

**Draft resolutions of the Extraordinary General Meeting of Alior Bank S.A. convened for  
29 July 2016**

*Re: item 2 of the Agenda*

**Resolution No. 1/2016  
of the Extraordinary General Meeting  
of Alior Bank Spółka Akcyjna  
held on 29 July 2016**

**On: The election of the Chairperson of the Extraordinary General Meeting.**

The Extraordinary General Meeting of Alior Bank S.A., with its registered office in Warsaw (the “**Bank**”), acting pursuant to Article 409§ 1 of the Act dated 15 September 2000, the Commercial Companies Code (the “**CCC**”), and § 16 section 1 of the Bank’s statute resolves as follows:

§ 1

The Extraordinary General Meeting hereby elects \_\_\_\_\_ as the Chairperson of the Meeting.

§ 2

The Resolution shall enter into force on the date of its adoption.

*Re: item 4 of the Agenda*

**Resolution No. 2/2016  
of the Extraordinary General Meeting  
of Alior Bank Spółka Akcyjna  
held on 29 July 2016**

**On: adoption of the Agenda**

§ 1

The Extraordinary General Meeting hereby adopts the following Agenda:

1. Opening of the Extraordinary General Meeting.
2. Election of the Chairperson of the Extraordinary General Meeting.
3. Acknowledgement that the Extraordinary General Meeting has been convened appropriately and is capable of adopting binding resolutions.
4. Adoption of the agenda of the Extraordinary General Meeting.
5. Adoption of a resolution concerning the Demerger of Bank BPH Spółka Akcyjna.
6. Adoption of a resolution concerning the adoption of the unified text of the statute of Alior Bank S.A.
7. Adoption of the resolutions to change the composition of the Supervisory Board of the Bank.
8. Closing of the Extraordinary General Meeting.

§ 2

The Resolution shall enter into force on the date of its adoption.

*Re: item 5 of the Agenda*

**Resolution No. 3/2016  
of the Extraordinary General Meeting  
of Alior Bank Spółka Akcyjna  
held on 29 July 2016**

**on: concerning the Demerger of Bank BPH Spółka Akcyjna**

§ 1

**General rules of the demerger**

1. Acting on the basis of Art. 541 of the Commercial Companies Code (the “CCC”), it is resolved to demerge Bank BPH Spółka Akcyjna, with its registered seat in Gdańsk (“BPH” or the “**Bank Being Divided**”), in accordance with the procedure specified in Art. 529 § 1.4 of the CCC, i.e. through a transfer of a part of the assets and liabilities of the Bank Being Divided to Alior Bank Spółka Akcyjna, with its registered seat in Warsaw (“**Alior Bank**” or the “**Acquiring Bank**”), in the form of an organised part of the enterprise of BPH connected with BPH’s activity other than BPH’s activity of an organised part of the enterprise of BPH conducting banking activity connected with the credit agreements regarding credit facilities secured by mortgages on real estate which were granted to individuals (osoby fizyczne) (except for the Building Society (*Kasa Mieszkaniowa*)) for purposes not related to commercial activity (*działalność gospodarcza*) or farming (*gospodarstwo rolne*) activity as well as including the rights and liabilities excluded from the scope of the Demerged Business (in accordance with the scope presented in Schedule 1 to the agreed demerger plan) (the “**Mortgage Business**”) (such demerged part of BPH’s activity to be referred to as the “**Demerged Business**”) (the “**Demerger**”). Under the Demerger, a part of the business of BPH, i.e. the Demerged Business, will be transferred to the Acquiring Bank, while the remaining part of the business of BPH, i.e. the Mortgage Business, will remain in BPH.
2. Pursuant to Article 541 § 6 of the CCC, approval is hereby granted to the Demerger plan of the Bank Being Divided agreed in writing among the Bank Being Divided as well as the Acquiring Bank on 29 April 2016 and made available since that day up to this date, inclusive, to the public on the website of the Bank Being Divided ([www.bph.pl](http://www.bph.pl)) and ([www.aliorbank.pl](http://www.aliorbank.pl)) (the “**Demerger Plan**”). The Demerger Plan is attached to this resolution as Schedule 1.
3. In connection with the Demerger, approval is hereby granted to the transfer of an organised part of the enterprise of BPH connected with the Demerged Business to the Acquiring Bank in such scope and on such terms as specified in this resolution and in the Demerger Plan.
4. Pursuant to Article 541 § 6 of the CCC, the general meeting hereby approves the amendments to the statute of the Acquiring Bank as specified in Schedule No. 4 to the Demerger Plan and in § 4 below.

## § 2

### Capital increase of the Acquiring Bank and the share exchange ratio

1. As a result of the Demerger, the share capital of the Acquiring Bank is hereby increased by at least PLN 10 (ten zlotys) and by no more than PLN 49,919,430 (forty nine million, nine hundred and nineteen thousand, four hundred and thirty zlotys), i.e. to an amount not lower than PLN 1,292,577,130 (one billion, two hundred and ninety two million, five hundred and seventy seven thousand, one hundred and thirty zlotys) and not exceeding PLN 1,342,496,550 (one billion, three hundred and forty two million, four hundred and ninety six thousand, five hundred and fifty zlotys), through the issuance of at least 1 (one) series J ordinary bearer share with a nominal value of PLN 10 (ten zlotys) each and not more than 4,991,943 (four million, nine hundred and ninety one thousand, nine hundred and forty three) series J ordinary bearer shares with a nominal value of PLN 10 (ten zlotys) each (the “**Demerger Issue Shares**”).
2. As a result of the Demerger, all of the shareholders of BPH being entitled shareholders as at the Reference Date (as defined below) (i.e. entities and persons who as at such Reference Date hold shares in BPH which are registered in a securities account or entered in the relevant registers maintained by brokerage houses or banks conducting brokerage activity and, in the case of collective accounts, who are indicated to the entity maintaining such collective account by the holder of such account as the entity entitled to the BPH shares recorded on such account), other than:
  - (i) GE Investments Poland sp. z o.o., a limited liability company organised and existing under the laws of the Republic of Poland, with its registered office in Gdańsk, entered into the Register of Business Entities under KRS No. 103388; and / or
  - (ii) DRB Holdings B.V., a company organised and existing under the laws of the Netherlands, with its registered office in Amsterdam, entered into the commercial register (Kamer van Koophandel) under number 24272907; and / or
  - (iii) Selective American Financial Enterprises, Inc., a corporation organised and existing under the laws of the state of Delaware, registered under number 2241439, with its registered office at 901 Main Avenue, Norwalk, CT 06851; and / or
  - (iv) other affiliates of the entities indicated in points (i) – (iii) above;  
(collectively referred to as the “**GE Shareholders**”)(such shareholders other than the GE Shareholders are referred to as the “**Demerged Shareholders**”)  
will cease to be shareholders of BPH and, subject to point 3 below, as a result of the Demerger, they will become shareholders of the Acquiring Bank and will be granted and allocated Demerger Issue Shares.
3. Pursuant to Article 550 §1 of the CCC, no Demerger Issue Shares will be issued in exchange for the own shares held by BPH, if any. Similarly, if the Acquiring Bank holds any BPH shares, no Demerger Issue Shares will be issued in exchange for such shares.
4. The Demerged Shareholders will be granted and allocated Demerger Issue Shares based on the following share exchange ratio: for 1 (one) share in BPH, the

shareholders of BPH will be granted and allocated 0.44 (forty-four hundredths) of a Demerger Issue Share (the “**Share Exchange Ratio**”). The above-mentioned Share Exchange Ratio will be adjusted by dividing it by the dilution adjustment ratio (RF) determined in accordance with the Dilution Adjustment Formula described below.

