

**ARTICLES OF ASSOCIATION  
POWSZECHNA KASA OSZCZĘDNOŚCI  
BANK POLSKI SPÓŁKA AKCYJNA**

**I. General Provisions -----**

**§ 1**

1. Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna, hereinafter referred to as the “**Bank**”, is a bank operating pursuant to the generally applicable laws and regulations as well as these Articles of Association and in keeping with its national character. -----
2. The founder of the Bank is the Polish State Treasury.-----

**§ 2**

1. The Bank shall operate under the name of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna. -----
2. The Bank may use the following abbreviated names: Powszechna Kasa Oszczędności Bank Polski S.A., PKO Bank Polski S.A. and PKO BP S.A.-----

**§ 3**

1. The registered office of the Bank shall be in the capital city of Warsaw. -----
2. The Bank shall operate in the territory of the Republic of Poland and abroad. -----
3. The Bank may open branches, representative offices and other units in Poland and abroad. -----

**II. Scope of the Bank’s Business -----**

**§ 4**

1. The Bank’s scope of business shall comprise the following banking activities:-----
  - 1) accepting cash deposits payable on demand or at agreed maturity and keeping bank accounts for such deposits;-----

- 2) keeping other bank accounts;-----
- 3) granting credit facilities; -----
- 4) granting loans;-----
- 5) issuing and confirming bank guarantees and opening and confirming letters of credit;-----
- 6) carrying out bank settlements; -----
- 7) executing transactions in cheques, bills of exchange, and warrants; -----
- 8) issuing bank securities;-----
- 9) issuing payment cards and executing payment card transactions;-----
- 10) executing forward transactions;-----
- 11) acquiring and selling cash claims; -----
- 12) issuing electronic money instrument; -----
- 13) activities related to securities issues; -----
- 14) safekeeping of valuables and securities and providing safe deposit facilities;---
- 15) performing banking activities to the order of other banks; -----
- 16) operating housing savings schemes;-----
- 17) buying and selling foreign exchange values;-----
- 18) acting as an intermediary in money transfers and settlements in foreign exchange transactions; -----
- 19) issuing and confirming sureties. -----

2. In addition to the activities referred to in Par. 4.1 above, the Bank's scope of business shall include: -----

- 1) providing services related to treasury loans and bonds; -----
  - 2) borrowing money in the form of credit facilities and loans; -----
  - 3) accepting guarantees and sureties; -----
  - 4) carrying out brokerage activities in accordance with the principles set out in the generally applicable laws and regulations; -----
  - 5) providing financial services in respect of customer acquisition within the meaning of the Act on Organisation and Operation of Pension Funds; -----
  - 6) acting as a depositary pursuant to the provisions of the Act on Organisation and Operation of Pension Funds; -----
  - 7) trading in securities issued in Poland or abroad, within the scope and in accordance with the principles set out in the generally applicable laws and regulations, and operating a depositary of such securities; -----
  - 8) operating school savings schemes; -----
  - 9) providing fiduciary services; -----
  - 10) providing insurance agency services; -----
  - 11) providing consulting and advisory services relating to financial matters; -----
  - 12) providing services consisting in transport of valuables; -----
  - 13) arranging finance lease transactions and providing related services; -----
  - 14) buying and selling shares and claims for its own account and providing factoring services. -----
3. In addition, the Bank may: -----
- 1) subscribe for or acquire shares or rights attached to shares as well as equity interests in other legal entities, and acquire investment fund units; -----
  - 2) invest cash in domestic and foreign securities; -----

- 3) acquire and dispose of real estate and movable property, and rent or lease such real estate or property; -----
- 4) provide financial, settlement and advisory services in respect of financial market instruments;-----
- 5) trade in securities;-----
- 6) assume obligations related to securities issues; -----
- 7) convert liabilities into the debtor's assets, on terms and conditions agreed with the debtor.-----

## § 5

The Bank may commission banks or other entities to perform activities falling within its scope of business and may provide financial services to other entities. -----

