

Bank Millennium S.A.

27 February 2017

ANNOUNCEMENT OF THE MANAGEMENT BOARD OF BANK MILLENNIUM S.A.
OF THE CONVENING OF THE ORDINARY GENERAL MEETING
OF BANK MILLENNIUM S.A. ON 26 MARCH 2018

Pursuant to Art. 399 § 1 of the Code of Commercial Companies (the "CCC"), the Management Board of Bank Millennium S.A., with its registered office in Warsaw hereby convenes for 26 March 2018 an Ordinary General Meeting (the "General Meeting") which will take place at 9.30 a.m. at the registered office of the Bank at Stanisława Żaryna Street 2A, 02-593 Warsaw.

Agenda

1. Opening of the General Meeting.
2. Information on the voting method.
3. Election of the Chairperson of the General Meeting (Resolution No. 1).
4. Confirmation that the General Meeting has been duly convened and is capable of adopting binding resolutions.
5. Presentation of the agenda of the General Meeting.
6. Election of the Voting Committee.
7. Adopting the resolutions on examination and approval of the following documents for the financial year 2017:
 - a) the Bank Millennium S.A. financial statement and the Management Board's joint report on the activity of the Bank Millennium S.A. and Bank Millennium S.A. Capital Group (Resolution No. 2),
 - b) the financial statement of Bank Millennium S.A. Capital Group (Resolution No. 3),
 - c) the report on the activity of the Supervisory Board of Bank Millennium S.A. covering:
 - summary of activities of the Supervisory Board of Bank Millennium S.A. and its committees with self-assessment of the work of the Board,
 - report on assessment of functioning of the remuneration policy in Bank Millennium S.A.,
 - assessment of application of „Corporate governance principles for the supervised institutions”, adopted by KNF and assessment of performance of the disclosure duties concerning „Good practices of the companies listed at the WSE 2016”,
 - report on assessment of reasonableness of sponsoring, charitable or other activity of similar character, conducted by Bank Millennium S.A.,
 - report on assessment of the Management Board's joint report on activity of the Bank Millennium S.A. and Bank Millennium S.A. Capital Group as well as financial statements of the Bank Millennium S.A. and Bank Millennium S.A. Capital Group, as well as the Management Board's motion regarding distribution of profits,
 - assessment of the situation of Bank Millennium S.A. including assessment of performance of the internal control system, the risk management system, compliance and function of the internal audit; and the assessment of the remuneration policy in Bank Millennium S.A. (Resolution No. 4).
8. Adoption of the resolution in the matter of distributing of profit for the financial year 2017 (Resolution No. 5).
9. Discharging members of Management Board of Bank Millennium S.A. and members of Supervisory Board of Bank Millennium S.A. from the performance of the duties in the financial year 2017 (Resolutions Nos. 6 - 23).
10. Adoption of the resolution in the matter of amendments to the Articles of Association of Bank Millennium S.A. (Resolution No. 24).
11. Determination of the number of members of the Supervisory Board of Bank Millennium S.A. (Resolution No. 25).
12. Election of the members of the Supervisory Board of Bank Millennium S.A. (Resolution No. 26).
13. Closing of the General Meeting.

Draft of the amendments of the Articles of Association

The Management Board shall notify to the proposed amendment to the contents of the Articles of Association:

I.

(A) The existing § 18 sect. 3 of the Bank's Articles of Association:

"3. The Audit Committee comprises at least two independent members, and at least one of them should have competences in accounting or financial auditing."

(B) The proposed amendments to § 18 sect. 3 of the Bank's Articles of Association:

Sect. 3 in § 18 shall read:

"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."

(C) § 18 sect. 3 of the Bank's Articles of Association after the proposed modification:

"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."

II.

(A) The existing § 18 sect. 5 of the Bank's Articles of Association:

"5. The Audit Committee shall exercise control to the extent permitted by law, in particular:

- 1/ permanently monitor the activity of the Bank's chartered auditor and issue opinions as to his independence requirements and other relations between him and the Bank,
- 2/ monitor on a permanent basis the systems and process of financial reporting and management of the Bank's risk,
- 3/ evaluate and monitor internal procedures concerning accounting and auditing as well as respective control systems, including the reception and processing of complaints and related doubts, reported by employees or identified independently,
- 4/ 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,
- 5/ 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,
- 6/ approve its own internal regulations."

(B) The proposed amendments to § 18 sect. 5 of the Bank's Articles of Association:

Sect. 5 in § 18 shall read:

"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.”;

(C) § 18 sect. 5 of the Bank's Articles of Association after the proposed modification:

- “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.”

