

Draft resolutions of the Annual General Meeting of the Bank convened for 30 June 2010.

**Resolution No. /2010
of the Annual General Meeting of Bank Ochrony Środowiska S.A.
of 30 June 2010
on appointing a Chairman of the General Meeting**

This Annual General Meeting of BOŚ S.A. hereby appoints
Chairman of the General Meeting.

**Resolution No. /2010
of the Annual General Meeting of Bank Ochrony Środowiska S.A.
of 30 June 2010
on appointing a Secretary of the General Meeting**

This Annual General Meeting of BOŚ S.A. hereby appoints Secretary
of the General Meeting.

**Resolution No. /2010
of the Annual General Meeting of Bank Ochrony Środowiska S.A.
of 30 June 2010
on appointing Scrutineer Committee Member**

This Annual General Meeting of BOŚ S.A. hereby appoints Member of
the Scrutineer Committee.

**Resolution No /2010
of the Annual General Meeting of Bank Ochrony Środowiska S.A.
of 30 June 2010
on adoption of Agenda**

The Annual General Meeting adopts the following Agenda:

1. Opening the meeting and election of the Chairman of the Annual General Meeting.
2. Pronouncement of the convention of the Annual General Meeting and its capacity to adopt resolutions to be valid.
3. Election of Secretary of the meeting.
4. Election of a Scrutineer Committee.
5. Adoption of the agenda.
6. Presentation of the Management Board Bank activity report for 2009 and the Bank financial statements for the period from 1 January 2009 to 31 December 2009.
7. Presentation of the BOŚ S.A. Group activity report for 2009 and BOŚ S.A. Group consolidated financial statements for the period from 1 January 2009 to 31 December 2009.

8. Presentation of a motion regarding the Bank profit distribution for 2009.
9. Presentation of the Bank Supervisory Board activity report for 2009 with a brief assessment of the Bank situation and an assessment of Supervisory Board activities in 2009.
10. Discussion.
11. Adoption of resolutions regarding the following matters:
 - a) approving the Management Board Bank activity report for 2009,
 - b) approving the Bank financial statements for the period from 1 January 2009 to 31 December 2009,
 - c) approving the BOŚ S.A. Group activity report for 2009,
 - d) approving the BOŚ S.A. Group consolidated financial statements for the period from 1 January 2009 to 31 December 2009,
 - e) the Bank profit distribution for 2009,
 - f) approving the discharge of duties individually by members of the Bank Management Board in 2009,
 - g) approving the Bank Supervisory Board activity report for 2009 with a brief assessment of the Bank situation and an assessment of Supervisory Board activities in 2009,
 - h) approving the discharge of duties individually by members of the Bank Supervisory Board in 2009.
12. Adoption of resolutions regarding the election of members of the Bank Supervisory Board for its 8th term.
13. Adoption of a resolution regarding amendments to the Articles of Association of the Bank.
14. Adoption of a resolution authorising the Supervisory Board to approve a consolidated text of the Articles of Association of the Bank.
15. Closing the meeting.

**Resolution No. /2010
of the Annual General Meeting of Bank Ochrony Środowiska S.A.
of 30 June 2010
on approving the Management Board report on the Bank's activity in 2009**

Acting pursuant to the provisions of art. 393 point 1 and art. 395 § 2 point 1 of the Code of Commercial Companies, in connection with § 9 subpara. 4 point 1 and § 10 point 1 of the Articles of Association of the Bank, the Annual General Meeting of BOŚ S.A. resolves to approve the Management Board report on the Bank's activity in 2009 laid before Shareholders by the Bank Management Board at the Annual General Meeting on 30 June 2010.

Justification

Pursuant to the provisions of the above regulations, consideration and approval of the Management Board report on the company's activity for the previous financial year shall require a resolution of the general meeting of shareholders.

The Management Board report on the Bank's activity in 2009 was published in the Annual Report of BOŚ S.A. (R/2009) on 18 March 2009.

An assessment „The Management Board report the Bank’s activity in 2009” approved by the Supervisory Board at a meeting on 6 May 2010 is attached as Appendix No. 1 to this Report.

**Resolution No. /2010
of the Annual General Meeting of Bank Ochrony Środowiska S.A.
of 30 June 2010
on approving the financial statements of the Bank
for the period of 1 January 2009 to 31 December 2009**

Acting pursuant to the provisions of art. 393 point 1 and art. 395 § 2 point 1 of the Code of Commercial Companies, and also pursuant to the provisions of art. 53 subpara. 1 of the Accounting Act, in connection with § 9 subpara. 4 point 1 and § 10 point 1 of the Articles of Association of the Bank, the Annual General Meeting of Bank Ochrony Środowiska S.A. resolves to approve the audited financial statements of the Bank for the year ended 31 December 2009, containing:

- the income statement for the period from 1 January 2009 to 31 December 2009 with a net profit amounting to 13,753 thousand zlotys,
- the statement of comprehensive income for the period from 1 January 2009 to 31 December 2009 with a total comprehensive loss amounting to 16,258 thousand zlotys,
- the balance sheet as at 31 December 2009 with total assets amounting to 11,977,684 thousand zlotys,
- the statement of changes in equity for the period from 1 January 2009 to 31 December 2009 with a net increase in equity amounting to 16,258 thousand zlotys,
- the cash flow statement for the period from 1 January 2009 to 31 December 2009 with a net cash outflow amounting to 56,720 thousand zlotys, and
- the summary of significant accounting policies and other explanatory notes

Justification

Pursuant to the provisions of the above regulations, consideration and approval of the Management Board report on the company’s activity and the financial statements for the previous financial year shall require a resolution of the general meeting of shareholders.

The financial statements of Bank Ochrony Środowiska S.A. for the period of 1 January 2009 to 31 December 2009 were published in the Annual Report of BOŚ S.A. (R/2009) on 18 March 2010.

An assessment of „The financial statements of Bank Ochrony Środowiska S.A. for the period of 1 January 2009 to 31 December 2009” approved by the Supervisory Board at a meeting on 6 May 2010 is attached as Appendix No. 2 to this Report.

**Resolution No. /2010
of the Annual General Meeting of Bank Ochrony Środowiska S.A.
of 30 June 2010
on approving the BOŚ S.A. Capital Group activity report for 2009**

Acting pursuant to the provisions of art. 395 § 5 point 1 of the Code of Commercial Companies, in connection with § 10 point 1 of the Articles of Association of the Bank, the Annual General Meeting of BOŚ S.A. resolves to approve the BOŚ S.A. Capital Group activity report for 2009 laid before Shareholders by the Bank Management Board at the Annual General Meeting on 30 June 2010.

Justification

Pursuant to the provisions of the above regulations, consideration and approval of the BOŚ S.A. Capital Group activity for the previous financial year shall require a resolution of the general meeting of shareholders.

The Management Board report on the Bank's activity in 2009 was published in the Annual Report of BOŚ S.A. (RS/2009) on 18 March 2010.

An assessment „The Management Board report the BOŚ S.A. Capital Group activity in 2008” approved by the Supervisory Board at a meeting on 6 May 2010 is attached as Appendix No. 3 to this Report.

**Resolution No. /2010
of the Annual General Meeting of Bank Ochrony Środowiska S.A.
of 30 June 2010
on approving the BOŚ S.A. Capital Group consolidated financial statements for
the period from 1 January 2008 to 31 December 2008**

Acting pursuant to the provisions of art. 395 § 5 of the Code of Commercial Companies, and also pursuant to the provisions of art. 63c subpara. 4 of the Accounting Act, in connection with and § 10 point 2 of the Articles of Association of the Bank, the Annual General Meeting of Bank Ochrony Środowiska S.A. resolves to approve the audited consolidated financial statements of the BOŚ S.A. Capital Group for the year ended 31 December 2009, containing:

- the consolidated income statement for the period from 1 January 2009 to 31 December 2009 with a net profit amounting to 26,893 thousand zlotys,
- the consolidated statement of comprehensive income for the period from 1 January 2009 to 31 December 2009 with a total comprehensive loss amounting to 29,398 thousand zlotys,
- the consolidated balance sheet as at 31 December 2009 with total assets amounting to 12,086,840 thousand zlotys,
- the consolidated statement of changes in equity for the period from 1 January 2009 to 31 December 2009 with a net increase in equity amounting to 29,398 thousand zlotys,
- the consolidated cash flow statement for the period from 1 January 2009 to 31 December 2009 with a net cash outflow amounting to 57,182 thousand zlotys, and
- the summary of significant accounting policies and other explanatory notes

Justification

Pursuant to the provisions of the above regulations, consideration and approval of the BOŚ S.A. Capital Group consolidated financial statements the previous financial year shall require a resolution of the general meeting of shareholders.

