

SUMMARY OF THE PREVIOUS AND CURRENT WORDING OF THE AMENDED PROVISIONS OF THE ARTICLES OF ASSOCIATION OF THE BANK

(1) § 3 has been deleted

The former wording of § 3:

The Bank may cooperate in the banking services market with other cooperative banks and banks associating cooperative banks.

(2) The introduced amendment to § 5 point 3 subpoint 1:

“1) receive or acquire shares and rights attached thereto, shares of other legal persons and participation units in investment funds,”

The former wording of § 5 point 3 subpoint 1:

1) receive or acquire shares and rights attached thereto, shares of other legal persons and participation units, participation certificates and titles in investment funds,

(3) The introduced amendment to § 11:

“The General Meeting shall be opened by the Chairman or Vice Chairman of the Supervisory Board. Should both of them be unable to open the General Meeting, the meeting shall be opened by a member of the Supervisory Board. Should any of those persons be absent the General Meeting shall be opened by the President of the Management Board or the person appointed by the Management Board. The General Meeting shall elect a Chairman from among the persons entitled to vote at the General Meeting or their proxies.”

The former wording of § 11:

“The General Meeting shall be opened by the Chairman or Vice Chairman of the Supervisory Board. Should both of them be unable to open the General Meeting, the meeting shall be opened by a member of the Supervisory Board. Should any of those persons be absent the General Meeting shall be opened by the President of the Management Board or the person appointed by the Management Board. The General Meetings shall elect a Chairman from among the persons entitled to vote at the General Meeting or their proxies.”

(4) The introduced amendment to § 16 point 1:

“1. The Bank Supervisory Board shall be composed of five to twelve members appointed for a joint five-year term of office by the General Meeting. The number of members of the Supervisory Board of the particular term of office shall be determined by the General Meeting. At least half of the members of the Bank Supervisory Board should have good knowledge of the banking market in Poland, i.e. they should have a good command of Polish and have gained the required experience on the Polish market.”

The former wording of § 16 point 1:

1. The Bank Supervisory Board shall be composed of five to twelve members appointed for a joint three-year term of office by the General Meeting. The number of members of the Supervisory Board of the particular term of office shall be determined by the General Meeting. At least half of the members of the Bank Supervisory Board should have good knowledge of the banking market in Poland, i.e. they should have a good command of Polish and have gained the required experience on the Polish market.

(5) The introduced amendment to § 16 point 5:

“5. In the case where due to the expiry of mandates of certain members of the Supervisory Board or in the case where the General Meeting is incapable of appointing one or more members of the Supervisory Board, the number of members of the Supervisory Board is lower than that specified in the resolution of the General Meeting appointing members of the Bank Supervisory Board, but no lower than 5 (five), the Supervisory Board will be able to adopt valid resolutions until its

composition is supplemented. In such a case the Management Board shall immediately convene the General Meeting in order to supplement the composition of the Supervisory Board. If the number of independent members of the Supervisory Board is lower than the number of independent members of the Supervisory Board specified in Section 3, and the number of the members of the Supervisory Board is not less than 5 (five), the Supervisory Board will be able to adopt valid resolutions until its composition is supplemented with an appropriate number of independent members. In such a case the Management Board shall immediately convene the General Meeting in order to supplement the composition of the Supervisory Board with the appropriate number of the independent members.”

The former wording of § 16 point 5:

5. In the case where due to the expiry of mandates of certain members of the Supervisory Board or in the case where the General Meeting is incapable of appointing one or more members of the Supervisory Board, the number of members of the Supervisory Board is lower than that specified in the resolution of the General Meeting appointing members of the Bank Supervisory Board, but no lower than 5 (five), the Supervisory Board will be able to adopt valid resolutions until its composition is supplemented. In such a case the Management Board immediately calls the General Meeting in order to supplement the composition of the Supervisory Board.

