial statements and to conduct financial audits in the Bank as well as appointing an entity authorised to perform attestation of sustainability reporting;
- 11) apply to the Financial Supervision Authority for a consent to appoint two members of the Management Board of the Bank, including the President of the Management Board;
- 12) inform the Financial Supervision Authority:
  - a) on other Management Board members and, each time, on changes to the Management Board composition,
  - b) whether the Management Board members meet the criteria specified in the Banking Law, following a relevant assessment in this regard,
  - c) on the approval and modification of the internal split of responsibilities in the Management Board of the Bank, including information on the Management Board member who is responsible for the management of risk material to the Bank's operations;
  - d) on putting on the Supervisory Board's agenda an item with regard to removal of the President of the Management Board or the Management Board member in charge of material risk in the Bank's business or entrusting his/her duties to another Management Board member,

- 13) appoint and recall President of the Management Board and other members of the Management Board;
- 14) suspend Management Board members from office, for important reasons, and second members of the Supervisory Board to temporarily perform duties of those Management Board members who cannot perform their roles,
- 15) present annually to the General Meeting a concise assessment of the Bank's standing, taking into account the assessment of the Bank's corporate governance, internal control system and the material risk management system,
- 16) approve the strategy and risk management policy developed by the Bank's Management Board, the Bank's risk appetite statement and the risk culture framework,
- 17) approval of the internal capital estimation and maintenance policy as defined by the Management Board,
- 18) approval of the internal audit policy as defined by the Management Board,
- 19) approval the remuneration policy developed by the Management Board,
- 20) approval of the internal split of responsibilities between the members of the Management Board, as determined by the Management Board.,
- 21) approve the corporate governance policy developed by the Management Board,
- 22) approve the key functions identification policy developed by the Management Board as well as the policy for key function holders' appointment and removal.

§ 33.

The Supervisory Board is entitled to make recommendations to the Management Board of the Bank, in particular, these regarding financial and organizational restructuring of the Bank, and concluding long-term agreements binding upon the Bank by the Management Board.

**VII. Management Board**

§ 34.

1. The Bank's Management Board consists of at least 3 (three) members, including President. Management Board members may perform functions of the first vice-president and vice-presidents of the Management Board. Appointment to these functions is made by the Supervisory Board.

2. At least half of the members of the Bank's Management Board, including the President, are persons, which:

- 1) have higher education,
- 2) know well Polish banking market,
- 3) permanently live in Poland,
- 4) speak Polish,

- 5) have sufficient experience on Polish market, which may be used in management of the Bank on Polish market.

§ 35.

The Supervisory Board appoints and recalls President of the Management Board and the remaining members of the Management Board.

§ 36.

1. The Management Board's term of office is three years.
2. The Management Board members are appointed for a joint term of office.

§ 36a.

1. The decisions to incur obligations or transfer assets whose total value for one entity exceeds 5% of the Bank's own funds are made by the Management Board, except as provided in section 2 and § 32 point 4 and 5.
2. The decisions referred to in section 1 may be taken by the Bank's Committees or other persons duly authorised by the Management Board by way of a resolution.

§ 37.

1. The Management Board manages the Bank's-related issues unless specified otherwise in clause 2 and 3.
2. The Bank's Management Board determines, and the Supervisory Board approves, the internal split of responsibilities between the members of the Management Board.
3. Pursuant to the internal split of responsibilities within the Management Board:
  - 1) in particular, President of the Management Board is in charge of the internal audit unit,
  - 2) the Management Board member, the appointment of whom requires approval of the Financial Supervision Authority, is in charge of the supervision over the management of risk material to the Bank's operations.
  - 3) President of the Management Board or the designated member of the Management Board, not in charge of supervising an area generating a significant risk for the Bank's activity and other than the one referred to in point 2, is in charge of the compliance unit and supervises the compliance risk.

4. The President of the Management Board manages the work of the Management Board, in particular, convenes the Management Board meetings, sets the agenda and chairs the meetings. The President has also the casting vote when two sides have exactly the same number of votes.

§ 37a.

