

2010 Corporate Governance Report of Fortis Bank Polska SA



BNP PARIBAS
FORTIS

| Bank zmieniającego się świata



The Report has been prepared pursuant to §91 para. 5 item 4) of the *Minister of Finance Ordinance dated 19 February 2009 regarding current and periodical information submitted by issuers of securities and conditions for recognising as equivalent information required by the laws of a non-member state (Journal of Laws of 2009 No. 33, item 259, as amended)* and includes all information stipulated under §1 of *Resolution No. 1013/2007 of the Warsaw Stock Exchange Management Board dated 11 December 2007*, and as a consequence disclosure of this report is equivalent to submitting the report, mentioned under §29 item 5 of the *Warsaw Stock Exchange Regulations*.

1). Indication of corporate governance rules that the issuer is subject to

In 2010, Fortis Bank Polska SA (hereinafter: "the Bank"), as a listed company, was subject to corporate governance rules defined in the *Code of Best Practice for WSE Listed Companies* adopted by the WSE Supervisory Board on 4 July 2007.

The amended *Code of Best Practice for WSE Listed Companies* (hereinafter: "the Best Practices"), constituting an appendix to Resolution No. 17/1249/2010 of the WSE Supervisory Board dated 19 May 2010 became effective on 1 July 2010.

The contents of the bidding *Best Practices* is available on the Stock Exchange official website dedicated to corporate governance issues: www.corp-gov.gpw.pl and on the Bank's website in the Investor Relations tab <http://www.bnpparibasfortis.pl/english/investor-relations.htm>. All the Bank's existing reports on applying corporate governance rules are also published on the above Bank's website..

2). Corporate governance rules that have not been applied by the issuer, with their non-application circumstances and reasons, manner of removal of their effects, if any, likewise steps undertaken to mitigate risk of a rule non-application in the future.

The Bank observes corporate governance rules and internally promotes the application of the best practices in the Bank as well as monitors their functioning. The Bank has been informing of any permanent or incidental breach of the corporate governance rules and other events related to observance of rules under Best Practices in the current reports published on the Bank's website and sent through the Electronic Information Database (EBI) rendered available by the Stock Exchange since the beginning of 2010.

In the first half of 2010, the Bank undertook a number of measures to apply all the amended legal regulations and corporate governance requirements. The Ordinary General Meeting of Shareholders held on 29 April 2010 approved amendments to the Bank's Statute and new Rules of the General Meeting, in order to take account of the amended Code of Commercial Companies and Partnerships, especially as regards organisation of general meetings. Furthermore, in June 2010, based on the Model Investor Relations Service, the Bank updated the Investor Relations tab available on the Bank's website in Polish and also in English.

In the period from 29 April 2010 to 30 June 2010, temporarily there were no members of the Bank's Supervisory Board that would meet the independence criteria and therefore, no independent member of the Supervisory Board was present in the Audit Committee. Thus, in the interim, the Bank was not compliant with Rule No. III. 6 and then bidding Rule No. III. 7 with respect to an independent member of the Board in the Audit Committee.

Before, two independent members had been in the composition of the Supervisory Board, still they had not satisfied one of the independence criteria under the European Commission Recommendation of 15 February 2005 on the role of non-executive or supervisory directors of listed companies and on the committees of the (supervisory) board, that is, the limitation of the tenure to maximum 12 years. The Extraordinary General Meeting of Shareholders of the Bank held on 29 June 2010 appointed three independent members of the Supervisory Board, fulfilling all the independence criteria set out in the EC recommendations. Consequently, as of 1 July 2010, the Bank is fully compliant with rule no. III.6 of the *Code of Best Practice for WSE Listed Companies* and the rules regarding the Audit Committee within the Supervisory Board.

Since 1 July 2010, the Bank has observed all the rules under Part II, III and IV of the Best Practices, except for Rule IV.10, which becomes effective on 1 January 2012.

As regards the recommendations included under Part I of the Best Practices, three of them require being commented on the scope of their appliance in the Bank.

With reference to Recommendation I.1, the Bank makes all efforts to pursue a transparent and efficient information policy, however in 2010, the Bank did not webcast the General Meeting sessions via the Internet and therefore it did neither record nor publish any recordings from the sessions. Participation in the General Meeting's sessions is available to all shareholders and other authorised persons as well as to



media representatives and all the materials and decisions taken by the General Meetings are disclosed to the public.

With reference to Recommendation I.5, a remuneration policy and the rules of its defining are determined at the Bank under Remuneration Regulations of Fortis Bank Polska SA. Principles of remunerations and the amounts of salaries for the Board of Executives members are determined by the Remuneration Committee of the Board Members within the Supervisory Board. The remuneration amounts for the Supervisory Board members are verified on the annual basis and resolved by the General Meeting of Shareholders.

The detailed data on remuneration obtained by the members of the Board of Executives, Supervisory Board and by Managing Directors of Fortis Bank Polska SA are included in the Bank's annual financial reports (Chapter 30 of the Consolidated Financial Statements and paragraph 12.3. of the Board of Executives Report on the Activity of the Capital Group) and are subject to approval, together with those reports. There are some differences in the scope of defining remuneration policy of members of supervisory and management bodies as compared with the European Commission Recommendation of 14 December 2004 fostering an appropriate regime for the remuneration of directors of listed companies (2004/913/EC) and Commission Recommendation of 30 April 2009 complementing that Recommendation (2009/385/EC). Remuneration policy is not subject to annual reviews by the General Meetings and some elements of the statement disclosing remuneration policy are included in various documents.

With reference to Recommendation I.9 on ensuring a balanced proportion of women and men in management and supervisory functions in companies, in 2010 the shareholders appointed Ms Monika Bednarek to the Bank's Supervisory Board. Moreover, Mrs Marta Oracz is member of the Bank Board of Executives since June 2010. Yet, the recommendation is not fully applied at the moment.

3). Basic features of internal controls and risk management systems applied in the Bank, with respect to the process of preparation of financial statements and consolidated financial statements.

In Fortis Bank Polska SA, there is a management system that includes internal controls and risk management systems. The management system is described in the Bank's Statute.

The purpose of the internal controls system is to support decision processes in the manner that enables prevention of risks or their early detection, in particular by ensuring the following:

- effectiveness and efficiency of the Bank's business;
- reliability of financial reporting;
- security of transactions and assets;
- compliance of the Bank's business with law provisions and internal regulations.

The Supervisory Board, Board of Executives, managerial staff and all the remaining employees of the Bank participate in the internal control process, which covers operation of all organizational units of the Bank's head office, branches and a subsidiary.

The internal controls include: risk controls, verification whether the Bank's business is consistent with law provisions and internal regulations, and internal audit.