(6) The introduced amendment to § 20 point 1 sub point 1 letter d:

- “d) expression of consent to the acquisition or disposal of real estate, a share in real estate or perpetual usufruct, if their value amounts at least to 5,000,000 (five million) zlotys, provided however, that the resolution of the Supervisory Board is not required when the acquisition or disposal of the real estate, interest in real estate or perpetual usufruct right is related to the satisfaction of the Bank’s claims against its debtor, securing the Bank’s receivables, or is subject to a lease agreement (*umowa leasingu*), in which the Bank is the financing party, including in particular any acquisition in the performance of the lease agreement, disposal after the termination of the lease terms or during the same, as well as disposal after the termination of the lease agreement concerning particular real estate, interest in real estate or perpetual usufruct right, regardless of the value of such real estate, interest therein or perpetual usufruct right,”

The former wording of § 20 point 1 sub point 1 letter d:

- d) expression of consent to the acquisition or disposal of real estate, a share in real estate or perpetual usufruct, if their value amounts at least to 5,000,000 (five million) zlotys, and moreover it is not related to the satisfaction of the Bank’s claims against its debtor, the granting of financing in the form of leasing or securing the Bank’s receivables,

(7) § 20 point 1 sub point 1 letter l has been deleted.

The former wording of § 20 point 1 sub point 1 letter l:

- l) approval of the Bank’s organizational regulation settled by the Management Board,

(8) The introduced amendment to § 20 point 3:

“3. The Supervisory Board represents the Bank in the agreements and disputes with the members of the Bank Management Board, acting through two members authorized by the Supervisory Board.”

The former wording of § 20 point 3:

3. The Supervisory Board represents the Bank in the agreements and disputes with the members of the Bank Management Board, acting through two members authorized by the Supervisory Board, providing that one of the members is the Chairman or the Vice Chairman of the Supervisory Board in the case of employment agreements and non-competition agreements, or through one member authorized by the Supervisory Board in the case of other agreements concluded with members of the Management Board.

(9) The introduced amendment to § 20 point 5:

“5. The Supervisory Board creates internal committees composed of members of the Supervisory Board, in particular with regard to the Bank’s internal audit. The organization, competencies and scope of the responsibilities of the internal committees are specified in the By-laws of the Supervisory Board. The duties of the Internal Audit Committee of the Bank include in particular the supervision over the operations of the Internal Audit Line.”

The former wording of § 20 point 5:

5. The Supervisory Board creates internal committees composed of members of the Supervisory Board, in particular with regard to the Bank’s internal audit. The organization, competencies and scope of the responsibilities of the internal committees are specified in the By-laws of the Supervisory Board. The duties of the Internal Audit Committee of the Bank include in particular the supervision over the operations of the Internal Audit Department.

(10) The introduced amendment to § 20 point 7:

“7. The Internal Audit Committee of the Bank shall include at least one member of Supervisory Board of the Bank, who shall fulfil conditions of independence stipulated in the Act of Law on the statutory auditors and their self-governing, entities authorized to audit the financial statements and on public supervision and who has qualifications on the field of accountancy and audit. The above requirement is deemed satisfied if the terms and conditions set forth in this paragraph are fulfilled by persons specified in Section 6.”

The former wording of § 20 point 7:

7. The Internal Audit Committee of the Bank shall include at least one member of Supervisory Board of the Bank, who shall fulfil conditions of independence stipulated in the Act of Law on the statutory auditors and their self-governing, entities authorized to audit the financial statements and on public supervision and who has qualifications on the field of accountancy and audit.

(11) The introduced amendment to § 22 point 2 sub point 11:

“11) making decisions on purchasing or selling real estate or the perpetual usufruct right, if their value is lower than 5,000,000 (five million) zlotys, however the resolution of the Management Board is not required when the acquisition or disposal of the real estate, interest in real estate or perpetual usufruct right is related to the satisfaction of the Bank’s claims against its debtor, securing the Bank’s receivables, or is subject to a lease agreement (*umowa leasingu*), in which the Bank is the financing party, including in particular any acquisition in the performance of the lease agreement, disposal after the termination of the lease terms or during the same, as well as disposal after the termination of the lease agreement concerning particular real estate, interest in real estate or perpetual usufruct right, regardless of the value of such real estate, interest therein or perpetual usufruct right;”

