

**Bank Ochrony Środowiska S.A.  
Head Office**

# Articles of Association

**consolidated text adopted under Resolution No. 100/2023  
of the Supervisory Board of BOŚ S.A. of 21 September 2023  
applicable as of 28 September 2023**

**Warszawa, 2023**

**ARTICLES OF ASSOCIATION  
of BANK OCHRONY ŚRODOWISKA - SPÓŁKA AKCYJNA**

**1. GENERAL PROVISIONS**

§1

Bank Ochrony Środowiska S.A. is a bank established for an unlimited period of time as a joint stock company operating on the basis of these Articles of Association, the Banking Act, the Code of Commercial Companies and other legal regulations in force in the Republic of Poland, and on the basis of letters of authorisation to conduct banking operations that expose to risk funds that have been entrusted to the bank and that are in any way repayable.

§2

1. The Company name shall be Bank Ochrony Środowiska Spółka Akcyjna, in abbreviation Bank Ochrony Środowiska S.A. or BOŚ S.A.
2. The registered office of the Bank shall be in Warsaw.

§3

1. The Bank shall have legal personality.
2. The Bank shall conduct its activity in the territory of the Republic of Poland and abroad subject to required approvals.
3. The Bank may open and keep accounts in Polish and foreign banks.

**2. THE BANK'S ACTIVITIES**

§4

1. The basic object of the Bank shall be to manage effectively the capital of shareholders and funds entrusted to it by customers, to ensure the profitability of its activities and the safety of deposits.
2. The object of the Bank's activities shall be the performance of banking operations, including the collection of funds, the granting of loans, the performance of financial settlements, the provision of other banking services, including the provision of consulting and advising services in financial matters.
3. The mission of the Bank shall be: a Polish bank combining business and ecology for the benefit of customers.
4. The Bank realises its mission in particular by:
  - 1) providing banking services to all Customer segments, particularly including those who carry out pro-ecological undertakings or operating in the field of environment protection and water management as well as to persons appreciating eco-lifestyle,
  - 2) effectively participating in the distribution of funds for investments into environment protection and sustainable development in Poland

## §5

1. The scope of activity of the Bank shall also include:
  - 1) taking deposits payable on demand or at a specified maturity, and the operation of such deposit accounts,
  - 2) the operation of other bank accounts,
  - 3) the extension of loans,
  - 4) the extension and confirmation of bank guarantees and issue of letters of credit,
  - 5) the issue of bank securities,
  - 6) the performance of bank monetary settlements,
  - 7) the issue of electronic money instruments,
  - 8) the extension of cash advances,
  - 9) the performance of operations involving cheques and bills of exchange,
  - 10) the issue of payment cards and the performance of operations using such cards,
  - 11) the purchase and disposal of cash claims,
  - 12) the safekeeping of valuables and securities, and the provision of safe deposit facilities,
  - 13) the purchase and disposal of foreign exchange,
  - 14) the endorsement of bills or notes and confirmation of such endorsements,
  - 15) the performance of commissioned operations relating to the issue of securities,
  - 16) intermediation in the transfer of payments and in the performance of foreign exchange settlements,
  - 17) the performance of functions of depository institution.
2. The scope of activity of the Bank shall also include:
  - 1) the purchase or disposal of shares and rights from shares, shares of other legal persons and units in investment funds,
  - 2) the undertaking of commitments connected with the issue of securities,
  - 3) trading in securities,
  - 4) the performance of financial forward transactions,
  - 5) the conversion, on conditions agreed with debtor, of claims to assets of debtor,
  - 6) the purchase and disposal of real property,
  - 7) the provision of financial consulting and advisory services, in particular on matters related to ecology,
  - 8) the provision of factoring services,
  - 9) the performance of non-brokerage activities involving purchase or disposal of financial instruments on own account, on condition that the subject of these activities may solely be securities issued by the State Treasury or the National Bank of Poland or other financial instruments or bonds not admitted to organised trading and bonds specified in art. 39p subpara. 1 of the Toll Roads and the National Road Fund Act of 27 October 1994 and also bonds, letters of lien or other tradable securities, admitted to organized trading, incorporating property rights equivalent to rights arising from an assumed debt, other than instruments specified above, or derivative instruments whose base

instruments are bonds, letters of lien, other tradable securities incorporating property rights equivalent to rights arising from an assumed debt, interest rate or currency,

- 10) the provision of services of agent of investment company,
  - 11) the provision of intermediation services for insurance underwriters,
  - 12) the conduct of debt collection actions on orders from banks and entities with which the Bank has valid joint financing contracts or contracts for the delivery of undertakings under operational programs,
  - 13) the issuance of electronic identification means within the meaning of regulations on trust services.
3. The Bank may perform activities attributed to domestic banks, as specified in the State Aid for Child Support Act of 11 February 2016.

## §6

1. The Bank is required to maintain adequate liquidity, appropriate to the scale and type of business conducted, in a manner such that ensures the meeting of any financial obligation at maturity.
2. The Bank is required to keep to binding exposure concentration limits.
3. The Bank, any person employed by it, and other staff involved in the performance by the Bank of its operations, shall be bound by the obligation of banking secrecy.
4. The Bank, any person employed by it, and other staff involved in the conducting by the Bank of its activities, shall be bound to apply the provisions of law concerning counteracting money laundering and financing of terrorism.