Risk controls include, inter alia, functional control and a permanent operational control, performed in line with the internal control rules binding at the Bank.

In 2010, the Bank started to implement an additional element of the internal controls system, i.e. a permanent operational control. The separate unit was established to supervise that system (Oversight of Operational Permanent Control Department within Compliance and Control Line (Conformite)), and first operational controls were carried out. Another essential change included formation of the Internal Control Coordination Committee, that has been established in order to support the Board of Executives and the Supervisory Board in effective management of the Bank's internal control system.

The internal controls are supervised by the Supervisory Board. In order to exercise its supervision in this respect, the Supervisory Board may, according to law provisions, appoint several of its members to form an Audit Committee.

The quality of internal controls' functioning is assessed independently and impartially by the Audit Department. It operates in compliance with the binding law provisions, in particular the Banking Law, and other regulations issued by the Polish banking supervision as regards internal audit and internal control system, rules and methodology of Fortis Audit Services (i.e. internal audit of the Fortis Bank SA/NV group), International Standards for the Professional Practice of Internal Auditing, likewise internal regulations of the Bank and the Department. Tasks of the Audit Department include monitoring, examination and assessment



of the adequacy and effectiveness of internal controls, and providing opinions concerning the Bank's management system, including the effectiveness of the management of risk related to the Bank's activity.

The status of the Audit Department guarantees an autonomy and impartiality of its activity, and authority necessary to accomplish its objective.

The Audit Department periodically notifies the Audit Committee, and at least once a year, the Supervisory Board, of weaknesses identified together with conclusions resulting from the internal audit assignments conducted likewise actions undertaken to remove these weaknesses or fulfil recommendations.

The objective of the risk management system is to identify, measure or estimate and monitor the risk inherent in the Bank's activity. The risk management system serves to ensure that detailed objectives for the Bank's business activity are correctly determined and accomplished.

In the risk management system, the Bank:

- applies formalised rules to determine the level of risk assumed and risk management rules, likewise formalised procedures aimed at identification, measurement or estimation and monitoring of the risk existing in the Bank's business, including also the expected risk level in the future; limits to mitigate the risk, and the code of conduct in case the limits are exceeded,
- has adopted a system of management reporting which enables the risk level to be monitored, and an organisational structure which is adjusted to the level and profile of the risk assumed by the Bank.

The Bank supervises also the risk related to the activity of subsidiaries.

At the Supervisory Board's level, there is the Audit Committee, whose key tasks include supervision over the Audit Department activity; monitoring the financial reporting process; monitoring efficiency of internal control systems, internal audit and risk management; monitoring the performance of financial review activities; monitoring the independence of a statutory auditor and an entity authorised to audit financial statements; putting forward recommendations to the Supervisory Board on acceptance or rejection of financial statements.

The Audit Committee performs a key role in the process of approval of the Bank's financial statements, because it issues recommendations to the Supervisory Board regarding an appointment of the Bank's external auditor and on acceptance or rejection of financial statements.

The process of drafting separate and consolidated financial statements is settled in the internal regulations, adopted by the President's Order. All the Bank's units whose scope of activity include cooperation in financial statements' preparation, participate in that process. The process is coordinated by the Stock Exchange and Regulatory Reporting Group in the finance and legal area reporting to the Senior Vice-President of the Board of Executives, Chief Financial Officer. The Stock Exchange and Regulatory Reporting Group verifies correctness of information submitted, and is responsible for the final form of the reports. Financial statements are forwarded to the Board of Executives, Accounting Department Director, Accounting Line Director and Accounting Policy Group for their opinion and approval. Furthermore, semi-annual and annual financial statements are subject respectively to a review or audit by the statutory auditor. Once the statements have been approved by the aforesaid units and sent to the Audit Committee for their information, financial statements are disclosed to the public.

4). Description of activity of the General Meeting and its basic authority, likewise rights of shareholders along with the manner of rights exercise.

The General Meeting of Fortis Bank Polska SA acts under provisions of the Code of Commercial Companies and Partnerships, the Bank's Statute and the Regulations of the General Meeting of Fortis Bank Polska SA.

An Annual General Meeting shall take place within six months of the end of each fiscal year. The General Meeting may be held in Warsaw or Krakow.

The Annual General Meeting shall be convened by the Bank's Board of Executives. The Supervisory Board has the right to convene the Annual General Meeting if the Board of Executives fails to convene it on the date determined in the Statute, or the right to convene an Extraordinary General Meeting if it deems fit to do so.

The Extraordinary General Meeting can be convened also by shareholders who represent at least one half of the Bank's share capital, or at least one half of the overall number of votes in the Bank.

The Bank's Board of Executives shall convene the Extraordinary General Meeting on its own initiative and at the request of a shareholder or shareholders who represent at least one twentieth part of the share capital. A request to convene the Extraordinary General Meeting and put specific issues on the agenda of such Extraordinary General Meeting should be submitted to the Bank's Board of Executives in writing or by



electronic means. If the Extraordinary General Meeting is not convened within two weeks of the day of submitting the request of a shareholder or shareholders to the Bank's Board of Executives, the registration court may decide to authorise the shareholder or shareholders who made such a request, to convene the Extraordinary General Meeting. The shareholders thus authorised by the registration court shall quote the registration court's decision in their announcement of convening the Extraordinary General Meeting.

The General Meeting shall be convened by an announcement published on the Bank's website and in the manner appropriate for passing current information by public companies, however such an announcement should be published at least twenty six days before the General Meeting's date.

The General Meeting can be cancelled by the person or body by which it has been convened. The General Meeting is cancelled in the same manner as it is convened, immediately after the cancelling person or body obtains information about an obstacle that would hinder holding the General Meeting at the date for which it has been convened.

A shareholder or shareholders representing at least one twentieth of the Bank's share capital are authorised to demand that a specific issue be added to the agenda of the next General Meeting. To this end, they should file their motion to the Bank's Board of Executives, in writing or by electronic means, along with a justification or a draft resolution regarding the recommended agenda item, no later than twenty one days prior to the date set for the General Meeting. The Bank's Board of Executives shall announce, in the manner appropriate for convening General Meetings, any amendments to the agenda introduced at the request of shareholders, immediately, however no later than eighteen days prior to the date set for the General Meeting.

A shareholder or shareholders representing at least one twentieth of the Bank's share capital can, prior to the General Meeting's date, submit draft resolutions to the Bank, in writing or by electronic means, regarding issues on the agenda of the General Meeting, or issues that are to be put on the agenda. The Bank shall announce draft resolutions at its website forthwith.

In the scope not regulated by the Code of Commercial Companies and Partnerships and in the Statute, the General Meeting debates pursuant to Rules of Procedure approved by shareholders at the Meeting.