### III. Share Capital -----

## § 6

1. The share capital of the Bank amounts to PLN 1,000,000,000 (say: one billion zlotys) and is divided into 1,000,000,000 (say: one billion) shares having the nominal value of PLN 1 (say: one zloty) each, including: -----
  - 1) 510,000,000 (say: five hundred and ten million) series A registered shares bearing numbers from A 000000001 to A 510000000;-----
  - 2) 105,000,000 (say: one hundred and five million) series B bearer shares bearing numbers from B 000000001 to B 105000000;-----
  - 3) 385,000,000 (say: three hundred and eighty-five million) series C bearer shares bearing numbers from C 000000001 to C 385000000. -----
2. Any conversion of series A shares into bearer shares and transfer of these shares shall require approval by way of a resolution of the Polish Council of Ministers. Any conversion of series A shares into bearer shares or transfer of series A shares upon obtaining such approval shall result in the expiry of the restrictions provided for in the preceding sentence in respect of the shares that are subject to such conversion or transfer, to the extent such approval has been granted. -----
3. Subject to Art. 28.2 of the Banking Law, a conversion of bearer shares into registered

shares shall not be allowed. -----

## § 7

1. The shares of the Bank may be redeemed only upon shareholder's consent. -----
2. The redemption of shares shall require a reduction of the share capital and may be funded only from net profit. Shares shall be redeemed against consideration. -----
3. The redemption procedure and the amount of consideration for the shares to be redeemed shall be specified in a resolution of the General Meeting. -----
4. The acquisition of own shares by the Bank with a view to redeeming such shares shall require a resolution of the General Meeting. -----

## IV. Governing Bodies of the Bank -----

## § 8

The governing bodies of the Bank shall be: -----

- 1) the General Meeting; -----
- 2) the Supervisory Board; -----
- 3) the Management Board. -----

## General Meeting -----

## § 9

1. The scope of competence of the General Meeting, in addition to other matters reserved under the generally applicable laws and regulations or the provisions of these Articles of Association, shall include adopting resolutions on the following matters: -----
  - 1) appointing and dismissing members of the Supervisory Board in accordance with Par. 11; -----
  - 2) approving the Rules and Regulations of the Supervisory Board; -----
  - 3) specifying the procedure for redemption of shares and the amount of

consideration for the shares to be redeemed;-----

- 4) creation and liquidation of special funds created from net profit;-----
  - 5) disposal by the Bank of the real estate it uses in its operations or the right of perpetual usufruct of such real estate;-----
  - 6) issuing bonds convertible into shares or other instruments conferring the right to acquire or subscribe for the shares of the Bank.
2. Any matters brought before the General Meeting should be first presented by the Management Board to the Supervisory Board for its consideration and opinion, in accordance with the Rules and Regulations referred to in Par. 14. -----
  3. Draft resolutions proposed for adoption by the General Meeting and other relevant materials should be presented to the shareholders together with the rationale and opinion of the Supervisory Board prior to the General Meeting at such time as to enable the shareholders to review and assess them. -----

## § 10

1. The General Meeting shall be held at the registered office of the Bank or at another location in the territory of Poland as indicated in the notice convening the General Meeting. -----
2. The General Meeting shall adopt its Rules.-----
3. The General Meeting shall adopt its resolutions by an absolute majority of votes, unless the generally applicable laws and provisions or these Articles of Association provide otherwise.-----
4. Removal or refraining from consideration of an item included in the agenda of the General Meeting at the request of shareholders shall require a resolution adopted by the majority of three quarters of votes, upon prior consent of all the shareholders present at the General Meeting who requested that such item be included in the agenda.

**Supervisory Board**-----

## § 11

1. The Supervisory Board shall consist of 6 (say: six) to 11 (say: eleven) members appointed for a joint term of three years. The number of members of the Supervisory Board shall be set by the Authorised Shareholder (as defined below), also in the case when a motion for election of the Supervisory Board by voting in separate groups is presented. -----
2. The members of the Supervisory Board shall be appointed and dismissed by the General Meeting. Only a shareholder who, individually and in its own name, is authorised to exercise the voting rights under the largest number of shares in the share capital of the Bank at the General Meeting that elects the members of the Supervisory Board, hereinafter referred to as the “**Authorised Shareholder**”, shall have the right to nominate a certain number of members of the Supervisory Board, such number to be calculated in accordance with the formula specified in Par. 11.3 below. Candidates for the remaining members of the Supervisory Board may be nominated by all shareholders, including the Authorised Shareholder. -----
3. The number of members of the Supervisory Board who may be nominated only by the Authorised Shareholder shall be calculated in accordance with the following formula:

$$L = 11 \times U \text{ -----}$$

where: -----

*L* - stands for the number of the Supervisory Board members who may be nominated by the Authorised Shareholder, save that in the event that *L* is not an integer, the number of the Supervisory Board members equals *L* rounded up to the next integer, provided that the total number of the Supervisory Board members to be nominated by the Authorised Shareholder must not be greater than 8 (say: eight); -----

