

**RESOLUTION No. /2016
of the Annual General Meeting
of Powszechna Kasa Oszczędności
Bank Polski Spółka Akcyjna
of 30 June 2016**

on approving the Rules and Regulations of the Supervisory Board of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna

Pursuant to § 9.1.2 of the Bank's Articles of Association, the Annual General Meeting adopts the following:

§ 1.

The Annual General Meeting approves the Rules and Regulations of the Supervisory Board of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna as adopted under resolution No. 46/2016 of the Supervisory Board of 2 June 2016 concerning the Rules and Regulations of the Supervisory Board.

§ 2.

The resolution shall come into force on the day of its adoption.

Rationale

of the draft resolution on approving the Rules and Regulations of the Supervisory Board of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna

The Rules and Regulations of the Supervisory Board of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna as adopted under resolution No. 46/2016 of the Supervisory Board of 2 June 2016 contain the following modifications compared with the current Rules and Regulations of the Supervisory Board approved by the Annual General Meeting:

- 1) **§ 1.1** - Item 1 has been clarified by citing in the Rules and Regulations the title of the document "Best Practice for WSE-Listed Companies 2016", and an editorial amendment has been made in point 11).
- 2) **§ 3.1** - Amendments are suggested concerning the considering of and issuing opinions by the Supervisory Board on matters put by the Management Board on the agenda of the General Meeting. According to the currently effective Rules and

Regulations of the Supervisory Board, the Supervisory Board reviews and issues opinions on matters put on the agenda of the General Meeting by the Management Board. The amendment relates to the rule expressed in section II.Z.11 of the Best Practice for WSE-Listed Companies 2016 according to which the Supervisory Board shall review all the matters to be the subject of resolutions by the General Meeting. However, the draft regulations propose an option for the Supervisory Board to abstain from reviewing and giving opinions on matters solely related to the Supervisory Board or the Members of the Supervisory Board as well as any business put on the agenda by the shareholders after the General Meeting has been convened. Such an abstention by the Supervisory Board from reviewing and giving an opinion on a given matter shall be the subject of a relevant report concerning one-off non-observance of the rule stipulated in section II.Z.11 of the Best Practice for WSE-Listed Companies 2016 with a justification referring to premises shown in proposed provisions of the Rules and Regulations. The amendments to § 3.1. are correlated with the pertinent amendments suggested in the Articles of Association and the Rules and Regulations of the General Meeting.

- 3) **§ 3.3** - The aim of this amendment is to implement the rule expressed in section II.Z.10 of the Best Practice for WSE-Listed Companies 2016.
- 4) **§ 4.1.3 b)** - A clarifying amendment: the President of the Management Board is a member of the Management Board.
- 5) **Deletion of the present § 5** - This provision was a reflection of the relevant provisions of the Best Practice for WSE-Listed Companies effective until 31 December 2015. The matter of reporting on the independence criteria has been regulated in draft § 5.1 of the Rules and Regulations of the Supervisory Board (former § 6.1).
- 6) **§ 5.1 (renumbered)** - Due to the expected abrogation of the Regulation of the Minister of Finance on current and periodic disclosures to be made by issuers of securities and the conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state, a general reference has been made to laws and regulations concerning disclosures by issuers of securities. In addition, the clause regarding the independence criteria has been

clarified by adding a reference to the Best Practice for WSE-Listed Companies 2016.

7) § 6 (renumbered) - The following amendments have been suggested:

- addition in the Rules and Regulations of the Supervisory Board of explicit authorisation for the Chairman to represent the Supervisory Board vis-a-vis the other governing bodies of the Bank, the regulators and other parties;
- deletion of the phrase “whose members function as Members of the Supervisory Board delegated to perform specific supervisory duties within the Bank” - so as to avoid doubts that now - because of the well-established in the regulations the position of the Supervisory Board’s committees - the appointment to the Supervisory Board’s committee does not mean the delegation to the permanent individual supervision;
- the risk committee has been added, the establishment of which in a major bank is required by the Act of 29 August 1997 “Banking Law”;
- the specific stipulations regarding to the business of the Supervisory Board’s committees have been deleted; said stipulations may be included in the rules and regulations of each respective committee of the Supervisory Board;

8) § 7 (renumbered) - The aim of the amendment is to emphasise that the Supervisory Board has the right to engage the services of advisors and experts at any time.

9) § 12.5 and § 13.3 (renumbered) - The provisions of the Rules and Regulations of the Supervisory Board concerning the option to cast an “abstaining” vote have been clarified.

10) § 14.8 (renumbered) - The language has been harmonized with the current wording of the Articles of Association and the draft amendments thereto.

A draft of the Rules and Regulations of the Supervisory Board as amended has been attached to this justification, highlighting the modifications made in the current version of the document approved by the General Meeting.

The resolution has received the approval of the Supervisory Board.