The dilution adjustment will be calculated based on the following formula:

$$RF = ((SR * PR) + (SI * PI)) / (PR * (SR + SI))$$

where:

RF – the dilution adjustment ratio

SR – the number of the Acquiring Bank shares on the rights issue record date for the series I shares of the Acquiring Bank

PR – the closing price for the Acquiring Bank shares on the rights issue record date for the series I shares of the Acquiring Bank

SI – the final number of the series I shares of the Acquiring Bank issued in the public rights issue

PI – the issue price for the series I shares of the Acquiring Bank.

5. The general meeting hereby approves the above Share Exchange Ratio agreed by the management boards of BPH and the Acquiring Bank.
6. The Demerger Issue Shares allocated to the Demerged Shareholders will participate in the profit generated by the Acquiring Bank for the financial year commenced on 1 January of the year in which the Demerger is registered in the court register.
7. As a result of the Demerger, the GE Shareholders will become the only shareholders of BPH and will together hold 100% of the shares in and 100% of the votes at the general meeting of BPH and will not receive any Demerger Issue Shares.

### § 3

#### Share allocation rules

1. In accordance with §2 above, as a result of the Demerger:
  - (i) the GE Shareholders will not become shareholders of the Acquiring Bank and will remain the only shareholders of BPH and will together hold 100% of the shares in and 100% of the votes at the general meeting of BPH;
  - (ii) pursuant to Article 550 §1 of the CCC, no Demerger Issue Shares will be issued in exchange for the own shares held by BPH, if any, and, similarly, if the Acquiring Bank holds any BPH shares, no Demerger Issue Shares will be issued in exchange for such shares; and
  - (iii) subject to point (ii), the Demerged Shareholders will become, by virtue of law, shareholders of the Acquiring Bank and will be granted and allocated Demerger Issue Shares. The number of Demerger Issue Shares granted and allotted to each Demerged Shareholder will be calculated based on the Share Exchange Ratio and pursuant to the rules indicated below.
2. The Demerger Issue Shares will be allotted to the Demerged Shareholders through the intermediation of the National Depository for Securities (the “**NDS**”) based on the Share Exchange Ratio and the number of shares in BPH as at the business day which

pursuant to the relevant NDS regulations will be the reference date (the “**Reference Date**”).

3. The Management Boards will be authorised to indicate to the NDS the Reference Date, provided that this date cannot fall later than on the seventh business day following the Demerger Date, unless the provisions of applicable law or the internal regulations of the NDS prescribe otherwise.
4. Additionally, the management board of BPH may decide to take measures to suspend the quotations of the shares in BPH for a term starting no earlier than the day following the day on which a motion is filed to have the Demerger entered into the Register of Business Entities of the National Court Register and, with respect to the shares held by the Demerged Shareholders, ending no later than on the day on which the shares held by the Demerged Shareholders will no longer be listed on the regulated market operated by the WSE.
5. The number of Demerger Issue Shares to be allotted to each and every Demerged Shareholder of BPH will be determined by multiplying the number of shares in BPH held by the relevant Demerged Shareholder as at the Reference Date by the Share Exchange Ratio and by rounding the product thereof down to the nearest integer (if the product is not an integer).
6. Each and every Demerged Shareholder who as a result of the rounding down referred to in clause 5 has not been allotted a fraction of the Demerger Issue Shares he was entitled to according to the Share Exchange Ratio will receive an additional cash payment (the “**Additional Payment**”).
7. The Additional Payment due and payable to a given Demerged Shareholder will be calculated in accordance with the following formula:

$$D = A \times W,$$

where: **D** – means the Additional Payment; **A** – means the fraction by which the product referred to in clause 5 was rounded down; and **W** – means the arithmetic mean of the volume weighted average price quotation per share in the Acquiring Bank over 30 (thirty) consecutive days of the quotation of the shares in the Acquiring Bank on the Warsaw Stock Exchange (the “**WSE**”) preceding the Reference Date.

The amount of the Additional Payment will be rounded up to 1 grosz (PLN 0.01), with each PLN 0.005 being rounded up.

The Additional Payments will be paid to the Demerged Shareholders within up to 14 days from the Reference Date through the intermediation of the NDS.

As pursuant to Article 550 §1 of the CCC no Demerger Issue Shares will be issued in exchange for the shares the Acquiring Bank has in BPH as at the Reference Date, the Acquiring Bank will also not be entitled to receive the Additional Payment.

8. The restriction referred to in Article 529 § 3 of the CCC will apply to the Additional Payments. The Additional Payments will be paid from the reserve capital (*kapitał zapasowy*) of the Acquiring Bank. The Additional Payments will be reduced by the due amount of income tax if such tax is levied on the Additional Payments under the applicable laws.
9. Before the Demerger Date, the management board of the Acquiring Bank will submit the representation referred to in Article 310 of the CCC, in connection with Article

532 of the CCC, determining the number of the Demerger Issue Shares, provided that the management board of the Acquiring Bank may decide to submit such representation after the Demerger Date. In such case, the representation will be submitted within 15 (fifteen) business days from the Reference Date. The representation will concern: (i) the number of the Demerger Issue Shares allocated to the Demerged Shareholders based on the rules specified in clause 5; or (ii) the number of shares subscribed for by the financial institution referred to in clause 10.

10. Within 15 (fifteen) business days from the Reference Date, the management board of the Acquiring Bank will make every effort to ensure that the Demerger Issue Shares that have not been allotted to the Demerged Shareholders as a result of the rounding down in accordance with clause 5 will be subscribed for by a financial institution selected by the management board of the Acquiring Bank. The Demerger Issue Shares are to be subscribed for in exchange for the price representing the arithmetic mean of the volume weighted average price quotation per share in the Acquiring Bank over 30 (thirty) consecutive days of the quotation of the shares in the Acquiring Bank on the WSE preceding the Reference Date.
11. The management board of the Acquiring Bank will determine, in agreement with the management board of BPH, the detailed procedure for issuing the Demerger Issue Shares through the intermediation of the NDS.