The BOŚ S.A. Capital Group consolidated financial statements for the period of 1 January 2009 to 31 December 2009 were published in the Annual Report of BOŚ S.A. (RS/2008) on 18 March 2010.

An assessment of „The financial statements of Bank Ochrony Środowiska S.A. for the period of 1 January 2009 to 31 December 2009” approved by the Supervisory Board at a meeting on 6 May 2009 is attached as Appendix No. 4 to this Report.

**Resolution No. /2010
of the Annual General Meeting of Bank Ochrony Środowiska S.A.
of 30 June 2010
on the allocation of profit of 2009**

Acting pursuant to the provisions of art. 395 § 2 point 2 of the Code of Commercial Companies, in connection with § 9 subpara. 4 point 2 of the Articles of BOŚ S.A. and Resolution No. ../2009 of the Annual General Meeting of 30 June 2010 on approving the financial statements of the Bank for the period of 1 January 2009 to 31 December 2009, the Annual General Meeting of Bank Ochrony Środowiska S.A. resolves to allocate the net profit of the Bank for 2009 in the total amount of PLN 13 752 972.40 to recognise it with supplementary capital.

Justification

The proposal to allocate the entire net profit posted in 2009 to recognise it with supplementary capital is corollary to the Bank's long-term policy line and the BOŚ S.A. Strategy for the years 2009–2013, which provides for the dynamic development of BOŚ S.A. activities. The Bank shall have to increase its own funds regularly to that end.

The Supervisory Board opinion

The Bank Supervisory Board – at a meeting on 6 May 2010 – expressed their positive opinion on the draft of this resolution, recommending approval thereof to the General Meeting.

**Resolution No. /2010
of the Annual General Meeting of Bank Ochrony Środowiska S.A.
of 30 June 2010
on granting Mr Mariusz Klimczak the vote of approval
for performance of duties in 2009**

Acting pursuant to the provisions of art. 395 § 2 point 3 of the Code of Commercial Companies, in connection with § 9 subpara. 4 point 3 and § 10 point 5 of the Articles of Association of the Bank, the Annual General Meeting of BOŚ S.A. resolves to grant Mr Mariusz Klimczak, President of the Bank Management Board, the vote of approval for performance of duties in the period of 1 January 2009 to 31 December 2009.

Justification

Pursuant to the provisions of the above regulations, approval of the fulfilment of duties by members of the company's governing bodies in the previous financial year shall require a resolution of the general meeting of shareholders.

The Supervisory Board opinion

Having considered the Management Board report on the Bank's activities in 2009 the Supervisory Board recommends to the General Meeting approval of granting Mr M. Klimczak the vote of approval for performance of duties in 2009.

**Resolution No. /2010
of the Annual General Meeting of Bank Ochrony Środowiska S.A.
of 30 June 2010
on granting Mr Adam Zbigniew Grzebieluch the vote of approval
for performance of duties in 2009**

Acting pursuant to the provisions of art. 395 § 2 point 3 of the Code of Commercial Companies, in connection with § 9 subpara. 4 point 3 and § 10 point 5 of the Articles of Association of the Bank, the Annual General Meeting of BOŚ S.A. resolves to grant Mr Adam Zbigniew Grzebieluch, Vice-President the Bank Management Board, the vote of approval for performance of duties in the period of 1 January 2009 to 31 December 2009.

Justification

Pursuant to the provisions of the above regulations, approval of the fulfilment of duties by members of the company's governing bodies in the previous financial year shall require a resolution of the general meeting of shareholders.

The Supervisory Board opinion

Having considered the Management Board report on the Bank's activities in 2009 the Supervisory Board recommends to the General Meeting approval of granting Mr A. Z. Grzebieluch the vote of approval for performance of duties in 2009.

**Resolution No. /2010
of the Annual General Meeting of Bank Ochrony Środowiska S.A.
of 30 June 2010
on granting Mr Jerzy Witold Pietrewicz the vote of approval
for performance of duties in 2009**

Acting pursuant to the provisions of art. 395 § 2 point 3 of the Code of Commercial Companies, in connection with § 9 subpara. 4 point 3 and § 10 point 5 of the Articles of Association of the Bank, the Annual General Meeting of BOŚ S.A. resolves to grant Mr Jerzy Witold Pietrewicz, Vice-President of the Bank Management Board in the period of 1 January 2009 to 31 December 2008, the vote of approval for performance of duties in 2008.

Justification

Pursuant to the provisions of the above regulations, approval of the fulfilment of duties by members of the company's governing bodies in the previous financial year shall require a resolution of the general meeting of shareholders.

The Supervisory Board opinion

Having considered the Management Board report on the Bank's activities in 2009 the Supervisory Board recommends to the General Meeting approval of granting Mr J. W. Pietrewicz the vote of approval for performance of duties in 2009.

**Resolution No. /2009
of the Annual General Meeting of Bank Ochrony Środowiska S.A.
of 25 June 2009
on granting Mr Marek Kazimierz Serafiński the vote of approval
for performance of duties in 2008**

Acting pursuant to the provisions of art. 395 § 2 point 3 of the Code of Commercial Companies, in connection with § 9 subpara. 4 point 3 and § 10 point 5 of the Articles of Association of the Bank, the Annual General Meeting of BOŚ S.A. resolves to grant Mr Marek Kazimierz Serafiński, Vice-President the Bank Management Board, the vote of approval for performance of duties in the period of 15 December 2008 to 31 December 2008.

Justification

Pursuant to the provisions of the above regulations, approval of the fulfilment of duties by members of the company's governing bodies in the previous financial year shall require a resolution of the general meeting of shareholders.

The Supervisory Board opinion

Having considered the Management Board report on the Bank's activities in 2009 the Supervisory Board recommends to the General Meeting approval of granting Mr M. K. Serafiński the vote of approval for performance of duties in 2009.

**Resolution No. /2010
of the Annual General Meeting of Bank Ochrony Środowiska S.A.
of 30 June 2010
on granting Mr Krzysztof Wojciech Telega the vote of approval
for performance of duties in 2009**

Acting pursuant to the provisions of art. 395 § 2 point 3 of the Code of Commercial Companies, in connection with § 9 subpara. 4 point 3 and § 10 point 5 of the Articles of Association of the Bank, the Annual General Meeting of BOŚ S.A. resolves to grant Mr Krzysztof Wojciech Telega, Vice-President the Bank Management Board, the vote of approval for performance of duties in the period of 15 December 2008 to 31 December 2008.

Justification

Pursuant to the provisions of the above regulations, approval of the fulfilment of duties by members of the company's governing bodies in the previous financial year shall require a resolution of the general meeting of shareholders.

The Supervisory Board opinion

Having considered the Management Board report on the Bank's activities in 2009 the Supervisory Board recommends to the General Meeting approval of granting Mr K. W.M. Telega the vote of approval for performance of duties in 2009.

**Resolution No. /2010
of the Annual General Meeting of Bank Ochrony Środowiska S.A.
of 30 June 2010
on approving the report on the Bank Supervisory Board activity in 2009
with a brief assessment of the situation of the Bank
and of the work of the Supervisory Board in 2009**

Acting pursuant to the provisions of § 10 point 4 of the Articles of Association of the Bank, the General Meeting of BOŚ S.A. resolves to approve the report on the activity of the Bank Supervisory Board in 2009 with a brief assessment of the situation of the Bank and an assessment of the work of the Supervisory Board in 2009 laid before Shareholders at the Annual General Meeting of Bank Ochrony Środowiska S.A. on 30 June 2010.

Justification

Pursuant to the above-quoted provision of the Articles of the Bank, consideration and approval of the report on the activity of the Supervisory Board for the previous financial year shall be adopted by the General Meeting of shareholders by resolution.

The report on the Bank Supervisory Board activity in 2009 with a brief assessment of the situation of the Bank and of the work of the Supervisory Board in 2009 is attached hereto as Appendix No. 5.