The Annual General Meeting held on 29 April 2010, approved the amendments to the Bank's Statute and the new Regulations of the General Meeting of Fortis Bank Polska SA in order to adjust those documents to the updated provisions of the Code of Commercial Companies and Partnerships, which became effective on 3 August 2009, first of all as regards organization of general meetings.

The Rules of Procedure are not required to be approved at the next General Meeting, unless they need to be changed.

Pursuant to the Bank's Statute, reserved for the competence of the General Meeting shall be in particular the following issues:

1. consideration and approval of a report on the Bank's activity and financial statements, as well as consolidated statements, if their creation and approval is required, likewise discharge of the members of the Bank bodies of their duties,
2. adoption of resolutions regarding profit allocation or loss coverage, and if needed, a resolution setting the dividend date and the dividend payment date,
3. all decisions pertaining to claims for losses incurred during establishment of the Bank, its management or supervision,
4. amendments to the Statute of the Bank,
5. election and recall of the Supervisory Board and its specific members,
6. determination of remuneration of the Supervisory Board members,
7. redemption of shares and determination of detailed conditions governing the redemption,
8. establishment and liquidation of capital types and funds, and defining their purposes, subject to the ones stipulated under the Bank's Statute,
9. merger or liquidation of the Bank and selection of liquidators,
10. approval of the Regulations of the Supervisory Board,
11. consideration of issues presented by the Supervisory Board or the Board of Executives,
12. adoption of resolutions regarding other matters which by virtue of binding regulations require a resolution to be adopted by the General Meeting.

The most important rights of shareholders related to exercising their powers at the General Meetings are as follows:



- A shareholder or shareholders representing at least one twentieth of the Bank's share capital are authorised to demand that a specific issue be added to the agenda of the next General Meeting. To this end, they should file their motion to the Bank's Board of Executives, no later than twenty one days prior to the date set for the General Meeting.
- A shareholder or shareholders representing at least one twentieth of the Bank's share capital can, prior to the General Meeting's date, submit draft resolutions to the Bank, in writing or by electronic means, regarding issues on the agenda of the General Meeting, or issues that are to be put on the agenda.
- During the General Meeting, each of the Bank's shareholders can propose draft resolutions regarding issues on the agenda.
- Any shareholder of the Bank can participate in the General Meeting and exercise his/her voting right in person or by a proxy. A power of attorney to participate in the EGM and to exercise voting rights is granted in writing or in an electronic form.
- At present, neither the Company's Statute nor the Rules of Procedure provide for a possibility of participation of a shareholder in the General Meeting or expressing one's views during the General Meeting using electronic means of communication.
- At present, neither the Company's Statute nor the Rules of Procedure provide for a possibility of exercising voting rights by post or using electronic means of communication.
- Persons who are the Bank's shareholders on the date falling sixteen days prior to the date of the General Meeting (the date of registration of participation in the General Meeting) shall have the right to participate in the General Meeting. However, the participation right is vested only in the shareholders who would apply, not before the General Meeting convening notice date and not after the first business day after the Registration Date to the entities holding their securities accounts for issuing inscribed certificates confirming the right to participate in the General Meeting.
- A list of shareholders authorised to participate in the General Meeting shall be made available at the Bank's registered office in Warsaw three business days before the date of the General Meeting. A shareholder of the Bank can demand that a list of shareholders authorised to participate in the General Meeting be sent to him/her, by email and free of charge.
- A shareholder of the Bank has the right to demand copies of requests regarding issues covered by the agenda, within a week before the General Meeting. The full text of documentation to be presented during the General Meeting along with draft resolutions, will be published at the Bank's website on the day when the General Meeting is convened and made available at the Bank's Head Office in Warsaw.
- The notification about the General Meeting is sent to the Supervisory Board Members, Board of Executives' Members and the Company's auditor, who should be present at the General Meeting and provide explanations and information regarding the Company within the scope of their respective competence and to the extent necessary for settlement of issues discussed at the General Meeting. The General Meeting can be attended also by other persons invited by the Board of Executives.
- The General Meeting is opened by the Chairman or Deputy Chairman of the Bank's Supervisory Board, who ordains the election of the Chairman of the General Meeting. The Chairman of the General Meeting can be only a shareholder or a shareholder's proxy.
- The Chairman of the General Meeting shall chair the Meeting, give and take away the floor, order voting and determine which resolution has been passed and then announce it, adhere to the agenda, and provide the notary who writes minutes with data that obligatorily must be included in the minutes. The Chairman also signs an attendance list at the General Meeting. The Chairman of the General Meeting, to ensure its legality and smooth running, can ask experts and the notary who takes minutes for their opinion. He/she has the right to ordain short (no longer than one hour) breaks in the General Meeting.
- Having signed the attendance list, the Chairman of the General Meeting confirms the correctness of convening the General Meeting and its ability to pass resolutions.
- Shareholders resolve to adopt the General Meeting agenda.
- Shareholders attending the General Meeting shall elect the Secretary of the General Meeting. At the request of Shareholders who hold one tenth of the share capital represented at the General Meeting, instead of the Secretary of the General Meeting, a Mandate and Returning Committee composed of three (3) persons is elected.
- Resolutions of the General Meeting are adopted by the absolute majority of votes cast and are valid regardless of the amount of share capital represented at the General Meeting. In cases provided for



in the Statute or the Code of Commercial Companies and Partnerships, resolutions must be taken by qualified majority voting. In particular, resolutions regarding amendments to the Bank's Statute require the majority of 3/4 (75%) votes cast.

- The Shareholders may vote in a traditional manner, i.e. by a show of hands or by using electronic devices. The Board of Executives of Fortis Bank Polska SA shall decide about the manner of voting depending on the number of Shareholders entitled to participate in the General Meeting. Before the first voting, the Chairman of the Meeting shall inform the Shareholders about the voting manner.
- The voting is open. The secret ballot is ordained over motions regarding election to the Supervisory Board and removal of the Bank Authorities' members or liquidators, over motions regarding bringing them to justice, likewise in personal cases. Besides, it may be ordained on demand of at least one of the present Shareholders entitled to voting.
- Persons entitled to voting at the Meeting, the Bank Board of Executives and the Supervisory Board have the right to put forward motions, i.e. to propose contents of resolutions. A written motion, addressed to the Fortis Bank Polska SA authorities is handed over to the Chairman of the Meeting. The motion should bear the first name and surname of the motion proposer and the number of supporting shares.
- Any Shareholder objecting to a resolution has an opportunity to justify his/her objection.
- A resolution not to consider an issue included in the agenda may be taken only if it is supported by material and sound reasons. A motion in this respect should be accompanied by a detailed justification. The General Meeting cannot adopt resolutions to remove an item from the agenda, or not to consider an issue, included in the agenda at the request of the shareholders.
- Voting on issues placed on the agenda may be carried out only on issues related to the conduct of the Meeting. This voting procedure cannot apply to resolutions which may have impact on the exercise by the shareholders of their rights.
- At the request of a participant in the General Meeting, his/her written statement on issues covered by the Meeting is recorded concisely in the minutes.
- After the agenda has been exhausted, the Chairman of the General Meeting lodges a motion to close the General Meeting. After the General Meeting has been closed, no motions may be lodged.