The former wording of § 22 point 2 sub point 11:

11) making decisions on purchasing or selling real estate or the perpetual usufruct right, if their value is lower than 5,000,000 (five million) zlotys, unless purchasing or selling real estate or the perpetual usufruct right is related to the satisfaction of the claims of the Bank against its debtors, securing the receivables of the Bank or granting of financing in the form of leasing, regardless of the value of the real estate or the interest in the real estate or the perpetual usufruct right;

(12) The introduced amendment to § 23:

“The resolutions of the Bank Management Board are adopted by absolute majority of votes cast. In the case of an even number of votes the President of the Management Board shall cast the deciding vote.”

The former wording of § 23:

The resolutions of the Bank Management Board are adopted by ordinary majority of votes cast. In the case of an even number of votes the President of the Management Board shall cast the deciding vote. The resolution of the Bank Management Board concerning the adoption of the draft development strategy of the Bank requires the casting of the vote “for” by all members of Management Board.

(13) The introduced amendment to § 25 point 1:

“1. The President of the Bank Management Board manages the current activities of the Bank and represents the Bank Management Board against third parties, plus coordinates the work of the other members of the Bank Management Board, convenes the meetings of the Management Board and chairs the meetings, plus applies to the Supervisory Board for appointing further members of the Management Board. The President of the Management Board shall supervise in particular the Bank Management Area comprising, in particular, the Legal Line, Internal Audit Line, Compliance and Control Line.”

The former wording of § 25 point 1:

1. The President of the Bank Management Board manages the current activities of the Bank and represents the Bank Management Board against third parties, plus coordinates the work of the other members of the Bank Management Board, convenes the meetings of the Management Board and chairs the meetings, plus applies to the Supervisory Board for appointing further members of the Management Board. The President of the Management Board shall supervise in particular the Bank Management Area comprising, in particular, the Legal Department, Internal Audit Department, Compliance Department.

(14) The introduced amendment to § 27:

1. **Organizational entities of the Bank are:**
 - 1) **The Bank’s Head Office consisting of: lines, bureaus, departments and teams,**
 - 2) **branches,**
 - 3) **brokerage house,**
 - 4) **other organizational units specified in the regulations mentioned in paragraph 2,**
 - 5) **representative offices and foreign branches.**
2. **The organizational structure of the Bank and Bank Head Office is determined by the organizational regulations determined by the Bank Management Board.**

The former wording of § 27:

1. Organizational entities of the Bank are:
 - 1) The Bank’s Head Office consisting of: bureaus, departments, centres and the Management Board Office;
 - 2) regional centres and branches;
 - 3) other organizational units specified in the regulations mentioned in paragraph 2,
 - 4) representative offices and foreign branches.
2. The organizational structure of the Bank is determined by the organizational regulations determined by the Bank Management Board and approved by the Supervisory Board. The organizational structure of the Bank Head Office is specified by the regulations determined by the Bank Management Board.

(15) The introduced amendment to § 33:

“1. The internal regulations of the Bank are issued in the following forms:

- 5) **Resolutions of the General Meeting,**
 - 6) **Resolutions of the Supervisory Board,**
 - 7) **Resolutions of the Bank’s Management Board,**
 - 8) **Circular letters of members of the Bank’s Management Board,**
 - 9) **Circular letters of the Bank’s executive directors;**
 - 10) **Circular letters of the persons authorized by the President of the Bank’s Management Board;**
 - 11) **Circular letters of the directors of basic organizational units of the Bank Head Office;**
 - 12) **By-laws of the Bank’s organizational units, issued by directors of the organizational units of the Bank;**
 - 13) **Internal regulations issued by the Bank’s executive directors or directors of the basic organizational units of the Bank Head Office.**
2. **The power to issue internal regulations shall be conferred upon:**