**Resolution No. /2010
of the Annual General Meeting of Bank Ochrony Środowiska S.A.
of 30 June 2010
on granting Mr Marcin Likierski the vote of approval
for performance of duties in 2009**

Acting pursuant to the provisions of art. 395 § 2 point 3 of the Code of Commercial Companies, in connection with § 9 subpara. 4 point 3 and § 10 point 5 of the Articles of Association of the Bank, the Annual General Meeting of BOŚ S.A. resolves to grant Mr Marcin Likierski, Chairman of the Supervisory Board, the vote of approval for performance of duties in the period of 1 January 2009 to 31 December 2009.

**Resolution No. /2010
of the Annual General Meeting of Bank Ochrony Środowiska S.A.
of 30 June 2010
on granting Mr Jacek Maciej Bajorek the vote of approval
for performance of duties in 2009**

Acting pursuant to the provisions of art. 395 § 2 point 3 of the Code of Commercial Companies, in connection with § 9 subpara. 4 point 3 and § 10 point 5 of the Articles of Association of the Bank, the Annual General Meeting of BOŚ S.A. resolves to

grant Mr Jacek Maciej Bajorek, Deputy Chairman of the Supervisory Board, the vote of approval for performance of duties in the period of 1 January 2009 to 31 December 2009.

**Resolution No. /2010
of the Annual General Meeting of Bank Ochrony Środowiska S.A.
of 30 June 2010
on granting Mr Marian Adam Pigan the vote of approval
for performance of duties in 2009**

Acting pursuant to the provisions of art. 395 § 2 point 3 of the Code of Commercial Companies, in connection with § 9 subpara. 4 point 3 and § 10 point 5 of the Articles of Association of the Bank, the Annual General Meeting of BOŚ S.A. resolves to grant Mr Marian Adam Pigan, Secretary Chairman of the Supervisory Board, the vote of approval for performance of duties in the period of 1 January 2009 to 31 December 2009.

**Resolution No. /2010
of the Annual General Meeting of Bank Ochrony Środowiska S.A.
of 30 June 2010
on granting Mr Józef Koziół the vote of approval
for performance of duties in 2009**

Acting pursuant to the provisions of art. 395 § 2 point 3 of the Code of Commercial Companies, in connection with § 9 subpara. 4 point 3 and § 10 point 5 of the Articles of Association of the Bank, the Annual General Meeting of BOŚ S.A. resolves to grant Mr Józef Koziół, Member of the Supervisory Board, the vote of approval for performance of duties in the period of 1 January 2009 to 31 December 2009.

**Resolution No. /2010
of the Annual General Meeting of Bank Ochrony Środowiska S.A.
of 30 June 2010
on granting Mr Michał Juliusz Machlejd the vote of approval
for performance of duties in 2009**

Acting pursuant to the provisions of art. 395 § 2 point 3 of the Code of Commercial Companies, in connection with § 9 subpara. 4 point 3 and § 10 point 5 of the Articles of Association of the Bank, the Annual General Meeting of BOŚ S.A. resolves to grant Mr Michał Juliusz Machlejd, Member of the Supervisory Board, the vote of approval for performance of duties in the period of 1 January 2009 to 31 December 2009.

**Resolution No. /2010
of the Annual General Meeting of Bank Ochrony Środowiska S.A.
of 30 June 2010
on granting Mr Marcin Malicki the vote of approval
for performance of duties in 2009**

Acting pursuant to the provisions of art. 395 § 2 point 3 of the Code of Commercial Companies, in connection with § 9 subpara. 4 point 3 and § 10 point 5 of the Articles

of Association of the Bank, the Annual General Meeting of BOŚ S.A. resolves to grant Mr Marcin Malicki, Member of the Supervisory Board, the vote of approval for performance of duties in the period of 1 January 2009 to 31 December 2009.

**Resolution No. /2010
of the Annual General Meeting of Bank Ochrony Środowiska S.A.
of 30 June 2010
on granting Mr Ryszard Ochwat the vote of approval
for performance of duties in 2009**

Acting pursuant to the provisions of art. 395 § 2 point 3 of the Code of Commercial Companies, in connection with § 9 subpara. 4 point 3 and § 10 point 5 of the Articles of Association of the Bank, the Annual General Meeting of BOŚ S.A. resolves to grant Mr Ryszard Ochwat, Member of the Supervisory Board, the vote of approval for performance of duties in the period of 1 January 2009 to 31 December 2009.

**Resolution No. /2010
of the Annual General Meeting of Bank Ochrony Środowiska S.A.
of 30 June 2010
on granting Mr Michał Jacek Wysocki the vote of approval
for performance of duties in 2009**

Acting pursuant to the provisions of art. 395 § 2 point 3 of the Code of Commercial Companies, in connection with § 9 subpara. 4 point 3 and § 10 point 5 of the Articles of Association of the Bank, the Annual General Meeting of BOŚ S.A. resolves to grant Mr Michał Jacek Wysocki, Member of the Supervisory Board, the vote of approval for performance of duties in the period of 1 January 2009 to 31 December 2009.

**Resolution No. /2010
of the Annual General Meeting of Bank Ochrony Środowiska S.A.
of 30 June 2010
on appointing
member of the Supervisory Board for its 8th term**

Acting pursuant to the provisions of § 10 point 6 of the Articles of Association of the Bank, the General Meeting of BOŚ S.A. resolves to appoint
..... member of the Supervisory Board for its 8th term.

Justification

Members of the Supervisory Board for its 8th term have to be elected as the term of office of the Supervisory Board expires on the day of this Annual General Meeting.

**Resolution No. ../2010
of the Annual General Meeting of Bank Ochrony Środowiska S.A.
of 30 June 2010
on amendments to the Articles of Association of the Bank**

Acting pursuant to the provisions of art. 430 § 1 of the Code of Commercial Companies and in connection with § 10 point 7) of the Articles of Association of the Bank, the General Meeting of BOŚ S.A. resolves to approve the following amendments to the Articles of the Bank:

1. In § 19 subpara. 4, the third sentence beginning: „Other resolutions” shall be reworded to read: „Other resolutions – unless the law stipulates otherwise – shall be adopted by an outright majority of votes.”.
2. § 20 subpara. 8 point 1) shall be reworded to read:
„1) adopting resolutions to approve strategies of BOŚ S.A. and annual financial plans of the Bank,”.
3. § 20 subpara. 8 point 2) shall be reworded to read:
„2) approving the Bank's prudential and stable management rules, overall risk levels at the Bank, banking risk management policies, operating risk management, and the Bank's policies regarding non-compliance risk,”.
4. § 20 subpara. 8 point 11) shall be reworded to read:
„11) issuing or approving regulations and written policies stipulated in the Articles of Association, except the rules of organisation of the Bank and rules of organisation of the Bank branches and Head Office organisational units,”.
5. § 21 subpara. 6 point 2) shall be reworded to read:
„2) draw up strategies of the Bank, including its market mission and overall risk level, as well as annual financial plans of the Bank,”.
6. § 21 subpara. 6 point 10) shall be reworded to read:
„10) determine the overall risk level at the Bank and the resulting internal limits on risk levels occurring in the particular areas of activity of the Bank,”.
7. § 22 subpara. 2 point 1) shall be reworded to read:
„1) appointing and dismissing the managing director, directors of Head Office organisational units and their deputies, and directors of branches,”.
8. § 22 subpara. 2 point 2) shall be reworded to read:
„2) issuing Rules of organisation of the Bank and Rules of organisation of Branch and Operating Branch of the Bank, and approving Rules of organisation of Head Office organisational units,”.
9. In § 24 subpara. 2 the word: „control functions” and the comma shall be followed by the words: „ sales functions” with a comma.
10. In § 24 subpara. 4, in the last words of the sentence, „they oversee” shall be deleted.

§ 2

The resolution becomes effective upon the registration of the proposed changes by the District Court for the Capital City of Warsaw Commercial Department XII of the National Court Register.

Justification:

The amendments are proposed for introduction in the Articles of the Bank to assure compliance of certain provisions therein with:

- certain points of agreement reached with the Banking Supervision Division, in pursuance to provisions of the Polish Financial Supervision Authority Resolution No. 383/2008 of 17 December 2008 on detailed rules of operation of the risk management system and the internal control system and detailed conditions for

- estimating by banks of their own funds and reviewing the process of estimating and maintaining internal capital,
- changes in the organisational structure of the Bank.

The Supervisory Board opinion:

The Bank Supervisory Board expressed their positive opinion on the proposed amendments to the Articles of the Bank at a meeting on 6 May 2010 and recommend approval thereof by the General Meeting.