In 2010 there was one Annual General Meeting of Fortis Bank Polska SA on 29 April 2010 and one Extraordinary General Meeting on 29 June 2010.

5). Specification of Shareholders holding material blocks of shares and rights as well as limitations related to the Bank's securities

The share capital of the Bank is PLN 1,206,175,300 and is divided into 24,123,506 ordinary bearer shares with a nominal value of PLN 50 each.

All the shares of Fortis Bank Polska SA are bearer shares and entail no limits with respect to any ownership transfer or exercise of voting rights. All the shares entitle their holders to the same rights. Any limitations can only be based on specific provisions, e.g. of the Banking Law Act or Public Offering Act, or the Financial Instrument Trading Act.

As at 31 December 2010 and the report publication date, i.e. 18 March 2011, the shareholders' structure specifying the shareholders with at least 5% of the total number of votes at the General Meeting of Shareholders was as follows:

Shareholder	Number of shares held	Share (%) in the share capital	Number of votes at the GM	Share (%) in the total number of votes at the GM
Fortis Bank SA/NV*	18 848 593	78,13%	18 848 593	78,13%
Dominet S.A.**	5 243 532	21,74%	5 243 532	21,74%
Others	31 381	0,13%	31 381	0,13%
Total:	24 123 506	100,00%	24 123 506	100,00%

* BNP Paribas SA is the parent entity (74.93% shares) of Fortis Bank SA/NV based in Brussels.

**Fortis Bank SA/NV based in Brussels is the parent entity (100% shares) of Dominet S.A.



Shareholders' structure as at 31 December 2010 and the report publication date, i.e. 18 March 2011

As at 31 December 2010 and the report publication date, i.e. 18 March 2011, BNP Paribas SA holds, via Fortis Bank SA/NV, 24,092,125 shares constituting 99.87% of share capital of Fortis Bank Polska SA that entitle to 24,092,125 votes, constituting 99.87% of the total number of votes at the General Meeting of Fortis Bank Polska SA.

Fortis Bank SA/NV based in Brussels holds directly 18,848,593 shares in the Bank representing a 78.13% stake in the share capital and giving the right to exercise 18,848,593 of total votes at the general meeting. Dominet SA (a subsidiary of Fortis Bank SA/NV) holds 5,243,532, i.e. 21.74% of the share capital.

6). Description of the Bank Statute amendment rules

Any amendments to the Statute may be approved only by the Bank's General Meeting and then are subject to registration at the National Court Register. Resolutions regarding amendments to the Bank's Statute require the majority of 3/4 (75%) votes cast. The consolidated text of the Bank's Statute is determined by the Bank's Supervisory Board.

Pursuant to Article 34 para. 2 of the Banking Law, Fortis Bank Polska SA shall obtain consent of the KNF (the Polish Financial Supervision Authority) for amending the Bank's Statute as stipulated under Article 31 para. 3 of the Banking Law and broadening or restricting voting rights on shares.

In 2010 the amendments to the Bank's Statute were related first of all to adjustments to the bidding provisions of the Code of Commercial Companies and Partnerships.

The Annual General Meeting on 29 April 2010 adopted amendments to the Bank's Statute regarding:

- organization and competence of the General Meetings;
- provision on the composition of the Board of Executives of three to ten members.

Then, the Extraordinary General Meeting on 29 June 2010 adopted the following changes to the Bank's Statute:

- division of the scope of competence between the Board of Executives Members;
- description of a Line;
- structure of additional capital.

The latest amendments to the Bank's Statute were registered by the District Court for the capital city of Warsaw, XIII Commercial Division of the National Court Register on 30 September 2010. The Supervisory Board determined the consolidated text of the Statute including the aforesaid amendments, acting on the basis of authorization derived from Article 15 para. 3 item 12) of the Bank's Statute.

7). Composition and rules of activity of managing and supervisory authorities of the company and their committees:

a. Composition and rules of activity of the Board of Executives:

Pursuant to the Bank's Statute, the Board of Executives shall be composed of three to ten members, including the President of the Board of Executives, one or a number of Vice Presidents of the Board of Executives and members of the Board of Executives in the number that is to be defined by the Supervisory Board. Appointment of two Members of the Board of Executives, including the President of the Board, is made with consent of the banking supervision body, given upon a request of the Supervisory Board. The tenure of the Board of Executive member is five years. Members of the Board of Executives shall be appointed for the period of a common tenure, a mandate of the Board of Executives member appointed prior to the expiry of a given tenure of the Board of Executives shall expire at the same time as mandates of the remaining members of the Board.

The Board of Executives manages the Bank's operating activity and represents the Bank before external parties. The scope of tasks of the Board includes primarily all the issues that are not reserved for the competence of other bodies of the Bank.

As at 1 January 2010, Fortis Bank Polska SA Board of Executives' composition was as follows:

Alexander Paklons

President of the Board of Executives



Jan Bujak	Senior Vice-President
Frédéric Amoudru	Vice-President
Jean-Luc Deguel	Vice-President
Jacek Obłąkowski	Vice-President
Jaromir Pelczarski	Vice-President
Michel Thebault	Vice-President
Philippe Van Hellemont	Vice-President

In 2010 the composition of the Board of Executives changed as follows:

At a meeting held on 30 April 2010, the Bank Supervisory Board appointed the Board of Executives with the existing composition for the subsequent five-year tenure ending with the Annual General Meeting approving of the financial statement for the fiscal year 2014.

At the same time, the Supervisory Board appointed Ms Marta Oracz as a member of the Fortis Bank Polska SA Board of Executives effective from 1 June 2010.

On 18 June 2010 the Bank Board of Executives appointed Mr. Frédéric Amoudru, Vice President of the Board of Executives and General Manager of the BNP Paribas Group in Poland, to the position of the President of the Board of Executives of the Bank effective from the date of approval by the Polish Financial Supervision Authority of the appointment, 1 July 2010 at the earliest.

From 1 July 2010 until the Polish Financial Supervision Authority gives its consent, the Supervisory Board has appointed Mr Frédéric Amoudru to perform duties of the President of the Board of Executives of the Bank.

