

***ARTICLES of ASSOCIATION of***

***Bank Millennium S.A.***

*Consolidated text*

*(includes changes registered by the Regional Court for the Capital City of Warsaw,  
13th Commercial Division of the National Court Register by decision dated 1 October 2019  
and decision dated 22 October 2019)*

ARTICLES OF ASSOCIATION  
of Bank Millennium Spółka Akcyjna

*I. General provisions*

§ 1

Bank Millennium is a bank in the form of a joint stock company, operating pursuant to provisions of the Code of Commercial Companies, Banking Law other valid regulations and hereunder.

§ 2

The legal name of the Bank is: “Bank Millennium Spółka Akcyjna”. The company may use the abbreviated legal name of “Bank Millennium S.A.”.

§ 3

The Bank is an independent organisational entity, carrying out its activity on the territory of the Republic of Poland and abroad. The Bank may establish and close branches and other field outlets. The seat of the Bank is the capital city of Warsaw.

*II. Activity of the Bank*

§ 4

The Bank shall render banking services to entrepreneurs and other legal persons, natural persons and organizational entities without legal personality; it shall support the development of commercial entrepreneurship, disseminate banking forms of accumulating savings; it will finance, credit and settle turnover of goods and services.

§ 5

1. The activity of the Bank shall comprise performance of the following banking activities:
  - 1) accepting cash deposits payable on demand or at a specified date, and keeping the accounts of these deposits,
  - 2) keeping other bank accounts,
  - 3) granting loans,
  - 4) issuing and confirming bank guarantees and opening and confirming letters of credit,
  - 5) issuing bank debt securities,
  - 6) conducting bank monetary settlements,
  - 7) granting cash loans and consumer loans as defined in a separate act of law,
  - 8) operations on cheques and bills of exchange and operations on warrants,
  - 9) issuing payment cards and performing operations with their use,
  - 10) forwards and futures,
  - 11) purchasing and selling cash receivables,
  - 12) storing items and securities and providing safe deposit boxes,
  - 13) purchasing and selling foreign currencies,
  - 14) providing and confirming sureties,
  - 15) implementing commissioned activities related to the issue of securities,
  - 16) intermediating in money transfers and settlements in foreign exchange dealings, including settling operations related to payment cards in foreign exchange dealings,
  - 17) provision of the following payment services:
    - a/ accepting cash deposits and withdrawing cash from a payment account and all actions necessary for the operation of the account (art. 3 section 1 item 1 of the Payment Services Act),

- b/ execution of payment transactions, including the transfer of funds to a payment account with the user's provider or with another account provider (art. 3 section 1 item 2 of the Payment Services Act):
    - by performing direct debit services, including one-off direct debits,
    - with the use of a payment card or similar payment instrument,
    - through the execution of transfer order services, including standing orders,
  - c/ execution of the payment transactions listed in subitem b/, debiting the amount of money made available to the user on account of a loan (art. 3 section 1 item 3 of the Payment Services Act),
  - d/ issuing payment instruments (art. 3 section 1 item 4 of the Payment Services Act),
  - e/ enabling the acceptance of payment instruments and the execution of payment transactions initiated by the payer's payment instrument by or through the merchant, consisting in particular in the handling of authorisations, sending to the issuer of a payment instrument or payment systems of payment orders of the payer or merchant, aimed at transferring funds due to the merchant, except for activities consisting in clearing and settling these transactions within the payment system in the meaning of the Settlement Finality Act (acquiring) (art. 3 section 1 item 5 of the Payment Services Act),
  - f/ provision of the service of initiating a payment transaction (art. 3 section 1 item 7 of the Payment Services Act),
  - g/ provision of account information access service (art. 3 section 1 item 8 of the Payment Services Act),
- 18) performing the activities of representing bank in the meaning of the Act on Bonds.
2. Operations of the Bank shall also include performance of the following activities, other than those listed in Sec. 1, i.e.:
- 1) acquiring or purchasing shares of stock and rights under shares of another legal person and participation units in investment funds; carrying out business projects jointly with other legal and natural persons,
  - 2) organising and running leasing activities,
  - 3) assuming commitments related to the issue of securities,
  - 4) trading in securities,
  - 5) keeping deposit accounts for securities,
  - 6) performing, within statutory limits and under terms and conditions agreed with the debtor, conversion of cash receivables to assets of the debtor,
  - 7) purchasing and selling real property,
  - 8) rendering consulting and advisory services in financial matters,
  - 9) running factoring and forfaiting operations,
  - 10) providing insurance intermediation services,
  - 11) providing trust services and issuing electronic identification means in the meaning of provisions on trust services,
  - 12) rendering intermediation services, including agency services, to financial entities and institutions, in particular to brokerage houses, entities providing leasing services and other banks,
  - 13) conducting commissioned activities related to the management of securities, trading in such securities on own account or for a third party,
  - 14) activities, to which the Bank is authorized under other acts of law:
    - a/ rendering intermediation services to investment fund companies and investment funds, to the extent defined in the Act on Investment Funds,
    - b/ exercising the function of a depository of pension and investment funds, managing securitised debts of securitisation funds,
    - c/ keeping securities accounts and omnibus accounts,
  - 15) providing financial services connected with trading in financial instruments and securities issued abroad and their safekeeping,
  - 16) intermediating in trading in shares of commercial law companies,
  - 17) managing third-party funds,