**Resolution No. /2010
of the Annual General Meeting of Bank Ochrony Środowiska S.A.
of 30 June 2010
on authorising the Supervisory Board to approve
the consolidated text of the Articles of Association of the Bank**

Acting pursuant to the provisions of art. 430 § 5 of the Code of Commercial Companies, the Annual General Meeting of BOŚ S.A. hereby authorises the Supervisory Board to approve the consolidated text of the Articles of Association of the Bank.

Justification

Approval of a consolidated text of the Articles of the Bank will be effected on receipt of the Polish Financial Supervision Commission consent to amendments to the Articles of the Bank this Annual General Meeting approved today.

Opinion of the Supervisory Board

The Supervisory Board, having considered at its meeting on 6 May 2010 a draft resolution to authorise the Supervisory Board to approve a consolidated text of the Articles of Association of the Bank, resolved to recommend it to the General Meeting for approval.

*Appendix No. 1
to draft resolutions
of the Annual General Meeting of BOŚ S.A. convened for 30 June 2010*

The Supervisory Board
Bank Ochrony Środowiska S.A.

**To the General Meeting
of BOŚ S.A.**

**Assessment of the Management Board Report
on the activity of Bank Ochrony Środowiska S.A. in 2009**

Acting pursuant to Art. 382 § 3 of the Code of Commercial Companies and § 43 subpara. 1 of the Articles of BOŚ S.A., the Supervisory Board considered in detail the Management Board report on the activity of Bank Ochrony Środowiska S.A. in 2009 including:

- information on activities of the Bank in 2009, among other things on:

- factors and events affecting the financial standing of the Bank in 2009;
- operations of the Bank and its basic products, services and lines of business activity;
- main markets;
- management and equity links and significant agreements of the Bank;
- information on financial results of the Bank in 2009;
- assessments and forecasts concerning the business of the Bank, including:
 - an assessment of the management of the Bank and of financial risks,
 - an assessment of the management of the Bank's financial resources,
 - prospects for development of the business of the Bank,
- additional information, concerning:
 - ownership structure of the Bank;
 - the governing bodies of the Bank and its staff;
 - promotional activities of the Bank.
- statement on application corporate governance principles at the Bank.

Following a close study of the report presented to it, the Supervisory Board:

- found the report to comply with binding regulations of the law and with the Articles of the Bank, and also as a true and fair presentation of all information material to the assessment of the activity of the Bank in the period of 1 January 2009 to 31 December 2009;
- expressed a positive opinion on the draft resolution of the Annual General Meeting of BOŚ S.A. on approving the Management Board Report on the activity of Bank Ochrony Środowiska S.A. in 2009;
- requests the Annual General Meeting of BOŚ S.A. approval of the report.

For the Supervisory Board of Bank Ochrony Środowiska S.A.
Chairman
/–/ Marcin Likierski

Warsaw, 6 May 2009

*Appendix No. 2
to draft resolutions
of the Annual General Meeting of BOŚ S.A. convened for 30 June 2010*

The Supervisory Board
Bank Ochrony Środowiska S.A.

**To the General Meeting
of BOŚ S.A.**

**Assessment of the Financial Statements of Bank Ochrony Środowiska S.A.
for the period of 1 January 2009 to 31 December 2009**

Acting pursuant to Art. 382 § 3 of the Code of Commercial Companies and § 43 subpara. 1 of the Articles of BOŚ S.A., the Supervisory Board considered in detail financial statements of Bank Ochrony Środowiska S.A. for 2009 containing:

- the income statement for the period from 1 January 2009 to 31 December 2009 with a net profit amounting to 13,753 thousand zlotys,
- the statement of comprehensive income for the period from 1 January 2009 to 31 December 2009 with a total comprehensive loss amounting to 16,258 thousand zlotys,
- the balance sheet as at 31 December 2009 with total assets amounting to 11,977,684 thousand zlotys,
- the statement of changes in equity for the period from 1 January 2009 to 31 December 2009 with a net increase in equity amounting to 16,258 thousand zlotys,
- the cash flow statement for the period from 1 January 2009 to 31 December 2009 with a net cash outflow amounting to 56,720 thousand zlotys, and
- the summary of significant accounting policies and other explanatory notes.

The Supervisory Board, having heard the chartered auditor's report on the course and results of the financial statements and on the economic and financial situation of the Bank:

- took note of the auditor's opinion in respect of the audited financial statements with the objection therein regarding the comparability of data for the period from 1 January to 31 December 2008, said objection deriving from a reservation regarding the limited scope of the audit the auditors expressed in their opinion in respect of the financial statements for the financial year 2008;
- with this reservation, found the financial statements presented to them to comply in form and contents with binding regulations of the law and with the Articles of the Bank, and also to be a true and fair presentation of all information material to the assessment of the financial result of business activity in the year 2009, and of the assets and funds of the Bank as at 31 December 2009;
- expressed a positive opinion on the draft resolution of the Annual General Meeting of BOŚ S.A. on approving the financial statements of Bank Ochrony Środowiska S.A. for the period of 1 January 2009 to 31 December 2009;
- requests the Annual General Meeting of BOŚ S.A. approval of the financial statements.

For the Supervisory Board of Bank Ochrony Środowiska S.A.

Chairman

/-/ Marcin Likierski

Warsaw, 6 May 2009

*Appendix No. 3
to draft resolutions
of the Annual General Meeting of BOŚ S.A. convened for 30 June 2010*

The Supervisory Board
Bank Ochrony Środowiska S.A.

**To the General Meeting
of BOŚ S.A.**

Assessment of the Report on the Activity of the Capital Group of Bank Ochrony Środowiska S.A. in 2009

The Supervisory Board of the Bank, acting pursuant to art. 382 § 3 of the Code of Commercial Companies and § 43 subpara. 2 of the Articles of Association of BOŚ S.A., considered in detail the Management Board report on the activities in 2009 of the Bank Ochrony Środowiska S.A. Group, which is composed of:

- Bank Ochrony Środowiska S.A. – the parent undertaking
- Dom Maklerski Banku Ochrony Środowiska S.A. – direct subsidiary undertaking
- BOŚ Eko Profit S.A. – indirect subsidiary undertaking (subsidiary undertaking of Dom Maklerski BOŚ S.A., entered in the National Court Register on 2 September 2009).

Following an analysis of the report presented, with data concerning:

- the Group business activity, including:
 - factors and events likely to affect the Group's financial situation,
 - the Group organisation,
 - the basic scope of business activity of the Group and its main products, services and areas of business,
- the Group financial results,
- assessments and forecasts concerning the business of the Group, including:
 - the management of financial risks in the Group,
 - the internal control system,
 - prospects for development of the business of the Group,
- the business undertakings of the Bank Ochrony Środowiska S.A. Group,

The Supervisory Board:

- found the report to comply with regulations of the law binding upon the Group, and also as a true and fair presentation of all information material to the assessment of the activity of the Capital Group of Bank Ochrony Środowiska S.A. in the period of 1 January 2008 to 31 December 2008;
- expressed a positive opinion on the draft resolution of the Annual General Meeting of BOŚ S.A. on approving the Management Board report on the activity of the Capital Group of Bank Ochrony Środowiska S.A. in 2008;
- requests the Annual General Meeting of BOŚ S.A. approval of the report.

