

Announcement of Management Board of Bank Ochrony Środowiska Spółka Akcyjna on Calling an Ordinary General Meeting

Bank Ochrony Środowiska Spółka Akcyjna (joint-stock company) with a registered seat in Warsaw, ul. Żelazna 32, 00-832 Warszawa, registered in the District Court for the Capital City of Warsaw in Warsaw, 12th Business Division of the National Court Register (KRS) under entry no. KRS 0000015525; entry made in the register on 4 June 2001, according to art. 402² of the Commercial Companies Code presents information on BOŚ S.A. Ordinary General Meeting.

I. DATE, TIME AND PLACE OF GENERAL MEETING AND DETAILED AGENDA

The Management Board of Bank Ochrony Środowiska Spółki Akcyjnej („BOŚ S.A.”) – acting under art. 399 Par. 1, art. 402¹ and art. 402² in relation to art. 395 Par. 1 of the Commercial Companies Code (CCC) and in relation to Par. 9 sections 1 and 2 of the Bank’s Articles of Association – hereby calls an Ordinary General Meeting (“OGM”) on 31 May 2017, at 10:00am, which will be held in the Company’s registered seat premises in Warsaw, ul. Żelazna 32 00-832 Warszawa, with the following agenda:

Meeting Agenda:

1. Opening of the General Meeting.
2. Election of the General Meeting Chair.
3. Announcing legality of calling of the General Meeting and of its capacity to adopt resolutions.
4. Election of the General Meeting Secretary.
5. Approval of the meeting agenda.
6. Consideration of Management Board Report on Bank’s activity in 2016 and Bank’s financial statement for the period of 1 January 2016 through 31 December 2016 and of a request to cover Bank’s 2016 loss.
7. Consideration of Management Board Report on activity of BOŚ S.A. Capital Group in 2016 and of consolidated financial statement of BOŚ S.A. Capital Group for the period of 1 January 2016 through 31 December 2016.
8. Consideration of BOŚ S.A. Supervisory Board Report on 2016 activity.
9. Adoption of resolutions on:
 - a) approval of Management Board Report on Bank’s Activity in 2016,
 - b) approval of Bank’s financial statement for the period of 1 January 2016 through 31 December 2016,
 - c) approval of Management Board Report on activity of BOŚ S.A. Capital Group in 2016,
 - d) approval of consolidated financial statement of Bank Ochrony Środowiska S.A. Capital Group for the period of 1 January 2016 through 31 December 2016,
 - e) coverage of Bank’s 2016 loss,
 - f) granting votes of approval for individual members of Bank Management Board,
 - g) approval of BOŚ S.A. Supervisory Board Report on 2016 activity,
 - h) granting votes of approval for individual members of BOŚ S.A. Supervisory Board for the fulfilment of their duties in 2016.

10. Presentation of a draft and adoption of a resolution on the rules for calculation of remunerations of Management Board members.
11. Presentation of a draft and adoption of a resolution on the rules for calculation of remunerations and determination of amounts of remunerations of Supervisory Board members.
12. Presentation of drafts and adoption of resolutions on amendments to the Bank's Articles of Association.
13. Presentation of a draft and adoption of a resolution on authorising the Supervisory Board to determine the consolidated text of the Bank's Articles of Association.
14. Closing of the Meeting.

II. PROCEDURES FOR PARTICIPATION IN ORDINARY GENERAL MEETING OF BANK OCHRONY ŚRODOWISKA S.A. AND EXECUTION OF THE VOTING RIGHT.

1. Information on the Shareholder right to include specific issues in the agenda of the Ordinary General Meeting and to submit drafts of resolutions:

Under art. 401 Par. 1 of the CCC a Shareholder or Shareholders of BOŚ S.A. representing at least one twentieth of the share capital has the right to demand inclusion of specific issues in the agenda of the OGM. Such a demand shall contain a justification or a draft resolution on the proposed item of the agenda. The demand shall be submitted to BOŚ S.A. Management Board by 10 May 2017 in writing (i.e. serviced upon in person, with a confirmation of receipt, or sent to the Bank with a confirmation of sending and confirmation of receipt) to the following address: Bank Ochrony Środowiska S.A. ul. Żelazna 32, 00-832 Warszawa, between 8:00am and 4:00pm or by electronic means to the address: walne.zgromadzenie@bosbank.pl.