- 18) acquiring investment certificates of investment funds,
  - 19) managing a third-party register of participants of an investment fund and a register of members of a pension fund,
  - 20) intermediating in the trading in receivables,
  - 21) performing custody services,
  - 22) performing actions connected with the issue and servicing of financial instruments, which are not securities,
  - 23) providing underwriting services,
  - 24) rendering services of keeping accounting books for entities referred to in Sec. 5,
  - 25) conducting brokerage activity, to the extent admissible under separate regulations,
  - 26) providing investment advisory services, which do not constitute brokerage activity, to the extent that does not require permission of the Polish Financial Supervision Authority,
  - 27) providing services of reporting to trade repositories in the meaning of Regulation (EU) No 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories, of information about derivative contracts concluded by a counterparty with the Bank,
  - 28) confirming data with use of electronic identification means of the Bank's ICT system, pursuant to provisions of telecommunication law.
3. The Bank may issue bonds, including convertible bonds and bonds with pre-emptive rights.
  4. The Bank may provide assigned activities in the area of activity of assigning banks.
  5. The Bank may operate in a group with entities affiliated with the Bank (in the meaning of the Accounting Act) and co-operate with them, providing specialised services to them.
  6. The Bank may:
    - 1) perform activities defined in the Act on State Assistance in Raising Children, related to:
      - a/ filing by electronic means with use of the IT system of requests to ascertain rights to child raising benefits and attachments to such requests,
      - b/ delivering to the Polish Social Insurance Institution, on client's request, data necessary for authentication, which make it possible to set up an account in the IT system provided by the Polish Social Insurance Institution,
    - 2) performing activities involved with confirming ePUAP trusted profile, pursuant to provisions of the Act on digitalisation of activity of entities performing public tasks.

## § 6

The Bank shall observe confidentiality of turnover and balances of bank accounts as well as confidentiality of information on rental of safe deposit boxes and acceptance of items for safekeeping, according to Banking Law.

### *III. Governing bodies*

## § 7

The Bank's governing bodies are: the General Meeting, hereinafter referred to also as the General Shareholders' Meeting, the Supervisory Board and the Management Board.

### *General Shareholders' Meeting*

## § 8

1. The General Shareholders' Meeting shall be convened as ordinary or extraordinary. The Ordinary General Shareholders' Meeting shall be convened by the Management Board once a year upon completion of the financial year. The Ordinary General Shareholders' Meeting shall be held within six months of the end of the financial year. An Extraordinary General Shareholders' Meeting shall be convened as needed, by the Management Board, at its own initiative or upon a motion from the Supervisory Board or upon a motion filed to the Management Board in writing or in electronic format by Shareholders representing jointly at

least one twentieth of the share capital. The Supervisory Board shall have the right to convene the Ordinary General Shareholders' Meeting, if the Management Board failed to do so following the procedure stipulated in the Articles of Association, as well as the right to convene an Extraordinary Shareholders' Meeting, if they find convening it advisable. An Extraordinary General Meeting may be convened by Shareholders representing at least half of the share capital or at least half of the total votes in the Bank. In such case the Shareholders shall appoint the Chairman of this Extraordinary General Meeting. An Ordinary General Shareholders' Meeting should:

- 1/ review and accept the financial statement and the report on activity in the preceding financial year,
  - 2/ pass a resolution on distribution of profit or coverage of loss,
  - 3/ discharge members of the Bank's governing bodies from fulfilment of their duties.
2. The powers of the General Shareholders' Meeting shall also include:
- 1/ amending the Articles of Association, including the increase and reduction of share capital, with the exception of cases specified in the Code of Commercial Companies,
  - 2/ issuing convertible bonds, bonds with pre-emptive right and subscription warrants referred to in Article 453 Par. 2 of the Code of Commercial Companies.
  - 3/ creating and dissolving capitals and funds and passing resolutions on their use,
  - 4/ appointing and dismissing members of the Supervisory Board and determining their remuneration,
  - 5/ dissolving the Bank, its sale or merger,
  - 6/ selecting liquidators,
  - 7/ all and any decisions concerning claims for redress of loss caused at the establishment of the Bank, exercising management or supervision,
  - 8/ adopting resolutions in other matters brought forward by the Supervisory Board and authorized Shareholders pursuant to the procedure specified in legal regulations,
  - 9/ retiring stock and defining detailed terms and conditions for such retirement,
  - 10/ passing resolutions in other matters where the General Shareholders' Meeting is competent under legal regulations and other provisions of the Articles of Association.
3. The General Shareholders' Meeting acts under bylaws adopted thereby.
4. The General Shareholders' Meeting shall be opened by the Supervisory Board Chairman or Deputy Chairman, and it shall be conducted by the Chairman of the General Shareholders' Meeting, without prejudice to the right of the Shareholders who represent at least half of the share capital or at least half of the total votes in the Bank, to appoint the Chairman of the Extraordinary General Shareholders' Meeting pursuant to the provisions of section 1 of this paragraph.

#### § 9

Matters brought forward to the General Shareholders' Meeting should be presented by the Management Board to the Supervisory Board for review prior to the Meeting. The Shareholders holding jointly at least one twentieth of share capital, who following the procedure stipulated in paragraph 8 section 1 demand that an Extraordinary General Shareholders' Meeting be convened or file, in writing or in electronic format, a demand that certain matters be included in the agenda of the nearest General Shareholders' Meeting, or propose in writing or through use of means of electronic communications their own draft resolution on a matter included in the agenda or proposed to be included therein, shall submit their demands, motions or drafts in advance in writing to the Management Board. The demand for inclusion of certain matters in the agenda of the nearest General Meeting should be lodged not later than 21 days before the appointed term thereof, with justification or draft resolution concerning the proposed item of the agenda.

#### § 10

Subject to cases described in Code of Commercial Companies, the General Shareholders' Meeting shall be valid if at least one fourth of the Bank's share capital is represented at the Meeting. Simple majority of votes shall be required for validity of resolutions. A majority of three quarters of votes shall be required for matters regarding amendment of the Articles of

Association, dissolution or merger of the Bank, issuance of convertible bonds and bonds with pre-emptive rights, retirement of shares (subject to Art. 415 § 4 of the Code of Commercial Companies), decrease of share capital, increase of share capital and sale of the enterprise or its organised part; and a majority of two thirds in matters regarding a material change of the Bank's operation.

#### § 11

The voting shall be open. Secret ballot shall be ordered for elections and in case of motions for recalling from the Bank's governing bodies, for motions to recall liquidators, on to hold members of the Bank's governing bodies or liquidators liable, and also on personnel issues. Moreover, secret ballot shall be ordered upon demand of at least one Shareholder present or represented at a General Shareholders' Meeting.

### *Supervisory Board*

#### § 12

1. The Supervisory Board shall be composed of at least five members. At least half of the members of the Supervisory Board, including its Chairman should have Polish citizenship. At least two members of the Supervisory Board should be independent. The number of members of the Supervisory Board shall be defined by the General Shareholders' Meeting.
2. Members of Supervisory Board shall be appointed for a common term of office.
3. An independent member of the Supervisory Board is a person who has no direct and indirect relations with the Bank, Members of the Management Board and other Members of the Supervisory Board with important shareholders, nor with entities related thereto, in particular relations that may originate conflicts of interest endangering this person's capacity of appraisal, where in particular this person:
  - 1/ does not hold directly or indirectly 5% or more of the total number of votes in the Bank,
  - 2/ does not receive from the Bank any financial benefits of significant value, other than remuneration for membership in the Supervisory Board,
  - 3/ is not and has not been for 3 years prior to appointment to the Supervisory Board, a chartered auditor of the Bank or of any subsidiary of the Bank, or an employee of any entity acting as chartered auditor of the Bank, or of a subsidiary of the Bank,
  - 4/ has not been for 3 years prior to appointment to the Supervisory Board, a member of the Management Board of the Bank, or a person holding a key management position in the Bank, or in a subsidiary or parent entity of the Bank,
  - 5/ is not a parent entity of any entity providing permanent paid services to the Bank or a subsidiary of the Bank (as defined in the Act on Trading in Financial Instruments), and does not hold a management position in any entity providing such services,
  - 6/ is not a spouse, a concubent, or a child of a member of the Supervisory Board, a member of a Management Board, or any other person holding a key management position in the Bank,
  - 7/ is not at the same time a member of the Management Board of any company, in which a member of the Management Board of the Bank sits on its Supervisory Board,
  - 8/ has been sitting on the Bank's Supervisory Board no longer than 12 years.
4. The criteria for determining independence should be defined by the relevant governing body of the Bank and should comply with requirements contained in legal or regulatory rules valid from time to time, whereas the decision regarding such determination should be duly justified whenever it diverges from the criteria set forth in Sec. 3 or other criteria derived from non-mandatory recommendations applicable to the Bank.