Bodies entitled to issue internal regulations:

- 7) as regards issues requiring a decision of the General Meeting – the General Meeting in a form of a resolution;
- 8) as regards issues requiring a decision of the Supervisory Board – the Supervisory Board in the form of a resolution;
- 9) as regards issues requiring a decision of the Management Board and/ or approvals of the Supervisory Board or the General Meeting – the Management Board in the form of a resolution, provided however, that the required approval has been obtained.
- 10) as regards issues requiring the decision of the Management Board but not requiring an approval of another body – the Management Board in the form of a resolution,
- 11) as regards issues important for the Bank, which go beyond the scope of the operations of an individual division – the President of the Management Board in the form of an ordinance;
- 12) as regards operations of the reporting divisions – the Management Board member in the form of an ordinance;
- 13) (repealed);
- 14) as regards issues referred to in the Management Board resolution re. establishment of a committee – the committee chairman in the form of an ordinance,
- 15) as regards issues specified in the sets of regulations referred to in points 4-6 above – the Bank Director in the form of an ordinance.

§ 38.

1. If necessary, resolutions of the Management Board may be adopted by way of a written procedure. Resolutions adopted pursuant to the written procedure are presented for approval to all members of the Management Board, and become effective once they have been signed by at least a half of the Board members, including its President.
2. The Management Board meetings may also be held, without the need of gathering all the Management Board members in one place, by using remote direct communication means. The rules of participating in meetings according to this procedure are set out by the Supervisory Board.
3. Members of the Management Board may participate in passing resolutions by means of a written proxy vote through another member of the Management Board. A written vote may not be cast in the case of matters introduced to the agenda during a Management Board meeting. The rules of voting by means of this procedure are determined by the Management Board Regulations.

§ 39.

The Management Board manages the Bank and represents it. All matters that are not within the sole competence of other authorities of the Bank on the basis of provisions of law or these Statutes, shall remain within the Management Board's scope of responsibilities.

§ 40.

The following individuals are authorized to make declarations of will on behalf of the Bank:

- a) President of the Management Board acting severally,
- b) two members of the Management Board acting jointly, or a member of the Management Board acting jointly with a commercial representative, or two commercial representatives acting jointly.

Authorized representatives to act severally or jointly with any of the persons listed in letter b. or with another authorized representative can be appointed.

**VIII. Organization of the Bank**

§ 40a

1. There is a transparent, effective and legally compliant corporate governance system in the Bank that comprises in particular:
  - 1) the Bank's management system, comprising at least risk management system and the internal control system,
  - 2) Bank's organisation,
  - 3) the rules of conduct, powers, duties and accountabilities, as well as relations between the Supervisory Board, Management Board and key function holders at the Bank.
2. The Bank's Management Board is responsible for the introduction of the corporate governance in the Bank and ensuring that it is observed.
3. The Bank's Management Board informs the Supervisory Board about the assessment of the corporate governance in the Bank and about any material events that might have an impact its operation.
4. The Supervisory Board supervises the implementation of the internal control system and assesses its adequacy and effectiveness annual basis.
5. The Management Board defines and the Supervisory Board approves the specific corporate governance frameworks in the Bank and the key elements of the corporate governance in the Bank Group.

§ 41.

1. The Bank's basic organizational structure is as follows:
  - 1) the Business Support Centre – acting as the head office;  
The following units operate within the Business Support Centre: divisions, areas, departments, centres, offices and stand-alone teams,
  - 2) Branches.

2. The detailed organizational structure of the Bank is outlined in the Bank's Organizational Regulations adopted by the Management Board and approved by the Supervisory Board and the related resolutions issued by the Bank's Management Board.
3. There are also Committees established by the Management Board operating in the Bank.

§ 42.

1. The Bank operates an internal control system, whose purpose is to ensure:
  - 1) effectiveness and efficiency of the Bank's activities,
  - 2) reliability of financial reporting,
  - 3) conformity to risk management rules in the Bank,
  - 4) compliance of the Bank's actions with legal requirements, internal regulations and market standards.
2. The following entities operate within the Bank's internal control system:
  - 1) control function, which is tasked with ensuring the observance of control mechanisms related in particular to risk management in the Bank, and which includes positions, groups of persons or organisational units responsible for the performance of tasks assigned to this function,
  - 2) an independent compliance function responsible for identification, assessment, control and monitoring of the risk of Bank's non-compliance with the law, internal regulations and market standards and presenting relevant reports,
  - 3) independent internal audit function, which is tasked with independent and objective testing and assessment of the adequacy and effectiveness of the risk management system and internal control system, excluding the internal audit function.
3. (repealed).
4. The Bank's Management Board is responsible for designing, implementing and functioning of the system of internal control.
5. The Supervisory Board is responsible for the supervision over the implementation of the internal control system and for assessing its adequacy and effectiveness.
6. The Supervisory Board opines on the appointment of the head of internal audit as well as termination of his/her employment and rules of remunerating members of the internal audit function. The remuneration of the head of internal audit is set on the basis of the audit committee and remuneration committee opinions.
7. The audit committee of the Supervisory Board supervises the activity of the internal audit function.
8. Information on identified irregularities, findings from internal audits and actions taken to remove these problems is provided periodically (at least once a year) to the Supervisory Board.
9. Internal control procedures are defined in detail by the Management Board, by way of a resolution (which is subject to the Supervisory Board's approval).