As of the demand submission date the Shareholder shall prove the fact of holding the required number of shares and enclose, with the demand, a statement on the right to participate in the OGM, and Shareholders who are not natural persons, persons acting on behalf of a Shareholder, shall confirm their right to perform such an activity by presenting an up-to-date copy of the National Court Register (KRS) entry or other documents confirming their right to act on behalf of a Shareholder and documents confirming their identity. The documents shall be submitted to the Management Board in writing (i.e. serviced upon in person, with a confirmation of receipt, or sent to the Bank with a confirmation of sending and confirmation of receipt) to the following address: Bank Ochrony Środowiska S.A. ul. Żelazna 32, 00-832 Warszawa, between 8:00am and 4:00pm or by electronic means to the address: walne.zgromadzenie@bosbank.pl.

The correct date and time of submission of the demand shall be confirmed by the date of receipt thereof by the Bank and if electronic means are used – by the date of receipt of the demand by the Bank's electronic mail system (Bank's mail server receiving the demand). When using electronic means, all the documents must be sent as attachments in the PDF format.

The Bank Management Board, instantly but no later than eighteen days prior to the scheduled date of the Ordinary General Meeting, i.e. no later than on 13 May 2017, shall announce the changes to the meeting agenda made upon the demand of the

Shareholder or Shareholders. Announcement of the new meeting agenda shall be presented at Bank's web site www.bosbank.pl and in the manner defined for publicising current information, according to the regulations on the public offer and terms and conditions of introducing financial instruments into the organised trading system and on public companies.

2. Information on the Shareholder's right to submit draft resolutions on issues included in the agenda of the Ordinary General Meeting or issues which are to be included into the meeting agenda prior to the date of the Ordinary General Meeting.

Under art. 401 Par. 4 of the CCC a Shareholder or Shareholders representing at least one twentieth of the share capital entitled to participate in the Ordinary General Meeting have the right to submit, to BOŚ S.A. Management Board, prior to the date of the Ordinary General Meeting, draft resolutions on issues included in the OGM agenda or issues which are to be included in the agenda. These draft resolutions should be submitted to the Bank in writing (i.e. serviced upon in person, with a confirmation of receipt, or sent to the Bank with a confirmation of sending and confirmation of receipt) to the following address: Bank Ochrony Środowiska S.A., DKl, Zespół Relacji Inwestorskich (Investor Relations Team), ul. Żelazna 32, 00-832 Warszawa, between 8:00am and 4:00pm or by electronic means to the address: walne.zgromadzenie@bosbank.pl in the PDF format, no later than 24 hours prior to the Ordinary General Meeting as the Bank is obligated to publish it on its web site.

The correct date and time of submission of the abovementioned request shall be confirmed by the date of receipt thereof by the Bank and if electronic means are used – by the date of receipt of the request by the Bank's electronic mail system (Bank's mail server receiving the demand).

Draft resolutions shall instantly be published on Bank's web site www.bosbank.pl.

As of the demand submission date the Shareholder shall: prove the fact of holding a required number of shares and enclose, with the demand, a statement on the right to participate in the OGM, and Shareholders who are not natural persons, persons acting on behalf of a Shareholder, shall confirm their right to perform such an activity by presenting an up-to-date copy of the National Court Register (KRS) or other documents confirming their right to act on behalf of a Shareholder and documents confirming their identity. The documents shall be submitted to the Management Board in writing (i.e. serviced upon in person, with a confirmation of receipt, or sent to the Bank with a confirmation of sending and confirmation of receipt), prior to the OGM, to the following address: Bank Ochrony Środowiska S.A., ul. Żelazna 32, 00-832 Warszawa, between 8:00am and 4:00pm or by electronic means to the address: walne.zgromadzenie@bosbank.pl in the PDF format.

The Bank has the right to undertake necessary actions to verify the identity of the Shareholder or Shareholders and verify the validity of the submitted documents.

3. Information on the Shareholder's right to submit draft resolutions on issues included in the meeting agenda during the Ordinary General Meeting.

Under art. 401 Par. 5 of the CCC each Shareholder entitled to participate in the Ordinary General Meeting has the right to submit, during the OGM, draft resolutions on issues included in the meeting agenda.

4. Information on the manner of execution of the voting right by a proxy, including, in particular, on the forms used when voting by the proxy and on the manner of notifying the Bank, by electronic means, of the appointment of a proxy.