Mr Alexander Paklons submitted his resignation from the function of President of the Board of Executives and from his membership in the Bank Board of Executives, effective 30 June 2010. Mr Alexander Paklons assumed his duties in Fortis Bank Polska SA since February 2005.

Furthermore, the Supervisory Board accepted Mr Jean-Luc Deguel's resignation from the function of Vice President of the Board of Executives effective 30 June 2010. Mr Deguel joined the Bank on 1 June 1998 when he was appointed to the Board of Executives as a representative of Generale Bank (later Fortis Bank).

At the same time, the Supervisory Board appointed Mr Jean-Philippe Stéphane Rodes as a member of the Fortis Bank Polska SA Board of Executives effective from 1 July 2010 until the end of the current tenure.

On 14 September 2010, Mr Frédéric Amoudru obtained the required consent of the KNF and thus his appointment to the position of the President of the Board of Executives became effective.

The composition of the Board of Executives of Fortis Bank Polska SA as at 31 December 2010:

Frédéric Amoudru	President of the Board
Jan Bujak	Senior Vice-President
Jacek Obłąkowski	Vice-President
Jaromir Pelczarski	Vice-President
Michel Thebault	Vice-President
Philippe Van Hellemont	Vice-President



Marta Oracz	Member of the Board
Stephane Rodes	Member of the Board

The activity of the Board of Executives of Fortis Bank Polska SA is governed by, apart from the Bank's Statute, detailed Regulations of the Board of Executives, approved by the Supervisory Board.

In 2010 the Board of Executives of Fortis Bank Polska SA held 23 meetings and adopted 117 Resolutions. The meetings were held at least once a month.

Meetings of the Board are convened by the President of the Board of Executives who determines their agenda. Any other Executive may at any time report issues to the President that require consideration by the Board. The meeting of the Board may be convened by the President on his/her own initiative or by the Supervisory Board.

Any Board member should be informed about the Board meeting and agenda not later than two days before the meeting. The agenda of the meeting may be supplemented upon the consent of all Executives. The limitation of the agenda does not require the presence of all the Executives. Members of the Supervisory Board, Bank management staff and other persons invited may participate in the Board of Executives' meetings with advisory opinions. A meeting can take place at any time and place provided that all the Executives can participate in the meeting.

The Board of Executives act collectively and make decisions in the form of resolutions. Resolutions of the Board are adopted by a majority of votes cast. In the event of equal number of votes "for" and "against", the President of the Board of Executives shall have the casting vote, while in case of his absence - other Executive who acts as the President's deputy. Resolutions of the Board of Executives shall be validly adopted if more than half of the Executives participate in the meeting.

The Board of Executives may adopt a resolution in lieu of a meeting, by voting in writing. The Board may adopt a resolution outside of a meeting using also means of direct communication at a distance, specifically electronic mail, conference call or videoconference. A resolution is deemed adopted in the manner of voting in writing on the day on which the required number of votes "for" reaches the Management Office, unless the contents of the resolution provides otherwise.

Within the scope of activities of the Board of Executives, the President performs duties not reserved either to the Board or other Executives. The primary scope of competence of the Board of Executives' President includes the management of the Board activity, convening and chairing of the Board meetings, presentation of the Board's standpoint before the Bank supervisory bodies and in external relations and also the oversight of the activity performed by the Bank's units responsible for internal audit and monitoring the observance of the Bank's internal regulations and commonly binding law (Compliance). The primary scope of competence of the Executive, appointed subject to the consent of the Polish Financial Supervision Authority, comprises risk management, including credit risk management.

Within the framework of the function division the Executives are obliged to: manage the subordinated Bank's organizational units, decide on issues that belong to their scope of authority and monitor the decision implementation by the subordinated organizational units of the Bank, issue internal legal acts that regulate issues within their scope of authority, exercise the supervision and control over the implementation of the internal legal acts binding at the Bank by the subordinated organizational units.

The Board of Executives is authorized to establish permanent committees in order to perform some specific functions and coordinate the activities of the Bank's organizational units. The following permanent committees work at Fortis Bank Polska SA:

- Assets and Liabilities Committee (ALCO);
- Risk Committee;
- Credit Risk and Provisioning Committee;
- Credit Committee;
- Internal Control Coordination Committee along with the sub-committee:
 - Operational Risk Committee
- Information Security and Business Continuity Committee;
- New Products, Activities and Organisations and Exceptional Transaction Validation Committee;
- Investment Committee.



In 2010, the work of the Bank's permanent committees was reorganised. Effective 15 April 2010, the Risk & Asset and Liabilities Committee (RALM) was dissolved. It was replaced with the Assets and Liabilities Committee (ALCO) and Risk Committee.

Assets and Liabilities Committee (ALCO)

The scope of competence, composition and rules of operation of the Assets and Liabilities Committee (ALCO) are determined in the Regulation of ALCO Committee adopted under the Bank Board of Executives' resolution.

The Chairman of ALCO Committee is the Chief Financial Officer. The Chief Executive Officer may always decide that he becomes the Chairman of ALCO.

The ALCO Committee is a collective body that supervises liquidity risk management, interest rate risk and foreign exchange risk.

The main tasks of ALCO Committee include the following issues:

- review and acceptance of new methodologies and models used to measure and manage risks (liquidity, interest rates and foreign exchange);
- implementation of quantitative and qualitative rules of assets and liabilities management, foreign exchange, interest rates and liquidity risks including setting up measures and limits;
- deciding on projects and actions regarding risk mitigation (including related financial expenses);
- acceptance of the assumptions related to sources of Bank's assets funding;
- acceptance of the assumptions related to the securities investments within ALM portfolio;
- evaluation of ALM competence centre's performance with respect to the budget assumptions;
- acceptance of the assumptions of transfer prices system used in the Bank;
- supervision over internal and regulatory liquidity, interest rates and FX risk measures;
- new production analysis concerning liquidity, interest rates and FX risk management.

Risk Committee

The scope of competence, composition and rules of operation of the Risk Committee are determined in the Risk Committee Regulations approved by the Bank's Board of Executives.

The Risk Committee is composed of all Board of Executives members. The Chairman of Risk Committee is the Chief Risk Officer (CRO).

The Risk Committee is a collective body that monitors and supervises, at the Bank level, major risks inherent in the Bank's business, i.e.: strategic aspects of credit risk, transversal aspects of market and liquidity risks, counterparty risk and operational risk.

The Risk Committee acts collectively and makes decisions in the form of resolutions. Regulations adopted by the Risk Committee, according to the delegation received, are put into effect by an Order of the President or a Member of the Board of Executives, in accordance with the Bank's internal legislation.