#### **§ 4**

#### **Amendments to the Acquiring Bank's statute**

1. The general meeting hereby consents to and adopts the following changes to the statute of the Acquiring Bank:

***§ 7 section 1 of the statute of the Acquiring Bank shall read as follows:***

*"1. The Bank's business comprises performing the following banking activities:*

- 1) accepting cash deposits payable on demand or on a specified date, and maintaining accounts for said deposits,*
- 2) maintaining other bank accounts,*
- 3) granting loans,*
- 4) granting and confirming bank guarantees and opening and approving letters of credit,*
- 5) issuing bank securities,*
- 6) clearing banking cash transactions,*
- 7) granting cash loans,*
- 7') transactions involving cheques and bills of exchange and transactions involving warrants,*
- 8) issuing payment cards and conducting transactions with the use of cards,*
- 9) forward financial transactions,*
- 10) purchasing and selling cash receivables,*
- 11) custody services in respect of objects and securities, and providing safe deposit facilities,*
- 12) buying and selling foreign-currency monetary instruments,*
- 13) granting and confirming warranties,*
- 14) intermediation in transferring cash and making foreign currency settlements,*
- 15) issuing e-money instruments,*
- 16) performing commissioned tasks related to issuing securities."*

**§ 7 section 2 of the statute of the Acquiring Bank shall read as follows:**

*“2. The Bank’s business also comprises performing the following actions:*

- 1) incurring liabilities related to issuing securities,*
- 2) trading in securities,*
- 3) providing consulting and advisory services on financial issues,*
- 4) providing the following other financial services:*
  - a) factoring services,*
  - b) forfaiting services,*
  - c) intermediation services in respect of lease contracts,*
  - d) intermediation services in granting loans and credit facilities,*
  - e) services consisting of performing factual actions in respect of intermediation in the purchase and sale of foreign currencies,*
  - f) intermediation services in respect of monetary settlements provided to banks, financial institutions, settlement agents, and to brokerage houses, entities providing leasing services, investment fund management companies, and investment funds,*
  - g) financial services connected with securities issued abroad and other financial instruments and the keeping thereof, including the maintenance of a register of financial instruments registered by foreign financial institutions, foreign lending institutions, and depositary and settlement institutions,*
- 5) engaging in brokerage operations,*
- 6) performing insurance intermediation actions,*
- 7) performing actions related to issuing and servicing financial instruments which are not securities,*
- 8) providing specialist services to companies related to the Bank in terms of equity consisting specifically of making available IT systems and technologies, including data processing services, creating, using and maintaining computer software and IT infrastructure, and other services to make cooperation with those entities in the area of the financial services they offer more efficient,*
- 9) sales of coins, banknotes and numismatic coins issued by the National Bank of Poland (NBP) for collections and for other purposes,*
- 10) operating as a settlement agent,*
- 11) conducting custody activities,*
- 12) acting as a depositary for pension funds and investment funds, keeping, based on an order, registers of investment fund participants and registers of pension fund participants,*
- 13) collection activities,*
- 14) performing the activities of a representative-bank within the meaning of the Act on Bonds,*
- 15) accepting orders to buy and repurchase investment fund units or participation titles in foreign funds, and accepting subscription orders for units of investment certificates of investment funds,*
- 16) maintaining registered savings and credit accounts and granting contract loans within the scope of activities of a building society.”*

**The following § 7 section 2<sup>1</sup> will be added to the statute of the Acquiring Bank:**

*“2<sup>1</sup>. The Bank may perform commissioned activities that are within the scope of the Bank’s business for other domestic or foreign banks, and lending or financial institutions.”*

**§ 9 section 1 of the statute of the Acquiring Bank shall read as follows:**

*“1. The share capital of the Bank amounts to at least PLN 1,292,577,130 (one billion, two hundred and ninety two million, five hundred and seventy seven thousand, one hundred and thirty zlotys) and not more than PLN 1,342,496,550 (one billion, three hundred and forty two million, four hundred and ninety six thousand, five hundred and fifty zlotys) and shall be divided into at least 129,257,713 (one hundred and twenty nine million, two hundred and fifty seven thousand, seven hundred and thirteen) ordinary shares with a nominal value of PLN 10 (ten zlotys) each, and not more than 134,249,655 (one hundred and thirty four million, two hundred and forty nine thousand six hundred and fifty five) ordinary shares with a nominal value of PLN 10 (ten zlotys) each, including:*

- 1) 50,000,000 (fifty million) ordinary series A shares;*
- 2) 1,250,000 (one million, two hundred and fifty thousand) ordinary series B shares;*
- 3) 12,332,965 (twelve million, three hundred and thirty-two thousand, nine hundred and sixty-five) ordinary series C shares;*
- 4) 6,358,296 (six million, three hundred and fifty-eight thousand, two hundred and ninety-six) ordinary series G shares;*
- 5) 410,704 (four hundred and ten thousand, seven hundred and four) ordinary series D shares;*
- 6) 2,355,498 (two million, three hundred and fifty-five thousand, four hundred and ninety-eight) ordinary series H shares;*
- 7) 56,550,249 (fifty six million, five hundred and fifty thousand, two hundred and forty nine) ordinary series I shares; and*
- 8) at least 1 (one) and up to 4,991,943 (four million, nine hundred and ninety one thousand, nine hundred and forty three) ordinary series J shares.”*

**§ 5**

**Authorisations**

- 1.** The Acquiring Bank will apply for the admission and introduction of the Demerger Issue Shares to trading on the regulated market operated by the WSE. The management board of the Acquiring Bank is authorised and required to take all of the actions necessary in relation to the performance of the terms of this subsection.
- 2.** All of the Demerger Issue Shares will be dematerialised pursuant to Article 5.1 of the Act on Trading in Financial Instruments dated 29 July 2005. The management board of the Acquiring Bank will be authorised and required to execute an agreement with the NDS for the registration of the Demerger Issue Shares in the deposit of securities and to take any and all actions necessary in connection with the dematerialisation thereof.
- 3.** The management board of the Acquiring Bank is authorised to make a statement as referred to in Article 310 of the CCC, read in conjunction with Article 532 of the CCC, including information on the number of the Demerger Issue Shares and the final value of the increased share capital of the Acquiring Bank in connection with the



Demerger. The management board of the Acquiring Bank is further authorised to offer the Demerger Issue Shares that have not been allotted to the Demerged Shareholders as a result of the rounding down in accordance with §3 item 5 hereof to be subscribed for by a financial institution selected by the management board of the Acquiring Bank.

## § 6

### Final provisions

1. Pursuant to Article 530, §2 of the CCC, the Demerger shall be effected as of the demerger date (i.e. on the date of registration of the share capital increase of the Acquiring Bank as a result of the Demerger through the issuance of the Demerger Issue Shares (the “**Demerger Date**”).
2. The completion of the Demerger depends on:
  - (i) obtaining a decision from the Polish Financial Supervisory Authority (the “**PFSA**”) permitting the Demerger in accordance with Article 124c, section 2 of the act of 29 August 1997 – the banking law (the “**Banking Law**”);
  - (ii) obtaining a decision from the PFSA permitting the amendments to the Acquiring Bank’s statute to be made in connection with the Demerger as provided for in Schedule 4 to the Demerger Plan in accordance with Article 34, section 2 and in connection with Article 31, section 3 of the banking law;
  - (iii) obtaining a decision from the PFSA permitting the amendments to BPH's statute to be made in connection with the Demerger in accordance with Article 34, section 2 and in connection with Article 31, section 3 of the banking law;
  - (iv) obtaining a decision from the PFSA that there are no grounds to object against the Acquiring Bank exceeding the threshold of 33%, 50% or more of the votes at the general meeting of BPH or, alternatively, the lapse of the statutory deadline for the delivery of a decision containing an objection raised with respect to the above in accordance with Article 25 of the banking law;
  - (v) if required, obtaining a decision from the PFSA that there are no grounds to object against GE Investments Poland sp. z o.o. exceeding the threshold of 50% of the votes at the general meeting of BPH or, alternatively, the lapse of the statutory deadline for the delivery of a decision containing an objection raised with respect to the above in accordance with Article 25 of the banking law; and
  - (vi) obtaining antitrust clearance, i.e.: (i) the issuance by the relevant antitrust authority (the “**Antitrust Authority**”) of a (unconditional or conditional) decision consenting to a concentration involving the acquisition of control over the Demerged Business pursuant to the respective competition law, or (ii) the issuance by a competent court (in result of an appeal filed by the Acquiring Bank against the decision of the Antitrust Authority) of a final and non-appealable judgment in favour of the appeal and amending the decision consenting to the concentration, or (iii) the issuance by the Antitrust Authority of a decision on discontinuing the proceedings or the Antitrust Authority returning the clearance request on account of the transaction not being subject to notification pursuant to the respective competition law, or (iv) the lapse of the deadline set out in the respective competition law within which the Antitrust Authority may issue a decision regarding a concentration, provided that under the respective competition law, in the case of the Antitrust

Authority's failure to issue a decision within the specified deadline, the concentration may be implemented without the consent of the Antitrust Authority.