- 1) A Shareholder who is a natural person has the right to participate in the Ordinary General Meeting and execute the voting right in person or through a proxy. A Shareholder who is not a natural person has the right to participate in the Ordinary General meeting and execute the voting right through a person authorised to submit declarations of will on the Shareholder's behalf or through a proxy.

The proxy shall execute all the Shareholder's rights at the Ordinary General Meeting, unless the power of attorney specifies otherwise. The proxy may represent more than one Shareholder and vote differently for each Shareholder. A Bank Shareholder who holds shares on more than one securities account may appoint different proxies for the execution of rights arising from shares held on each of the accounts. A shareholder holding shares maintained on a collective account may appoint different proxies for the execution of rights arising from shares maintained on this account.

The power of attorney shall be drawn in writing to be valid and submitted to the company or delivered by electronic means. Granting of the power of attorney by electronic means does not require a digital signature verified by a qualified certificate. The power of attorney or a text which documents the granting of power of attorney drawn up in a foreign language must be translated into Polish by a sworn translator. The power of attorney not translated into Polish by a sworn translator shall bear no legal effect.

The form presenting a template of the power of attorney authorising to execute the voting right by a proxy is available on BOŚ S.A. web site at: www.bosbank.pl in section "Walne Zgromadzenie" (General Meeting).

It is not obligatory to grant the power of attorney using the abovementioned form. Granting of a power of attorney by electronic means shall be communicated to the Bank no later than 24 hours prior to the OGM by sending the scanned power of attorney form, signed by the Shareholder or, in the case of Shareholders other than natural persons, by persons authorised to represent the Shareholder, by electronic mail to walne.zgromadzenie@bosbank.pl.

Notification of granting a power of attorney by electronic means should contain the name of the principal, the principal's phone number and address, email address and also the name of the proxy, the proxy's phone number, address and email address.

Additionally, the following must be sent: documents confirming identity (containing data that allow identification, particularly: the serial number of the personal identity card/ passport, PESEL number) of the proxy who is a natural person, a scanned signature from a register relevant for the proxy who is the legal person and the electronic mail address dedicated to communication with the Shareholder or the Shareholder's proxy.

BOŚ S.A. Management Board hereby informs that upon the Shareholder granting of power of attorney in compliance with the voting mode instruction, BOŚ S.A.

shall not verify whether the proxies execute their voting rights in accordance with the instructions given by the Shareholders.

- 2) BOŚ S.A. shall undertake relevant actions to verify the identity of the Shareholder and the proxy in order to verify the validity of the power of attorney granted by electronic means. This verification may, in particular, involve a reverse question, by electronic means or by telephone, asked to the Shareholder or the proxy to confirm the granting of the power of attorney or its scope. BOŚ S.A. hereby reserves that a failure to respond to such questions asked during the verification shall be deemed the lack of possibility of verification of the power of attorney and shall constitute the grounds for refusing to allow the proxy to participate in the OGM.
- 3) The right to represent the Shareholder who is a natural person shall result from the copy of a relevant register entry (submitted as original or a photocopy authenticated against the original by a notary public), presented when drawing up the attendance list, or alternatively, a sequence of powers of attorney.
The person/s granting the power of attorney on behalf of the Shareholder who is not a natural person must be indicated in the up-to-date copy of a relevant register entry of the Shareholder.
- 4) A BOŚ S.A. Management Board Member and a BOŚ S.A. employee may be proxies of Shareholders at the Ordinary General Meeting.
If a proxy at the Ordinary General Meeting is a BOŚ S.A. Management Board member, a BOŚ S.A. Supervisory Board Member, an employee or a member of directing bodies or an employee of a subsidiary of BOŚ S.A., the power of attorney may authorise them to represent the Shareholder only at one general meeting. The proxy is obligated to disclose to the Shareholder the circumstances of potential conflict of interest. Granting further powers of attorney shall be excluded.
- 5) The proxy specified in item 4 above shall vote in accordance with the instructions granted by the Shareholder.

5. Information on the possibility and manner of participation in the Ordinary General Meeting using means of electronic communication

The Bank does not provide for a possibility to participate in the Ordinary General Meeting with the use of means of electronic communication.

6. Information on the manner of speaking during the Ordinary General Meeting using means of electronic communication

The Bank does not provide for a possibility to speak during the Ordinary General Meeting with the use of means of electronic communication.

7. Information on the manner of execution of the voting right by mail or using means of electronic communication

The Bank does not provide for a possibility to execute the voting right by mail or with the use of means of electronic communication.