*U* - stands for the stake of the Authorised Shareholder in the share capital of the Bank, calculated as the number of shares under which the Authorised Shareholder may exercise voting rights at the General Meeting that elects the members of the Supervisory Board, divided by the total number of shares in the share capital of the Bank existing at the date of such General Meeting. -----

4. In the event that the General Meeting appoints a smaller number of members than the number calculated using the formula set out in Par. 11.3 above, the Authorised Shareholder shall have the right to put forward candidates and demand that they be put subsequently to vote at the same General Meeting, with the proviso that the number of such candidates cannot be larger than double the difference between the number of the Supervisory Board members calculated in accordance with the formula set out in 11.3 above and the number of the Supervisory Board members appointed from among the candidates previously put forward by the Authorised Shareholder. -----
5. Nominations for members of the Supervisory Board shall be submitted to the Management Board, provided that if a nomination is submitted at the General

Meeting that is to elect the Supervisory Board, such nomination, in order to be valid, should be submitted to the Chairman of the General Meeting immediately after he or she is elected, however not later than prior to the beginning of the vote on election of the Supervisory Board members. Each nomination shall be voted on individually. The Supervisory Board shall consist of the individuals who receive the largest numbers of votes, provided, however, that such number represents at least the ordinary majority of the votes cast. -----

6. Should the mandate of a member of the Supervisory Board expire, the Management Board shall promptly convene the General Meeting in order to supplement the composition of the Supervisory Board.-----

## **§ 12**

1. The Chairman and the Vice-Chairman of the Supervisory Board shall be appointed by the Authorised Shareholder from among the elected members of the Supervisory Board, also in the case when the Supervisory Board is elected by voting in separate groups.
2. The Supervisory Board may elect a Secretary from among its members.-----

## **§ 13**

Members of the Supervisory Board who are delegated to perform individually certain supervisory functions shall be obliged to present a written report to the Supervisory Board on performance of such functions.-----

## **§ 14**

The Supervisory Board shall operate pursuant to its Rules and Regulations as adopted by the Supervisory Board and approved by the General Meeting.-----

## **§ 15**

1. In addition to the rights and obligations provided for in the generally applicable laws and regulations and the provisions of these Articles of Association, the Supervisory Board shall adopt resolutions on the following matters: -----
  - 1) approving the strategy of the Bank adopted by the Management Board;-----
  - 2) approving the annual financial plan adopted by the Management Board;-----
  - 3) appointing an auditing firm to audit or review the consolidated and separate financial statements of the Bank, approving conclusion of agreements with such auditing firm or its subsidiaries, controlled entities or parent entities, or the subsidiaries or controlled entities of such auditing firm's parent entities, and performance of any other acts that may adversely affect the independence of such auditing firm in performing the audit or review of the financial statements of the Bank;-----
  - 4) adopting the Rules and Regulations of the Supervisory Board; -----