For the Supervisory Board of Bank Ochrony Środowiska S.A.
Chairman
/–/ Marcin Likierski

Warsaw, 7 May 2009

*Appendix No. 4
to draft resolutions
of the Annual General Meeting of BOŚ S.A. convened for 30 June 2010*

The Supervisory Board

**To the General Meeting
of BOŚ S.A.**

**Assessment of the consolidated financial statements
of the Capital Group of Bank Ochrony Środowiska S.A.
for the period of 1 January 2009 to 31 December 2009**

Acting pursuant to Art. 382 § 3 of the Code of Commercial Companies and § 43 subpara. 2 of the Articles of BOŚ S.A., the Supervisory Board considered in detail the consolidated financial statements of the Capital Group of Bank Ochrony Środowiska S.A. for 2009, containing:

- the consolidated income statement for the period from 1 January 2009 to 31 December 2009 with a net profit amounting to 26,893 thousand zlotys,
- the consolidated statement of comprehensive income for the period from 1 January 2009 to 31 December 2009 with a total comprehensive loss amounting to 29,398 thousand zlotys,
- the consolidated balance sheet as at 31 December 2009 with total assets amounting to 12,086,840 thousand zlotys,
- the consolidated statement of changes in equity for the period from 1 January 2009 to 31 December 2009 with a net increase in equity amounting to 29,398 thousand zlotys,
- the consolidated cash flow statement for the period from 1 January 2009 to 31 December 2009 with a net cash outflow amounting to 57,182 thousand zlotys, and
- the summary of significant accounting policies and other explanatory notes

The Supervisory Board, having heard the auditor express their opinion on the audit of the financial statements and the economic and financial situation of the Capital Group of the Bank:

- took note of the auditor's opinion in respect of the audited financial statements with the objection therein regarding the comparability of data for the period from 1 January to 31 December 2008, said objection deriving from a reservation regarding the limited scope of the audit the auditors expressed in their opinion in respect of the financial statements for the financial year 2008;
- with this reservation, found the financial statements presented to them to comply in form and contents with binding regulations of the law, and also to be a true and fair presentation of all information material to the assessment of the financial result of business activity in the year 2009, and of the assets and funds of the Group as at 31 December 2009;
- expressed a positive opinion on the draft resolution of the Annual General Meeting of BOŚ S.A. on approving the consolidated financial statements of the Capital Group of Bank Ochrony Środowiska S.A. for the period of 1 January 2009 to 31 December 2009;
- requests the Annual General Meeting of BOŚ S.A. approval of the financial statements.

For the Supervisory Board of Bank Ochrony Środowiska S.A.
Chairman
/-/ Marcin Likierski

Warsaw, 6 May 2010

*Appendix No. 5
to draft resolutions
of the Annual General Meeting of BOŚ S.A. convened for 30 June 2010*

**Bank Ochrony Środowiska S.A.
Supervisory Board Activities in 2009**

- **with a brief assessment of the Bank standing in 2009, the Bank's risk management and internal control systems,**
- **and an assessment of the Bank Supervisory Board performance in 2009**

Contents:

Composition of the Supervisory Board

Supervisory Board meetings, with dates, in 2009

Supervisory Board meetings, with dates, in 2009

Main activities in 2009

Brief assessment of the Bank standing in 2009

Assessment of the risk management system and the internal control system at the Bank

Assessment of the Bank Supervisory Board performance in 2009

Recommendations

The Bank Supervisory Board exercised its supervisory function at Bank Ochrony Środowiska S.A. as required by the relevant regulations and the Bank's Articles of Association throughout the report period.

Composition of the Supervisory Board

In 2009, the Bank Supervisory Board worked as an eight-member body:

- Marcin Likierski, Chairman of the Supervisory Board
- Jacek Bajorek, Deputy Chair of the Supervisory Board
- Marian Pigan, Secretary of the Supervisory Board
- Józef Koziół
- Michał Machlejd
- Marian Malicki
- Ryszard Ochwat
- Michał Wysocki

Supervisory Board meetings, with dates, in 2009

In the exercise of their duties of supervising activities of the Bank, the Supervisory Board held 11 recorded meetings in 2009 (including a two-day meeting), in the following dates:

- 6 February 2009
- 12 March 2009
- 8 April 2009
- 7–8 May 2009
- 3 June 2009

- 10 July 2009
- 4 August 2009
- 1 September 2009
- 29 October 2009
- 26 November 2009
- 17 December 2009

Main activities in 2009

The most important actions and decisions the Supervisory Board took in 2009:

- Establishment of the Bank Management Board in a new composition. The Supervisory Board resolved, on 10 July 2009, to dismiss Mr Jerzy Pietrewicz as Vice-President First Deputy President of the Management Board (Resolution No. 9/2009), and appointed, at the same meeting, Mr Stanisław Kolasiński Vice-President the Management Board (Resolution No. 10/2009). At the same meeting, too, the Supervisory Board adopted a resolution:
 - to call a contest for the post of vice-president first deputy president of the Management Board of BOŚ S.A. (Resolution No. 11/2009);
 - to lay down rules for the contest for the post of vice-president first deputy president of the Management Board of BOŚ S.A. (Resolution No. 12/2009); and
 - to appoint a Qualification Panel to verify offers submitted in the contest for the post of vice-president first deputy president of the Management Board of BOŚ S.A. announced by the Supervisory Board (Resolution No. 13/2009).

Following the qualification proceedings the Supervisory Board adopted, at their meeting on 29 October 2009, a conditional resolution to appoint Mr Jacek Pierzyński to the post of Vice-President First Deputy President of the Management Board of Bank Ochrony Środowiska S.A. (Resolution No. 24/2009) and to request the Financial Supervision Commission to approve Mr J. Pierzyński's appointment to the post (Resolution No. 25/2009).

- Adoption of a new Business Strategy of BOŚ S.A. for the years 2009–2013 (Resolution No. 5/2009). The document provides for the strong development of the Bank – while introducing major changes in the business model, specifically to streamline the organisation of sales, to adopt a more efficient lending process, to prepare modern products and to invigorate marketing. The Strategy predicts a step-by-step growth of the market share as measured by BOŚ S.A. shares in the balance sheet total, assets and liabilities of the banking sector, as well as a steady growth of goodwill for the Bank shareholders. The Supervisory Board discussed the new Strategy document in draft versions on two occasions, scrutinising the underlying main assumptions, in particular the predicted development path for the Bank and expected financial results. The Board described the Strategy as a bold document which painted a brave prospect for growth, a strategy that required a temporary huge increase in expense of capital but with good prospects for fast-growing return on the investments.
- Approval of a new structure of the Bank (Resolution No. 29/2009), which was intended to increase its operational efficiency. The changed organisational structure – including changes made to the Bank business model and to processes running in the Bank – is expected to support the pursuit of the ambitious goals and targets set out in the Strategy. The changes will be introduced step by step. The new organisational structure is scheduled to be in place by end June 2010.

The Supervisory Board adopted several other resolutions, specifically:

1. Resolution No. 1/2009 of 6 February 2009 amending „Bank Ochrony Środowiska S.A. Rules on extending loans, cash advances, guarantees and other off-balance sheet liabilities to members of the Bank directing bodies, persons holding managerial positions at BOŚ S.A., and entities related by capital or management to the above-named ones, or on their behalf”;
2. Resolution No. 2/2009 of 12 March 2009 affirming a Management Board Resolution to enact "Bank Ochrony Środowiska S.A. information policy rules of procedure revised pursuant to Financial Supervision Commission resolution No. 385/2008 of 17 December 2008”;
3. Resolution No. 3/2009 of 12 March 2009 affirming a Management Board Resolution to enact " Bank Ochrony Środowiska S.A. policy rules of procedure for the management of mortgage backed loan exposures”;
4. Resolution No. 6/2009 of 8 May 2009 to choose a chartered auditor to audit the financial statements of the Bank and the consolidated financial statements of the BOŚ S.A. Group for the reporting periods of 2009 and 2010;
5. Resolution No. 7/2009 of 8 May 2009 affirming a Management Board Resolution to enact „Bank Ochrony Środowiska S.A. risk management system”;
6. Resolution No. 17/2009 of 1 September 2009 to approve a consolidated text of the Articles of Association of Bank Ochrony Środowiska S.A.;
7. Resolution No. 20/2009 of 1 September 2009 affirming a Management Board Resolution to enact „Bank Ochrony Środowiska S.A. policy rules of procedure for the management of liquidity risk”;
8. Resolution No. 21/2009 of 1 September 2009 affirming a Management Board Resolution to enact „Bank Ochrony Środowiska S.A. policy rules of procedure for the management of interest rate risk in bank accounts under the Bank’s transfer price system”;
9. Resolution No. 22/2009 of 1 September 2009 affirming a Management Board Resolution to enact „Bank Ochrony Środowiska S.A. policy rules of procedure for the management of market risk in the Bank’s trading book”;
10. Resolution No. 23/2009 of 1 September 2009 affirming a Management Board Resolution to enact „Bank Ochrony Środowiska S.A. policy rules of procedure for the management of operational risk”;
11. Resolution No. 26/2009 of 29 October affirming a Management Board Resolution to introduce organisational changes at Bank Ochrony Środowiska S.A. needed to pilot new solutions developed within the framework of the strategy implementation project;
12. Resolution No. 27/2009 of 26 November 2009 concerning the organisation and responsibilities of the Internal Audit Committee;
13. Resolution No. 28/2009 of 26 November 2009 concerning the composition of the Internal Audit Committee;
14. Resolution No. 30/2009 of 17 December 2009 to enact Rules of Procedure of the Supervisory Board of Bank Ochrony Środowiska S.A.

