

## Report 1/2016: on incidental breach of the Best Practice

According to Article 29.3 of the Warsaw Stock Exchange Rules Powszechna Kasa Oszczędności Bank Polsk Spółka Akcyjna publishes the report on one-off non-application detailed rules stipulated in the Best Practice 2016. General Meeting, Shareholder Relations

IV.Z.17. A resolution of the general meeting concerning a conditional dividend payment may only contain such conditions whose potential fulfilment takes place before the dividend record date. The principle was breached incidentally. Comments of the Company on incidental breach of the principle: The Management Board of PKO Bank Polski S.A. ("Bank") hereby informs that the Annual General Meeting of the Bank taking place on 30 June 2016 ("AGM") adopted the resolution on the distribution of the profit for the year 2015 according to which dividend will be paid if not later than on 8 December 2016 (inclusive) the conditions described in the resolution will be jointly fulfilled ("Fulfilment of the Dividend Conditions").

The AGM as adopted September 30, 2016 as dividend day. AGM adopted the 9 December 2016 as the latest date, on which the fulfilment or a failure to fulfil the dividend conditions shall be established. The dates specified for the fulfilment of the conditions provided for in the resolution were set in a manner that allows the Bank to carry out the necessary analysis, as well as with taking into account possible time limits for announcement of new supervisory requirements for own funds, and allowing determination of their impact on the levels of capital adequacy ratios recognized in the financial statements of the Bank for Q3 2016, which is necessary in order to establish the Fulfilment of the Dividend Conditions, or a lack thereof.

The above determines the indication of the dividend payment date. The dividend payment date may not be earlier than the date which will be reliable for the verification of the fulfilment or non-fulfilment of the conditions on which the payment depends.

Having that in mind, the dividend payment date was set for 20 December 2016. Accordingly, the Bank decided not to apply of one-off rule stipulated in Section IV.Z.17 of Best Practice for WSE Listed Companies 2016 according to which: "A resolution of the general meeting concerning a conditional dividend payment may only contain such conditions whose potential fulfilment takes place before the dividend record date."