The Risk Committee:

- consolidates risk management information at the Bank level to have a holistic and comprehensive view on the full spectrum of risks;
- ensures that the risk management corresponds with the available resources and the risk appetite, accepted by the shareholders and articulated in the Risk Strategy of the Bank;
- guarantees that the risk governance model is adequate to the scale, complexity and foreseen risk exposure of the Bank and takes into account economic environment of the Bank;
- ensures that the risk policies adopted by the Bank are prudent and comply with the legal and regulatory framework and are in line with guidelines received from the BNPP Group.

Credit Committee



The scope of competence, composition and rules of operation of the Credit Committee are determined in Regulations adopted by the Board of Executives and the Supervisory Board of the Bank. Furthermore, in the Bank there are also credit sub-committees operating under the *Credit Decision Making Regulations at Fortis Bank Polska SA*, approved by the Bank Supervisory Board.

The Chairman of the Committee is the Chief Risk Officer (CRO). The Committee members include also Members of the Board responsible for the Retail Banking Business Line, Enterprise and Transaction Banking and also Heads of Credit Risk SME Line and International, Big Credit Exposures, IC/R Line.

The Credit Committee is a body authorised to take credit decisions at Fortis Bank Polska SA up to the level specified by the maximum credit limit, set up by the Supervisory Board of the Bank.

The main tasks of the Committee include making decisions regarding the following:

- granting, increase, decrease or renewal of loans and other products bearing credit risk, the establishment of legal collateral for loans, fundamental changes of loan terms and conditions (including changes of legal collateral), risk/rating classification determination/change;
- restructuring, composition agreement concluding, transfers from balance-sheet to off-balance-sheet records;
- amendments to credit decisions or agreement conditions (the so-called minor changes) that do not significantly affect the credit relationship between a customer and the Bank.

The Credit Committee resolutions are adopted unanimously by the Committee members. If there is no unanimity, resolutions shall be adopted by the majority of votes cast. Credit decisions regarding cases where the maximum limit level established is not exceeded may be taken by relevant credit sub-committees.

Credit Risk and Provisioning Committee

The scope of competence, composition and rules of operation of the Credit Risk and Provisioning Committee are determined in Regulations adopted by the Risk & ALM Committee and approved by the Supervisory Board. The Committee supports, as an advisory body, the Risk Committee in the efficient management of the Bank's credit risk profile.

The Chairman of the Committee is the Chief Risk Officer (CRO). The Credit Risk and Provisioning Committee decision power is limited to, in particular:

- acceptance of annual and quarterly plans of specific provision creation for the forecast credit portfolio risk as well as adjustments to these plans;
- acceptance of creation and reduction of loan loss specific provisions;
- acceptance of IBNR methodologies and results;
- acceptance of methodology for specific provisions;
- implementation of risk mitigation actions recommended by Credit Inspection.

Internal Control Coordination Committee along with the sub-committee of Operational Risk Committee:

The scope of competence, composition and rules of operation of the Internal Control Coordination are determined in Regulations approved by the Bank's Board of Executives. The Committee is responsible for the efficient management of the Bank's internal control system. The scope of competence, composition and rules of operation of the sub-committee are provided in separate *Operational Risk Committee Regulations*.

The scope of competence, composition and rules of operation of Internal Control Coordination Committee are defined by *Internal Control Coordination Committee Regulations* approved by the Board of Executives. The committee is responsible for an effective management of the Bank's internal control system.

The Chairman of the Internal Control Coordination Committee is the Chief Executive Officer (CEO). The Committee is a collective body that manages major risks related to the internal control system of the Bank. The Committee has been established in order to support the Board of Executives and the Supervisory Board in effective management of the Bank's internal control system. The Committee is a place of information exchange and activity coordination between different participants of the internal control.



Tasks:

- assurance of coherence and completeness of the internal control system and its compliance with internal and external regulations;
- promotion of the general usage of tools and data bases for the internal control purposes;
- reports of each internal control function in the Bank analysis,
- decisions making on the necessary internal control system development orientations and corrective measures in case of its weaknesses;
- assurance of sufficient resources appointed to assure effective execution of internal control system activities;
- making decisions regarding control activities within the internal control system.

Operational Risk Committee

The Committee Chairman is Head of the Compliance and Control Line. The Committee is as an advisory body to support the Internal Control Coordination Committee in an effective assessment of the internal control system management with respect of the Bank's operational risk, and the Risk Committee in the effective operational risk management.

The main tasks of the Operational Risk Committee includes:

- development of common arrangements regarding the origin, nature and consequences of risk in identified higher operational risk areas;
- issuing recommendations towards the internal control improvement;
- operational risk mitigation.

Information Security and Business Continuity Committee

The scope of competence, composition and rules of operation of the Information Security and Business Continuity Committee are determined in the *Regulations* approved by the Board of Executives.

Chairman of the Information Security and Business Continuity Committee (IS&BCP) is Vice-President of the Management Board, Head of Operations and Process, Services Line (COO).

The key objective of the Committee is supervision and realization of tasks which are defined and executed in Fortis Bank Polska SA in Information Security Management System and Business Continuity Management System areas.

New Products, Activities and Organisations and Exceptional Transaction Validation Committee (NPAO)

The scope of competence, composition and rules of operation of the New Products, Activities and Organisations and Exceptional Transaction Validation Committee are determined in the *Regulations* approved under a resolution of the Bank Board of Executives. The Committee's basis activity comprises approval of new initiatives regarding various activities, new products, services and non-standard transactions.

The Chairman of the NPAO Committee is the Chief Executive Officer.

The NPAO Committee is the decision-making forum in which Compliance, Risk, Legal & Taxes, and Operations approve execution of transactions, activities and products. The Committee is responsible for

- acceptance of any new activity, product before their operational implementation;
- approval of non-recurring transactions considered to be exceptional transactions before their execution;
- assurance that the validation process enables an efficient assessment of risks, if any: the legal, tax or reputation risk due to the new product, activity or the transaction considered;
- guarantee that local practices and regulations comply with legal background including regulatory framework and the BNPP group guidelines.



Investment Committee

The scope of competence, composition and rules of operation of the Investment Committee are determined in the Investment Committee Regulations approved by the Board of Executives. The Committee approves all initiatives related to the implementation of new products, functionality changes to the existing systems, processes and products, infrastructure development, as well as other non-standard transactions.

The Chairman of the Investment Committee is the Chief Executive Officer.

The Committee is a body that collectively manages the Bank's portfolio of projects. The Committee cooperates with other committees operating in the Bank, in particular, with the NPAO Committee to ensure consistent acceptance of new products' implementation.