*Re: item 6 of the Agenda*

**Resolution No. 4/2016  
of the Extraordinary General Meeting  
of Alior Bank Spółka Akcyjna  
held on 29 July 2016**

**on: concerning the adoption of the unified text of the statute of Alior Bank S.A.**

§ 1

In connection with resolution no 3/2016 concerning the demerger of Bank BPH Spółka Akcyjna with registered office in Gdańsk, the Extraordinary General Meeting of Alior Bank Spółka Akcyjna with registered office in Warszawa („**Alior Bank**”) hereby adopts the unified text of the statute of Alior Bank with the following wording:

**MEMORANDUM OF ASSOCIATION OF ALIOR BANK SPÓŁKA AKCYJNA  
(JOINT STOCK COMPANY)**

**I. GENERAL PROVISIONS**

§ 1.

1. The Bank's business name is: “Alior Bank Spółka Akcyjna”.
2. The Bank may use its abbreviated business name as follows: “Alior Bank S.A.”.

§ 2.

The founders of the Bank are:

- Alior Polska spółka z ograniczoną odpowiedzialnością (limited liability company) with its registered office in Warsaw;
- Alior S.A. with its registered office in Luxembourg, and
- Alis S.A. with its registered office in Luxembourg.

§ 3.

The Bank's registered office is in Warsaw.

#### § 4.

The Bank operates within the territory of the Republic of Poland and the European Economic Area

#### § 5.

The Bank may have, create and liquidate branches, representative offices and other organizational entities.

#### § 6.

Issues not regulated by this Memorandum of Association shall be governed by the provisions of the Commercial Companies Code, the Banking Law and other legal regulations.

### **II. THE BANK'S BUSINESS AND SCOPE OF OPERATIONS**

#### § 7.

1. The Bank's business comprises performing the following banking activities:
  - 1) accepting cash deposits payable on demand or on a specified date, and maintaining accounts for said deposits,
  - 2) maintaining other bank accounts,
  - 3) granting loans,
  - 4) granting and confirming bank guarantees and opening and approving letters of credit,
  - 5) issuing bank securities,
  - 6) clearing banking cash transactions,
  - 7) granting cash loans,
  - 7<sup>1</sup>) transactions involving cheques and bills of exchange and transactions involving warrants,
  - 8) issuing payment cards and conducting transactions with the use of cards,
  - 9) forward financial transactions,
  - 10) purchasing and selling cash receivables,
  - 11) custody services in respect of objects and securities, and providing safe deposit facilities,
  - 12) buying and selling foreign-currency monetary instruments,
  - 13) granting and confirming warranties,

- 14) intermediation in transferring cash and making foreign currency settlements,
  - 15) issuing e-money instruments,
  - 16) performing commissioned tasks related to issuing securities.”
2. The Bank’s business also comprises performing the following actions:
- 1) incurring liabilities related to issuing securities,
  - 2) trading in securities,
  - 3) providing consulting and advisory services on financial issues,
  - 4) providing the following other financial services:
    - a) factoring services,
    - b) forfaiting services,
    - c) intermediation services in respect of lease contracts,
    - d) intermediation services in granting loans and credit facilities,
    - e) services consisting of performing factual actions in respect of intermediation in the purchase and sale of foreign currencies,
    - f) intermediation services in respect of monetary settlements provided to banks, financial institutions, settlement agents, and to brokerage houses, entities providing leasing services, investment fund management companies, and investment funds,
    - g) financial services connected with securities issued abroad and other financial instruments and the keeping thereof, including the maintenance of a register of financial instruments registered by foreign financial institutions, foreign lending institutions, and depository and settlement institutions,
  - 5) engaging in brokerage operations,
  - 6) performing insurance intermediation actions,
  - 7) performing actions related to issuing and servicing financial instruments which are not securities,
  - 8) providing specialist services to companies related to the Bank in terms of equity consisting specifically of making available IT systems and technologies, including data processing services, creating, using and maintaining computer software and IT infrastructure, and other services to make cooperation with those entities in the area of the financial services they offer more efficient,
  - 9) sales of coins, banknotes and numismatic coins issued by the National Bank of Poland (NBP) for collections and for other purposes,

- 10) operating as a settlement agent,
  - 11) conducting custody activities,
  - 12) acting as a depository for pension funds and investment funds, keeping, based on an order, registers of investment fund participants and registers of pension fund participants,
  - 13) collection activities,
  - 14) performing the activities of a representative-bank within the meaning of the Act on Bonds,
  - 15) accepting orders to buy and repurchase investment fund units or participation titles in foreign funds, and accepting subscription orders for units of investment certificates of investment funds,
  - 16) maintaining registered savings and credit accounts and granting contract loans within the scope of activities of a building society.
- 2<sup>1</sup>. The Bank may perform commissioned activities that are within the scope of the Bank's business for other domestic or foreign banks, and lending or financial institutions.
3. The Bank may also:
- 1) take up or purchase shares, share-related rights and interests of other legal entities, and purchase participation units in investment funds;
  - 2) exchange receivables for a debtor's assets on the terms agreed upon with the debtor;
  - 3) purchase and sell real estate;

### **§ 8.**

If on the basis of binding legal regulations appropriate permits are required to perform the actions referred to in § 7 above, the Bank may undertake those actions after obtaining the permit, within the limits specified therein.

## **III. SHARE CAPITAL**

### **§ 9.**

1. The share capital of the Bank amounts to at least PLN 1,292,577,130 (one billion, two hundred and ninety two million, five hundred and seventy seven thousand, one hundred and thirty zlotys) and not more than PLN 1,342,496,550 (one billion, three hundred and forty two million, four hundred and ninety six thousand, five hundred and fifty zlotys) and shall be divided into at least 129,257,713 (one hundred and twenty nine million, two hundred and fifty seven thousand, seven hundred and thirteen) ordinary shares with a nominal value of PLN 10 (ten zlotys) each, and not more than 134,249,655 (one hundred and thirty four million, two hundred and forty nine

thousand, six hundred and fifty five) ordinary shares with a nominal value of PLN 10 (ten zlotys) each, including:

- 1) 50,000,000 (fifty million) ordinary series A shares;
  - 2) 1,250,000 (one million, two hundred and fifty thousand) ordinary series B shares;
  - 3) 12,332,965 (twelve million, three hundred and thirty-two thousand, nine hundred and sixty-five) ordinary series C shares;
  - 4) 6,358,296 (six million, three hundred and fifty-eight thousand, two hundred and ninety-six) ordinary series G shares;
  - 5) 410,704 (four hundred and ten thousand, seven hundred and four) ordinary series D shares;
  - 6) 2,355,498 (two million, three hundred and fifty-five thousand, four hundred and ninety-eight) ordinary series H shares;
  - 7) 56,550,249 (fifty six million, five hundred and fifty thousand, two hundred and forty nine) ordinary series I shares; and
  - 8) at least 1 (one) and up to 4,991,943 (four million, nine hundred and ninety one thousand, nine hundred and forty three) ordinary series J shares.
2. All the Bank's shares are registered shares and will be exchanged for bearer shares upon their dematerialization within the meaning of the Act on trading in financial instruments of 29 July 2005.
  3. In recognition of Art. 28 clause 2 of the Act of 29 August 1997 the Banking Law, exchanging bearer shares for registered shares is not allowed.