III. DATE OF REGISTRATION OF PARTICIPATION IN BANK'S ORDINARY GENERAL MEETING

The date of registration of participation in the Bank's Ordinary General Meeting is the day sixteen days prior to the date of the Ordinary General Meeting, i.e. 15 May 2017.

IV. INFORMATION ON THE RIGHT TO PARTICIPATE IN ORDINARY GENERAL MEETING

1. The only persons who have the right to participate in the Bank's Ordinary General Meeting are those who:
 - 1) sixteen days prior to the date of the OGM, i.e. on 15 May 2017, are Shareholders of BOŚ S.A. holding BOŚ S.A. shares posted to their securities accounts,
 - 2) request, no earlier than after announcement of calling of the OGM, no later than on the first business day upon registration, i.e. no later than on 16 May 2017, the entity maintaining their securities accounts, on which their BOŚ S.A. shares are booked, to issue a personal statement on their right to participate in the OGM.The shareholders are recommended to have on them, during the OGM, their statements on their rights to participate in the OGM.
2. The list of Shareholders authorised to participate in the OGM shall be drawn up on the basis of a list drawn up by Krajowy Depozyt Papierów Wartościowych S.A. (National Depository for Securities) (KDPW) with the use of lists generated by entities maintaining securities accounts, generated on the basis of statements on the right of participation in the Ordinary General Meeting.

Three business days prior to the OGM date, i.e. on 26 May 2017, the list of the Shareholders authorised to participate in the OGM shall be presented for viewing in Warsaw, at ul. Żelazna 32, between 8.00am and 4.00pm. A BOŚ S.A. Shareholder may demand the list of the Shareholders authorised to participate in the OGM be sent to him by electronic mail, free of charge, upon specifying the email address to which the list is to be sent.
3. The Shareholders shall be allowed to participate in the OGM upon presenting their identity document and proxies – upon presenting their identity documents and a valid power of attorney document in writing or in the electronic format (the proxy must present the original power of attorney document). Representatives of legal persons or organisational units without legal personality must additionally present up-to-date copies of relevant register entries, listing persons authorised to represent those entities.

V. ACCESS TO DOCUMENTATION

1. All information and full documentation which is to be presented to the Ordinary General Meeting, along with draft resolutions, from the day of calling the Ordinary General Meeting, in accordance with art. 402¹ Par. 1 and art. 402³ of the CCC shall be published at Bank's web site: www.bosbank.pl in section „Walne Zgromadzenie” (General Meeting).
2. From 24 May 2017 the Shareholder entitled to participate in the Ordinary General Meeting has the right to demand that copies of requests regarding issues in the meeting agenda be provided to them under art. 407 Par. 2 of the CCC.

Subject to limitations provided for in the Commercial Companies Code, the Bank Shareholders may contact the Bank via means of electronic communication using the following dedicated email address: walne.zgromadzenie@bosbank.pl. The risk

involved in the use of means of electronic communication shall be borne solely by the Shareholder. The Bank is responsible for security, confidentiality and processing, in accordance with regulations in force, of information contained in documents sent by electronic means, from the moment the documents enter the Bank's electronic mail system (Bank's mail server receiving the documents).

If the Shareholder sends to the Bank, by electronic means, documents which were originally drawn up in a language other than Polish, the Shareholder is obligated to enclose them with a Polish translation prepared by a sworn translator. Any and all documents sent by the Shareholder to the Bank, as well as documents sent by the Bank to the Shareholder by electronic means, shall be scanned to the PDF format.

VI. ADDRESS OF WEB SITE WHICH WILL PRESENT INFORMATION ON THE ORDINARY GENERAL MEETING

Any and all information regarding the Ordinary General Meeting and forms shall be made available at Bank's web site www.bosbank.pl in section „Walne Zgromadzenie” (General Meeting).

VII. MISCELLANEOUS

In accordance with art. 402 Par. 2 of the Commercial Companies Code, in relation to the anticipated amendments to the Bank's Articles of Association, the Bank Management Board informs about the contents of the planned amendments to the Bank's Articles of Association.

Amendments to the Bank's Articles of Association proposed by the Bank Management Board:

I. Current wording of Par. 4 subpara. 3 and 4:

„3. The mission of the Bank shall be to support undertakings contributing to the development of production and services in environmental protection, the development of the market of ecology-related goods and services, and to further and encourage environment-friendly attitudes and environmental protection initiatives.