Tasks of the Committee include:

- making decisions whether to carry out new project initiatives on the basis of the presented project scope, budget, schedule, Business Case and compliance with the Bank's and the Group' strategy;
- allocating human, technical and financial resources in accordance with the Bank's budget;
- accepting essential changes to the scope of the implemented projects;
- verifying goals achieved by selected projects as well as results declared in Business Cases.

b. Compositions and rules of activity of the Supervisory Board:

Pursuant to the Bank's Statute, the Supervisory Board shall be composed of five to ten members. The Supervisory Board shall elect a Chairman and at least one Deputy Chairman from among its members. The tenure of the Supervisory Board member is five years. Members of the Supervisory Board shall be appointed for the period of a common tenure; a mandate of the Supervisory Board member appointed prior to the expiry of a given tenure of the Supervisory Board shall expire at the same time as mandates of the remaining members of the Supervisory Board.

The Supervisory Board shall proceed with permanent, general supervision over all activities of the Bank, and in particular, shall mind whether the activities of the Board of Executives are consistent with the interest of the shareholders, welfare of the Bank, and whether they are in line with rules of law and the Statute.

As at 1 January 2010, Fortis Bank Polska SA Supervisory Board's composition was as follows:

Camille Fohl	Chairman of the Board
Jos Clijsters	Deputy Chairman of the Board
Antoni Potocki	Deputy Chairman of the Board, independent
Zbigniew Dresler	Member of the Board, independent
Reginald De Gols	Member of the Board

In 2010, the composition of the Supervisory Board changed as follows:

Mr Reginald De Gols resigned from his function in the Bank's Supervisory Board from 1 April 2010. The reason of Mr De Gols' resignation was his intention to leave the BNP Paribas Fortis group in connection with his retirement.

On 29 April 2010, the General Meeting of Shareholders appointed the Supervisory Board for a five-year tenure ending with the Annual General Meeting approving of the Bank's financial statement for 2014 fiscal year. Three new members of the Supervisory Board have been appointed: Mr Mark Selles, Mr Lars Machenil and Mr Jean-Marie Bellafiore, representing the BNP Paribas group.

At the same time, on the date of the Annual General Meeting the tenure of Mr Antoni Potocki, Vice President of the Bank's Supervisory Board and of Mr Zbigniew Dresler, Member of the Bank's Supervisory Board, ended.

The Extraordinary General Meeting of Shareholders held on 29 June 2010, appointed to the Supervisory Board, effective 1 July 2010, the following new members until the end of the current tenure: three independent members – Ms Monika Bednarek, Mr Jarosław Bauc and Mr Andrzej Wojtyna, and also Mr Jean Deullin who represents BNP Paribas Personal Finance. At the same time, the Extraordinary General Meeting



of the Bank's Shareholders discharged Mr Jean-Marie Bellafiore from his function of the Supervisory Board member effective 30 June 2010, and decided to appoint Mr Jean Deullin to the Supervisory Board in his place.

On 30 August 2010, the Supervisory Board appointed Mr Jarosław Bauc as a Deputy Chairman of the Supervisory Board of Fortis Bank Polska SA.

Effective 30 September 2010, Mr Jos Clijsters resigned from his function of the Deputy Chairman and membership in the Bank's Supervisory Board, a member of which he was since 1 July 2005.

On 5 November 2010, the Supervisory Board appointed Mr Lars Machenil as a Deputy Chairman of the Supervisory Board.

As at 31 December 2010, Mr Mark Selles was at the same time Chairman of the Supervisory Board of Dominet SA (shareholder of the Bank).

The composition of the Supervisory Board of Fortis Bank Polska SA as at 31 December 2010:

Camille Fohl	Chairman of the Board
Jarosław Bauc	Deputy Chairman of the Board, independent member
Lars Machenil	Deputy Chairman of the Board,
Monika Bednarek	Member of the Board, independent
Jean Deullin	Member of the Board
Mark Selles	Member of the Board
Andrzej Wojtyna	Member of the Board, independent

The activity of the Board of Executives of Fortis Bank Polska SA is governed by the Bank's Statute and the Regulations of the Supervisory Board approved by the General Meeting.

In 2010, the Board of Executives of Fortis Bank Polska SA held seven (7) meetings and adopted 43 Resolutions.

The Chairman convenes the Supervisory Board's meetings as required, however, at least once a quarter. The Supervisory Board's meeting is convened by a written notification, registered letter, courier delivery or fax, stating agenda of the meeting. The Supervisory Board's meetings shall be held in the Bank's registered office or at other place determined by a person responsible for convening the meeting. The President of the Bank's Board of Executives shall participate in the Supervisory Board's meetings on account of his/her function. Other persons invited may also attend the meetings.

The Supervisory Board's meetings may be convened at the request of the Board of Executives or one third of the Supervisory Board members, stating reasons and subject of the meeting. The Chairman shall convene such a meeting within 15 days of the day of submitting a motion. The meetings shall be presided over by the Chairman, and in case of his absence, by one of Deputy Chairmen.

The Supervisory Board makes decisions in the form of resolutions. Resolutions of the Supervisory Board are adopted by a majority of votes cast by members present at the meeting. In the event of equal number of votes "for" and "against", the Chairman of the Supervisory Board shall have the casting vote. Resolution of the Supervisory Board shall be regarded as validly adopted, if all members were invited at least 14 days before the meeting, and at least half of the members of the Board attend the meeting, including the Chairman and/or Deputy Chairman of the Board. The Supervisory Board members may participate in adopting resolutions by the Supervisory Board by giving his/her vote in writing through another member of the Board.

In justified cases, the Supervisory Board can adopt resolutions outside of a meeting by voting in writing or using direct telecommunication means, in particular fax and e-mail. The Supervisory Board resolution adopted by voting in writing or using direct telecommunication means shall be valid provided that all members of the Board have been notified about the contents of the draft resolution.



The duties of the Supervisory Board include:

- notifying the Polish Financial Supervision Authority about the Board of Executives composition and any changes thereto immediately after the formation of the Board of Executives or making any changes to its composition;
- notifying the Polish Financial Supervision Authority about the Board of Executives members who, according to the division of the scope of competence, supervise credit risk management and the internal audit,
- supervision over the implementation of the management system, including the risk management system and internal controls, and the assessment of its adequacy and effectiveness,
- supervision over the consistency of the Bank's policy with respect to risk assumption with the Bank's strategy and financial plan,
- supervision over the compliance risk management and annual assessment of the compliance risk management effectiveness by the Bank.