#### **§ 9a.**

1. Pursuant to the Resolution 28/2012 of the Extraordinary General Meeting of 19 October 2012, the Bank's share capital has been conditionally increased up to PLN 33,312,500 (thirty three million three hundred twelve thousand and five hundred) through the issue of up to 3,331,250 (three million three hundred thirty one thousand and two hundred fifty) series D, series E and series F bearer shares of the nominal value of PLN 10 (ten) each (the "Shares").
2. The purpose of a conditional increase in the share capital, as referred to item 1, is entitlement to take up the Shares by the holders of subscription warrants issued by the Bank, pursuant to the Resolution 28/2012 of the Extraordinary General Meeting of October 19, 2012.
3. The right to take up the Shares shall be vested in the Holders of the subscription warrants referred to in clause 2.
4. The Shares may be redeemed.
5. Redemption of the Shares requires the consent of the shareholder whose shares are to be redeemed.

6. The detailed terms and conditions and procedures for redeeming shares shall each time be determined by the General Shareholders' Meeting, and specifically the legal basis for the redemption and the amount of consideration to which the holder of the redeemed shares is entitled, or justification for the redemption without consideration and the manner of reducing the share capital.
7. Pursuant to the Resolution 3/2014 of the Extraordinary General Meeting of 2 December 2014, the Bank's Charter has been conditionally increased by the amount of up to PLN 23,554,980 (twenty three million five hundred fifty four thousand and nine hundred eighty) through the issue of up to 2,355,498 (two million three hundred fifty five thousand and four hundred ninety eight) series H ordinary bearer shares, the nominal value of PLN 10 (ten) each (the "Series H Shares").
8. The purpose of a conditional increase in the share capital, as referred to in Section 4, is entitlement to take up the Series H Shares of the holders of subscription warrants issued by the Bank, pursuant to the Resolution 3/2014 of the Extraordinary General Meeting of 2 December 2014.
9. The holders of the subscription warrants, as referred to in Section 5, shall be entitled to take Series H Shares

#### **IV. THE BANK'S BODIES**

##### **§ 11.**

The Bank's bodies are:

- 1) The General Shareholders' Meeting;
- 2) The Supervisory Board;
- 3) The Management Board.

#### **V. GENERAL SHAREHOLDERS' MEETING**

##### **§ 12.**

1. The General Shareholders' Meeting is convened by announcing it on the Bank's Internet site and in the manner specified for submitting current information in accordance with the provisions on public offerings and the terms and conditions for introducing financial instruments to organized trading and on public companies.
2. General Shareholders' Meetings are convened as ordinary or extraordinary meetings.
3. The ordinary General Shareholders' Meeting should be held within six months of the end of each financial year.
4. The ordinary General Shareholders' Meeting is held at the Bank's registered office or another place indicated in the announcement on convening the General Shareholders' Meeting.

5. The General Shareholders' Meeting is convened by the Management Board. If the ordinary General Shareholders' Meeting is not convened by the Management Board in a period enabling the conduct of the ordinary General Shareholders' Meeting in the period referred to in clause 3 above, the ordinary General Shareholders' Meeting may be convened by the Supervisory Board.
6. The extraordinary General Shareholders' Meeting is convened by the Management Board:
  - 1) on its own initiative;
  - 2) at the request of the Supervisory Board submitted to the Management Board in writing or in an electronic form, and the extraordinary General Shareholders' Meeting should be convened at the request of the Supervisory Board within two weeks of the date of request.
7. An Extraordinary General Shareholders' Meeting may be convened by the Supervisory Board if it considers that convening it is advisable.
8. An Extraordinary General Shareholders' Meeting may be convened by the Company's shareholders representing at least half the share capital or at least half the voting rights in the Bank.
9. The shareholder(s) representing at least one-twentieth of the Bank's share capital may request that an Extraordinary General Shareholders' Meeting be convened and place certain matters on the agenda of such Meeting.
10. The request referred to in clause 9 has to be submitted to the Management Board in writing or in an electronic form. The General Shareholders' Meeting should be convened within two weeks of the date of submitting the request referred to in the preceding sentence. If the Management Board does not comply with the request of the shareholders' referred to in this paragraph, the shareholders shall be entitled to convene an Extraordinary General Shareholders' Meeting on the basis of a court authorization.
11. The shareholder(s) representing at least one-twentieth of the Bank's share capital may request to have certain matters placed on the agenda of the next General Shareholders' Meeting.
12. The request referred to in clause 11 should be submitted to the Management Board in writing or in an electronic form twenty-one days before the set date for the General Shareholders' Meeting at the latest. The request referred to in this paragraph should contain a substantiation or a draft of the resolution on the proposed item of the agenda. The Management Board is obliged to announce forthwith, however no later than eighteen days before the date of the General Shareholders' Meeting, changes to the agenda introduced at the shareholders' request, in the manner appropriate for convening the General Shareholders' Meeting, as referred to in clause 11 above.
13. A shareholder(s) representing at least one-twentieth part of the share capital may notify the Bank in writing or in an electronic form before the date of the General Shareholders' Meeting of draft resolutions relating to the issues already on, or planned



to be entered to the General Shareholders' Meeting's agenda. The Bank immediately publishes the draft resolutions on the Bank's website.

14. During the General Shareholders' Meeting each and any of the shareholders may report draft resolutions relating to issues entered onto the agenda.

### **§ 13.**

1. A shareholder may participate in the General Shareholders' Meeting and exercise his voting rights personally or by proxy.
2. The Power of Attorney to participate in the General Shareholders' Meeting and to exercise voting rights should be granted in writing or in an electronic form.

### **§ 14.**

The resolutions of the General Shareholders' Meeting shall be passed by an absolute majority of votes, unless the Commercial Companies Code or this Memorandum of Association provide otherwise.

### **§ 15.**

1. Each share gives the right to one vote at the General Shareholders' Meeting.
2. A shareholder may vote differently with regard to each share held.

### **§ 16.**

1. The General Shareholders' Meeting is opened by the Chairman of the Supervisory Board or one of his Deputies, and then the Chairman of the Meeting is selected from among the people entitled to participate in the General Shareholders' Meeting. If none of those present may open the General Shareholders' Meeting, it is opened by the Chairman of the Management Board or a person indicated by the Management Board.
2. In the event that an Extraordinary General Shareholders' Meeting is convened pursuant to § 12 clause 8, the Chairman of the Meeting is appointed by the shareholders.
3. In the event that an Extraordinary General Shareholders' Meeting is convened pursuant to art. 400 clause 3 of the Commercial Companies Code, the Registration Court appoints the Chairman of the Meeting.
4. The detailed procedures for conducting the General Shareholders' Meeting are determined in the Regulations passed by the General Shareholders' Meeting.

