

**ANNOUNCEMENT OF THE MANAGEMENT BOARD**  
**OF mBank S.A. WITH ITS REGISTERED SEAT IN WARSAW**  
**ON CONVENING THE ORDINARY GENERAL MEETING**

The Management Board of mBank S.A. with its registered seat in Warsaw (the "Bank"), acting on the basis of Art. 399 § 1 of the Commercial Companies Code ("CCC") and § 10 of the By-laws of the Bank, hereby convenes an Ordinary General Meeting and in accordance with the wording of Art. 402<sup>2</sup> of the CCC presents the following information:

**1. DATE, TIME AND PLACE OF THE GENERAL MEETING AND AN AGENDA**

Ordinary General Meeting is to be held at 14:30 hours, 12 April 2018 at the Bank's registered seat in Warsaw, 18 Senatorska Street (conference room 5.3 – 5th floor). The following items will be considered at the meeting:

1. Opening of the Meeting.
2. Election of the Chairperson of the Meeting.
3. Election of the Vote Counting Committee.
4. Statement by the President of the Management Board of mBank S.A.; presentation of the Management Board Report on the Business of mBank Group, including the Management Board Report on the Business of mBank S.A. for 2017, the financial statements of mBank S.A. for the financial year 2017 and the consolidated financial statements of mBank Group for 2017.
5. Statement by the Chairperson of the Supervisory Board of mBank S.A. and presentation of the Report on activities of the Supervisory Board and the present position of mBank SA.
6. Review of the Management Board Report on the Business of mBank Group, including the Management Board Report on the Business of mBank S.A. for 2017, Report of the Supervisory Board of mBank S.A., and the financial statements of mBank S.A. for 2017.
7. Review of the consolidated financial statements of mBank Group for 2017.
8. Adoption of resolutions concerning:
  - 1) Approval of the Management Board Report on the Business of mBank Group, including the Management Board Report on the Business of mBank S.A. for 2017;
  - 2) Approval of the Financial Statements of mBank S.A. for 2017;
  - 3) Division of the 2017 net profit;
  - 4) Division of the undivided profits from previous years;
  - 5)-15) Vote of discharge of duties for Members of the Management Board of mBank S.A.;
  - 16)-30) Vote of discharge of duties for Members of the Supervisory Board of mBank S.A.;
  - 31) Approval of the Consolidated Financial Statements of mBank Group for 2017;
  - 32) Amendments to the By-laws of mBank S.A.;
  - 33) Amendments to the Standing Rules of the General Meeting of mBank S.A.;
  - 34) the Implementation of the Incentive Programme and Determination of the Rules for Conducting It;
  - 35) the Issue of Subscription Warrants, Conditional Share Capital Increase with Divestment of the Existing Shareholders' Pre-emptive Right to Subscription Warrants and Shares, Change of the Company's By-Laws and on Applying for Admission of Shares to Trading on the Regulated Market, and Dematerialisation of Shares;
  - 36) Stance of shareholders of mBank S.A. concerning appraisal of functioning of remuneration policy regarding members of the Management Board and persons holding key positions at mBank S.A.;
  - 37) Appointment of the Statutory Auditor to audit the Financial Statements of mBank S.A. and Consolidated Financial Statements of mBank Group for years 2018-2019.
9. Closing of the Meeting.

**2. SHAREHOLDER'S RIGHT TO DEMAND PLACING SPECIFIC MATTERS IN THE AGENDA OF THE GENERAL MEETING**

Shareholder(s) of the Bank representing at least 1/20 of the share capital may demand that the specific items be placed in the agenda of the Ordinary General Meeting (the "OGM"). Such demand should be submitted to the Management Board not later than 21 days before the day of the OGM, that is on 22 March 2018 at the latest. The demand should include a justification and/or a draft resolution regarding the proposed item in the agenda. The demand may be submitted in electronic form, in accordance with the rules specified in point 13 hereof.

**3. RIGHT OF A SHAREHOLDER TO SUBMIT DRAFT RESOLUTIONS REGARDING ITEMS INTRODUCED TO THE AGENDA OF THE GENERAL MEETING AND/OR MATTERS WHICH ARE TO BE INTRODUCED TO THE AGENDA BEFORE THE DAY OF THE GENERAL MEETING**

Shareholder(s) of the Bank representing at least 1/20 of the share capital may submit to the Bank draft resolutions regarding matters introduced to the agenda of the OGM and/or matters which are to be introduced to the agenda before the date of the OGM. The draft resolutions should be submitted in writing and/or by using electronic means, in accordance with the rules specified in point 13 hereof.