The following topics were discussed by the Supervisory Board on a regular basis:

- the financial situation of the Bank after several months and quarters, with a progress report on 2009 financial plan implementation and a forecast of results of the coming months,
- results of the Bank’s lending activity, with emphasis on loan portfolio quality and debt recovery effectiveness,

- credit financing environment friendly projects and the environmental effects secured, with emphasis on co-operation with the National Fund for Environmental Protection and Water Resource Management [NFOŚiGW] and its regional counterparts [Wojewódzkie Fundusze Ochrony Środowiska i Gospodarki Wodnej],
- BOŚ S.A. standing in the banking sector and compared with the peer group,
- progress in implementation of the Central Banking System project,
- results of audit and institutional control activities, in performance of statutory duties to watch over the audit and internal control unit ,
- management of basic financial risks at the Bank, including: liquidity risk, interest rate risk, foreign exchange risk, credit risk, capital adequacy,
- implementation of the new organisational structure as one of the fundamental conditions of success of the BOŚ S.A. development strategy.

Brief assessment of the Bank standing in 2009

The Supervisory Board reviewed the activities of the Bank in 2009 based on:

- a study of the financial statements BOŚ S.A. for 2009,
- a study of the Management Board annual report on the Bank activity in 2009,
- the auditors' opinion on the course and findings of audits of the statements,
- situation reports presenting the economic situation and financial standing of the Bank the Supervisory Board considered at meetings during the year.

When assessing the situation of BOŚ S.A. it should be remembered that conditions for business were uneasy for the Bank, and indeed the banking sector at large, in the report year 2009, which saw the worldwide economic crisis that began with the collapse of the mortgage market in the United States in the latter half of 2008 continue.

The year 2009, with the crisis showing no sign of abating, was anything but the best or easiest time for Bank Ochrony Environment and indeed for the banking sector at large. One bad effect was that banks saw their loan portfolios worsen in quality, another that banks were finding it increasingly difficult to get hold of finance on the interbank market, which got them into a fierce battle for clients' savings.

The Supervisory Board took note of the fact that, despite the difficult conditions:

- in 2009, the Bank posted a net profit of PLN 13.8 mn, approximately 109% of the 2008 figure,
- the growth was achieved in the main areas of the Bank business line, i.e., for instance:
 - net interest income (4.7% growth)
 - net fees and commissions income (4.3% growth)
 - net trading activity (nearly 333% growth)
 - scale of business measured by the growth of assets (balance sheet total of the Bank was nearly PLN 12 bn, 8.0% above the end 2008 figure).

The Supervisory Board voiced their positive views of the following facts in 2009:

- the Bank granted nearly 52% more loans and advances, in value terms, than it did in 2008;
- the Bank offer gained in attractiveness to clients, which translated to a significant growth in sales of bank products, including an increase – by more than 75% – in number of personal transaction accounts, mainly following introduction in 2009 of a new product called „Exceptional Account” [Konto Wyjątkowe], an increase – by

- more than 38% – in number of payment cards and credit cards in the clients retail segment, a substantial increase of retail clients deposits following the introduction in the offer of new attractive deposit products;
- the Bank stepped up its promotional activity and media advertising which boosted brand recognition of BOŚ S.A.,
 - result impairment write-downs improved from last year, ending up at PLN – 34.4 mn, down from PLN –71.2 mn in 2008;
 - the Bank increased its share of the commercial banking sector. At end December 2009 its shares were, respectively:
 - 1.06% – in respect of total assets, from 1.02% at end 2008;
 - 1.19% – in respect of total liabilities, from 1.15% at end 2008;
 - 1.17% – in respect of total receivable, from 1.04% at end 2008;
 - risk identification, risk quantification, and risk management each improved at the Bank, which was also acknowledged by the auditor following their review of the yearly reports of the Bank,
 - the Bank's loan portfolio quality remained as good as before,
 - through an issue of bonds which were subsequently recognised with supplementary capital BOŚ S.A. raised its equity level, which enabled the Bank to raise its capital adequacy level,
 - Fitch Ratings of London following their yearly rating study reaffirmed the Bank's creditworthiness on 2 November 2009 maintaining their overall long-term rating of BOŚ S.A. at the previous BBB.

In addressing the results and financial situation the Bank posted during the year as presented in regular information reports the Supervisory Board:

- took note of the fact that – notwithstanding the goals set out in the Strategy for the years 2009–2013, which are set out to produce a significant increase in value of retail services – the results the Bank posted showed that the driving force behind the Bank's results and development in 2009 was mainly the business area of corporate and local government clients. The Board voiced its opinion that the year 2010 is going to show whether or not the strategy the Bank adopted was the best strategy to choose. The further development of the Bank and the key to success and the result adopted in the strategy for 2013 will be founded on an appropriate increase of the client base, implementation of new products, and a scale of business activity growing faster than the market average,
- pointed out the inadequate scope and effects of the Bank's co-operation with the National Fund for Environmental Protection and Water Resource Management [NFOŚiGW] and wasted opportunities in that area,
- in reference to the financial results reported said it was necessary for the Bank:
 - to take active measures to improve the effectiveness of the Bank operations, especially in the retail area;
 - to maintain cost discipline, especially in the operating expense area, including cost and effectiveness of marketing campaigns and the cost of implementing the new strategy;
 - to establish active contacts to investors, resulting in the implementation of new projects (including in the energy sector);
 - to adopt project profitability and risk diversification as the guiding principles in planning the Bank activities;

- to develop co-operation with the National Fund for Environmental Protection and Water Resource Management [NFOŚiGW] and to step up the level of the Bank commitments in that area;
- to undertake steps liable to minimise any negative divergence from initial assumptions of the Bank financial plan for 2009.

The Supervisory Board also point out that in 2009 general administrative cost grew by more than 16% on the previous year, mainly because of growing material costs and rising costs of advisory services, audit services and marketing research, which – in the opinion of the Bank Management Board – are conditions of the successful implementation of the BOŚ S.A. strategy.

In summary the Supervisory Board said that the year 2009 should be viewed at BOŚ S.A. as a time of investing in the future: with the outlays made expected to produce appropriate earnings for the Bank in the years to come and to furnish foundations for the Bank to develop – at a rate laid down in the Strategy of Activity for the years 2009–2013.

Assessment of the risk management system and the internal control system at the Bank

The Bank maintains a Bank management mechanism enacted through resolutions of the Supervisory Board, which consists of:

- a risk management system,
- an internal control system.

These systems are of key importance in the perspective of the functioning of the Bank, its strategy, and interests of shareholders.

The risk management system, as defined by the Supervisory Board through a resolution, sets out the roles, duties and entitlements of governing bodies and organisational units and offices at the Bank in the risk management process and mutual interactions between entities involved in the process. The risk management process comprises: 1) the identification of risk, its assessment and measurement, 2) monitoring, control and reporting, 3) decision-making, and taking actions to change risk levels and profiles, along with the monitoring of effects of such decisions and actions.

The purpose of risk management is to maximise goodwill of the Bank by adapting risk levels and profiles to market conditions and the character of the Bank's activities.

Within the scope of the risk management system at the Bank there are:

- an Assets and Liabilities Committee, with responsibility for ongoing oversight over market risk, liquidity risk and for the management of credit risk in portfolio approach;
- Operating Risk Committee, with responsibility for the ongoing oversight over operating risk management;
- Credit Committee at the Head Office, with responsibility for the management of credit risk of individual transactions.

Risk management is performed at the Bank pursuant to written internal procedures signed off by the Management Board. Risks assessed as significant are subject to monitoring in monthly cycles at the Bank. Information notices on such cases are generated within the information management system in operation at the Bank, are presented to the Management Board, as the Management Board in turn presents its information notices on basic banking risk management regularly to the Supervisory Board.

The Bank applies in its operations:

- internal limits adequate to the scale and complexity of operations, to mitigate risk levels in the particular lines of business at the Bank,
- limits reducing overall risk levels at BOŚ S.A. (such levels are revised and approved by the Supervisory Board at least once a year).

The Supervisory Board, with a view to materials it has received from the Bank Management Board and from the Internal Audit Committee as well as based on the opinion of the external auditor:

- states that risk identification, risk quantification and risk management improved essentially at the Bank in 2009 (for example, new tools such as scoring or a standardised assessment of client's credit capacity were introduced last year, which reduced credit risk significantly);
- takes a positive view of the risk management system functioning in the Bank, recognising its structure as efficient enough to identify risks, to monitor them in ongoing manner and to generate the relevant risk management reports, and, on the basis thereof, to make alterations, if necessary, at the right time.