## 3. THE BANK'S FOUNDERS AND THE ESTABLISHMENT COST

### §7

1. The Bank's founders are as follows:
  - 1) Narodowy Fundusz Ochrony Środowiska i Gospodarki Wodnej (National Fund for Environmental Protection and Water Resource Management),
  - 2) Przedsiębiorstwo Międzynarodowych Przewozów Samochodowych (International Motor Road Transport Company) PEKAES,
  - 3) POLIMEX-CEKOP Spółka z o.o. (plc),
  - 4) Polskie Towarzystwo Handlu Zagranicznego dla Elektrotechniki „ELEKTRIM” (Polish Electrical Engineering Foreign Trade Company),
  - 5) Główny Instytut Górnictwa (Chief Institute of Mining),
  - 6) METRONEX Spółka z o.o. Przedsiębiorstwo Handlu Zagranicznego (METRONEX Foreign Trade Enterprise, plc),
  - 7) Przedsiębiorstwo Uspołecznione „WROSILBET” Spółka z o.o. (Socialised Enterprise „WROSILBET”, plc),
  - 8) Bydgoskie Biuro Projektowo-Badawcze Budownictwa Przemysłowego (Industrial Construction Design and Research Company in Bydgoszcz),
  - 9) Przedsiębiorstwo Produkcyjno-Inwestycyjne „BUDMAR” Spółka z o.o. (Production and Investment Enterprise „BUDMAR”, plc),
  - 10) A/S Niro Atomiser-Gladsaxevej 305, Denmark,

- 11) SPOŁEM Warszawska Spółdzielnia Spożywców Wola (Consumer Cooperative SPOŁEM in Warsaw Wola),
  - 12) Krzysztof Horodecki,
  - 13) Liga Ochrony Przyrody, Zarząd Główny (Nature Conservation League Head Office)
2. Approximate costs incurred in connection with the establishment of the Bank and fixed as at the day of establishment amounted to PLN 6,480.30 (six thousand four hundred eighty złotych, thirty groszys).

#### **4. THE DIRECTING BODIES OF THE BANK**

##### **§8**

The directing bodies of the Bank shall be:

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

#### **4.1. THE GENERAL MEETING**

##### **§9**

1. A General Meeting may be either annual or extraordinary.
2. An Annual General Meeting shall be convened by the Bank Management Board within six months following the close of every financial year.
3. The Supervisory Board has the right to convene an Annual General Meeting where the Management Board fails to do so within the time limit specified in the relevant regulations of the law.
4. An Annual General Meeting agenda shall include the following items:
  - 1) consideration and approval of the Management Board report on the Bank's activity and the financial statements for the previous financial year,
  - 2) passing resolutions on the allocation of profits or absorption of losses,
  - 3) granting members of the governing bodies of the Bank the vote of approval for performance of their respective duties.
5. An Extraordinary General Meeting may be convened as necessary by the Management Board at its own initiative or on a motion brought by the Supervisory Board, or at the request of shareholders representing at least one-twentieth of share capital.
6. The Supervisory Board, if it deems that necessary, has the right to convene an Extraordinary General Meeting.
7. An Extraordinary General Meeting may be convened by shareholders representing at least one half of share capital of the Bank or at least one half of the total vote. Shareholders appoint the person to chair the General Meeting.
8. The convening of an Extraordinary General Meeting, as well as the placing of matters on the agenda of the next General Meeting, may be demanded by shareholders representing at least one-twentieth of share capital of the Bank. Such

demand shall be submitted to the Management Board in hard copy form or in electronic form. A demand to place certain matters on the agenda of the nearest General Meeting shall be submitted not later than 21 days before the proposed date of the General Meeting.

9. Any request to convene a General Meeting or any request brought by an eligible entity to place any business on its agenda should be submitted along with the relevant justification of the request.
10. Waiver of deliberation of a business placed on the agenda at the request of shareholders or cancellation thereof from the agenda requires a General Meeting resolution passed by a 3/4 majority of the vote, provided that all of the moving parties attending the General Meeting have expressed consent thereto.

## §10

The powers of the General Meeting shall include in particular:

- 1) considering and approving the Management Board's report on the Bank's activity and the Bank's financial statements,
- 2) considering and approving the Management Board's report on the activity of the Bank's Capital Group and consolidated financial statements of the Bank's Capital Group,
- 3) passing resolutions on profit distribution or loss coverage,
- 4) considering and approving the report on the Supervisory Board's activities,
- 5) granting discharge to members of the Bank's directing bodies,
- 6) appointing and dismissing Supervisory Board members,
- 7) adopting the policy of evaluation of suitability of candidates for Supervisory Board members, Supervisory Board members, and the Supervisory Board, as well as the evaluation of suitability of candidates for Supervisory Board members, Supervisory Board members, and the Supervisory Board,
- 8) making amendments to the Bank's Articles of Association,
- 9) authorising the Supervisory Board to adopt the consolidated text of the amended Articles of Association or to make thereto substantial editorial amendments as stipulated in General Meeting resolutions,
- 10) adopting resolutions on increasing or decreasing the share capital,
- 11) adopting resolutions on the issuance of convertible bonds and bonds with pre-emptive right,
- 12) deciding on the establishment or cancellation of funds referred to in § 36.1,
- 13) adopting resolutions on the merger, sale or liquidation of the Bank,
- 14) appointing liquidators and setting their remuneration,
- 15) providing for rules for the remuneration of the Supervisory Board members,
- 16) setting the remuneration of Supervisory Board members,
- 17) adopting resolutions on other matters brought up by the Management Board and the Supervisory Board or by shareholders in the manner provided for in the Code of Commercial Companies, the Banking Act, and the Bank's Articles of Association,
- 18) evaluating the adequacy of the rules of procedure of the Supervisory Board and evaluating the effectiveness of the Supervisory Board's activities