### **§ 17.**

1. The following also require the General Shareholders' Meeting's to pass respective Resolutions:
  - 1) reviewing and approving the Directors' Report for the prior financial year and the financial statements for the prior financial year;

- 2) passing a resolution on appropriating the profit or offsetting the loss;
  - 3) acknowledging the fulfillment of duties by the members of the Bank's bodies.
2. The General Shareholders' Meeting must also accept, by passing respective Resolutions:
- 1) amendments to the Bank's Memorandum of Association;
  - 2) resolutions on claims for adjusting damages caused when the Bank was established or when management or supervisory activities were performed;
  - 3) selling or leasing the enterprise or its organized part and vesting in them restricted property rights;
  - 4) purchasing or disposing of real estate or a share in real estate, or perpetual usufruct rights whose value is equal or higher than PLN 20 000 000, and the action performed is not related to satisfying the Bank's claims vis-à-vis the debtor or securing the Bank's receivables.
  - 5) increasing or decreasing the Company's share capital;
  - 6) issuing convertible bonds and bonds with pre-emptive rights to the Bank's shares and subscription warrants;
  - 7) redeeming shares and determining the detailed terms and conditions for their redemption;
  - 8) merger, demerger or liquidation of the Bank, selection of liquidators and the manner of conducting the liquidation;
  - 9) appointing and dismissing members of the Supervisory Board;
  - 10) determining the principles for remunerating and the remuneration of members of the Supervisory Board;
  - 11) other issues reserved for the decision of the general Shareholders' Meeting according to the law and this Memorandum of Association.

## **VI. SUPERVISORY BOARD**

### **§ 18.**

1. The Supervisory Board consists of 5 to 8 members appointed by the General Shareholders' Meeting for a joint term of office lasting 4 years.
2. The number of members of the Supervisory Board is determined by the General Shareholders' Meeting.
3. A member of the Supervisory Board may be dismissed at any time by a resolution of the General Shareholders' Meeting.

4. At least two members of the Supervisory Board meet the criteria of being independent of the Bank and entities materially related to the Bank. The independence criteria of the Supervisory Board are determined in the Regulations of the Bank's Supervisory Board, in accordance with the criteria determined in the 'Best practices of WSE listed companies.'”

#### **§ 19.**

The Supervisory Board may appoint the Chairman of the Supervisory Board and his Deputy from among its members. The appointment requires an absolute majority of votes present at the meeting of the Supervisory Board and is made by secret ballot.

#### **§ 20.**

1. The Supervisory Board acts on the basis of the Regulations passed by it, which determine its organization and the manner of acting.
2. The Supervisory Board may create and appoint the Audit Committee and other permanent and ad-hoc committees from among its members. The tasks and competences of particular committees are determined by the Supervisory Board.

#### **§ 21.**

1. Supervisory Board meetings are convened when necessary, at least three times in each financial year.
2. A member or members of the Supervisory Board may request that a Supervisory Board meeting be convened, presenting the proposed agenda. The Chairman of the Supervisory Board shall convene the meeting within two weeks of the date of receiving the respective request.
3. If the Chairman of the supervisory Board does not convene the meeting in accordance with clause 2, the requestor may convene it independently, giving the date, place and proposed agenda.
4. For resolutions of the Supervisory Board to be valid, all of its members must be invited to the meeting and at least one-half of its members have to be present.
5. Resolutions of the Supervisory Board are passed by an absolute majority of votes unless the legal regulations or the Memorandum of Association provide otherwise. In the event of an equal number of votes, the Chairman of the Supervisory Board's vote is decisive.

#### **§ 22.**

1. Resolutions of the Supervisory Board may be passed according to the circulation procedure (in writing) or using direct means of remote communication. Any resolution passed in this manner is valid if all the members of the Supervisory Board were notified of the contents of the draft resolution.
2. Members of the Supervisory Board may participate in passing resolutions by giving their votes in writing via another member of the Supervisory Board.

Votes in writing cannot be given in respect of issues introduced to the agenda at the Supervisory Board meeting.

3. The passing of resolutions in accordance with the procedure specified in clauses 1 and 2 does not refer to electing the Chairman and Deputy Chairman of the Supervisory Board, appointing members of the Management Board and dismissing or suspending them from fulfilling those functions.

### § 23.

1. The Supervisory Board constantly supervises the Bank in all aspects of its operations.
2. The competences of the Supervisory Board, apart from other issues stipulated in the Commercial Companies Code and the Memorandum of Association, comprise specifically:
  - 1) assessing the Bank Directors' Reports and financial statements for the preceding financial year for their compliance with the books and documents, and with the status quo;
  - 2) assessing the Management Board requests as to the appropriation of profit or offset of loss;
  - 3) submitting an annual written report on the assessment of results to the General Shareholders' Meeting, as referred to in items 1) and 2) above;
  - 4) assessing periodical information relating to internal controls;
  - 5) examining and approving the Directors' Reports and financial statements of the Bank's Group;
  - 6) appointing and dismissing Management Board members;
  - 7) applying to the Polish Financial Supervision Authority for granting consent to appoint two Members of the Management Board, including the Chairman of the Board;
  - 8) concluding and amending agreements with members of the Management Board;
  - 9) passing the Regulations of the Supervisory Board;
  - 10) approving the Management Board Regulations determined by the Management Board;
  - 11) determining the remuneration of members of the Management Board employed on the basis of an employment contract or other agreement;
  - 12) representing the Bank in issues between members of the Management Board and the Bank;

- 13) suspending, for valid reasons, individual or all members of the Bank's Management Board;
- 14) delegating members of the Supervisory Board - for a period of no more than three months - to perform the functions of members of the Management Board who have been dismissed from the Board, have resigned or for other reasons are unable to perform their functions;
- 15) giving opinions at the request of the Management Board relating to the Bank's establishing or acquiring shares in companies, and selling shares if such investments are of a long-term and strategic nature;
- 16) giving opinions on the Bank's multi-year development plans and its annual financial plans;
- 17) passing - at the request of the Management Board - regulations for the creation and use of funds stipulated in the Memorandum of Association;
- 18) approving the requests of the Management Board to purchase, encumber or sell real estate or shares in real estate, or perpetual usufruct of land, if their value exceeds PLN 5 000 000. In other instances, the decision shall be taken by the Bank's Management Board without the need to obtain the consent of the Supervisory Board;
- 19) approving the requests of the Management Board on incurring liabilities or managing assets whose total value in respect of one entity exceeds 5% of the Bank's own funds;
- 20) supervising the implementation and monitoring of the Bank's management system, including specifically supervising the management of compliance risk and assessing the adequacy and effectiveness of the system at least once a year;
- 21) approving the principles for maintaining internal controls and procedures for estimating internal capital, equity management and equity planning;
- 22) approving the Bank's operating strategy and principles of prudent and stable management of the Bank;
- 23) approving the Bank's Organizational Regulations and the overall organizational structure of the Bank adapted to the size and profile of the risks incurred;
- 24) accepting the overall level of the Bank's risks;
- 25) approving the assumptions of the Bank's policy in respect of compliance risk;
- 26) approving the Bank's information policy;
- 27) appointing an independent registered auditor.