#### § 13

1. The members of the Supervisory Board shall be elected by the General Shareholders' Meeting, but the mandate of the members of the Supervisory Board shall expire on the date of holding the General Shareholders' Meeting, approving the financial statement and the report

on the activities in the last full financial year of the Supervisory Board members' tenure. The term of office of the Supervisory Board shall be 3 years. The mandate of a Supervisory Board member shall also expire in result of death, resignation or dismissal from the Supervisory Board. If the mandate of the Supervisory Board member expires before end of the term of office, the nearest General Shareholders' Meeting shall supplement the composition of the Supervisory Board.

2. The Supervisory Board shall elect the Chairman, Deputy Chairmen and Secretary from among its members.

#### § 14

The Supervisory Board shall act in compliance with Bylaws it has adopted.

#### § 15

1. Subject to Sec. 2 hereof, validity of resolutions of the Supervisory Board shall require invitation to the meeting of all the Supervisory Board members and the presence at the meeting of at least half of the Supervisory Board members. Resolutions of the Supervisory Board shall be adopted with a simple majority of votes. In case of an equal number of votes, the vote of the Chairman of the Supervisory Board shall prevail.
2. Supervisory Board members may take part in the adoption of the Supervisory Board's resolutions by casting their votes in writing through another Supervisory Board member. The casting of a vote in writing cannot apply to matters added to the agenda in the course of the Supervisory Board meeting. In case of an equal number of votes, the vote of the Chairman of the Supervisory Board shall prevail.
3. The Supervisory Board may also adopt resolutions by way of voting in-writing or by using means of direct remote communication, provided all members of the Supervisory Board have been notified of the text of the draft resolution. Written voting is admissible if all members of the Supervisory Board consented in writing to such procedure for adopting resolutions. In case of an equal number of votes, the vote of the Chairman of the Supervisory Board shall prevail.
4. The procedure referred to in section 2 and 3 shall not be applied in case of election, dismissal or suspension in function of Chairman or Deputy Chairman of the Supervisory Board, and also in case of appointment, dismissal or suspension, in her/his actions, as a Management Board member.

#### § 16

The Supervisory Board shall meet on the as-needed basis, convened by the Chairman of the Supervisory Board, or at the motion of a member of the Supervisory Board or the Management Board of the Bank, submitted to the Chairman of the Supervisory Board. The meetings shall be held at least once a quarter.

#### § 17

1. The Supervisory Board shall specify the number of members of the Management Board and shall appoint and dismiss the Chairman, Deputy Chairmen and members of the Management Board, and shall also define their remuneration and approve the internal division of powers within the Management Board as defined by the Management Board.
2. The Supervisory Board shall effect constant supervision over the Bank's operations, including within the area of performance of the risk management and internal control systems, directly and via the Audit Committee and other committees of the Supervisory Board. In particular the powers of the Supervisory Board shall include deciding on:
  - 1/ approving long-term programs of the Bank's development and annual financial and economic plans of activity of the Bank,
  - 1<sup>1</sup>/ matters provided for by effective laws and supervisory regulations to be subject to sole authority of the bank's supervisory board,
  - 2/ subject to § 20, approval of motions of the Bank's Management Board on the Bank's access as a shareholder to another bank, enterprise or other organizational unit, issuing bonds or