**4. RIGHT OF A SHAREHOLDER TO SUBMIT DRAFT RESOLUTIONS REGARDING MATTERS INTRODUCED TO THE AGENDA DURING THE GENERAL MEETING**

Each shareholder may submit draft resolutions regarding matters introduced to the agenda during the OGM.

**5. THE MANNER OF EXERCISING THE RIGHT TO VOTE BY THE PROXY, INCLUDING IN PARTICULAR THE FORMS USED DURING VOTING BY THE PROXY, AND THE MANNER OF NOTIFYING THE BANK BY MEANS OF ELECTRONIC COMMUNICATION OF APPOINTMENT OF THE PROXY**

Shareholder of the Bank may participate in the OGM and exercise his or her voting right in person (in the case of a legal person - through persons authorised to make statements of will) and/or through a proxy. The proxy of a shareholder exercise all rights of the shareholder, unless otherwise provided in the text of the power of attorney. The proxy who may grant further powers of attorney, provided it stems from the granted power of attorney. One proxy may represent more than one shareholder. If the shareholder holds shares entered on more than one securities account, he may appoint a proxy to exercise rights from the shares entered on each of these accounts. If the shareholder holds shares entered on a collective account, he may appoint separate proxies to exercise rights from the shares entered on this account.

A power-of-attorney to participate in the OGM and exercise the voting right should be granted in writing or in electronic form.

The right to represent a shareholder who is not a natural person shall be set out in an excerpt from a relevant register (or its copy) or a series of powers of attorney presented when drawing up the list of attendance. The person(s) who appoint (s) the power of attorney on behalf of a Shareholder who is not a natural person shall be named in the valid copy of a relevant register. It is implied that the written power of attorney confirming the right to represent a Shareholder at the General Meeting is legal and requires no confirmation unless its authenticity or validity arouse doubts of the Chairman of the General Meeting. In such a case, the right is reserved to request that a proxy presents an original document or a copy certified by a notary to be a true copy of the document or other entity entitled to certify that documents are true copies of an excerpt from a relevant register or a series of powers of attorneys to represent the shareholder at OGM.

In the case when any document presented as a proof of granting a power of attorney is prepared in a language other than Polish, then the Bank is provided also with sworn translation into Polish

The Bank publishes the forms used during the proxy voting at the website of the Bank at <https://www.mbank.pl/en/investor-relations/general-meeting/>. Using the form is not obligatory. The form includes an instruction regarding exercising the voting right by the proxy, however, it does not replace a power of attorney granted to a proxy by a shareholder. The bank will not verify whether or not proxies exercise the voting right in accordance with the instructions they received from mandators.

A shareholder notifies the Bank on granting the authorisation via electronic means by using the e-mail address: [walne.zgromadzenia@mbank.pl](mailto:walne.zgromadzenia@mbank.pl)

Power of attorney granted in the electronic form does not require a digital signature verified by means of a valid qualified certificate.

Notification on granting the power of attorney via electronic means should include name and/or name and surname of the mandator, his or her phone number and e-mail address, as well as name and/or name and surname of the proxy, his or her phone number and e-mail address.

Together with the notification on granting the power of attorney the shareholder provides the Bank with the text of the power of attorney including at least the following data: name and/or name and address of the mandator, name and/or name and surname of the proxy, number and series of the ID or passport of a proxy being an individual, explicit authorisation of the proxy to represent the shareholder at the OGM, number of shares from which the voting right is to be exercised, date of the OGM at which the voting right is to be exercised, date of granting the power of attorney and signature of the shareholder.

Examples of powers of attorneys for participation in the OGM are placed at the Bank's website at: <https://www.mbank.pl/en/investor-relations/general-meeting/>.

Additionally, if an authorisation has not been granted by an individual, the shareholder provides the Bank, in the notification on granting the authorisation via electronic means, with a scanned excerpt from a register where the shareholder is registered and/or a scan of other document confirming authorisation of persons granting the power of attorney to act on behalf of the shareholder.

If the proxy is not a natural person, the shareholder additionally provides the Bank with a scanned excerpt from a register, in which the proxy is registered and/or a scan of other document confirming the fact of existence of such proxy.