- 5) adopting the Rules defining the principles of granting credit facilities, loans, bank guarantees and sureties to the members of the Management Board or the Supervisory Board of the Bank and persons holding managerial positions at the Bank, as well as to the entities linked by participation or control to the members of the Management Board or the Supervisory Board and persons holding managerial positions at the Bank in accordance with Art. 79a of the Banking Law; -----
- 6) adopting the Rules concerning utilisation of the reserves; -----
- 7) appointing and dismissing the President of the Management Board by secret vote; -----
- 8) appointing and dismissing by secret vote the Vice-President 1st Deputy President, the Vice-Presidents and other members of the Management Board, upon a motion of the President of the Management Board; -----
- 9) suspending, for a good reason, any or all members of the Management Board from their duties, and delegating the members of the Supervisory Board, for up to three months, to temporarily perform the duties of members of the Management Board who have been dismissed, have resigned or are unable to perform their duties for other reasons; -----
- 10) approving the opening or closing of branches abroad; -----
- 11) approving the rules adopted by the Management Board and concerning: -----
  - a) the Management Board; -----
  - b) management of special funds created from net profit; -----
  - c) organisation of the Bank; -----
- 12) approving in advance: -----
  - a) acquisition or disposal of fixed assets whose value exceeds 1/10 of the Bank's equity, excluding real estate and rights of perpetual usufruct; -----
  - b) except for the acts referred to in Par. 9.1.5, acquisition or disposal of real estate, an interest in real estate or the right of perpetual usufruct, or their encumbrance with a limited property right, or making it available for use by a third party, if the value of such real estate or right exceeds 1/10 of the Bank's equity; such consent shall not be required if the acquisition of real estate, an interest in real estate or a right of perpetual usufruct takes place as part of enforcement, bankruptcy or arrangement proceedings or any

other settlement with a debtor of the Bank, as well as in the event of legal transactions concerning real estate or rights acquired by the Bank in the manner described above; in such a case the Management Board shall be only obliged to notify the Supervisory Board of the action performed; -----

- c) establishment of a company, subscription for or acquisition of shares, bonds convertible into shares or other instruments conferring the right to acquire or subscribe for shares, if the resulting financial commitment of the Bank exceeds 1/10 of the Bank's equity; -----
- d) any transaction of the Bank with its related parties, if the value of such transaction exceeds the PLN equivalent of EUR 500,000 (say: five hundred thousand euro), except for typical and routine transactions concluded at arm's length between related entities, whose nature and terms follow from the ordinary course of the Bank's business; -----
- e) performance of any act by the Bank, as a result of which the sum of receivables of the Bank and the off-balance-sheet commitments bearing the risk of a state-owned legal person or a company with the Polish State Treasury as the majority shareholder and entities linked to such legal person or company by participation or control would exceed 5% of the Bank' equity; -----

- 13) applying to the Commission for Banking Supervision for its consent to appoint two members of the Management Board, including the President of the Management Board; -----

- 2. The Supervisory Board shall notify the Commission for Banking Supervision of the composition of the Management Board and each change therein promptly upon election of the Management Board or any change in its composition. The Supervisory Board shall also notify the Commission for Banking Supervision of the members of the Management Board who are in charge of credit risk management and internal audit in the organisational structure of the Bank. -----
- 3. The Supervisory Board shall adopt resolutions by an absolute majority of votes in the presence of at least half of the members of the Supervisory Board, including the Chairman or the Vice-Chairman of the Supervisory Board, except for resolutions concerning the matters referred to in Par. 15.1.1-3, 15.1.5, 15.1.7-9 and 15.1.12, which in addition to the above quorum shall require a qualified majority of  $\frac{2}{3}$  of the votes. --
- 4. The members of the Supervisory Board who are concerned by a matter that is subject to vote shall be excluded from voting on such matter.-----

## § 16

The meetings of the Supervisory Board shall be held at least once every quarter. -----

## § 17

1. The Supervisory Board shall adopt resolutions in an open vote. Secret vote shall be ordered in the case of personal matters and at the request of at least one member of the Supervisory Board. When secret vote is ordered, the provisions of Par. 17.3 below shall not apply. -----
2. The members of the Supervisory Board shall be entitled to remuneration. -----
3. A member of the Supervisory Board may vote in writing through another member of the Supervisory Board. The votes cast in this manner must not concern any matters placed on the agenda during the meeting of the Supervisory Board. -----
4. The Supervisory Board may adopt resolutions in writing (by circulation) or using the means of remote communication, except for resolutions concerning the matters referred to in Par. 15.1.1-3, 15.1.5, 15.1.7-9 and 15.1.12, and resolutions adopted by secret vote. A resolution shall be valid provided that all members of the Supervisory Board have been informed in advance about the content of the draft resolution and if at least half of the members of the Supervisory Board, including the Chairman or the Vice-Chairman of the Supervisory Board, have taken part in voting on the resolution. -----
5. Resolutions adopted in accordance with the procedure set out in Par. 17.4 above shall be presented at the next meeting of the Supervisory Board together with the result of the vote. -----