## **IX. Equity and funds of the Bank**

### **§ 43.**

The Bank has equity adequate to the scale of its operations.

### **§ 44.**

The Bank's own funds include:

- 1) share capital,
- 2) supplementary capital,
- 3) reserve capital which comprises:
  - a) profit allocations made in accordance with the Statutes,
  - b) valuations of the Bank's employee share incentive schemes,
  - c) first revaluation of fixed assets under International Financial Reporting Standards,
  - d) amounts arising from the Bank's merger (as acquirer) with another bank or credit institution which is the Bank's subsidiary or with other connected entities controlled together with the Bank by another company,
- 4) general risk fund for unidentified banking business risk.

### **§ 45.**

1. The supplementary capital is raised from:
  - a) share premium
  - b) allocations from after-tax profit.
2. At least (8%) eight per cent of the Bank's after-tax profit should be allocated to the supplementary capital as the annual transfers from the after-tax profit until the value of the supplementary capital equals at least one third of the value of the Bank's share capital. The amount is set by the General Shareholders' Meeting.
3. The supplementary capital may also be fed with funds coming from other sources, if permitted by law.
4. The supplementary capital is earmarked for covering the Bank's balance sheet losses. The decision on using the supplementary capital is taken by the General Shareholders' Meeting.

### **§ 46.**

1. The reserve capital is created out of allocations from the after-tax profit, in an amount resolved by the General Shareholders' Meeting and from other sources.
2. The reserve capital is earmarked for covering balance sheet losses, should they exceed the supplementary capital, or for other purposes, particularly for dividend pay-outs. Decisions on using the reserve capital are taken by the General Shareholders' Meeting.

§ 47.

1. The general risk fund for non-identified risks of banking operations is raised and dissolved by virtue of the resolution passed by the General Shareholders' Meeting. The general risk fund is created out of allocations from the after-tax profit.
2. The general risk fund is earmarked for the coverage of costs and losses related to non-identified risks of banking operations for which the Bank has not raised a separate provision.

§ 48.

1. The Bank raises and releases special funds pursuant to a resolution of the General Shareholders' Meeting, unless the obligation to raise special funds is stipulated by law.
2. Regulations of special funds are adopted by the Supervisory Board.

## **X. Financial Management**

§ 49.

The Bank conducts its financial management based on financial plans approved by the Supervisory Board. Detailed principles of the Bank's financial management are set out by the Management Board.

§ 50.

1. The Bank may allocate its after-tax profit in the amounts determined by the General Shareholders' Meeting to:
  - a) supplementary capital,
  - b) reserve capital,
  - c) dividends to shareholders,
  - d) special funds,
  - e) general risk fund,
  - f) other purposes.
2. The General Shareholders Meeting can allocate the dividend or part thereof to pay for shares to be taken up by the existing shareholders in the raised share capital of the Bank.
3. The dividend may be paid in the form of cash or securities. The dividend to the State Treasury, as the shareholder, shall be paid in cash.
4. The Bank's Management Board is authorized to make an advance payment of dividend anticipated for the end of the accounting year, provided the Bank has sufficient funds for such a payment. The disbursement of such an advance payment requires approval of the Supervisory Board.

§ 51.

The Bank runs its accountancy in accordance with applicable regulations.

§ 52.

Annual financial statements should be produced not later than within three months after the end of each accounting year. The accounting year is a calendar year.

**XI. Final Provisions**

§ 53.

All announcements required by law are released by the Bank in "Monitor Sądowy i Gospodarczy" (Judicial and Business Journal).

§ 54

(repealed)