

RULES AND REGULATIONS OF
THE SUPERVISORY BOARD OF
POWSZECHNA KASA OSZCZĘDNOŚCI
BANK POLSKI SPÓŁKA AKCYJNA

- § 1. These Rules and Regulations set out the organisation and method of performance of duties by the Supervisory Board, hereinafter referred to as the “Board” or the “Supervisory Board”, to the extent not regulated in the Articles of Association of the Bank.
- § 2. The Board shall elect the Secretary of the Board from among its members in a secret ballot.
- § 3.1. The members of the Board shall:
- 1) participate in the meetings of the Board,
 - 2) perform the duties they were delegated to by the Board,
 - 3) keep secret:
 - a) the matters constituting professional or banking secret,
 - b) the matters related to the screening of candidates for the position of the President of the Management Board and members of the Management Board,
 - c) private affairs of members of the Supervisory Board and the Management Board,
 - d) the matters which the President of the Board or any member of the Board has requested to be treated as confidential,
 - e) the results of voting on resolutions adopted by the Board,
 - f) the votes cast by the individual members of the Board, and
 - g) the course of meetings of the Board.
2. A member of the Board shall not resign during the term of the Board should it prevent the functioning of the Board and in particular should it prevent adoption of an important resolution in due time.

§ 4. The scope of competence of the Supervisory Board, in addition to other matters reserved under the provisions of the Commercial Companies Code and the Articles of Association of the Bank, shall include:

- 1) considering information on all important matters related to the activities of the Bank and on the risk related to activities carried on and the methods of risk management obtained from the Management Board;
- 2) preparing concise evaluation of the Bank's situation for presentation to the Ordinary General Meeting.

§ 5.1. A member of the Supervisory Board shall notify the Management Board of acquisition or disposal of the shares of the Bank or derivatives and other financial instruments attaching to those shares or derivatives if the individual or total value of such transactions during the last 12 months exceeds the PLN equivalent of EUR 5,000.

2. A member of the Supervisory Board shall notify the Management Board of conclusion of transactions with the Bank or a subsidiary of the Bank if the individual value of such transactions exceeds the PLN equivalent of EUR 500,000.
3. The obligation referred to in item 1 and 2 above shall apply to transactions concluded by a member of the Supervisory Board personally, by his or her spouse, parents, relatives, relations by affinity to the second degree, an adoptee, an adoptive parent, other persons with whom the member of the Supervisory Board has personal relations as well as by an entity for which one of those persons is a dominant entity or a managing entity.

§ 6. A member of the Supervisory Board shall provide the Management Board, on the date of his or her appointment, with a short curriculum vitae with special regard to his or her personal, factual and organisational relations with the given shareholder of the Bank, for publication in accordance with the separate regulations. A member of the Supervisory Board shall also notify the Management Board of any change in his or her personal, factual and organisational relations with the given shareholder of the Bank.

§ 7.1. The work of the Board shall be managed by its Chairman and during his or her absence, the Vice-Chairman.

2. In order to facilitate the work of the Supervisory Board the Board may delegate the members of the Board to perform the specific supervisory functions at the Bank. The delegated members may establish ad hoc working groups responsible for analysing the individual aspects of the Board work.
3. The Supervisory Board may establish Permanent Committees the members of which shall perform their functions as members of the Supervisory Board delegated to perform the specific supervisory functions at the Bank. The detailed scope of activity of the given Committee shall be set forth in a resolution of the Supervisory Board.
4. The Supervisory Board may in particular establish the following Permanent Committees:
 - 1) the Remuneration Committee with the scope of duties including in particular:
 - a) considering matters concerning the principles of remunerating the members of the Management Board and the amounts of their remunerations and in particular determining the rates of remuneration, annual awards and special benefits;
 - b) presenting opinions regarding consent for the members of the Management Board to carry on competitive business or participate in a competitive company as a member of a private partnership, partnership or a member of a governing body of a company or participate in another competitive legal entity as a member of its governing body;
 - c) preparing recommendations for the Supervisory Board concerning the matters referred to in points a) and b).
 - 2) the Audit Committee with the scope of duties including in particular:
 - a) supervision over the proper implementation of the principles of financial reporting;
 - b) monitoring the work of the chartered auditors of the Bank;
 - c) presenting to the Supervisory Board recommendations as to appointing and remunerating the chartered auditors of the Bank;