## **Management Board -----**

## § 18

1. The Management Board shall consist of 3 (say: three) to 8 (say: eight) members. -----
2. The Management Board shall include: the President of the Management Board, the Vice-President 1st Deputy President, Vice-Presidents and other members of the Management Board. -----

## § 19

1. The members of the Management Board shall be appointed for a joint term of three years. -----
2. The Management Board shall be appointed by the Supervisory Board in accordance

with the procedure set out in Par. 15.1.7 and 15.1.8. -----

3. Two members of the Management Board, including the President of the Management Board, shall be appointed subject to approval of the Commission for Banking Supervision. -----
4. A member of the Management Board may be dismissed only for a good reason. -----

## **§ 20**

1. Any matters relating to the management of the affairs of the Bank, which are not reserved for the General Meeting or the Supervisory Board under the generally applicable laws and regulations or provisions of these Articles of Association, shall fall within the scope of competence of the Management Board, including acquisition or disposal of real estate, an interest in real estate or the right of perpetual usufruct, which does not require approval of the General Meeting pursuant to Par. 9.1.5. -----
2. Making decisions on incurring liabilities or disposing of assets the total value of which exceeds 5% of the Bank's equity in a transaction with a single entity shall fall within the scope of competence of the Management Board, subject to the powers of the General Meeting set out in Par. 9 or the powers of the Supervisory Board set out in Par. 15. -----

## **§ 21**

Representations on behalf of the Bank shall be made by: -----

- 1) the President of the Management Board acting individually; -----
- 2) two members of the Management Board acting jointly, or one member of the Management Board acting jointly with a commercial proxy; -----
- 3) two commercial proxies acting jointly; -----
- 4) attorneys acting individually or jointly, within the scope of their power of attorney. --

## **§ 22**

1. The Management Board shall make its decisions during a meeting or in writing (by circulation). The Management Board may also make decisions using means of remote communication. -----
2. The operation procedure of the Management Board shall be defined in its Rules as

adopted by the Management Board and approved by the Supervisory Board. -----

3. The Management Board shall make its determinations by way of resolutions or decisions. -----
4. Resolutions of the Management Board shall be required for any matters that go beyond the ordinary scope of the Bank's business. Resolutions of the Management Board shall be adopted by an absolute majority of votes cast by those present at the meeting of the Management Board. In the case of a tie, the President of the Management Board shall have the casting vote. -----
5. Specifically, the Management Board shall adopt resolutions to: -----
  - 1) define the strategy of the Bank; -----
  - 2) define the annual financial plan, including the conditions of its implementation;
  - 3) adopt organisational rules and principles of division of competence; -----
  - 4) set up and dissolve standing committees of the Bank and define their competence; -----
  - 5) adopt the Rules of the Management Board; -----
  - 6) adopt rules concerning management of special funds created from net profit;
  - 7) set the dates of dividend payment within the timeframes specified by the General Meeting; -----
  - 8) appoint commercial proxies; -----
  - 9) define banking products and other banking and financial services; -----
  - 10) define the principles of the Bank's participation in companies and other organisations, taking into account the provisions of Par. 15.1.12.c; -----
  - 11) define the operational principles of the internal audit system and the annual audit plans; -----
  - 12) create, transform and dissolve organisational units of the Bank in Poland and abroad. -----