## §11

Any matter the Management Board may bring for consideration before the General Meeting shall first be presented to the Supervisory Board, for the Supervisory Board to consider and to express their opinion on such document.

## §12

1. Shareholders may participate in the General Meeting in person or by proxy.
2. Shareholders may participate in the General Meeting using means of electronic communication. Details principles for participating in the General Meeting using means of electronic communication are specified in the rules of procedure adopted by the Supervisory Board.
3. Any document identifying a person as proxy holder authorised to attend the General Meeting shall be made out in writing or in electronic form and attached to the minutes of the General Meeting.
4. An electronic form of the power of attorney shall mean a shareholder's statement made in an integral text document where the author of the statement can be identified.
5. A shareholder may not vote in person, or by proxy, on resolutions relating to their liability towards the company for any reason, specifically in votes of approval of performance of duties, or on being released from any liability towards the company, or on any dispute between him and the Bank. However, when acting as proxy for another, such shareholder may vote on resolutions relating to themselves as referred to above.

## §13

1. Unless otherwise stated in the provisions of the Code of Commercial Companies or in these Articles of Association, the General Meeting shall be valid regardless of the number of shares represented at it.
2. Resolutions shall be adopted by a simple majority of vote, unless the provisions of the Code of Commercial Companies or of these Articles provide for more rigorous voting requirements.

## §14

1. Voting at the General Meeting shall be by open ballot.
2. Secret ballots shall be ordered for elections and motions to dismiss members from the Bank's directing bodies or liquidators, motions to call them to account for their actions, and in personal issues. Moreover, a secret ballot should be ordered when requested by at least one shareholder present or represented at the General Meeting.
3. The General Meeting may adopt a resolution to abolish secrecy of voting on matters relating to the election of a committee appointed by the General Meeting.

## §15

1. The General Meeting shall be opened by the Chairman or the Deputy chairman of the Supervisory Board or another member of the Supervisory Board. In the absence of these persons, the General Meeting shall be opened by the President of the Management Board or a person the Management Board may appoint to do so.
2. The Chairman of the Meeting shall be elected from among persons eligible for participation in the General Meeting.
3. A General Meeting shall be recorded in minutes pursuant to the provisions of the Code of Commercial Companies and the Act on Banking Law.
4. Such minutes should set out:
  - 1) a statement confirming the validity of convention of the General Meeting and its legal capacity to pass resolutions,
  - 2) a list of all resolutions passed with an indication by each resolution of: the number of shares representing valid votes, the percent proportion of such shares in share capital, the total number of valid votes, the number of votes "for", "against" or "abstained", and any dissenting opinion brought forward,
  - 3) an attendance list of signatures put down by those attending the General Meeting,
  - 4) the substance of motions filed in the course of the General Meeting, the given name and surname of the moving party, or the given name and surname or trade name of the party for which the motion was filed, and also the decision taken in respect of the motion.
5. The Management Board should attach the evidence confirming the validity of convention of the General Meeting to the book of minutes.

## §16

1. Cancellation of a General Meeting shall be performed in the same manner as the convention thereof.
2. A change of date of a General Meeting shall be performed in the same manner as a cancellation thereof, even if the proposed agenda has not changed.

### **4.2. THE SUPERVISORY BOARD**

## §17

1. The Supervisory Board shall consist of natural persons appointed by the General Meeting for a collective term of office in a number not less than 5 persons and not more than 11 persons.
2. The collective term of office of the Supervisory Board lasts three years; with the number of terms in office unlimited.



## §18

1. Mandates of the Supervisory Board members expire on the day a General Meeting approving the activity report and the financial statements for the previous full financial year of serving in the capacity of Supervisory Board member is held.
2. A Supervisory Board member's mandate also expires following death, resignation, or dismissal from the Supervisory Board.
3. A Supervisory Board member may be dismissed before their term of office expires and a new member may be appointed for the dismissed member.

