

**RESOLUTION No. /2020
of the Annual General Meeting of
Powszechna Kasa Oszczędności
Bank Polski Spółka Akcyjna
of 26 August 2020**

**on the amendments to the Articles of Association of Powszechna Kasa Oszczędności Bank Polski
Spółka Akcyjna**

Acting on the basis of Article 430 § 1 of the Commercial Companies Code, the Annual General Meeting adopts the following:

§ 1.

The Articles of Association of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna shall be amended as follows:

1) in § 15, section 1, item 5 shall read as follows:

“5) appointing and dismissing, by secret ballot, the President of the Management Board and, at his or her request, Vice-Presidents and members of the Management Board,”;

2) in § 15, section 1, item 10 shall read as follows:

“10) approving the following strategies, policies, rules and regulations adopted by the Management Board:

- a) Bank’s Strategy;
- b) Risk management strategy;
- c) Bank management strategy;
- d) Dividend policy;
- e) Remuneration policy;
- f) Policy on estimating internal capital and capital management and reviewing the strategies and procedures for estimating internal capital and capital management;
- g) Bank’s Compliance policy;
- h) Rules of operation of the internal control system;
- i) Rules of managing special funds created from the net profit;
- j) Organizational Regulations of the Bank;
- k) Regulations of the Management Board,”

3) in § 17, section 4 shall read as follows:

“4. The Supervisory Board may adopt resolutions in writing (by circulation) or using means of direct remote communication, except for resolutions on the matters referred to in § 15, section 1, items 1-2, 4-6, 10 letters a-b and 16. A resolution shall be valid when all members of the Supervisory Board have

been informed in advance about the content of the draft resolution and at least half the members of the Supervisory Board, including the Chairman or the Deputy Chairman of the Supervisory Board, have taken part in the vote on the resolution.”;

4) in § 17, section 5 shall read as follows:

“5. Resolutions adopted in accordance with the procedure set out in section 4 outside the meeting shall be presented at the next meeting of the Supervisory Board together with the result of the vote.”;

5) in § 23, section 1 shall read as follows:

“1. The President of the Management Board shall, in particular:

- 1) manage the work of the Management Board;
- 2) convene and preside over the meetings of the Management Board;
- 3) present the position of the Management Board to the governing bodies of the Bank and in external relations;
- 4) (deleted);
- 5) ensure the implementation of the resolutions of the Management Board;
- 6) issue regulations;
- 7) present requests to the Supervisory Board regarding the appointment and dismissal of Vice-Presidents and members of the Management Board;
- 8) make decisions concerning staffing of the positions reserved for his or her competence.”;

6) in § 27, section 3 shall read as follows:

“3. An internal audit unit and a compliance unit shall be independent and shall report directly to the President of the Management Board.”

7) in § 29, section 1 shall read as follows:

“1. The Bank’s supplementary capital shall be created through the annual appropriation of net profit carried out until the said capital reaches at least one-third of the share capital and shall be used to offset the accounting losses which may arise in connection with the Bank’s activities. The supplementary capital may also be used for other purposes, in particular for increasing the share capital.”;

§ 2.

The Supervisory Board shall be authorized to draw up the consolidated text of the Articles of Association of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna including the amendments referred to in § 1 of this Resolution.

§ 3.

This resolution shall come into force as of the date of its adoption.

Rationale

to the draft resolution on the amendments to the Articles of Association of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna

The draft amendment to the Articles of Association of Powszechna Kasa Oszczędności Bank Polski S.A. as regards the above-mentioned:

- items 1-5 – the proposed solution meets the expectations placed on financial institutions subject to public oversight as regards ensuring the stable and secure development of the institutions they manage, among other things, by ensuring the development and implementation of the principles of effective and prudent management of an institution and the policy on the suitability of members of the management body and the key function holders and, in consequence, the proposed solution will enable the President of the Management Board to exert active influence on determining the composition of the Bank's Management Board in a manner which takes into account the requirements set for the Bank in this regard;
- item 2 – is a reflection of the requirements of § 6, section 1 and § 34 of the Regulation of the Minister of Development and Finance of 6 March 2017 on the risk management system and the internal control system, remuneration policy and detailed conditions for estimation of internal capital by banks (Journal of Laws of 2017, item 637);
- items 3 and 4 – is a reflection of the amendment to the Commercial Companies Code as regards the rules for adopting resolutions in writing (by circulation) and using means of direct remote communication, including resolutions on matters in which the Articles of Association provide for a secret ballot;
- item 6 – is the implementation of the recommendations of the Polish Financial Supervision Authority following the inspection in 2019;
- item 7 – is to eliminate doubts over the interpretation of the provisions of § 29, section 1 as regards the rules for making transfers to the supplementary capital;

The proposed amendments to the Bank's Articles of Association require the consent of the Polish Financial Supervision Authority.

The project of the resolution has received the positive opinion of the Supervisory Board.