## **VII. MANAGEMENT BOARD**

### **§ 24.**

1. The Bank's Management Board consists of at least 3 members appointed for a period of a joint term of office lasting 3 years.
2. The number of members of the Management Board is determined by the Supervisory Board.
3. The Management Board consists of the Chairman, Deputy Chairmen and members of the Management Board.

### **§ 25.**

1. Members of the Management Board are appointed and dismissed by the Supervisory Board.
2. Two Members of the Management Board, including the Chairman of the Management Board, are appointed at the consent of the Polish Financial Supervision Authority. The Supervisory Board requests consent for their appointment.

### **§ 26.**

1. The Management Board acts on the basis of the Bank's Articles of Association and the Regulations passed by it and approved by the Supervisory Board. The Regulations determine the organization of the work of the Management Board, detailed competences of the Chairman of the Management Board and the detailed procedures for passing resolutions by the Management Board according to the circulation procedure.
2. The Management Board takes decisions in the form of resolutions. The Management Board may issue opinions and recommendations.
3. Resolutions of the Management Board shall be passed by an absolute majority of votes. In the event of an equal number of votes, the Chairman's vote is decisive.

### **§ 27.**

1. The Management Board manages the Bank and represents it vis-à-vis third parties. All issues which are not reserved by legal regulations or this Memorandum of Association for the competences of the Bank's other bodies shall remain within the scope of the Management Board's competences. In particular, the Management Board develops the Bank's development strategy and the Bank's annual financial operating plans.
2. The competences of the Chairman of the Management Board include:
  - 1) managing the work of the Bank's Management Board;
  - 2) convening Management Board meetings and chairing them;

- 3) presenting the position of the Management Board to the Bank's bodies, to the State authorities and to the general public;
  - 4) issuing internal regulations which regulate the Bank's operations, and authorizing other members of the Management Board or other employees of the Bank to issue such regulations;
  - 5) exercising other rights and performing other duties stipulated in the Management Board Regulations.
3. The competences of the second member of the Management Board to whose appointment the banking supervision authority agree include supervising the Bank's organizational units responsible for credit risk.

#### **VIII. PROCEDURES FOR SUBMITTING REPRESENTATIONS IN RESPECT OF THE BANK'S RIGHTS AND OBLIGATIONS REGARDING ASSETS**

##### **§ 28.**

1. The following people are entitled to submit declarations of intention in respect of the rights and obligations of the Bank's assets:
  - 1) two members of the Management Board acting jointly, or one member of the Management Board acting jointly with the proxy, or two proxies acting jointly;
  - 2) proxies acting within the limits of the Powers of Attorney received.

#### **IX. PROCEDURES FOR ISSUING INTERNAL REGULATIONS**

##### **§ 29.**

1. The following entities are authorized to issue the Bank's internal regulations:
  - 1) on issues requiring a decision of the General Shareholders' Meeting - the General Shareholders' Meeting, in the form of a resolution;
  - 2) on issues requiring a decision of the Supervisory Board - the Supervisory Board, in the form of a resolution;
  - 3) on issues requiring a decision of the Management Board and consent or approval of the Supervisory Board - the Management Board in the form of a resolution, in recognition of obtaining the required consent or approval;
  - 4) on issues requiring a decision of the Management Board and not requiring the consent or approval of another body - the Management Board in the form of a resolution;
  - 5) on current issues relating to the Bank's internal organization - the Chairman of the Management Board in the form of an ordinance.

## **X. PRINCIPLES FOR TAKING DECISIONS AT THE BANK**

### **§ 30.**

1. The decisions at the Bank are taken according to the following procedures:
  - 1) decisions on issues reserved for the General Shareholders' Meeting are taken in the form of resolutions of the General Shareholders' Meeting;
  - 2) decisions on issues reserved for the Supervisory Board are taken in the form of resolutions of the Supervisory Board;
  - 3) decisions on issues in respect of which in accordance with Regulations of the Management Board are voted and passed by the Management Board in the form of Management Board resolutions;
  - 4) decisions on issues on which the Management Board is not required to vote and pass respective resolutions and which in accordance with the Management Board Regulations were submitted for the competence of a particular member of the Management Board, shall be taken in the form of a decision by the respective member of the Management Board;
  - 5) decisions on issues not reserved for the competences of the Management Board or particular members of the Management Board shall be taken in the form of decisions taken by the Director of an appropriate level of the Bank's organizational structure, in accordance with the Organization Regulations referred to in § 33 clause 3 of this Memorandum of Association.
2. Decisions on incurring a liability or managing assets whose total value in respect of one entity exceeds 5% of the Bank's own funds shall be taken by the Management Board after the respective Management Board request has been approved by the Supervisory Board.

## **XI. MANAGEMENT SYSTEM**

### **§ 31.**

1. A management system operates in the Bank which constitutes a set of principles and mechanisms referring to decision-making processes which take place in the Bank and to assessing the banking activities performed.
2. The Bank's management system includes, in particular:
  - 1) the risk management system;
  - 2) the internal control system;
3. The Bank's Management Board designs, implements and ensures the operation of the management system.
4. The Bank's Supervisory Board supervises the implementation of the management system and assesses the adequacy and effectiveness of the system.



5. Under the risk management system the Bank:
  - 1) uses formalized policies aimed at determining the amount of risk taken and the principles for its management;
  - 2) uses formalized procedures aimed at identifying, measuring or assessing and monitoring the risk in respect of the Bank's operations, also taking into consideration the anticipated level of future risk;
  - 3) uses formalized limits to reduce risk and principles for proceeding in the event of exceeding the limits;
  - 4) uses the adopted management reporting system enabling monitoring the level of risk;
  - 5) has an organizational structure adapted to the Bank's risk level and profile.

## **XII. INTERNAL CONTROL SYSTEM**

### **§ 32.**

1. An internal control system operates in the Bank which is aimed at supporting decisionmaking processes which are aimed at assuring:
  - 1) effectiveness of the Bank's operations;
  - 2) reliability of financial reporting;
  - 3) compliance of the Bank's operations with the legal and internal regulations.
2. The internal control system covers:
  - 1) risk control mechanisms;
  - 2) investigating compliance of the Bank's operations with the legal and internal regulations;
  - 3) internal audit.
3. The internal control system covers the Bank's organizational units, its branches and subsidiaries.
4. The Supervisory Board supervises the implementation of the internal control system and assesses its adequacy and effectiveness to ensure the Bank's stable and prudent management.
5. The Management Board is responsible for developing internal control system procedures. The internal control system procedures have to be approved by the Supervisory Board.
6. A separate organizational unit is created within the Bank which conducts internal audits, the objective of which is to audit and assess, in an independent and unbiased way, the adequacy and effectiveness of internal controls and to provide an opinion on

the Bank's management system, including on the effectiveness of managing the Bank's inherent risks.