## §19

1. The Supervisory Board shall elect a chairman, deputy chairman, and secretary from among its members.
2. Supervisory Board meetings shall be convened by its chairman as necessary but no less frequently than once in a quarter. A meeting may be also convened in the manner provided in Art. 389 §1 and §2 of the Code of Commercial Companies.
3. Meetings of the Supervisory Board shall be convened by invitation, which shall specify the date, time and the venue of the meeting, the proposed agenda as well as the manner of using means of remote electronic communication during the meeting.
4. Resolutions of the Supervisory Board may be adopted when at least one half of its members are present at the meeting, including the chairman or the deputy chairman, and when all members have been duly notified. Resolutions of the Supervisory Board appointing or dismissing Management Board members shall be passed by a 2/3 majority of votes. Other resolutions – unless the law stipulates otherwise – shall be adopted by an outright majority of votes. In case of an equality of votes the chairman shall have the casting vote.
5. Supervisory Board members may participate in adopting resolutions by casting their votes in writing via another member of the Supervisory Board. A vote cast in writing may not concern issues added to the agenda during the Supervisory Board meeting.
6. The Supervisory Board may adopt resolutions in writing or by means of direct long-distance communications. A resolution shall be deemed valid provided that all the Supervisory Board members were duly notified of the text of the draft resolution and at least half the members of the Board participated in adopting the resolution.
7. Supervisory Board meetings shall be recorded in minutes.
8. The Supervisory Board adopts, by resolution, rules of procedure for the Supervisory Board.
9. The Supervisory Board shall inform the General Meeting of having adopted the rules of procedure for the Supervisory Board at the earliest opportunity.

## §20

1. The Supervisory Board shall continuously supervise all aspects of the Bank's activity.
2. The Supervisory Board shall fulfil its duties collectively; nevertheless, it may delegate its members to perform specific supervisory activities individually.

3. From among its members the Supervisory Board shall appoint an Internal Audit Committee and a Remuneration and Nomination Committee and a Risk Committee. The Supervisory Board may appoint further committees from among its members. The composition and detailed list of responsibilities of such Committees shall be laid down by the Supervisory Board in separate resolutions.
4. The responsibilities of the Internal Audit Committee shall include in particular:
  - 1) monitoring the risk management system and the internal control system as well as the internal audit system for efficiency,
  - 2) monitoring financial reporting processes at the Bank,
  - 3) monitoring the performance of finance audits,
  - 4) controlling and monitoring the independence of certified auditor and entity authorised to audit financial statements,
  - 5) overseeing the activity of the internal audit unit, and in particular:
    - a) ensuring the appropriate situation of the internal audit unit in the organisational structure of the Bank, to keep its independence in work, in accordance with supervisory regulations,
    - b) commenting on the internal audit agenda,
  - 6) expressing an opinion on applications for appointing (employing) or dismissing a head of the internal audit unit and applications for appointing (employing) or dismissing a head of the compliance unit as well as presenting recommendations as to the approval of the above-mentioned applications to the Supervisory Board,
  - 7) expressing an opinion and presenting to the Supervisory Board recommendations as to the applications for specifying the remuneration (including bonuses) or changing the conditions of remunerating the head of the internal audit unit and the head of the compliance unit, as well as verifying whether the remuneration of the heads of these units does not deviate from the remuneration of other persons performing key functions at the Bank.
5. Responsibilities of the Remuneration and Nomination Committee shall include in particular:
  - 1) expressing an opinion on variable remuneration component policy and supporting Bank's authorities in the shaping and execution of this policy,
  - 2) expressing an opinion on, and monitoring of variable remuneration of persons in charge of risk management in dedicated positions and persons in charge of the compliance unit and the internal audit unit,
  - 3) expressing an opinion on the evaluation of suitability of candidates for Management Board members, members of the Management Board and of the Management Board.
6. Responsibilities of the Risk Committee shall include in particular:
  - 1) expressing an opinion on Bank's comprehensive, current and future readiness to take up risk,
  - 2) expressing an opinion on the strategy of risk management in Bank's activity, prepared by the Bank Management Board, and on information on the accomplishment of this strategy presented by the Bank Management Board,
  - 3) supporting the Supervisory Board in the supervision of the implementation of the strategy of risk management in Bank's activity by top management,
  - 4) verifying whether the prices of liabilities and assets offered to the customers

fully take into account the Bank's business model and its risk strategies, and when these prices do not properly reflect the types of risks in accordance with this model and this strategy, presentation to the Bank Management Board of proposals aimed at ensuring adequacy of prices of liabilities and assets to those types of risk.

7. The Supervisory Board determines the number of Management Board members.
8. The Supervisory Board appoints and dismisses the president, and vice-presidents and members of the Management Board. The president of the Management Board shall have the right to submit motions to the Supervisory Board for the appointment or dismissal of vice-presidents and Management Board members
9. The appointment of two members of the Management Board, including the president, is subject to approval of the Financial Supervision Authority. Such approval shall be requested by the Supervisory Board. The other member – next to the president – of the Management Board approved by the Financial Supervision Authority shall hold the function of vice-president first deputy president of the Management Board at the Bank and supervise the management of major risks in the Bank's activity.
10. The Supervisory Board shall consider any matter brought by the Management Board before the General Meeting and express its opinion on draft resolutions of the General Meeting, except resolutions in respect of points of order.
11. In addition, the Supervisory Board shall have the following powers
  - 1) approving strategies of the Bank and annual financial plans of the Bank
  - 2) approving the overall acceptable level of risk determined by the Bank Management Board and the Bank management strategy and the risk management strategy adopted by the Bank Management Board,
  - 3) approving the policy for estimation of internal equity and capital management,
  - 4) approving the remuneration policies,
  - 5) approving the Bank's compliance policy,
  - 6) approving the Bank's information policy rules, including disclosures,
  - 7) approving Management Board resolutions concerning the Bank's organisational structure, on condition, however, that according to Par. 21 subpara. 6 point 3 the powers to create and liquidate Bank organisational units are attributed to the Management Board;
  - 8) informing the Polish Financial Supervision Authority of:
    - a) the composition of the Management Board and any changes thereof instantly upon the appointment or change of the composition,
    - b) the Management Board members' fulfilment of the requirements set forth in art. 22aa of the Banking Act,
    - c) approval and change of the internal distribution of competence with the Management Board,
    - d) incorporating a point concerning the dismissal of the President of the Management Board or a Management Board member supervising the management of major risks in the Bank's activity or entrusting their duties to another Management Board member into the agenda of the Supervisory Board's meetings,
  - 9) assessing the Management Board report on the Bank's activity and the financial statements for the previous financial year as regards their conformity