- other securities as well as acquisition, encumbrance and sale by the Bank of real property, perpetual usufruct or share in real property,
- 2<sup>1</sup>/ pronouncing opinions concerning transactions with entities related to the Bank, which – pursuant to the Bank’s internal regulations – are qualified as transactions materially influencing the financial or legal situation, or lead to acquisition or sale or disposal otherwise of major assets,
  - 3/ issuing normative acts referred to in the Articles of Association, issuing of which is reserved for the Supervisory Board as well as approval of normative acts upon request of the Management Board, including the bylaws on the establishment and allocation of the provision for general risk to cover risks connected with conducting of the banking activity,
  - 4/ selection of the chartered auditor to audit financial statements of the Bank and of the capital group,
  - 5/ adopting the uniform text of the Articles of Association, unless the General Shareholders’ Meeting resolves otherwise.
  - 6/ suspending – for material reasons – individual or all Management Board members and delegating Supervisory Board members to temporarily perform tasks of Management Board members, who are not able to perform their activities,
  - 7/ assenting to payment by the Management Board to the Shareholders of an advance towards the expected end-of-financial-year dividend,
  - 8/ requesting the Management Board to appoint a selected third party to carry out specific analyses or to get opinion on specific matters, if this is essential for exercising proper and effective supervision.
3. The Supervisory Board shall consider all motions and matters requiring resolutions of the General Shareholders’ Meeting. In particular, the Supervisory Board shall evaluate statements referred to in Art. 395 § 2 item 1 of the Code of Commercial Companies with respect to their consistency with ledgers and documents and with the actual status, as well as motions of the Management Board regarding the distribution of profits or coverage of losses, and it shall submit an annual written statement on the outcome of such evaluation to the General Shareholders’ Meeting.

#### §18

1. The Supervisory Board may set up permanent or *ad hoc* committees for conducting specified tasks. Setting up of specialized or monitoring committees, in particular regarding corporate governance and sustainable development, may also be recommended by the Supervisory Board to the Management Board.
2. Permanent committees of the Supervisory Board are: Audit Committee, Personnel Committee, Strategic Committee and Committee for Risk Matters.
3. Most members of the Audit Committee, including its Chairman, shall be independent. The members of the Committee shall have knowledge and skills in the field of the financial sector and at least one Committee member shall have knowledge and skills in accounting or auditing of financial statements.
4. The Audit Committee shall meet ordinarily, at least once a quarter and, extraordinarily, whenever convened by the Chairman of the Supervisory Board, at his/her own initiative or at the request of any of the Supervisory Board or Management Board member, filed with the Chairman of the Supervisory Board.
5. The Audit Committee shall exercise control to the extent permitted by law, in particular:
  - 1/ present to the Supervisory Board a recommendation of the audit firm to be selected, permanently monitor the activities of the Bank’s chartered auditor and audit firm, and control, as well as issue evaluations as to their independence and other relations with the Bank,
  - 2/ prepare a policy and procedure of selecting the audit firm and conditions of providing non-audit services by such firm and its related entities,
  - 3/ monitor on a permanent basis the effectiveness of internal control and risk management systems, and systems and processes of financial reporting,



- 4/ evaluate and monitor control systems, including the reception and processing of complaints and related doubts, reported by employees or identified independently,
  - 5/ request the Supervisory Board to apply to the Management Board for funds or other means of any other nature necessary for conducting of activities by the Audit Committee,
  - 6/ as a result of performed activities - propose to the Supervisory Board to request the Management Board to apply such measures or amendments as the Audit Committee may deem pertinent, whereas the Audit Committee take steps to acquire independent counselling, if necessary,
  - 7/ approve its own internal regulations.
6. The Personnel Committee shall, in particular:
    - 1/ assess the candidates for Bank's Management Board Members,
    - 2/ establish the terms of employing newly appointed Bank's Management Board Members,
    - 3/ negotiate changes in the conditions of employing the Bank's Management Board Members,
    - 4/ establish the terms of cessation of employment of Management Board Members,
    - 5/ implement tasks in the area of variable components of remuneration,
    - 6/ give an opinion on and monitor the remuneration policy and shall support the Bank's bodies as regards shaping and implementing this policy.
  7. The Strategic Committee shall in particular:
    - 1/ study Macro Economy trends,
    - 2/ study new trends, developments and new solutions on banking industry,
    - 3/ analyze Bank competitive position and Benchmarking,
    - 4/ analyze and recommend long term strategy, goals and objectives for the Bank.
  8. The powers of the Committee for Risk Matters comprise tasks indicated for such committee in the Banking Law as well as assigned to it in other legal regulations binding banks and in supervisory recommendations implemented by the Bank.

### *The Management Board*

#### § 19

1. The Bank's Management Board shall be composed of no less than 3 (three) persons, including the Chairman; its composition may also include a Deputy Chairman or Deputy Chairmen. Shareholders and non-shareholders may be appointed to the Management Board. The members of the Management Board shall be appointed for three years. At least half of the Management Board Members should be of Polish citizenship.
2. The members of the Management Board shall be appointed for a common term of office.
3. The mandates of the members of the Management Board shall expire on the date of holding the General Shareholders' Meeting approving the financial statements for the last full financial year of their tenure.
4. The mandate of a Management Board member shall also expire due to death, resignation or dismissal from the Management Board.
5. A Management Board member may be dismissed at any time.
6. The Management Board shall act pursuant to the Bank's Management Board Operations Bylaws.
7. Institution of a proxy shall require approval of all Management Board members. A proxy may be cancelled by any Management Board member.