- 1) **General Meeting – in the scope provided for in legal provisions as well as in the provisions of the Bank’s Articles of Association,**
 - 2) **Supervisory Board – in the scope provided for in legal provisions as well as in the provisions of the Bank’s Articles of Association,**
 - 3) **Management Board of the Bank – in the scope provided for in legal provisions, including the right to issue resolutions being templates of agreements, general terms and conditions of agreements and regulations, except for regulations of various promotions and competitions, as well as policies and methodologies, unless the Articles of Association of Bank provide otherwise,**
 - 4) **member of the Management Board of the Bank – with respect to management areas supervised by such a member of the Management Board specified in the organizational structure of the Bank, including the approval of templates of official letters and forms, operational manuals, procedures and official instructions, fees and commissions tables, interest rate tables, regulations of various promotions and competitions, as well as policies and methodologies to the extent specified by a resolution referred to in paragraph 3,**
 - 5) **executive directors of the Bank – with respect to lines supervised by such executive directors specified in the organizational structure of the Bank, including also the approval of the templates of official letters and forms, procedures and official instructions,**
 - 6) **director of the organizational unit of the Bank – with respect to the issuance of by-laws of the organizational units of the Bank,**
 - 7) **director of the basic organizational unit of the Bank Head Office – with respect to the issuance of internal regulations in the form of circular letters and by-laws of basic organizational units of the Bank Head Office.**
3. **The detailed principles and methods of preparing, advising on, issuing (also approving) and circulating internal regulations within the Bank are determined by the resolution of the Management Board. “**

The former wording of § 33:

1. The internal regulations of the Bank are issued in the form of:
 - 1) Resolutions of the General Meeting;
 - 2) Resolutions of the Supervisory Board;
 - 3) Resolutions of the Management Board of the Bank;
 - 4) Circular letters of members of the Management Board of the Bank;
 - 5) Circular letters of the executive directors of the Bank;
 - 6) Circular letters of the persons authorized by the President of the Bank;
 - 7) Circular letters of the directors of the basic organizational units of the Bank Head Office;
 - 8) By-laws of the organizational units of the Bank issued by the directors of the organizational units of the Bank;
 - 9) By-laws of the basic organizational units of the Bank Head Office issued by the directors of the basic organizational units of the Bank Head Office;
2. The competence to issuing the internal regulations shall be entitled to:
 - 1) General Meeting – in the scope of specified legal rules and provisions of the Articles of Association of the Bank;
 - 2) Supervisory Board – in the scope of specified legal rules and provisions of the Articles of Association of Bank;
 - 3) Management Board of the Bank – in the scope of specified legal rules, including also issuance in a form of resolutions: specimens of the agreements, by-laws, general terms of agreements and also polices and methodologies, unless a different meaning is implied in the Articles of Association of Bank,
 - 4) member of the Management Board of the Bank – with reference to the management areas supervised by such member of the Management Board stipulated in organizational structure of the Bank, including issuance in the form of circular letter of specimens of forms, procedures and official instructions,

- 5) executive directors – with reference to the divisions supervised by such executive director, stipulated in organizational structure of the Bank, including also issuance in the form of circular letter of specimens of forms, procedures and official instructions,
- 6) persons authorized by the President of the Bank – in scope of stipulated in an authorization, including issuance in the form of circular letter of specimens of forms, procedures and official instructions,
- 7) director of the organizational unit of the Bank – in scope of issuing by-law of the organizational units of the Bank
- 8) director of the basic organizational unit of the Bank Head Office – in scope of issuing internal regulations in form of circular letters and By-law of the basic organizational units of the Bank Head Office.

3. The detailed principles and methods of preparing, advising on, issuing (also approving) and announcing internal regulations in the Bank are determined by virtue of a resolution of the Management Board.”

(16) The introduced amendment to § 35 point 5:

“5. The Executive Director of the Internal Audit Line shall report directly to the President of the Management Board.”

The former wording of § 35 point 5:

5. The Director of the Internal Audit Department shall report directly to the President of the Management Board.

(17) The introduced amendment to § 38:

“The Bank keeps accounting on the basis of regulations in force in that respect.”

The former wording of § 38:

3. The Bank keeps accounting on the basis of regulations in force in that respect.
4. The accounting organization and method is determined by the Bank Management Board.