

**RESOLUTION No. /2023
of the Annual General Meeting of
Powszechna Kasa Oszczędności
Bank Polski Spółka Akcyjna
of 21 June 2023**

**on 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 are hereby amended as follows:

1. the following point e is added in § 4(2)(15) after point d:
“(e) executing orders to buy or sell financial instruments on behalf of the client.”;
2. § 7(4) shall read as follows:
“4. The acquisition of own shares by the Bank with a view to redeeming such shares shall require a resolution of the General Meeting and consent of the Polish Financial Supervision Authority.”.

§ 2.

The Supervisory Board is hereby authorised to prepare the consolidated text of the Articles of Association of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna, taking into account the amendments referred to in § 1 hereof.

§ 3.

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

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

On 27 May 2022, the Office of Polish Financial Supervision Authority (“PFSA Office”) sent a letter to the Management Boards of commercial banks (ref.: DBK-DBK6A.7111.1.2022.EP), in which banks operating in the form of joint-stock companies were obliged to review the articles of association with regard to the existence of provisions concerning the buyback of own shares in the articles of association of these banks

and, if necessary, to make appropriate amendments in this respect. Moreover, the PFSA Office placed special emphasis on the need to literally reflect, in the wording of the banks' articles of association, the obligation to obtain the consent of the Polish Financial Supervision Authority for the buyback of own shares.

The PFSA Office pointed out that *“There is no doubt that banks are aware of the need to obtain the consent of the PFSA for carrying out the process of cancellation or buyback of shares, but in order to comprehensively regulate the issue in the bank’s articles of association and to ensure its full compliance with the CRR provisions, it is advisable for banks to introduce in their articles of association a provision indicating that the buyback and/or cancellation of shares (and therefore reduction of CET1 share capital) requires the consent of the PFSA. The provisions of the articles of association of the bank, as an institution of public trust, should not leave any doubts as to compliance of actions taken by the Bank’s bodies with legal regulations. The PFSA believes that having general provisions in the articles of association, indicating the agreement on or consultation of buyback or cancellation of shares with the supervisory authority, is insufficient and does not meet the above requirement.”*

In response to the said letter from the PFSA Office, the Bank confirmed that it had been and still was aware of its obligation to obtain the consent from the supervisory authority for actions related to buyback and cancellation of own shares. At the same time, the Bank declared it would take action in order for one of its subsequent general meetings to make the necessary amendments to the articles of association in 2023 at the latest. Thus, the submitted resolution constitutes implementation of the above declaration and fulfilment of the expectations of the PFSA Office.

Point e is added in § 4(2)(15) of the Bank’s Articles of Association after point d. The purpose of this amendment is to adapt the provisions on activities performed by the Bank as the object of the Bank’s operations. The amendment results from Recommendation A issued in October 2022 by the Polish Financial Supervision Authority, concerning management of risk related to derivative operations by banks. In accordance with the aforesaid recommendation, the conclusion by an investment firm of a transaction service on its own behalf, referred to in Article 69(2)(3) of the Act on trading in financial instruments,¹ *should be considered execution of clients’ orders*. Therefore, it is necessary to implement a new order execution service (Article 69(2)(2) of the Act on trading in financial instruments), which involves an amendment to the Bank’s Articles of Association. So far, the object of the Bank’s activity has not enabled the provision of the service of executing orders to buy or sell financial instruments on behalf of the client.

According to Recommendation A issued by the Polish Financial Supervision Authority in October 2022, *conclusion of transactions with clients by an investment firm on its own behalf should be considered execution of clients’ orders*. This amendment to the Articles of Association changes the qualification of the services provided in accordance with the applicable Recommendation. The Bank, as a financial institution, keeps track of the recommendations prepared by the Polish Financial Supervision Authority as a source of information on how to understand legal regulations and on the significance of the condition of prudent and

¹ Act of 29 July 2005 on trading in financial instruments (Journal of Laws of 2005 No. 183, item 1538, as amended)

stable bank management. Recommendations issued by the Polish Financial Supervision Authority as general and abstract acts are considered a means of supervision over the banking market, containing interpretation of provisions and clarification of insufficiently defined terms. In view of being indirectly bound by the Recommendation, the Bank adjusts the provisions of the Articles of Association to the amended content.

The possibility to provide services involving execution of orders to buy or sell financial instruments on behalf of the client provided for in Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments (MIFID II). Pursuant to Article 4(1)(5), *“execution of orders on behalf of clients” means acting to conclude agreements to buy or sell one or more financial instruments on behalf of clients and includes the conclusion of agreements to sell financial instruments issued by an investment firm or a credit institution at the moment of their issuance.* The execution of orders on behalf of clients is also described in Annex I. to MIFID II – List of services and activities and financial instruments, in Section A Investment services and activities. Moreover, pursuant to Article 73(2) of the Act on trading in financial instruments, *“executing orders to buy or sell financial instruments may also consist in concluding agreements to buy or sell financial instruments by the investment firm on its own behalf with the client (...)”.*

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