4. The Bank realises its mission in particular by:

- 1) providing specialised banking services to support undertakings contributing to the protection of environment and water resource management;
- 2) providing general banking services to personal customers, small and medium enterprises and large enterprises, as well as municipalities.”

Proposed wording of Par. 4 subpara. 3 and 4:

„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”.

II. Current wording of Par. 5 subpara. 2 point 9:

„9) the acceptance and placement of conduct of purchase or disposal of financial instruments on condition that such operation is performed solely on securities issued by the State Treasury, or the National Bank of Poland, or other financial instruments or bonds not admitted to trading such as are referred to in art. 39p subpara. 1 of the Toll Roads and the National Road Fund Act of 27 October 1994, and the performance of such orders on the account of ordering party,”

Proposed wording of Par. 5 subpara. 2 point 9:

„9) performance of non-brokerage activities involving:

- a) the acceptance and placement of orders of purchase or disposal of financial instruments,
- b) the performance of orders specified in item a) above on the account of the ordering party,
- c) purchase or disposal of financial instruments on own account,
- d) offering of financial instruments,
- e) provision of services under concluded agreements for investment- or service-related sub-issuance agreements or conclusion and execution of other similar agreements, provided financial instruments are subjects of these agreements.

with a reservation that the subject of the activities specified in items a)-d) above 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 with regard to activities specified in item c) above – also bonds, letters of lien or other tradable securities incorporating property rights equivalent to rights arising from an assumed debt, other than instruments specified above, admitted to organised trading, 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,”

Proposed wording of subpara. 3 added to Par. 5

„3. The Bank may perform activities attributed to domestic banks specified in the State Aid for Child Support Act of 11 February 2016”.

III. Current wording of Par. 10:

„Par. 10

The powers of the General Meeting shall include in particular:

- 1) consideration and approval of the Management Board report on the Bank's activity and the Bank's financial statements,

- 2) consideration and approval of the Management Board report on the activity of the Bank Group and the consolidated financial statements of the Bank Group,
- 3) the passing of resolutions as to the distribution of profits or absorption of losses,
- 4) consideration and approval of the Supervisory Board activity report,
- 5) approval of the performance of duties by members of the Bank's directing bodies,
- 6) appointing and dismissing Supervisory Board members,
- 7) making amendments to the Bank's Articles of Association,
- 8) 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,
- 9) adopting resolutions on the increasing or decreasing of the share capital,
- 10) adopting resolutions on the issuance of convertible bonds and bonds with priority to shares,
- 11) adopting decisions on the establishment or cancellation of funds referred to in Par. 36 subpara. 1,
- 12) adopting resolutions on the merger, sale or liquidation of the Bank,
- 13) appointing liquidators and setting their remuneration,
- 14) setting the remuneration of Supervisory Board members,
- 15) 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.”

Proposed wording of Par. 10:

„Par. 10

The Powers of the General Meeting shall include in particular:

- 1) consideration and approval of the Management Board report on the Bank's activity and the Bank's financial statements,
- 2) consideration and approval of the Management Board report on the activity of the Bank Capital Group and the consolidated financial statement of the Bank Capital Group,
- 3) the passing of the resolution on the distribution of profit or loss coverage,
- 4) consideration and approval of the Supervisory Board activity report,
- 5) approval of the performance of duties by members of the Bank's directing bodies,
- 6) appointing and dismissing Supervisory Board members,
- 7) passing the policy of evaluation of adequacy of candidates for Supervisory Board members and of Supervisory Board members and evaluation of adequacy of candidates for Supervisory Board members and of Supervisory Board members,
- 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 the General Meeting's resolutions,
- 10) adopting resolutions on the increasing or decreasing of the share capital,

- 11) adopting resolutions on the issuance of convertible bonds and bonds with priority to shares,
- 12) adopting decisions on the establishment or cancellation of funds referred to in Par. 36 subpara. 1,
- 13) adopting resolutions on the merger, sale or liquidation of the Bank,
- 14) appointing liquidators and setting their remuneration,
- 15) setting the remuneration of the Supervisory Board members,
- 16) 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".