with the Bank's accounting books, documents, and the actual state of affairs; and the checking of Management Board's motions as to the distribution of profits or the coverage of losses, as well as submitting an annual written report to the General Meeting on the findings of such an assessment,

- 10) drawing up and submitting the annual written report for the previous financial year to the General Meeting,
- 11) assessing the Management Board report on the activity of the Bank Capital Group and consolidated financial statements of the Bank Capital Group for the previous financial year as regards their conformity with the accounting books, documents and the actual state of affairs, as well as submitting an annual written report to the General Meeting on the findings of such an assessment,
- 12) setting the conditions of employment, including legal conditions other than the labour relationship, of members of the Bank Management Board, subject to Par.10 point 15
- 13) adopting rules for granting loans, credits, bank guarantees or endorsements to members of the Bank's directing bodies and persons in managerial positions and other persons mentioned in Art. 79 of the Banking Act,
- 14) adopting resolutions on approvals for granting of loans, credits, bank guarantees or endorsements to members of the Bank's directing bodies and other persons mentioned in Art. 79a of the Banking Act,
- 15) approving Management Board motions on the acquisition of shares in companies, where the nominal value thereof, together with the shares in such companies already held by the Bank, exceeds 5 per cent of the Bank's share capital, with the exclusion of shares in companies admitted to public trading,
- 16) appointing a chartered auditor to examine the financial statements and other experts,
- 17) supervising the introduction of a management system, composed of a risk management system and an internal audit system, at the Bank, reviewing those systems for adequacy and efficiency on an annual basis, including reviewing the control function, the compliance unit and the internal audit unit for adequacy and efficiency,
- 18) reviewing periodic reports on banking risk levels and banking risk management quality,
- 19) reviewing periodic reports on irregularities found in, and conclusions following from, internal audits, and measures taken to remedy or implement them
- 20) approving the procedure for the appointment and dismissal of the person in charge of the internal audit unit and the person in charge of the compliance unit as well as approval of remunerations thereof,
- 21) adopting a policy for evaluation of suitability of candidates for the Management Board members, Management Board members and the Management Board of the Bank, as well as evaluation of suitability of candidates for the Bank Management Board members, Management Board members and the Management Board of the Bank,
- 22) approving the internal competence distribution within the Bank Management Board,
- 23) approving the rules of the internal audit unit (Internal Audit Card) and approval of the internal audit plan,

- 24) approving the rules of the compliance unit and of its annual action plans,
- 25) evaluating, at least once a year, the adequacy and efficiency of the whistleblowing procedure,
- 26) evaluating the adequacy of the rules of procedure for the Management Board and evaluating the efficiency of the Management Board's activities,
- 27) approving the policy of identifying key functions at the Bank and evaluating the suitability of candidates for key functions at the Bank and persons performing key functions at the Bank,
- 28) approving the ethical rules specifying the norms and ethical standards of conduct of the Bank's body members and employees, as well as any other persons involved in the conducting by the Bank of its activities,
- 29) approving the policy of managing conflicts of interest,
- 30) approving the policy of dividend policy of the Bank,
- 31) approving the policy of approving new products.

### **4.3. THE MANAGEMENT BOARD**

#### §21

1. The Management Board shall consist not less than of 3 natural persons, including: the president of the Management Board, a vice-president first deputy president of the Management Board, and the other vice-presidents or other members of the Management Board. Members of the Management Board shall possess knowledge, skills and experience appropriate for the functions performed by them and duties imposed on them and provide guarantee for the proper fulfilment of such duties.
2. Management Board members are appointed by the Supervisory Board for a collective term of office. The collective term of office of the Management Board lasts three years; with the number of terms in office unlimited. While fulfilling their duties, a member of the Supervisory Board shall exercise due diligence arising from the professional nature of their activity and be loyal towards the Bank.
3. Mandates of Management Board members expire on the day a General Meeting approves the activity report of the Bank and the financial statements of the Bank for the previous full financial year of serving in the capacity of Management Board member is held
4. A Management Board member's mandate also expires following death, resignation, or dismissal from the Management Board.
5. The powers of the Management Board shall include any matter that does not fall within the powers of other directing bodies of the Bank.
6. In particular, the Management Board has the following responsibilities:
  - 1) to represent the Bank before courts, public administration bodies, and third parties,
  - 2) to adopt, by resolution, the Bank's Strategy and yearly financial plans of the Bank,
  - 3) to adopt resolutions on the organisational structure of the Bank, its Head Office, as well as on establishing and liquidating Bank organisational units,
  - 4) to adopt resolutions on the acquisition and transfer of real property or shares