7. The internal audit unit reports directly to the Chairman of the Management Board. Taking decisions under the Bank's management system, the Management Board takes into consideration the results of the audits performed by the internal audit unit. The Bank's Management Board takes actions aimed at ensuring the uninterrupted and effective operation of internal controls, including proper cooperation of all the Bank's employees with the internal audit unit.
8. The manager of the internal audit unit submits to the Supervisory Board and to the Management Board periodically, at least once a year, information on irregularities noted and conclusions following from the internal audits conducted, and actions taken to remove the irregularities or to act upon the conclusions. The person managing the internal audit unit is entitled to participate in Management Board and Supervisory Board meetings where issues directly related to the tasks of the internal audit unit and supervision over internal controls are discussed. At least once a year the person managing the internal audit unit participates in Supervisory Board meetings at which the operations of the internal audit unit are discussed.
9. The Bank's Management Board determines the detailed principles of operation of the Bank's internal control system and the organization and scope of activities of the internal audit unit.

### **XIII. ORGANIZATIONAL STRUCTURE OF THE BANK**

#### **§ 33.**

1. The Bank has the following organizational entities:
  - 1) The Bank's Head Office which consists of Business Lines, Areas, Departments and Offices;
  - 2) Macro-regions;
  - 3) Regions;
  - 4) Branches;
  - 5) other organizational entities.
2. Permanent or ad-hoc committees operate within the Bank, of an advisory-opinion-giving nature and of a decision-taking nature, which are established on the basis of resolutions of the Bank's Management Board. Permanent committees comprise specifically the Asset-Liability Committee (ALCO) and the Bank's Credit Committee.
3. The Organizational Regulations of the Bank specify in detail the internal organization of the Bank; it is passed in the form of a Management Board resolution and approved by the Supervisory Board. In determining the Bank's organization and separation of duties performed at the Bank, the Management Board aspires to ensure the independence of the risk measurement, monitoring and control function from operating activities, from which the Bank's inherent risk stems.

## **XIV. THE BANK'S FUNDS**

### **§ 34.**

1. The Bank's own funds cover:
  - 1) the Bank's basic funds (Tier 1);
  - 2) the Bank's supplementary funds in an amount not exceeding the Bank's basic funds.
2. Basic funds include:
  - 1) core funds which comprise:
    - a) paid-up and registered share capital;
    - b) supplementary capital;
    - c) other reserves with the exclusion of all liabilities in respect of preference shares;
  - 2) additional items of basic funds which comprise:
    - a) the general banking risk reserve for unidentified operating risks;
    - b) unappropriated profit from prior years;
    - c) profit which is being approved and net profit for the current reporting period, calculated in accordance with the binding accounting regulations, net of all anticipated charges and dividends, in amounts no higher than the profit verified by registered auditors;
    - d) the Bank's other balance sheet items specified by the Polish Financial Supervision Authority;
  - 3) items decreasing basic funds, specified in the act - the Banking Law, in specific regulations issued on its basis and determined by the Polish Financial Supervision Authority.
3. Supplementary funds are established on the terms and conditions and according to the procedures specified in the act - the Banking Law and in specific regulations issued on its basis, and they comprise:
  - 1) the non-current non-financial asset revaluation reserve;
  - 2) subordinated liabilities established after obtaining the consent of the Polish Financial Supervision Authority.
4. The Bank may create special funds.
5. The Bank may isolate reserves for performing brokerage activities.

### § 35.

1. Special funds are established and released on the basis of a resolution of the General Shareholders' Meeting, unless the obligation to establish the fund follows from the act.
2. Regulations relating to special funds, supplementary capital and other reserves are passed by a resolution of the Supervisory Board at the request of the Management Board; this does not relate to the regulations on managing the Company Social Fund funds, which are passed by the Bank's Management Board in consultation with the company labour union organizations.

### § 36.

1. Supplementary capital is set up from annual deductions from net profit to offset balance sheet losses which may arise in connection with the Bank's operations.
2. Annual deductions from profit to supplementary capital should be no lower than 8% of the net profit and are made until the supplementary capital achieves an amount of at least 1/3 (one-third) of the Bank's share capital.

### § 37.

1. Decisions on using the supplementary capital shall be taken by the General Shareholders' Meeting.
2. Other reserves are set up from annual deductions from net profit in amounts passed by the General Shareholders' Meeting.
3. Other reserves are earmarked for offsetting particular losses and expenses.
4. Decisions on using other reserves shall be taken by the General Shareholders' Meeting.

### § 38.

The general banking risk reserve is set up from annual deductions from net profit in amounts passed by the General Shareholders' Meeting. The reserve is earmarked for unidentified banking risks.

## **XV. FINANCIAL MANAGEMENT POLICIES OF THE BANK, APPROPRIATION OF PROFIT, ACCOUNTING**

### § 39.

The Bank's financial management is conducted based on annual financial plans determined by the Bank's Management Board.

### § 40.

1. The Bank's net profit, in recognition of clause 3. below shall be earmarked, in the amount passed by the General Shareholders' Meeting, for:

- 1) supplementary capital;
  - 2) other reserves;
  - 3) the general banking risk reserve for unidentified operating risks;
  - 4) dividend for shareholders;
  - 5) other purposes.
2. The ex-dividend date and the dividend payment date are determined by the General Shareholders' Meeting.
  3. Losses which may result from or in relation to the Bank's operations shall be offset against supplementary capital in recognition of the principles following from the Act of 29 August 1997 - the Banking Law. Decisions on using the supplementary capital shall be taken by the General Shareholders' Meeting.

#### **§ 41.**

1. The Bank maintains books of account and prepares financial statements in accordance with the binding legal regulations.
2. Detailed accounting policies shall be determined by the Management Board.

#### **§ 42.**

The Bank's financial year is the calendar year.

### **XV. FINAL PROVISIONS**

#### **§ 43.**

1. The publications which are required from the Bank by provisions of the law shall be published in accordance with the legal regulations binding in that respect.
2. The provisions of § 12 clauses 1, 12 and 13, and § 13 clause 2 are binding as of the date of the Bank obtaining the status of a public company, and the provisions of § 9a and § 18 clause 4 as of the date of the Bank's first share quotation on the regulated market maintained by Giełda Papierów Wartościowych w Warszawie SA; the provisions of § 9a are binding on condition that the Bank's shares are admitted and launched for trading on the regulated market maintained by the WSE on 31 December 2012 at the latest.

#### **§ 2**

This resolution comes into force along with implementation of the demerger of Bank BPH Spółka Akcyjna with registered office in Gdańsk, on the basis of the resolution no 3/2016 of this Extraordinary General Meeting of Alior Bank.

*Re: item 7 of the Agenda*

**Resolution No. 5/2016  
of the Extraordinary General Meeting  
of Alior Bank Spółka Akcyjna  
held on 29 July 2016**

**On: changes in the composition of the Supervisory Board of the Bank.**

§ 1

Pursuant to article 385 § 1 of the Code of Commercial Companies and § 18 item 1 of the Bank's Articles of Association, the Extraordinary General Meeting of the Bank's Shareholders hereby references \_\_\_\_\_ from the composition of the Supervisory Board of the Bank.

§ 2

The Resolution shall enter into force on the date of its adoption.

**Resolution No. 6/2016  
of the Extraordinary General Meeting  
of Alior Bank Spółka Akcyjna  
held on 29 July 2016**

**On: changes in the composition of the Supervisory Board of the Bank.**

§ 1

Pursuant to article 385 § 1 of the Code of Commercial Companies and § 18 item 1 of the Bank's Articles of Association, the Extraordinary General Meeting of the Bank's Shareholders hereby appoints \_\_\_\_\_ as a member of the Supervisory Board of the Bank.

§ 2

The Resolution shall enter into force on the date of its adoption.