IV. Current wording of Par. 20:

„Par. 20

1. The Supervisory Board shall oversee 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. The Supervisory Board shall appoint an Internal Audit Committee and a Remuneration Committee from among its members. 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 a separate resolution.
4. The responsibilities of the Internal Audit Committee shall include in particular:
 - 1) the monitoring of the risk management system and the internal control system for efficiency,
 - 2) the monitoring of financial reporting processes at the Bank,
 - 3) the monitoring of performance of finance audits,
 - 4) the monitoring of independence of certified auditor and entity authorised to audit financial statements,
 - 5) the overseeing of 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) approving the internal audit agenda.
5. Responsibilities of the Remuneration Committee shall include in particular:
 - 1) expression of opinion on variable remuneration component policies, including amounts and components of remuneration of persons in management level positions at the Bank,
 - 2) expression of opinion on, and monitoring of variable remuneration of persons in management level positions at the Bank related to risk management and ensuring compliance by the Bank with regulations of the law and internal regulations.
6. The Supervisory Board determines the number of Management Board members.
7. 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 for the appointment or dismissal of vice-presidents and Management Board members.

8. 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.
9. 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.
10. In addition, the Supervisory Board shall have the following powers:
 - 1) approving strategies of BOŚ S.A. and annual financial plans of the Bank,
 - 2) approving the Bank's prudential and stable management rules, the overall risk level of the Bank, as well as banking risk management policies,
 - 3) approving the Bank's information policies,
 - 4) approving the Bank's internal procedures for internal equity valuation, capital management and capital planning,
 - 5) approving Management Board resolutions concerning the Bank's organisational structure, except the establishment or liquidation of branches and operation branches,
 - 6) advising the Polish Financial Supervision Authority of the composition of the Management Board and of changes thereto promptly upon the establishment thereof or upon any change thereto, and of Management Board members allocated responsibility in particular for risk management and for the operation of the internal audit unit,
 - 7) 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 Boards 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,
 - 8) assessing the Management Board report on the Bank Group activity and of the Bank Group consolidated financial statements 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,
 - 9) setting the conditions of employment of members of the Bank Management Board,
 - 10) adopting a written policy regarding the extension of loans, cash advances, guarantees or endorsements to members of the Bank's directing bodies and other persons mentioned in Art. 79 of the Banking Act,
 - 11) issuing or approving regulations and written policies stipulated in the Articles of Association, except the Rules of organisation of the Bank, the Rules of organisation of Branch and Operation branch, and rules of organisation of Head Office organisational units,

- 12) adopting resolutions to approve the extension of loans, cash advances, guarantees or endorsements to members of the Bank's directing bodies and other persons mentioned in art. 79a of the Banking Act,
- 13) 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 authorised share capital, with the exclusion of shares in companies admitted to public trading,
- 14) appointing a chartered auditor to examine the financial statements and other experts,
- 15) exercising supervision over the introduction of a management system at the Bank and reviewing it for adequacy and efficiency,
- 16) reviewing periodic reports on banking risk levels and banking risk management quality,
- 17) reviewing periodic reports on irregularities found in, and conclusions following from, internal audits, and measures taken to remedy or implement them,
- 18) approving the procedure for appointment and dismissal of director of the audit unit and the manner of determining his/her pay,
- 19) approving policy rules in respect of variable remuneration components of persons in managerial positions at the Bank and performing regular reviews thereof."

Proposed wording of Par. 20:

„Par. 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) the monitoring of the risk management system and the internal control system for efficiency,
 - 2) the monitoring of the Bank's financial reporting process,
 - 3) the monitoring of performance of financial reviews,
 - 4) the monitoring of independence of the certified auditor and the entity authorised to audit financial statements,
 - 5) supervision of activity of the internal audit unit, and in particular:
 - a) supervision of the appropriate placement of the internal audit unit in the organisational structure of the Bank, preserving its independence in work, in accordance with supervisory regulations,
 - b) approving the internal audit agenda.