- in real property,
- 5) to draft internal regulations the issue of which falls within the powers of the General Meeting and the Supervisory Board,
  - 6) to make decisions in matters connected with assuming obligations or disposing of assets, where the aggregate value in relation to one entity exceeds 5 per cent of the Bank's authorised share capital, subject to provisions of Par. 20 subpara. 11 point 15,
  - 7) to adopt resolutions on Bank's information policy, including disclosures,
  - 8) to adopt, by resolution, Bank's management strategies and risk management strategies,
  - 9) to determine the acceptable overall risk level,
  - 10) to manage special funds,
  - 11) to approve, by resolution, the procedure for the appointment and dismissal of the person in charge of the internal audit unit and the person in charge of the compliance unit and determine remunerations thereof,
  - 12) to adopt, by resolution, the remuneration policy,
  - 13) to adopt, by resolution, the policy of identifying key positions at the Bank and evaluating the suitability of candidates for key positions at the Bank and persons performing key positions at the Bank,
  - 14) to adopt, by resolution, the Bank's compliance policy,
  - 15) to adopt, by resolution, the internal capital estimation and capital management policy
  - 16) to determine the internal distribution of competence within the Bank Management Board,
  - 17) to adopt, by resolution, the rules of the internal audit unit (Internal Audit Card) and express opinion on the internal audit plan,
  - 18) to adopt, by resolution, the rules of the compliance unit and its yearly action plans,
  - 19) to adopt, by resolution, the internal rules aimed at ensuring that the Bank fulfils the obligations arising from the Act on Counteracting Money Laundering and Financing of Terrorism properly,
  - 20) to manage the internal control process at the Bank,
  - 21) to adopt, by resolution, the ethical rules specifying the norms and ethical standards of conduct of the Bank's body members and employees, as well as any other persons involved in the conducting by the Bank of its activities,
  - 22) to adopt, by resolution, the policy of managing conflicts of interest,
  - 23) to adopt, by resolution, the dividend policy of the Bank,
  - 24) to adopt, by resolution, the policy of approving new products.
7. The Management Board adopts, by resolution, rules of procedure for Management Board. The rules shall specify matters that may not be adopted unless by collective resolution, procedural and formal requirements regarding the holding of proceedings, as well as the detailed manner of passing resolutions.
  8. The Management Board of the Bank informs the Supervisory Board of having adopted the rules of procedure for the Management Board.
  9. Management Board resolutions shall be deemed carried by a simple majority of votes. Resolutions may be adopted, if at least one half of Management Board

members attend the meeting, including the President of the Management Board or – in his absence – the vice-president first deputy president of the Management Board or another vice-president of the Management Board named by the president. In case of a tie the president of the Management Board shall have the casting vote.

10. The Management Board shall take decisions by resolution.
11. Management Board meetings shall be recorded in minutes

## §22

1. The president of the Management Board shall have authority:
  - 1) to manage the entire body of the Bank's activities,
  - 2) to issue Management Board President regulations,
  - 3) to manage the work of the Management Board, to convene meetings of the Management Board, to accept the agenda, and to chair meetings
2. The president of the Management Board is empowered in particular:
  - 1) to appoint and to dismiss managing directors, directors of Head Office organisational units and their deputies, except the director of the internal audit unit and the director of the compliance unit, who shall be appointed under a separate procedure,
  - 2) to issue the rules of organisation of the Bank and Rules of organisation of Bank organisational units.
3. In the event that the mandate of the Management Board president has expired for any of the reasons referred to in § 21 subpara. 4, pending appointment of a president, functions of Management Board president shall be fulfilled, and the entire body of the Bank business shall be managed, by the vice-president first deputy president of the Management Board.
4. In the absence of the Management Board president, the functions of this office shall be fulfilled, and the business of the Bank shall be managed, with the exception of powers set out in subpara. 2 point 1 in this paragraph, by the vice-president first deputy president of the Management Board or another member of the Management Board appointed by the president of the Management Board
5. On the basis of the internal distribution of competence within the Bank Management Board approved by the Supervisory Board the Management Board President shall determine the detailed scope of management of the Bank's operations by individual Management Board members.

## §23

1. The Bank's authorised representatives shall be appointed and dismissed by:
  - 1) the president acting individually, or
  - 2) two other persons from the Management Board acting jointly.
2. Appointment of a commercial proxy shall require the consent of all the Management Board members.
3. The commercial proxy may be dismissed by any one member of the Management Board.
4. The persons authorised to submit declarations relating to financial rights and obligations and to sign in the name of the Bank shall be:

- 1) the Management Board President acting individually,
  - 2) two persons – acting jointly – from among other Management Board members, commercial proxies or authorised representatives, acting within the scope of their authorisation arising within the limits of the powers granted.
5. Authorised representatives acting independently within the scope of their authorisation may be appointed to perform specific operations or a definite type of operations.
  6. Persons authorised to submit declarations relating to financial rights and obligations shall submit their signatures under the stamp of the Bank.
  7. Management Board members shall be subject to the restrictions stipulated in Art. 375 and Art. 380 para. 1 of the Code of Commercial Companies.