The internal control system is five interrelated components: 1) the control environment, 2) risk assessment, 3) control operations, 4) information and communication, 5) monitoring.

The Supervisory Board is an essential component of the Bank's internal control system because its role and activity are comprised within the control environment, which is part and parcel of entire system and decisive of the proper understanding of the real significance of control in the Company.

The aim of the Bank internal control system is to support decision-making processes to ensure:

- efficiency and effectiveness of the Bank activities,
- reliability of finance data reporting,
- compliance of the Bank activities with the law and with internal regulations.

The internal control system, as a tool to ensure the proper course of processes and to protect the Bank's interest, comprises the following functions:

- 1) risk control mechanisms, which operate in particular as internal rules, limits, procedures, enacted on motions of the relevant governing bodies of the Bank and subsequently as checks of compliance therewith,
- 2) watching the Bank's operations for compliance with regulations of the law and internal regulations, and checking any risk control mechanisms implemented for effectiveness. Such monitoring is a continuous process, especially as part of functional internal control examination, performed by all staff at the Bank. Functional control is a basic type of control at the Bank and an integral part of the system of leadership and managing the business of the Bank,
- 3) internal audit, a function reporting directly to the Supervisory Board which is an essential component of the process of managing the Bank.

The main responsibility of internal audit is the examination and assessment – in an independent and fair manner – of the internal control system, for adequacy, suitability, and effectiveness.

Since one of the main tasks of the Internal Audit Committee and the Supervisory Board as a whole is the monitoring of efficiency and effectiveness of the internal control system in the company, internal audit is clearly helpful and a basic tool in fulfilling that task.

The Supervisory Board, having assessed the internal audit system for performance in 2009 informs that the „Internal Audit Annual Plan for 2009” was approved by

resolution of the Supervisory Board and identified areas of the Bank business where internal audit inspections were found necessary.

The internal audit service carried out 17 audits and control inspections in total last year, including 10 audits and 7 ad hoc control inspections.

The audits produced in particular:

- 1) A full-scale assessment of activity of Branch Włocławek and Branch Bydgoszcz with their operating branches, where inspections were made of the following functions, among other things:
 - credit risk management level and quality,
 - the status of operating risk management,
 - delivery of internal functional control tasks at the Branch,
 - deposit and settlement and cash activities,
 - performance of the accounting and reporting division,
 - safety of the data-processing system and the functioning of the safeguards system,
 - delivery of selected ERP tasks,
 - organisational status of Branch, including work organisation, employment, issuance of regulations and authorisations, etc.
- 2) An assessment of operating risk in the process of concluding and delivery of contracts with financial intermediaries, including outsourcing contracts,
- 3) An assessment of the level and quality of management of credit risk and of operating risk in processes of conclusion, maintenance and monitoring of loan transactions with clients in the corporate segment and with clients in the retail segment, and of adequacy of maintaining bank accounts for such clients in Branch III in Warsaw,
- 4) An assessment of quality and risk control level in the determination of impairment write-downs and provisions against off-balance sheet loan exposures under International Financial Reporting Standards (IFRS),
- 5) An assessment of quality and risk control level in the calculation of capital requirement for credit risk in the standard method,
- 6) An assessment of quality and risk control level in the calculation of capital requirement for exceeding the commitment concentration limit and the large commitments limit,
- 7) An assessment of quality and risk control level in obligatory report generation, the COREP.

Results of the particular audits and control inspections, in a form of reports possibly with post-audit recommendations, were immediately presented to the Supervisory Board Chairman and the Management Board President, and also to members of the Bank Management Board and to interested directors of Head Office organisational units. Results of the particular audits and control inspections were also presented at Internal Audit Committee meetings.

The President of the Management Board signed off the relevant recommendations put forward by auditors and directed the relevant addressees to put them into effect. Findings of audits and recommendations of the audit unit were taken advantage of in current work and management decisions.

Implementation of the recommendations resulted in the Bank attaining acceptable risk levels.

The Supervisory Board, taking account of materials presented by the Bank Management Board, periodic reports from the internal audit unit, and opinions expressed by the Internal Audit Committee finds in conclusion that the internal control

system at work in the Bank does fulfill its basic tasks and helps make the management of risks linked with the Bank operations more efficient.

As announced by the Bank Management Board, and in line with the Internal Audit Committee opinion, the Supervisory Board is going to make necessary changes to the internal control system in the third quarter this year, to adapt it to the present status of implementation of the Bank's Business Strategy, including changes resulting from the progress to date of business operations and risks outlets and the Head Office working sustain working under the new organisational structure.

Assessment of the Bank Supervisory Board performance in 2009

As provided for in the Best Practice Code of companies listed at the Warsaw stock exchange [GPW], the Supervisory Board performed an assessment of their activity, for presentation to the General Meeting, with highlights on the assessment of:

- The composition and organisation and work of the Supervisory Board as a group.
- Competences and performance of individual members of the Supervisory Board and the Internal Audit and Internal Control System Committee.
- Results of the work of the Supervisory Board in the light of the targets.

The Supervisory Board held 11 meetings in 2009), which means the number of Supervisory Board meetings was well above the requirements set out in § 19 subpara. 2 of the Bank Articles of Association and art. 389 § 3 of the Code of Commercial Companies. The Supervisory Board activities concerned matters on the Supervisory Board agenda for the year and any business emerging in the current work of the Bank.

As a matter of principle, all Supervisory Board members attended board meetings. The few cases of absence were always explained and justified.

Any action the Supervisory Board is required to perform were delivered on time and with utmost care. All decisions were taken efficiently, after careful scrutiny considered in detail and on hearing the Management Board present their reasons.

Co-operation of the Supervisory Board with the Management Board was flawless.

The Supervisory Board had its best possible composition, in terms of number and qualifications alike. Each of its members watched the developing situation of the Bank, not only by virtue of their functions but also by education, experience and interests. Some valuable observations were recorded in minutes from Supervisory Board meetings.

With their personal qualities and professional experience every one of the Supervisory Board members made their own contribution to the work of the Supervisory Board as a collective body:

- Marcin Likierski – Chairman of the Supervisory Board, Chairman of the Audit Committee: PhD in economics, expert and adviser in building visions of corporate development and strategy objectives, strategy implementation based on state-of-the-art management techniques (Balanced Scorecard), change management, restructuring tasks, introducing organisational changes for enhanced economic effectiveness. Expert in strategy management, corporate strategy development and implementation;
- Jacek Bajorek – Deputy Chairman of the Supervisory Board: legal adviser; experience in counselling to local government institutions (among others, the Marshal's Office in Województwo Małopolskie province). In 1994–2004, arbiter with the Public Procurement Office; World Bank consultant on a flood damage recovery project. Lecturer with the Małopolska School of Public Administration

Cracow University of Economics and lecturer with the Tischner European University in Kraków.

- Marian Pigan – Secretary of the Supervisory Board, Member of the Audit Committee, holds doctor's degree, forest engineer. Director General with Lasy Państwowe state forestry enterprise. Has close knowledge of ecology, in particular in forest management; expert in modern technology in forest management and the timber industry;
- Józef Kozioł – Member of the Supervisory Board, Deputy Chairman of the Audit Committee: PhD in economics, prorektor and professor with WSRL agricultural college in Żyrardów. Specialist in banking and finance. Author of the concept of founding the NFOŚiGW national environmental protection fund as well as the establishment of BOŚ S.A. bank; long-time President of the Management Board of the bank. Initiated the process that led BOŚ S.A. eventually go public and listed on the GPW Warsaw stock exchange. He served in government positions as well, among others as Deputy Prime Minister and Minister for Environmental Protection. Member of the Chief Council of Business Centre Club, author of many publications, mostly on banking business;
- Michał Machlejd – Member of the Supervisory Board: long-standing service in banking, sat as member in boards of top Polish banks: Polski Bank Inwestycyjny S.A., PKO BP, BGŻ S.A., and long-standing member of the board of the Polish Bank Association. Presently serves as head of the Warsaw district heating supplier SPEC. Member of the Chief Council of Business Centre Club. With background in running large business organisations and in managing large staff forces;
- Marian Malicki – Member of the Supervisory Board: professors' knowledge and experience in the economics of environmental protection, risk management and regional planning. Presently serves as head of the Socio-Economic Policy Chair and European Regional Studies at Szczecin University, Professor with the West Pomeranian Business School in Szczecin. Organised many international conferences mainly on ecology and regional policy. Hosted by many foreign research institutions. Author of a number of scientific publications;
- Ryszard Ochwat – Member of the Supervisory Board: expert in environmental protection and its financing mechanisms. Long-standing staff member at the NFOŚiGW, senator of the Republic of Poland in 1993–1997, chaired the Senate Environmental Protection Commission;
- Michał Wysocki – Member of the Supervisory Board: legal adviser. Specialist in commercial law, business law, copyright and related law, civil law, investment advice to enterprises. Author of many publications on commercial law applications, securities law, and trading in securities.