## § 23

1. The President of the Management Board shall: -----
  - 1) manage the work of the Management Board;-----
  - 2) convene and preside over meetings of the Management Board; -----
  - 3) present the position of the Management Board to the governing bodies of the Bank and in relations with third parties;-----
  - 4) determine the assignment of the individual areas of the Bank's operations to the members of the Management Board, subject to the provisions of Par. 23.4;
  - 5) ensure implementation of the resolutions of the Management Board; -----
  - 6) issue orders; -----
  - 7) present motions to the Supervisory Board for appointment and dismissal of the Vice-President 1st Deputy President, Vice-Presidents and other members of the Management Board;-----
  - 8) make decisions concerning appointment of staff members to the positions reserved for his or her competence.-----
2. In particular the President of the Management Board shall be responsible for the matters related to supervision over the functions supporting the operation of the Bank's governing bodies and matters related to supervision over the functions supporting the operation of the standing committees of the Bank, and the matters related to internal audit, communication and promotion, and human resources management. -----
3. During the absence of the President of the Management Board his or her duties shall be fulfilled by the Vice-President 1st Deputy President, and during the absence of the Vice-President 1st Deputy President – by any other member of the Management Board appointed by the President of the Management Board. -----
4. The member of the Management Board whose appointment was approved by the Commission for Banking Supervision shall be responsible in particular for the matters related to strategy and planning, organisation and restructuring, investor relations as well as legal matters. -----
5. The members of the Management Board shall participate in managing the Bank's operations, in accordance with the Rules of the Management Board.-----

6. The members of the Management Board shall supervise the areas of the Bank's operations assigned to them and shall make decisions in any matters falling within the scope of the ordinary management in the areas of the Bank's operations they are responsible for. -----

**V. Organisation of the Bank-----**

**§ 24**

1. The objectives and tasks of the Bank shall be implemented by the head office, the regional branches, branches, special organisational units, representative offices and other organisational units. -----
2. The organisation of the Bank shall be defined in the Organisational Rules as adopted by the Management Board and approved by the Supervisory Board. -----

**§ 25**

1. The governing bodies of the Bank shall issue the following internal regulations: -----
  - 1) resolutions – the Supervisory Board and the Management Board; -----
  - 2) decisions – the Management Board; -----
  - 3) orders – the President of the Management Board; -----
  - 4) circulars and decisions – the entities authorised under other internal regulations. -----
2. Banking products and other banking and financial services shall be defined by way of resolutions of the Management Board. -----
3. The procedure for issuing internal regulations shall be defined in other regulations. ---

**VI. Operation of the Internal Audit System-----**

**§ 26**

1. The Bank shall have an internal audit system in place.-----
2. The scope of the internal audit system shall cover all activities of the Bank set out in these Articles of Association. -----

3. The purpose of the internal audit system shall be to facilitate the decision-making process with a view to ensuring: -----
  - 1) effectiveness and efficiency of the Bank's operations; -----
  - 2) reliability of financial reporting; -----
  - 3) compliance of the Bank's operations with the generally applicable laws and internal regulations. -----
4. The internal audit system shall cover two independent areas: -----
  - 1) functional audit – performed by each employee as regards the quality and correctness of his or her work and by his or her immediate superior and the persons co-operating with such immediate superior; -----
  - 2) institutional audit – performed by the internal audit unit. -----
5. The internal audit unit shall report directly to the President of the Management Board.

## § 27

1. The principles of the operation of internal audit system shall be defined by the Management Board, which shall specify the organisational units and functions responsible for internal audit, and the audit-related tasks of respective units and functions. -----
2. The method of performing internal audit activities at the organisational units of the Bank and head office functions shall be defined by the President of the Management Board. -----

## **VII. Funds of the Bank-----**

## § 28

1. The equity of the Bank shall consist of:- -----
  - 1) the core funds;-----
  - 2) the additional funds;-----
  - 3) the balance-sheet items classified in accordance with the Banking Law as items

reducing the Bank's equity. -----

2. The core funds shall consist of: -----

1) Tier 1 capital, consisting of: -----

a) the share capital;-----

b) the reserve capital; -----

c) the reserves; -----

2) Tier 2 capital, consisting of: -----

a) the general risk fund for unidentified banking risks; -----

b) undistributed profit; -----

c) interim profit and net profit for the current reporting period, calculated in accordance with the applicable accounting standards, less any anticipated charges and dividends in the amounts not exceeding the amounts of profit verified by the chartered auditors; -----

3) items reducing the core funds, consisting of: -----

a) own shares held by the Bank, measured at their balance-sheet value, less impairment losses; -----

b) intangible assets measured at their balance-sheet value;-----

c) loss from previous years; -----

d) interim loss; -----

e) net loss for the current period. -----

3. The additional funds shall be created by virtue of resolutions of the General Meeting. The classification of funds as the additional funds shall be governed by the regulations of the Banking Law.-----