Pursuant to the Bank's Statute, reserved for the competence of the Supervisory Board shall be in particular the following issues:

- assessment of the Bank's financial statements;
- assessment of the report of the Bank Board of Executives and its proposals pertaining to allocation of profit and covering losses, as well as presentation of annual reports with the results of the said assessments to the General Meeting;
- approval of the draft annual budget, long-term programs of the Bank development and the Bank's business strategy likewise rules of the Bank's prudent and stable management;
- approval of annual economic and financial plans of the Bank;
- approval of the Bank Board of Executives motions regarding opening or liquidation of branches, sub-branches and representative offices of the Bank outside Poland;
- approval of the Board of Executives motions regarding participation as a shareholder in establishment of another bank, company or another commercial organisation, with the exclusion of the Stock Exchange investments concluded for a term no longer than 6 months;
- appointment and recalling of the President of the Board of Executives of the Bank, Vice Presidents and Members of the Board of Executives as well as determination of their remuneration. The Board may delegate one or more of its members to a committee empowered to make decisions on remuneration of members of the Board of Executives;
- selection, upon the Board of Executives' motion, of a statutory auditor to carry out the audit of the Bank's financial statements;
- approval of general rules of making credit decisions, including regulations of the credit committees which are the bodies authorized to reach decisions related to loans and credits under the regulations;
- adoption of resolutions regarding purchase or sale of real estate or a stake in such real estate and also regarding the purchase or sale of the right of perpetual usufruct;
- adoption of resolutions on issuing bonds;
- drawing up a consolidated text of the Bank's amended Statute and editorial changes according to the resolution of the General Meeting;
- appointment of an Audit Committee composed of the Supervisory Board members basically to supervise the Audit Department activity;
- approval of the Bank's compliance risk policy assumptions;
- approval of internal procedures regarding internal capital estimation, capital management and capital planning processes;
- approval of the internal control rules.

Pursuant to the Bank's Statute and the Regulations of the Supervisory Board and acting according to the separate Regulations the following Committees within the Supervisory Board of Fortis Bank Polska SA:

- Audit Committee;
- Committee for Compensation of the Board of Executives' Members.



c. Composition and rules of activity of the Audit Committee:

As at 31 December 2010, the composition of the Audit Committee of Fortis Bank Polska SA was as follows:

Lars Machenil	Chairman of the Committee
Jarosław Bauc	Member of the Committee, independent
Mark Selles	Member of the Committee
Andrzej Wojtyna	Member of the Committee, independent

The scope of competence, composition and rules of operation of the Audit Committee are determined in the Regulations of the Supervisory Board and the Audit Committee Regulations approved by the Supervisory Board.

The Audit Committee is established by the Supervisory Board pursuant to its Regulations. The Audit Committee is composed of at least three and maximum five Supervisory Board Members, including two independent Members. Within the scope defined in the Supervisory Board's Resolution, the Audit Committee can hold decision-making powers.

The Audit Committee meets at least four times a year. A meeting can be held if there is at least half of the Committee members present.

The scope of the Audit Committee competence includes in particular:

- monitoring the effectiveness of the internal audit function, in particular by supervision over the work performed by the Audit Department of Fortis Bank Polska SA and making recommendations to the Supervisory Board regarding approval of the annual audit plan submitted by the Audit Department upon receiving a positive opinion from the President of the Board of Executives, issuing opinions on the appointment or dismissal of the Head of the Audit Department and on the Department's budget;
- periodical review of the performance of the internal control system in general, and in particular of the risk management system and the processes for monitoring compliance with laws, regulations and the corporate governance standards, with a view to ensuring that the main risks are properly identified, managed and disclosed;
- monitoring the integrity of the financial information, especially financial statements, provided by Fortis Bank Polska SA and its subsidiaries;
- monitoring the external audit process, and in particular ensure the auditor's independence and objectivity and review the effectiveness of the external audit process, and the
- monitoring the performance of the external audit process, in particular by:
 - making recommendations to the Supervisory Board regarding the selection and appointment or re-appointment of the external auditors (certified accountants) and their remuneration;
 - overseeing the work performed by the external auditors;
 - issuing opinions on the external auditors' audit plan;
 - formally evaluating the external auditors' performance at least once every 3 years against stated criteria and monitor adherence to the policy of the external auditors' independence and objectivity, including the correct implementation of pre-approval procedure for non-audit services;
 - review the responsiveness of management to the recommendations made in the external auditor's management letter.
- ensuring good communication and co-operation between the external auditor, internal audit and the Supervisory Board.

The Audit Committee issues recommendations and provides opinions based on a consensus. The recommendations and opinions are presented to the Supervisory Board by the Committee Chairman.

The Audit Committee submits annual reports on its activity. The Audit Committee Chairman forwards the Audit Committee recommendations and opinions to the President of the Board of Executives of the Bank.



d. Composition and rules of activity of the Committee for Compensation of the Board of Executives of Fortis Bank Polska SA

As at 31 December 2010, the composition of the Committee for Compensation of the Board of Executives' Members of Fortis Bank Polska SA (Compensation Committee) was as follows:

Camille Fohl	Chairman of the Committee
Lars Machenil	Member of the Committee
Monika Bednarek	Member of the Committee, independent

The scope of competence, composition and rules of operation of the Compensation Committee are determined in the Regulations of the Supervisory Board and the Regulations of the Committee for Compensation of the Board of Executives' Members of Fortis Bank Polska SA approved by the Supervisory Board.

The Compensation Committee is established by the Supervisory Board pursuant to its Regulations. The Compensation Committee is composed of three members: the Supervisory Board's Chairman, by virtue of his office, and the Supervisory Board's Deputy Chairman and the Board member, both appointed under a resolution adopted by the Supervisory Board. At least one (1) member of the Committee should be an independent Supervisory Board Member. Within the scope defined in a Supervisory Board Resolution, the Compensation Committee can hold decision-making powers.

The Compensation Committee may be authorised in particular to make decisions related to compensation packages in favour of the Board of Executives' Members, including:

- approval of employment terms and conditions for members of the Board of Executives determined in employment contracts or manager's contracts;
- determination of principles of motivation programs for the Board of Executives and to decide on payments of awards, bonuses and other benefits on this account;
- making formal decisions in terms of adaptation of the compensation package to costs of living indexes and/or to foreign exchange rates, including expatriation premiums paid to expatriates, members of the Board of Executives.

The Compensation Committee can also prepare recommendations for the Supervisory Board in all other matters related to the employment and compensation package of the members of the Board of Executives, which would require a Supervisory Board resolution.

The Committee takes decisions based on a consensus. Should there be no consensus, a given issue is submitted to the Supervisory Board to be decided upon.

Any decisions made by the Compensation Committee within the scope of its authorisation are immediately enforceable. The Chairman forwards the Compensation Committee's decisions to the President of the Board of Executives who undertakes appropriate actions to implement them.

Decisions can be taken at the Compensation Committee meetings or by voting in writing using direct telecommunication means, at the Chairman's initiative.

Decisions are formally finalised in the Management Office, where original copies of signed decisions are kept.