## **5. ORGANISATION OF THE BANK**

### **§24**

1. The goals and tasks of the Bank shall be fulfilled by the Head Office and other organisational units of the Bank.
2. The Head Office shall fulfil functions of: strategic management centre, control functions, sale functions, instruction functions, and operational functions.
3. The Head Office of the Bank operates a Credit Committee and an Assets and Liabilities Committee, as well as other committees and task groups the Bank may appoint as needed.
4. Bank's internal regulations shall be issued in the form of:
  - 1) resolutions – by the Bank Supervisory Board and Management Board,
  - 2) Management Board President regulations – by the Management Board president,
  - 3) circular letters having the status of executive regulations to resolutions and Management Board president regulations – by Management Board members and persons authorised by the Management Board in the resolution or in the Management Board president regulation – by the Management Board president.
5. The manner and rules of issuing internal regulatory acts of the Bank shall be laid down in detail in a Management Board President regulation.
6. The Bank may establish organisational units in Poland and abroad, and it may accede to, or establish, capital companies, that is, joint-stock companies or limited liability companies, foundations and other legal persons – in accordance with generally binding regulations of the law.

### **§25**

1. The Bank operates a system of management setting out principles and mechanisms applicable to decision processes at the Bank and to the evaluation of the Bank's business operations.
2. The Management Board shall develop, introduce and operate an adequate and effective management system in all organisational units of the Bank, which comprises:



- a. a risk management system,
  - b. an internal control system.
3. The principles of the functioning of the risk management system and of the internal audit system are set out in Bank's internal regulations.
  4. The management system shall include procedures of reporting anonymously violations of law and the procedures and ethical standards followed by the Bank to an indicated Management Board member, and in particular cases – to the Supervisory Board of the Bank. Within the procedures referred to in the first sentence, the Bank shall provide employees reporting such violations with protection against at least repressive actions, discrimination or other types of unfair treatment.
  5. Within the internal audit system, the Bank distinguishes, according to the Banking Act:
    - 1) a control function which is to ensure observance of control mechanisms related particularly to risk management at the Bank which comprises positions, groups of people or internal organisational units responsible for the accomplishment of tasks assigned to this function,
    - 2) an independent compliance unit, reporting directly to the President of the Management Board, responsible for designing and implementing controls of compliance risk, independent monitoring of range and profile of the compliance risk upon application of compliance risk controls involving continuous verification and testing and regular presentation of reports on that matter to the Management Board and Supervisory Board.
    - 3) an independent internal audit unit which is to independently and objectively examine and evaluate the adequacy and effectiveness of the risk management system and the internal audit system, excluding the internal audit unit.
  6. In organisational terms, the internal audit unit shall report directly to the President of the Management Board, while the supervision shall be exercised by the Internal Audit Committee.
  7. As the third line of defence, the internal audit unit shall not be subject to independent monitoring by organisational units located in the second line of defence. Employees of the internal audit unit shall not conduct any other activities at the Bank than those arising from the guaranteeing or advisory activity. They shall not conduct any operational activities.
  8. The Bank Management Board shall ensure the functioning of the internal audit system within the Bank subsidiaries.
  9. Any information regarding irregularities found in, and conclusions following from, internal audits, and measures taken to remedy or implement them, as well as information presenting the results of continuous verification and testing conducted by the compliance unit shall be reported periodically, not less frequently than once a year, to the Management Board and Supervisory Board.
  10. The control function separated within the internal control system is the Bank's fundamental control service and shall be performed by all employees of the Bank at all organisational levels. Management Board members shall oversee the delivery of internal audit tasks in their respective areas of supervision.
  11. The Supervisory Board of the Bank shall supervise the introduction of the management system and evaluate the adequacy and effectiveness of this system.

## **6. PRINCIPLES OF FINANCIAL MANAGEMENT AT THE BANK**

### **§26**

The Bank shall manage its finances on its own pursuant to a financial plan, in a manner such as provides for coverage of operating costs and liabilities with the revenues earned.

### **§27**

1. Bank equity constitutes the capital and funds generated in accordance with the law in force, relevant acts and Bank's Articles of Association.
2. Bank's equity comprises:
  - 1) paid in and registered share capital,
  - 2) capital surplus,
  - 3) reserve capital,
  - 4) general risk fund.

### **§28**

The authorised share capital of the Bank amounts to 929,476,710 (nine hundred twenty-nine million four hundred seventy-six thousand seven hundred and ten) zlotys, divided into 92,947,671 (ninety-two million nine hundred and forty-seven thousand six hundred and seventy-one) shares of 10 (ten) zlotys nominal value each. Shares are equal and indivisible. Each shareholder may hold more than one share.

### **§28a**

1. The authorised share capital of the Bank was increased conditionally by an amount not greater than 6,000,000 (six million) zlotys, through an issue of:
  - a) not more than 200,000 (two hundred thousand) series R ordinary bearer shares of nominal value 10 (ten) zlotys each;
  - b) not more than 200,000 (two hundred thousand) series S ordinary bearer shares of nominal value 10 (ten) zlotys each;
  - c) not more than 200,000 (two hundred thousand) series T ordinary bearer shares of nominal value 10 (ten) zlotys each.
2. The conditional increase of authorised share capital referred to under subpara. 1 was effected in order to enable holders of series A, series B and series C Subscription Warrants the Company issued in part fulfilment of Resolution No. 8/2011 of an Extraordinary General Meeting of the Company of 23 September 2011 to subscribe for series R, series S and series T shares. Persons entitled to acquire the series R shares are holders of series A Subscription Warrants, persons entitled to acquire the series S shares are holders of series B Subscription Warrants, and persons entitled to acquire the series T shares are holders of series C Subscription Warrants.