#### § 20

The Bank's Management Board shall decide on the Bank's accession, as a shareholder, to another bank, company or any other organizational unit; on issuing bonds or other securities as well as acquisition, encumbrance or sale by the Bank of real property, perpetual usufruct or share in real property, provided the value of the single transaction does not exceed 30 (thirty) % of the share capital.

## § 21

1. The Management Board shall manage the overall activity of the Bank. The Board shall operate in keeping with the Management Board Operations Bylaws adopted by the Supervisory Board.
2. The powers of the Management Board shall include all matters not reserved for other corporate bodies of the Bank. Subject to provisions of Sec. 3, the powers of specific Members of the Management Board shall be stipulated in a Resolution of the Management Board in the matter of internal division of powers between Members of the Management Board.
3. The Chairman of the Management Board or the Deputy Chairman or other designated member of the Management Board acting in lieu of him, shall manage the Management Board operations. The Chairman of the Management Board shall supervise the work of internal audit unit and other organizational units of the Bank which are within his powers stipulated in the resolution referred to in Sec. 2. The powers of a Management Board member occupying the dedicated position of the member of the Management Board supervising management of the risk material in the Bank's activity who is appointed with the consent of Polish Financial Supervision Authority shall encompass the supervision of organisational units of the Bank effecting tasks in the area of risk management. Supervision over other organisational units of the Bank shall be entrusted subject to restrictions stemming from the law.
4. Resolutions of the Management Board shall be taken with an absolute majority of votes of Members of the Management Board present at their meeting. In case of an equal number of votes, the vote of the Chairman of the Management Board, shall prevail. Resolutions may be adopted, provided at least half of the Members of the Management Board attend the meeting.

## § 22

1. Following persons shall be authorised to make statements of will with respect to financial rights and duties of the Bank and to sign documents in the name of the Bank:
  - 1/ Chairman of the Management Board - individually,
  - 2/ two members of the Management Board, a member of the Management Board with a Proxy, or two Proxies acting jointly.
2. Without prejudice to § 17 Sec. 2 point 2 of Bank's Articles of Association and to section 3 below, the Management Board shall decide about assuming obligations or disposal of the Bank's assets, the aggregate value of which with respect to one entity exceeds 5% of the Bank's own funds.
3. Within the borders specified by the Management Board separately, the Management Board of the Bank may empower particular Members of the Management Board, designated persons or committees, or other collegial bodies set up in the Bank, to take decisions on assumption of obligations or disposal of assets. In case of committees and other collegial bodies the Management Board shall determine in their operating by-laws the scope of authorisation, principles and procedure applied in the decision making process.

## § 23

Attorneys-in-fact may be appointed to perform specified activities, and shall act individually within the scope of their authorisation. Persons authorised to act on behalf of the Bank shall not be made personally liable to third parties for the obligations incurred on behalf of the Bank.

## § 24

1. Unless a specific form is required, power of attorney shall be granted in writing, where the scope of powers and manner of representation is specified.
2. Detailed rules for granting powers of attorney shall be defined by the Management Board.

#### *IV. Bank's Organisation. Internal control system*

##### § 25

1. The organisational structure of the Bank shall be composed of organisationally and functionally separated stand-alone units, in particular branches, units that operate on the principles of a branch, departments, projects and offices.
2. The structure of organisational units consists of organisational cells (each of the aforesaid can constitute a field outlet), in particular sub-units, teams, posts. In case of branches and units that operate on the principles of a branch, their structure may be also created by departments or other units.

##### § 26

1. On the basis of the fundamental organisational structure approved by the Supervisory Board, in the Organisational By-laws being adopted the Management Board shall define the detailed organisational chart of the Bank, as well as aims and the scope of operations of its organisational units. The internal structure and detailed scope of tasks of organisational units of the Bank shall be stipulated in internal organisational by-laws of these units. The decision to set up or eliminate an organisational unit shall be adopted by the Management Board in the form of a resolution.
2. The Management Board may to appoint organisational structures, in compliance with the regulations of the Bank's organisational by-laws, among them committees and other collegial bodies.
3. Setting up a branch of the Bank abroad requires consent of the Supervisory Board.