5. Responsibilities of the Remuneration and Nomination Committee shall include in particular:
 - 1) expression of opinion on variable remuneration component policy and supporting Bank's authorities in the shaping and execution of this policy,
 - 2) expression of opinion on, and monitoring of variable remuneration of persons in management level positions at the Bank related to risk management and ensuring compliance by the Bank with regulations of the law and internal regulations,
 - 3) expression of opinion on the evaluation of adequacy of candidates for Management Board members and of Management Board members.
6. Responsibilities of the Risk Committee shall include in particular:
 - 1) expression of opinion on Bank's comprehensive, current and future readiness to take up risk,
 - 2) expression of 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) verification of 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 the 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 appoint or dismiss vice-presidents and Management Board members.
9. 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 BOŚ S.A. 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,
- 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 the composition of the Management Board and of changes thereto promptly upon the establishment thereof or upon any change thereto, and of Management Board members allocated responsibility in particular for risk management and for the operation of the internal audit unit,
- 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) 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,
- 11) setting the conditions of employment, including legal conditions other than the labour relationship, of members of the Bank Management Board, subject to Par.10 item 15,
- 12) 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,
- 13) 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,
- 14) appointing a chartered auditor to examine the financial statements and other experts,
- 15) supervision over the introduction of a management system, composed of a risk management system and an internal audit system, at the Bank and reviewing those systems for adequacy and efficiency,
- 16) reviewing periodic reports on banking risk levels and banking risk management quality,
- 17) reviewing periodic reports on irregularities found in, and conclusions following from, internal audits, and measures taken to remedy or implement them,
- 18) approving the procedure for the appointment and dismissal of the director of the audit unit and the director of the compliance unit, as well as the manner of determining the audit unit director's salary,

- 19) adopting a policy for evaluation of adequacy of candidates for the Management Board members, of Management Board members and candidates and persons in Bank's top positions as well as evaluation of adequacy of candidates for the Bank Management Board members and of Management Board members."

V. Current wording of Par. 21:

„Par. 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.
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.
3. Mandates of Management Board members expire on the day a General Meeting approves the activity report and the financial statements 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 Strategy of BOŚ S.A., yearly financial plans, and yearly internal audit 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 branches and operation branches,
 - 4) to adopt resolutions on the acquisition and transfer of real property or shares in real property,
 - 5) to draft legal instruments the issue whereof falls within the scope of powers of the General Meeting and the Supervisory Board,
 - 6) to make decisions in matters connected with entering into commitments 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. 10 point 13,
 - 7) to adopt, by resolution, the Bank's information rules,
 - 8) to adopt, by resolution, the Bank's risk management policies,
 - 9) to adopt, by resolution, the Bank's prudential and stable management rules,
 - 10) to determine the overall risk level for the Bank and lay down appropriate internal limits to mitigate risk levels in the particular areas of activity of the Bank,
 - 11) to lay down internal procedures for internal equity valuation, capital management and capital planning,

- 12) to exercise supervision over risk management related to business operations of subsidiaries,
 - 13) to manage special funds,
 - 14) to approve, by resolution, the procedure for appointment and dismissal of director of the internal audit unit and the manner of determining his/her pay,
 - 15) to approve, by resolution, policy rules in respect of variable remuneration components of persons in managerial positions at the Bank
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. 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.
 9. The Management Board shall take decisions by resolution.
 10. Management Board meetings shall be recorded in minutes.”

Proposed wording of Par. 21:

„Par. 21

1. The Bank Management Board shall consist of at least 3 members who are 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.
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.
3. Mandates of Management Board members expire on the day a General Meeting approves the activity report and the financial statements 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 Strategy of BOŚ S.A., yearly financial plans, and yearly internal audit 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. 10 point 15,
 - 7) to adopt resolutions on Bank's information policy,
 - 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 director of the internal audit unit and the director of the compliance unit as well as the manner of determining the audit unit director's salary,
 - 12) to adopt, by resolution, the remuneration policy,
 - 13) to adopt, by resolution, the policy of evaluation of adequacy of candidates and persons in Bank's top positions, and evaluates adequacy of candidates and persons in Bank's top positions,
 - 14) to adopt, by resolution, the Bank's compliance policy,
 - 15) to adopt, by resolution, the internal capital estimation and capital management policy.
7. The Bank Management Board adopts, by resolution, the Management Board's rules of procedure which specifies issues requiring collective passing of resolutions and procedural and formal issues related to the holding of the board meetings and also the detailed procedure for passing resolutions.
 8. 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.
 9. The Management Board shall take decisions by resolution.
 10. Management Board meetings shall be recorded in minutes.”

VI. Current wording of Par. 22 subpara. 2:

2. The president of the Management Board is empowered in particular:
 - 1) to appoint and to dismiss the managing director, directors of Head Office organisational units and their deputies, and directors of branches, except the director of the internal audit unit, who shall be appointed under a separate procedure adopted by the Management Board and approved by the Supervisory Board,

- 2) to issue Rules of organisation of the Bank and Rules of organisation of Branch and Operation branch, and to approve rules of organisation of Head Office organisational units,
- 3) to manage functional control processes at the Bank.”