4. The Bank may create special funds. Special funds shall be created and liquidated by

virtue of resolutions of the General Meeting. -----

5. The detailed principles for the creation and use of the Bank's funds shall be defined in the rules adopted by the Supervisory Board. -----

## **§ 29**

1. The reserve capital of the Bank shall be created from annual distributions from net profit, to be used to cover potential balance-sheet losses that may arise in connection with the Bank's operations. -----
2. The reserve capital amount shall be also increased by: additional contributions made by the shareholders in exchange for attaching special rights to their existing shares without increasing the share capital, and share premiums remaining after coverage of the share issue costs. -----
3. Decisions concerning utilisation of the reserve capital shall be made by the General Meeting. -----

## **§ 30**

1. The reserves of the Bank shall be created independently of the reserve capital from annual distributions from net profit, in the amount specified in a resolution of the General Meeting. -----
2. The reserves shall be used only to cover potential balance-sheet losses. Decisions concerning utilisation of the reserves shall be made by the General Meeting. -----
3. The detailed principles concerning utilisation of the reserves shall be set out in the relevant Rules adopted by the Supervisory Board. -----

## **§ 31**

1. The general banking risk fund shall be created from distributions from net profit, in the amount specified in a resolution of the General Meeting. -----
2. The general banking risk fund shall cover unidentified risks associated with banking activities. -----

## **VIII. Financial Management of the Bank -----**

## **§ 32**

1. The financial management of the Bank shall be based on the annual financial plans approved by the Supervisory Board. The detailed principles of financial management shall be defined by the Management Board. -----
2. The financial year shall correspond to the calendar year. -----

### **§ 33**

The organisation and method of accounting shall be determined by the Management Board. -

### **§ 34**

1. Decisions concerning allocation of the Bank's net profit to: -----
  - 1) the reserve capital;-----
  - 2) the reserves; -----
  - 3) the general banking risk fund for unidentified risks associated with banking activities;-----
  - 4) the dividend;-----
  - 5) special funds;-----
  - 6) other purposes; -----

shall be made by the General Meeting, which shall determine the amounts allocated to each purpose. -----

## **IX. Assumption of the Rights of the Authorised Shareholder -----**

### **§ 35**

1. The rights vested in the Authorised Shareholder pursuant to these Articles of Association shall accrue to their holder until another shareholder assumes them in accordance with the provisions of Par. 35.2 below. If another shareholder acquires shares that carry the right to a larger number of votes at the General Meeting than can be exercised by the Authorised Shareholder otherwise than in accordance with Par. 35.2, this shall not result in termination of the rights accruing to the existing

Authorised Shareholder.-----

2. The rights of the Authorised Shareholder may only be assumed by a shareholder that individually acquires (acting in its own name and for its own account) and registers at the General Meeting the shares that account for at least 75% (seventy-five percent) of the total number of shares in the share capital of the Bank, of which all shares in excess of 10% (ten percent) of the total number of shares in the share capital of the Bank shall be acquired by such shareholder: -----

1) through the tender offer for shares of the Bank, announced in accordance with the provisions of the laws and regulations governing trading in financial instruments, from the shareholders that a) are not subsidiaries, parent entities or controlled entities in respect to such shareholder, b) are not related to such shareholder in the manner described in the laws and regulations governing trading in financial instruments, c) are not acting under other agreement with such shareholder aiming to circumvent the restrictions provided for in this Par. 35.2.1; or -----

2) on the primary market (as defined in the laws and regulations governing trading in financial instruments); -----

provided that such shareholder obtains an approval or consent in accordance with the generally applicable laws and regulations, should such approval or consent be required.-----

## **X. Definitions-----**

### **§ 36**

Each reference in these Articles of Association to:-----

1) a “**related entity**” shall mean a related entity within the meaning of the laws and regulations governing trading in financial instruments;-----

2) a “**subsidiary**” and “**parent entity**” shall mean a “subsidiary” and a “parent entity”, respectively, within the meaning of the laws and regulations governing trading in financial instruments; -----

3) a “**controlled entity**” shall mean a “controlled entity” within the meaning of the Accounting Act of September 29th 1994 (Journal of Laws of 2002, No. 76, item 694, as amended). -----