##### § 27

1. The Management Board shall design, implement and ensure the functioning of an adequate and effective internal control system in all organisational units of the Bank.
2. The purpose of the Bank's internal control system is to ensure the effectiveness and efficiency of the Bank's operations, reliability of its financial reporting, observance of the risk management principles and compliance of the Bank's operations with legal provisions, internal regulations and market standards.
3. As part of the internal control system the Bank has a separate:
  - 1/ control function assigned to the Bank's organisational units tasked with ensuring the observance of control mechanisms concerning, in particular, risk management at the Bank,
  - 2/ compliance unit tasked to identify, assess, control, monitor and report the risk of non-compliance of the Bank's operations with legal provisions, internal regulations and market standards,
  - 3/ internal audit unit tasked to audit and evaluate – with the exclusion of itself - in an independent and objective manner the adequacy and effectiveness of the risk management system and internal control system.
4. The Bank shall ensure the independence of the internal audit unit and compliance unit pursuant to appropriate regulations, including supervisory recommendations.

##### § 28

1. Internal regulations of the Bank shall be adopted or issued by:
  - 1/ the Bank's corporate bodies,
  - 2/ individual members of the Management Board,
  - 3/ Heads of organisational units.
2. Principles and scope of issuing internal regulations by the Supervisory Board shall be stipulated by the Articles of Association.
3. The scope and principles for issuing internal regulations by the Management Board and persons referred to in Sec. 1 points 2-3, shall be specified separately in the Bank's internal regulations.

4. In cases stipulated in the Articles of Association, the Supervisory Board shall approve normative acts presented thereto upon the request of the Management Board.
5. Internal regulations of the Bank shall cover, in particular, such normative acts as resolutions, ordinances, general terms and conditions, bylaws, instructions and communiqués.

#### *V. Bank's share capital and stock*

##### § 29

Each share of the Bank's stock shall give the right to one vote. The registered founding shares shall be privileged in such manner that one such share shall give the right to two votes.

##### § 30

1. Share capital is PLN 1.213.116.777 (say: one billion two hundred thirteen million one hundred sixteen thousand seven hundred seventy seven) and is divided into 1.213.116.777 (say: one billion two hundred thirteen million one hundred sixteen thousand seven hundred seventy seven) equal and indivisible bearer and registered shares. The face value of each share shall be 1 zloty.
2. The shares may be issued in single or collective series.
3. The 106,850 (say: one hundred and six thousand eight hundred and fifty) founding shares shall be marked as A series shares and the shares of the following issuances with the subsequent letters of the alphabet accordingly.
4. The Bank's shares may be traded publicly, including on the stock exchange, upon obtaining proper permissions.
5. Shares shall be assimilated in the National Depository of Securities following submission by the Shareholders of applications for conversion of the registered shares into bearer shares (conversion) at the Bank's expense, once in every calendar year and shall include all applications submitted in this matter to the Bank, until the end of the second quarter of a given year.
6. The bearer shares may not be converted into registered shares.

##### § 31

1. The Bank may issue silent shares.
2. The General Shareholders' Meeting shall determine the extent of preference of such shares in respect of the dividend, in relation to each issue of silent shares.

##### § 32

1. The sale of registered shares shall require permission of the Bank's Management Board, which shall appoint the buyer within 14 days from the date of learning of the intention to sell, specifying the price at the market value of shares and shall appoint its own or other organizational unit authorised to collect the amounts due for the shares.
2. The registered-founding shares sold with the approval of at least three-fourths of the founders to other founders, shall not lose their preference. The sale of registered-founding shares in all other cases shall result in loss of preference of the shares.

##### § 33

1. Shares may be redeemed by way of reducing the share capital.
2. The manner and the conditions for redeeming shall be defined each time by the General Shareholders' Meeting in the resolution on share redemption.
3. The Bank may issue utility certificates in exchange for the redeemed shares under terms and conditions specified by the General Shareholders' Meeting.

#### *VI. Bank's Funds, financial management and distribution of profit*

##### § 34

The following constitute the Bank's own funds:

- a/ paid-up and registered share capital,
- b/ supplementary capital,
- c/ reserve capitals,
- d/ general risk fund for unidentified risk of banking operations,
- e/ retained profit from previous years,
- f/ special funds allowed by law as stipulated in the Articles of Association.