- d) reviewing the interim and annual financial statements of the Bank (individual and consolidated) with special regard to:
 - all changes in the accounting standards, principles and practices;
 - the main areas subject to evaluation,
 - significant adjustments resulting from audit;
 - declarations of continued operation,
 - compliance with the applicable laws and regulations on book-keeping,
 - e) discussing all problems, reservations and doubts resulting from audit of the financial statements,
 - f) analysing letters of the chartered auditor to the Management Board and response of the Management Board to that letter,
 - g) preparing recommendations for the Supervisory Board concerning evaluation of motions of the Management Board as to the distribution of profit (including, in particular, the dividend policy) and issuing securities,
 - h) reviewing the management accounting system,
 - i) performing other advisory and opinion-forming functions in favour of the Supervisory Board as regards financial audit of the Bank.
5. In the event of establishment of other Permanent Committees, under item 3, each Permanent Committee should elect its Chairman from among its members.
6. Meetings of the Permanent Committees referred to in item 3 shall be convened by the Chairman of the Permanent Committee on its own initiative, at the request of a member of the Permanent Committee or the Chairman of the Supervisory Board, except for the first meeting of the Permanent Committee which shall be convened by the Chairman of the Supervisory Board.

- § 8.1. Apart from the duties stemming from the provisions of law and the Articles of Association the Supervisory Board shall consider and present its opinion on all matters brought before the General Meeting by the Management Board.
2. The Supervisory Board may obligate the Management Board to procure an expert evaluation or an opinion.

§ 9.1. The meetings of the Supervisory Board convened at the request of a member of the Supervisory Board or the Management Board shall be held not later than ten days of the date of submission of the relevant request.

2. Meetings of the Board shall be chaired by the Chairman of the Board or, during his or her absence, the Vice-Chairman of the Board who shall enjoy all rights of the Chairman of the Board set out in these Rules and Regulations.

§ 10.1. The notice of scheduled meeting of the Board together with agenda and materials shall be sent – by courier, registered mail, fax or e-mail – at least seven days prior to its date. In justified circumstances the Chairman of the Board may shorten that period. The information materials concerning the matters on the agenda and the draft resolutions shall be sent together with the notice of convening the meeting of the Board. In emergency this period may be shortened by the Chairman of the Board and the documents may be sent successively.

2. Motions of the members of the Supervisory Board and the Management Board shall be included in the agenda provided they were obtained prior to the sending of the agenda.
3. The agenda of meeting of the Board shall not be changed or supplemented in the course of the relevant meeting. This shall not apply when all members of the Supervisory Board are present at the meeting and they consent to changing or supplementing the agenda, the Supervisory Board must take specific actions in order to protect the Bank from suffering a loss as well as when the purpose of the intended resolution is verification whether there exists a conflict of interest between a member of the Board and the Bank.

§ 11.1. The members of the Management Board may participate in the meetings of the Supervisory Board, apart from the matters concerning directly the Management Board or its members, in particular dismissing, liability or determination of remuneration of members of the Management Board.

2. The employees of the Bank competent in relation to the given matter may participate in the meetings of the Supervisory Board at the motion of the Chairman of the Supervisory Board or the President of the Management Board

3. The Chairman of the Supervisory Board may invite persons not being employees of the Bank to participate in the entire meeting of the Board or any part thereof.

§ 12.1. The meetings of the Board shall be chaired by its Chairman.