III.

(A) The existing § 21 sect. 3 of the Bank's Articles of Association:

- “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 control 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.”

(B) The proposed amendments to § 21 sect. 3 of the Bank's Articles of Association:

The words: “internal control” are replaced by words: “internal audit”

(C) § 21 sect. 3 of the Bank's Articles of Association after the proposed modification:

“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.”

IV.

(A) The existing title of chapter IV of the Bank's Articles of Association:

“IV. Bank's Organisation. Internal control”

(B) The proposed amendments to title of chapter IV of the Bank's Articles of Association:

The title of chapter IV. shall read:

“IV. Bank's Organisation. Internal control system”

(C) The title of chapter IV of the Bank's Articles of Association after the proposed modification:

“IV. Bank's Organisation. Internal control system”

V.

(A) The existing § 27 of the Bank's Articles of Association:

“1. The principles for internal control shall be established by the Management Board of the Bank, acting upon the following assumptions:

- 1/ the principle of institutional control in the Bank is implemented, such control being conducted by an internal control unit,
- 2/ the head of the internal control unit of the Bank shall report directly to the Chairman of the Management Board,
- 3/ conditions for performance of functional control are ensured at the Bank, such control being conducted by each employee with regard to quality and correctness of her/his actions, and additionally executed also by her/his immediate superior.

2. Institutional and functional control constitute the system of internal control, serving the purpose of supporting management of the Bank and assuring security and stability of its functioning.”

(B) The proposed amendments to § 27 sect. 3 of the Bank's Articles of Association:

§ 27 shall read:

“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.”

(C) § 27 of the Bank's Articles of Association after the proposed modification:

- “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.”

Information for shareholders

Right to participate in the General Meeting

The Management Board announces that, pursuant to Art. 406, Art. 406¹ and Art. 406² of CCC, the following persons have the right to participate in the General Meeting:

- (i) Persons who are shareholders of the Bank sixteen days before the date of the General Meeting, i.e. on 10 March 2018 (the registration date for participation in the General Meeting, hereinafter referred to as the "Registration Day"), provided that they put in a request to the entity maintaining their securities account for a personal certificate confirming their right to participate in the General Meeting within the period from the date of the announcement of the convening of the General Meeting (i.e. from 27 February 2018) to the first weekday after the Registration Day (i.e. to 12 March 2018) to be issued.
- (ii) Persons having rights from registered shares and scrip certificates as well as pledgees and users, provided that they are entered in the share register on the Registration Day.
- (iii) Persons holding bearer shares in the form of documents, provided that the documents of the shares are lodged with the Bank no later than on the Registration Day and are not collected before the end of that day. Instead of shares, it is permissible to lodge a certificate issued as proof that the relevant shares have been lodged with a notary, at a bank or an investment company based or having a branch in the territory of the European Union or of a state being a party to the Agreement on European Economic Area. Such certificate will include the numbers of the bearer shares and state that the documents of shares will not be released before the end of the Registration Day.

- (iv) Persons holding personal certificates confirming the right to participate in the General Meeting issued by the entity maintaining the securities account on request of the person having rights from dematerialized bearer shares of the Bank registered during the period between the date of announcement of the General Meeting (i.e. 27 February 2018) and the first weekday after the Registration Day (i.e. 12 March 2018).
- (v) The proxies of shareholders mentioned in point (i) above who have duly documented their power to act on behalf of a shareholder.

The list of shareholders entitled to participate in the General Meeting will be prepared by the Management Board and displayed at the Bank's registered office (i.e. ul. Stanisława Żaryna 2A, 02-593 Warsaw) from 9:00 a.m. to 4:30 p.m. during each of the three weekdays before the day of the General Meeting (i.e. between 21 March and 23 March 2018). A shareholder of the Bank may request the list of shareholders be sent to them by email specifying the address to which such list is to be sent. A shareholder may make the aforementioned request by email to the following address: wza@bankmillennium.pl

Selected rights of shareholders concerning the General Meeting

A shareholder or shareholders representing at least one twentieth of the Bank's share capital has/have the right to:

- (i) Demand that specific matters be put on the agenda of the General Meeting. Such demand should be submitted to the Management Board no later than twenty-one days before the date of the General Meeting (i.e. by 5 March 2018) and should include a draft resolution concerning the proposed item of the agenda and the grounds for the adoption thereof. The demand may be submitted by email to the following address: wza@bankmillennium.pl
- (ii) Submit to the Bank before the date of the General Meeting in writing, or by email sent to wza@bankmillennium.pl, proposed resolutions concerning matters put on the agenda of the General Meeting or matters that are to be put on the agenda.