### **§29**

1. The Bank's shares shall be registered shares or bearer shares.
2. Shares admitted to public trading shall be bearer shares.

3. Conversion of registered shares to bearer shares, or of bearer shares to registered shares, shall be approved in a General Meeting resolution.
4. Each share shall carry the right of one vote.
5. If a pledge or usufruct is established on a registered share, neither the pledgee nor the usufructuary may exercise the voting right under such share.
6. The Bank's shares may be redeemed. Share redemption shall require the decreasing of the authorised share capital and may not be effected unless by resolution of a General Meeting. Share redemption shall require the approval of the Polish Financial Supervisory Authority.
7. The Bank may issue bonds allowing the taking up of shares issued by the Bank in return for these bonds (convertible bonds).

### §30

Any increase in the authorised share capital shall entail an appropriate amendment to the Articles of Association and shall be effected through the issuance of new shares released in exchange for cash and non-cash contributions or through an increase in the nominal value of the existing shares.

### §31

1. Shares may be issued in single share certificates or global share certificates.
2. Disposal of a registered share shall be reported by notification to the Management Board of the share having been transferred on buyer.
3. The Management Board shall keep a register of registered shares and scrip certificates (a share register).

### §32

The surplus capital shall be established from deductions from the annual net profit in the amount of at least 8% of net profit, until the surplus capital has grown at least to one third of the authorised share capital, and also from any surplus obtained from the issue of shares over their nominal value, for other ones, remaining from the coverage of the issue costs, and also from additional contributions paid by shareholders. The portion of the capital surplus amounting to one third of the authorised share capital may be used solely to absorb a loss reported in the financial statements.

### §33

The reserve capital shall be established from the annual deductions from the annual net profit, independently of the capital surplus, and allocated for the coverage of particular losses and expenditures.

### §34

Any allocation of capital surplus or reserve capital shall be decided by the General Meeting.

### §35

A general risk fund against unidentified risks of banking activity shall be established from deductions from the annual net profit, in accordance with the rules set forth in the provisions of the Banking Act.

### § 36

1. In addition to its own funds, the Bank may establish or cancel, by resolution of the General Meeting, special funds, unless establishment of such funds is obligatory by statute.
2. The funds referred to in subpara. 1 shall not be absorbed in the capital base of the Bank.
3. The funds referred to in subpara. 1 shall be managed by the Management Board subject to rules the Supervisory Board shall approve separately for each such fund.

### §37

Any balance sheet loss shall be covered from the capital surplus, and, in the event that the amount of loss exceeds the amount of funds accumulated in the capital surplus, from the remaining portion of the capital base of the Bank.

### §38

1. Net profit may be allocated for the following purposes:
  - 1) increasing the capital surplus, reserve capital and general risk fund,
  - 2) dividend distribution to shareholders,
  - 3) other purposes specified in a General Meeting resolution.
2. Net profit distribution shall be approved in a General Meeting resolution.

### §39

1. In allocating all or part of net profit for dividend distribution, the General Meeting shall determine the manner and time limit thereof.
2. Dividend may be paid in cash or, upon the shareholder's consent, in securities.

## **7. ACCOUNTING AT THE BANK**

### §40

The Bank shall keep its accounts in compliance with the provisions and rules as well as charts of accounts binding upon banks in the Republic of Poland.

### §41

The Management Board shall lay down detailed rules of accounting activity and the organisation thereof.

#### §42

1. The annual Management Board report on the Bank's activity and the annual financial statement shall be drawn up no later than within three months of the last day of each financial year. The financial year coincides with the calendar year.
2. The annual Management Board report on the activity of the Bank Group and the Bank Group annual consolidated financial statement shall be drawn up as at the same day as the individual reports and statements for the Bank.

#### §43

1. The Management Board shall submit its annual report on the Bank's activity and the annual financial statement together with the pertinent opinion of the chartered auditor to the Supervisory Board for its opinion, and next, together with the Supervisory Board opinion, to the General Meeting for approval.
2. The Management Board shall submit its annual report on the activity of the Bank Group and the Bank Group annual consolidated financial statement together with the pertinent opinion of the chartered auditor to the Supervisory Board for its opinion, and next, together with the Supervisory Board opinion, to the General Meeting for approval.
3. The reports and statements referred to in subparas. 1 and 2, together with the opinions of the chartered auditor and the Supervisory Board, shall be submitted to the shareholders at their request within 15 days prior to the General Meeting.

### **8. FINAL PROVISIONS**

#### §44

Liquidation of the Bank shall be conducted in accordance with the procedure set forth in the Code of Commercial Companies, unless the provisions of the Banking Act state otherwise.

#### §45

The Bank's assets shall be divided in proportion to the contributions made to the authorised share capital of the Bank.

#### §46

Any matter not provided for in these Articles of Association shall be governed by the provisions of the Banking Act and the Code of Commercial Companies as well as other regulations in force in the Republic of Poland.