The Supervisory Board properly delivered its duties in exercising standing supervision over the business of the Company as defined in the commercial code and the Bank's own statutes. That was visible especially in:

- implementation at BOŚ S.A. of a Central Information System. That matter, a key issue at the Bank, was on the agenda of every Supervisory Board meeting;
- the current financial situation of the Bank. This question, too, as fundamental to the Bank, especially in the context of the financial results, was on the agenda of every Supervisory Board meeting.

In 2009, the Supervisory Board faced the dilemma whether to sign off the action of the Management Board including, among other things, a dramatic reshuffle of the organisational structure of the Bank and a significant intensification of expensive

marketing, these producing effects in a long perspective, or to focus, amidst the tough market situation, on the Bank's current financial results. The Supervisory Board concluded that the long-term interest of the Bank and its Shareholders is what should be regarded as the priority, so it accepted actions of the Management Board designed to achieve the adopted goals in a longer perspective. At the same time, however, the Supervisory Board was watching closely the current economic situation of the Bank, risk mitigating policies, and client service level.

Some other points used to be raised for discussion at Supervisory Board meetings, including:

- development of co-operation of the Bank with the NFOŚiGW and its regional counterparts, the WFOŚiGW,
- optimisation of the Bank overheads,
- competitiveness of the offer and effectiveness of marketing activities,
- assessment of banking risks and risk mitigation in BOŚ S.A. activities,
- assessment of BOŚ S.A. wages and incentives system in relation to pay in the banking sector – against the effectiveness of the particular segments of the Bank activity in 2009.

The presidium of the Board were constantly in touch with the main strategic shareholder of the Bank.

In its direct oversight of the Bank's audit and internal control unit the Supervisory Board regularly heard reports on results of audits and institutional control inspections.

The Supervisory Board has in its structure an Internal Audit Committee. The Committee worked in the following composition in 2009:

- Marcin Likierski, Chairman of the Supervisory Board, as Committee Chairman
- Józef Kozioł, as Deputy Chairman
- Marian Pigan, as Committee Member

The Committee in 2009 performed the duties set out for it in the relevant Supervisory Board Resolution and in provisions of the Auditors and their Self-Governing Body Act, entities entitled to carry out audits of financial statements, and on public supervision – advising the Board on any issue they had considered and opinions issued.

The act in question imposed new monitoring responsibilities on the Committee, specifically:

- to watch financial reporting processes,
- to watch the company's internal control, internal audit and risk management systems for efficiency,
- to watch audits of financial statements,
- to watch the independence of chartered auditors.

With a view to the above responsibilities the Committee held eight meetings, discussing the following matters:

1) On 6 February 2009

- A review of banking risks to BOŚ S.A. activities, with progress reports on the New Capital Accord implementation in the Bank.
- A report on progress in implementation of Commission for Banking Supervision (KNB) recommendations following GINB (General Inspectorate of Banking Supervision) inspections in BOŚ S.A. in the years 2002, 2004 and 2007, as at end December 2008.
- A report on findings of internal audits for the fourth quarter 2008 and for 2008.

2) On 6 April 2009

- Discussing a draft text of Rules of Procedure " Risk management system in BOŚ S.A." and a draft Supervisory Board resolution to approve it.
 - A preliminary version of recommendations presented by Ernst & Young auditors in respect of risk management and internal control systems working at BOŚ S.A.
- 3) On 7 May 2009:
- A draft Supervisory Board resolution to choose an auditor to review/audit the financial statements of the Bank and the BOŚ S.A. Group for the first half of 2009 and for 2009.
 - A review of banking risks to BOŚ S.A. activities after the first quarter 2009, with a report on the New Capital Accord implementation in the Bank and a DKW progress report on internal audit recommendations.
 - A report on progress in implementation of Commission for Banking Supervision (KNB) recommendations following a GINB (General Inspectorate of Banking Supervision) inspection in BOŚ S.A. in 2007, as at 31 March 2009.
- 4) On 3 June 2009
- A report on findings of internal audits and institutional control for the first quarter 2009.
- 5) On 1 September 2009
- A motion for adopting Supervisory Board resolutions to approve Management Board resolutions to enact:
 - a) „Bank Ochrony Środowiska S.A. policy rules on liquidity management”,
 - b) „Bank Ochrony Środowiska S.A. policy rules on interest risk management in the banking book in a transfer price system”,
 - c) „Bank Ochrony Środowiska S.A. policy rules on market risk management in the trading book”,
 - d) „Bank Ochrony Środowiska S.A. policy rules on operating risk management”.
 - A report on progress in implementation of Commission for Banking Supervision/Financial Supervision (KNB/KNF) recommendations following a GINB (General Inspectorate of Banking Supervision) inspection in BOŚ S.A. in the period from 12 February to 30 March 2007, as at 30 June 2009.
 - A report on findings of internal audits and institutional control for the second quarter 2009.
- 6) On 28 October 2009
- A review of banking risks to BOŚ S.A. activities, with a report on the New Capital Accord implementation in the Bank.
 - A report on findings of internal audits and institutional control for the third quarter 2009.
- 7) On 26 November 2009
- A draft Supervisory Board resolution to amend BOŚ S.A. Supervisory Board Rules of Procedure.
 - A draft Supervisory Board resolution concerning the Internal Audit Committee organisation and responsibilities.
- 8) On 9 December 2009
- A time schedule of financial statements audit at the Bank for 2009 – A report from the Bank’s chosen auditors (Ernst & Young) for the Internal Audit Committee.

– A report on the levels of operating risk and compliance risk and on management thereof at the Bank for the period of first to third quarters 2009. In the light of the above information, the results of work of the BOŚ S.A. Supervisory Board in 2009 in pursuit of goals set for it deserve to be described as positive.

Recommendations

Acting pursuant to Art. 382 § 3 of the Code of Commercial Companies and § 20 subparas. 7 and § 43 of the Articles of Association of BOŚ S.A., the Supervisory Board considered materials for debate at the Annual General Meeting of BOŚ S.A., including:

- the agenda of the General Meeting;
- draft texts of all resolutions, in particular a draft resolution regarding the distribution of profit of 2008 and a draft resolution regarding amendments to the Articles of Association of the Bank, along with written opinions of the documents,
- the Management Board report on the Bank activity in 2009, along with a written opinion of the report,
- the financial statements of the Bank for the period from 1 January 2009 to 31 December 2009 (with the auditors' opinion), along with a written opinion of the statements,
- a report on activities of the BOŚ S.A. Group in 2009, along with a written opinion of the report,
- the consolidated financial statement of the BOŚ S.A. Group for the period from 1 January 2009 to 31 December 2009 (with the auditors' opinion), along with a written opinion of the statements.

Having reviewed the above documents the Supervisory Board recommends them for approval to the Annual General Meeting of BOŚ S.A. The relevant Supervisory Board assessment notes were appended to each report.

In submitting this report, with an assessment of the situation of the Bank in 2009, an assessment of the Bank internal control system and its system to manage risks that are significant to the Company, and an assessment of the Supervisory Board activity in 2009, the Supervisory Board requests the Annual General Meeting of Bank Ochrony Środowiska S.A. to approve it and to adopt:

- the proposed resolutions to approve the above-named report;
- the other resolutions related to matters set out in the agenda of the Annual General Meeting, in particular:
 - to approve the distribution of the Bank's profit for 2009, as proposed in the draft resolution 2009,
 - to approve the Management Board proposed amendments to the Articles of Association of the Bank,
 - to approve the discharge of duties by every Member of the Bank Management Board.

For the Supervisory Board of Bank Ochrony Środowiska S.A.
Chairman of the Supervisory Board

/Marcin Likierski/

Warsaw, 6 May 2010