During the General Meeting each shareholder of the Bank may submit resolution proposals concerning matters that have been put on the agenda.

Manner of participation in the General Meeting and the exercise of voting rights

A shareholder who is a natural person may participate in the General Meeting and exercise a voting right in person or by proxy. A shareholder other than a natural person may participate in the General Meeting and may exercise its voting right via a person authorized to express declarations of will on their behalf or by proxy. A power of proxy should be made out in writing or granted in electronic form. A power of proxy granted in electronic form will not require the use of a safe electronic signature verifiable by means of a valid qualified certificate. The Bank should be notified of the granting of a power of proxy in electronic form by an e-mail sent to wza@bankmillennium.pl

For the purposes of identification of the shareholder granting a power of proxy, the notification of granting the power of proxy in electronic form should include (enclosed):

- (i) when a shareholder is a natural person, a copy of their ID card, passport or another official identity document of the shareholder; or
- (ii) when a shareholder is not a natural person, a copy of an extract from the relevant register or another document confirming the power of a natural person (or natural persons) to represent the shareholder at the General Meeting (e.g. a continuous sequence of powers of proxy).

In case of doubt as regards the authenticity of the copies of the abovementioned documents, the right shall be reserved to demand that the proxy present during the preparation of the attendance list the following documents:

- (i) when a shareholder is a natural person, a copy of the ID card, passport or another official identity document of the shareholder certified to be true by a notary or another entity entitled to certify copies to be true; or

- (ii) when a shareholder is not a natural person, an original or a copy of the extract from the relevant register or another document confirming the power of a natural person (or natural persons) to represent the shareholder at the General Meeting (e.g. continuous sequence of powers of proxy) certified to be true by a notary or another entity entitled to certify copies to be true.

For the purposes of identification of the proxy the right shall be reserved to demand that the proxy present during the preparation of the attendance list the following documents:

- (i) when a proxy is a natural person, an ID card, a passport or another official identity document of the proxy; or
- (ii) when a proxy is not a natural person, an original or a copy of the extract from the relevant register or another document confirming the power of the natural person (natural persons) to represent the proxy at the General Meeting (e.g. a continuous sequence of powers of proxy) certified to be true by a notary or another entity entitled to certify copies to be true.

The forms mentioned in Art. 402³ § 1 item 5 of the CCC which permit the exercise of voting rights by proxy are available on the Bank's website

<https://www.bankmillennium.pl/en/about-the-bank/general-shareholders-meetings>

A proxy may also be granted in form other than the aforementioned.

Please also note that in the case of the granting by a shareholder of a power of proxy with a voting instruction, the Bank will not verify whether the proxies exercise the voting rights in accordance with the instructions received from the shareholders. In view of the foregoing, please note that the voting instruction should be delivered to the proxy only.

The Articles of Association do not provide for the possibility of participating in the General Meeting, speaking during the General Meeting or exercising a voting right by use of electronic means of communication.

The By-laws of the General Meeting do not provide for the possibility of exercising a voting right by mail.

Materials concerning the General Meeting

A person entitled to participate in the General Meeting may obtain from the Bank's website <https://www.bankmillennium.pl/en/about-the-bank/general-shareholders-meetings> or between 9 a.m. and 4:30 p.m. from the Bank's registered office (ul. Stanisława Żaryna 2A, 02-593 Warsaw) the full text of the documentation that is to be presented to the General Meeting, including the proposed resolutions or, if passing of resolutions is not on the schedule, the comments of the Management Board or the Supervisory Board concerning the matters put on the agenda of the General Meeting or matters that will be put on the agenda before the date of the General Meeting.

Registration of the attendance at the General Meeting

Persons entitled to participate in the General Meeting will be asked to register and to collect voting cards directly in front of the meeting room half an hour before the commencement of the General Meeting.

Other information

Information concerning the General Meeting will be made available on the Bank's website <https://www.bankmillennium.pl/en/about-the-bank/general-shareholders-meetings>

The Management Board announces that the provisions of the CCC, the Articles of Association and the By-laws of the General Meeting will apply to matters not covered by this announcement and for this reason asks the shareholders of the Bank to acquaint themselves with the aforementioned regulations.

If you have any further queries or doubts connected with General Meeting, please do not hesitate to contact the Bank by sending email to wza@bankmillennium.pl