Proposed wording of Par. 22 subpara. 2:

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 Rules of organisation of the Bank and Rules of organisation of Bank organisational units,
 - 3) to manage the internal audit process at the Bank.”

VII. Current wording of Par. 24:

„Par. 24

1. The basic organisational framework of the Bank is composed of the Head Office and branches.
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. Branches of the Bank shall carry out statutory tasks of the Bank in lending, settlements and deposit activity and other business as the Bank Management Board may determine.
5. Internal regulatory acts of the Bank shall be issued by:
 - 1) the Supervisory Board and the Management Board – in the form of Supervisory Board resolution,
 - 2) the president of the Management Board – in the form of Management Board President regulations,
 - 3) by Management Board member / managing director – in the form of circular notes having the status of implementing regulations to Management Board resolutions and Management Board President regulations,
 - 4) by branch directors – in the form of regulation binding upon the relevant branch.
6. The manner and rules of issuing internal regulatory acts of the Bank shall be laid down in detail in a Management Board President regulation.
7. The Bank may establish branches, representative offices and other offices in Poland and abroad, and it may accede to, or establish, capital companies, that is,

public limited companies, private limited companies, foundations and other legal persons – in accordance with generally binding regulations of the law.”

Proposed wording of Par. 24:

„Par. 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: a 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 teams 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 regulations 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.”

VIII. Current wording of Par. 25:

„Par. 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 Bank Management Board shall develop, introduce and operate a management system, which comprises:
 - a) a risk management system,
 - b) an internal control system.
3. The risk management system and the internal control system at the Bank shall be operated pursuant to policies, rules of procedure and regulations adopted by the Bank Management Board and approved by the Supervisory Board.
4. The activity of the Bank’s organisational units and of subsidiary entities shall be submitted to internal audit services exercised by a separate organisational unit of the Head Office performing internal audits.
5. The internal audit unit shall be required to study and review, in an independent and objective manner, the internal control system for adequacy and efficiency, and to state their opinion of the Bank’s management system, including the efficiency of managing risk related to activities of the Bank.

6. Any information regarding irregularities found in, and conclusions following from, internal audits, and measures taken to remedy or implement them, shall be reported periodically, not less frequently than once a year, to the Supervisory Board.
7. Internal functional control is a fundamental control service at the Bank and shall be performed by all employees of the Bank. Management Board members shall oversee functional control job delivery in their respective areas of supervision.”

Proposed wording of Par. 25:

„Par. 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 Bank Management Board shall develop, introduce and operate a management system, which comprises:
 - 1) a risk management system,
 - 2) an internal audit 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. 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 organisational units responsible for the accomplishment of tasks assigned to this function.
 - 2) a compliance unit which is to identify, evaluate, control and monitor the risk of Bank's non-compliance with regulations of the law, internal regulations and market standards and to present reports regarding these fields,
 - 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.
5. The activity of the Bank's organisational units and of subsidiary entities shall be submitted to internal audit services exercised by a separate organisational unit of the Bank Head Office performing internal audits.
6. The task of the internal audit unit shall be 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.
7. Any information regarding irregularities found in, and conclusions following from, internal audits, and measures taken to remedy or implement them, shall be reported periodically, not less frequently than once a year, to the Supervisory Board.
8. Internal audit is 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.”.

IX. Current wording of Par. 27:

„Par. 27

1. The capital base of the Bank comprises:
 - 1) core capital,
 - 2) supplementary capital, this being no greater than the bank's core capital.
2. The core capital of the Bank comprises:
 - 1) basic equity, consisting in the following:
 - a) authorised share capital, paid up and registered,
 - b) capital surplus,
 - c) reserve capital, except for any liabilities on privileged shares,
 - 2) additional items of core capital and deductions from the core capital specified in provisions of the Banking Act.
3. The supplementary equity capital of the Bank is established pursuant to provisions of the Banking Act.”

Proposed wording of Par. 27:

„Par. 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.”.

Issues not specified herein shall be regulated by the provisions of the Commercial Companies Code, Bank's Articles of Association and the Rules of BOŚ S.A. General Meetings.

The Management Board of Bank Ochrony Środowiska S.A. hereby informs that registration of attendance at the Ordinary General Meeting shall start on at 9:00am on 31 May 2017 in front of the meeting room.