#### § 35

1. Supplementary capital shall be created from net profit and price difference between the assumed shares and their nominal value after coverage of the costs of share issue. No less than 8% of current financial year profits shall be transferred to supplementary capital, until the capital reaches at least one third of the share capital. Supplementary capital shall also be fed by additional contributions paid by Shareholders in return for awarding special rights to their previous shares, unless these contributions are used to cover extraordinary write-offs or losses.
2. Supplementary capital, in the part exceeding 1/3 of the share capital, may be allocated to increase the share capital.
3. Within the limits set forth in Sec. 2, supplementary capital may be also allocated for other purposes.
4. The General Shareholders' Meeting shall specify the total amount, which may be utilised from supplementary capital – pursuant to Sec. 3. Unless otherwise provided for by a resolution of the General Shareholders' Meeting, the detailed rules for utilisation of supplementary capital shall be specified by the Supervisory Board.
5. Supplementary capital, in the amount of one third of share capital, may only be used to cover loss reported in the financial statement.

#### § 36

1. Reserve capital and general risk fund shall be created from net profit write-offs.
2. Reserve capital may be assigned to cover the loss reported in the income statement or not covered loss carried forward; to pay dividend; to purchase own shares in cases stipulated in Art. 362 § 1 item 1 and 2 of the Code of Commercial Companies and to other purposes as provided in resolutions adopted by the General Meetings of Shareholders.
3. The General Risk Fund shall be assigned to cover unidentified risks of banking activity.
4. The General Shareholders' Meeting may create and eliminate special funds allowed by law.

#### § 37

1. The Bank's net profit, shall be allocated as follows:
  - 1/ at least 8% (eight per cent) to supplementary capital,
  - 2/ to additional reserve capitals and funds in an amount defined annually by the General Shareholders' Meeting, separately for each of those capitals and funds,
  - 3/ to dividend for Shareholders in an amount defined annually by the General Shareholders' Meeting.  
The General Shareholders' Meeting may allocate the dividend or its part for payment, in the increased share capital of the Bank, for shares to be acquired by the current Shareholders,
  - 4/ other purposes pursuant to resolutions of the General Shareholders' Meeting.
2. Dividend may be paid in cash or in securities.
3. If the amount of supplementary capital is at least one third of share capital, the write-off provided for in Sec. 1 point 1 may be waived.

#### § 38

1. Payment of dividend from shares shall be made on dates specified by the General Shareholders' Meeting.
2. The Management Board is entitled to pay out to Shareholders an advance towards the expected end-of-financial-year dividend, provided the Bank has means sufficient for payment.

3. The Bank may pay the advance towards the expected dividends if its approved financial report for the previous financial year shows profit. The advance may amount to not more than half of the profit earned from the end of the previous financial year, shown in a financial report audited by the chartered auditor, increased by additional reserve capital created out of profit, which is at the disposal of the Management Board for purposes of payment of the advances, and reduced by losses not covered and own shares.

#### § 39

The General Shareholders' Meeting shall decide on the way to cover loss. Unless otherwise provided in a resolution of the General Meeting, the loss shall be covered from supplementary capital, then – in cases and within boundaries permitted by law - from other capital and funds, and lastly from share capital.

#### § 40

The General Shareholders' Meeting shall decide about the use of additional reserve capital and funds. The General Shareholders' Meeting may define the total amount that can be used from additional reserve capital and funds for specific purposes. If the General Shareholders' Meeting does not resolve otherwise, the Supervisory Board shall establish detailed principles of using this capital and funds in the form of relevant bylaws.

#### § 41

The annual financial report and the annual report on activity of the Bank shall be prepared within three months as of the end of the financial year and presented by the Bank's Management Board to the Supervisory Board. The financial year shall be a calendar year. The first financial year after the change shall end on 31 December, 2000.

#### § 42

The annual financial report (and the annual consolidated report of the capital group) together with the annual report on activity of the Bank shall be submitted by the Management Board to the General Shareholders' Meeting.

### *VII. Final Provisions*

#### § 43

In case of the Bank's dissolution, the General Shareholders' Meeting shall appoint, at the motion of the Supervisory Board, one or more liquidators from among the members of the Bank's Management Board and shall stipulate the liquidation procedures. Upon appointing the liquidators, the rights and duties of the Management Board shall cease.

#### § 44

The General Shareholders' Meeting and the Supervisory Board shall retain their powers throughout the whole period of liquidation until its completion, unless the Code of Commercial Companies and the Banking Law provide otherwise.

#### § 45

The obligatory notifications by the Bank shall be placed in Monitor Sądowy i Gospodarczy, as provided for in the law. If the law moreover requires notifications in a newspaper, it will be placed in "Rzeczpospolita" daily.

#### § 46

Binding legal regulations shall apply to all the matters, which are not regulated hereunder.