2. Upon opening a meeting of the Board the Chairman of the Board presents the proposed agenda and submits it to voting.
3. Upon adopting the agenda the Chairman of the Board shall open and conduct discussion over individual issues.
4. Those participating in the discussion shall take floor in the order of requests for the floor.
5. The Chairman of the Board may give floor in the matters of formal requests disregarding the order of requests for the floor.
6. The formal motions shall be the motions regarding the conducting of and voting at the meeting of the Board, and in particular motions to:
 - 1) change the agenda,
 - 2) order breaks not included in the agenda,
 - 3) order a secret ballot,
 - 4) close the discussion.
7. Adopting the formal motions referred to in item 7 shall require the simple majority of votes cast by the members of the Board present at its meeting.

§ 13.1. Decisions and positions – apart from the formal motions – shall be made by the Supervisory Board in the form of resolutions in the presence of at least half of all members of the Supervisory Board, including the Chairman or the Vice-Chairman.

2. Resolutions may be adopted if all the members of the Board were invited.
3. The Supervisory Board shall adopt its resolutions in an open vote. The Chairman of the Board shall order a secret ballot at the request of at least one member of the Board.
4. The condition of adopting resolution by an absolute majority of votes provided for in the Deed of Association shall be deemed satisfied if the number of votes cast in favour of adopting the given resolution exceeds half

of the validly cast votes. Abstaining shall be deemed as voting against a motion.

5. Those voting against a resolution may request that their dissenting vote be recorded in the minutes.
 6. The draft resolutions may be amended during a meeting of the Board.
 7. When amendments are notified, the Board shall vote on accepting the notified amendments and then the draft resolution with the accepted amendments.
 8. Following voting the Chairman of the Board shall announce the results at the meeting of the Board.
 9. A member of the Supervisory Board shall notify the other members of the Board of any existing conflict of interest and shall abstain from taking the floor and voting on adopting a resolution concerning the matter to which the conflict of interest pertains.
- § 14.1. The Board shall adopt resolutions by circulation at the motion of the Chairman or Vice-Chairman of the Board.
2. The draft resolutions referred to in item 1 shall be delivered to the members of the Board at least 5 days prior to the lapse of the period of time for presenting a written position when the draft resolution is provided.
- § 15.1. A meeting of the Board shall be recorded in the form of minutes.
2. The minutes referred to in item 1 shall be approved by the Board at its next meeting. The minutes shall be signed by the Chairman of the Board, the recording clerk and the members of the Board present at its meeting.
 3. The minutes of a meeting of the Board shall include:
 - 1) the title, number, date and place of the meeting,
 - 2) the agenda,
 - 3) presentation of the course of the meeting, including:
 - a) the titles of resolutions adopted and the deadlines for their implementation,
 - b) the number of votes cast in favour and against the individual resolutions,

- c) the dissenting votes requested by the members of the Board to be recorded, concerning the resolutions adopted at that meeting of the Board together with reasons,
 - d) the elements of discussion, should the members of the Board request so,
- 4) a note stating that prior to the holding of the meeting recorded by way of those minutes the Board adopted resolutions by circulation,
 - 5) the list of materials submitted for the meeting,
 - 6) the names and family names of the members of the Board and the other persons participating in the meeting.
- 4. The originals of materials discussed at the meeting of the Board and the resolutions adopted by the Board shall be attached to the original of the minutes.
 - 5. The originals of the minutes with the attachments thereto shall be safe-kept at the Headquarters of the Bank and the copies of the minutes and resolutions shall be sent to the members of the Supervisory Board, the members of the Management Board and other persons specified by the Chairman of the Board in 14 days of being approved by the Board.
- § 16.1. The members of the Board shall receive remuneration for participating in its works in the amounts and on the principles determined by the General Meeting.
- 2. The members of the Board shall be reimbursed for the costs incurred in the course of performance of their duties set out in these Rules and Regulations.
- § 17.1. The costs of functioning of the Board shall be covered by the Bank in accordance with the agreed cost plan.
- 2. The Board shall use the office space, facilities and materials of the Bank.
 - 3. The Bank shall provide the administrative and technical services to the Board.