All scanned documents the shareholder presents to the Bank in PDF. Providing the Bank with above-mentioned documents does not exempt the proxy from his or her obligation to present documents helping with his or her identification when an attendance list of shareholders authorised to participate in the OGM is prepared.

In the case of doubts about the authenticity of the aforesaid documents, the Management Board reserves that they can request to present originals of the said documents before the commencement of the Ordinary General Shareholders meeting or their copies certified by a notary or other entity authorized to certify that documents are true copies. If the proxy of a shareholder will not present them, he will not be allowed to participate in the Ordinary General Meeting.

The above-mentioned rules should also be used for notifying the Bank in the electronic form of revoking a power of attorney.

Notification on granting or revoking the power of attorney via electronic form should be sent to the Bank by 2 p.m. on the business day directly preceding the day of the OGM.

The Bank undertakes the appropriate actions in order to identify a shareholder and a proxy in order to verify the validity of a power of attorney granted via electronic means, these actions however, have to be proportionate to the goal. The Bank has, *inter alia*, the right to contact by phone or via e-mail (indicated in the notification on granting a power of attorney) in order to verify the fact of granting the power of attorney and its scope.

A member of the Management Board, member of the supervisory board, liquidator, employee of the Bank and/or a member of its bodies and/or employee of the Bank's subsidiary, may be a proxy at the OGM. The power of attorney for the above-mentioned persons can authorise to represent only at the OGM. The proxy is obliged to disclose to the shareholder circumstances of possibility of a conflict of interest. Granting further authorisation is excluded. The proxy votes in accordance with instructions given to him or her by the shareholder.

Subject to requirements specified in the preceding paragraph, a shareholder of the Bank may vote as a proxy also when resolutions are adopted regarding his or her responsibility towards the Bank, from any reasons, including granting discharge, releasing from an obligation towards the Bank and a dispute between him or her and the Bank.

#### **6. POSSIBILITY AND MANNER OF PARTICIPATING IN THE GENERAL MEETING VIA MEANS OF ELECTRONIC COMMUNICATION**

The Bank does not anticipate a possibility to participate in the OGM via means of electronic communication.

#### **7. INFORMATION ON THE MANNER OF EXPRESSING OPINIONS DURING THE GENERAL MEETING VIA MEANS OF ELECTRONIC COMMUNICATION**

The Bank does not anticipate a possibility to express opinions during the OGM via means of electronic communication.

#### **8. INFORMATION ON THE MANNER OF EXERCISING VOTING RIGHTS VIA CORRESPONDENCE OR BY MEANS OF ELECTRONIC COMMUNICATION**

The Bank does not anticipate a possibility to exercise voting rights via correspondence or by means of electronic communication.

#### **9. RECORD DATE**

Pursuant to the Article 406<sup>1</sup> Article 1 of the CCC, persons who are the Bank's shareholders 16 days before the OGM (the "**Record Date**"), i.e. on 27 March 2018, shall have the right to participate in the OGM.

#### **10. INFORMATION ON THE RIGHT TO PARTICIPATE IN THE GENERAL MEETING**

The right to participate in the OGM have only the persons being shareholders of the Bank on the Record Date. Those entitled from registered shares and from temporary certificates, as well as pledgees and usufructuaries who have the voting right, are entitled to participate in the OGM, if only they are entered in the book of shares on the Record Date.

At the demand of a person entitled from dematerialised bearer shares, notified not earlier than after the announcement on calling the general meeting, that is not earlier than on 1 March 2018, and not later than on the first working day after the Record Date, that is not later than on 28 March 2018, the entity running the securities account issues a personal certificate confirming the right to participate in the OGM. In relation to the shares registered on a collective account, a certificate of the right to participate in the OGM may be prepared in Polish and/or English language and issued by the holder of that collective account.

The list of those entitled from the bearer shares to participate in the OGM is prepared by the Bank on the basis of a list prepared by the National Deposit of Securities, in accordance with the regulations on a trading in financial instruments.

The National Deposit of Securities prepares the above-mentioned list on the basis of lists passed to it not later than by 12 days before the OGM date by entities entitled to do so in accordance with the regulations on a trading in financial instruments. The basis for preparing such list passed to the National Deposit of Securities are personal certificates confirming the right to participate in the OGM.

In accordance with Art. 407 § 1 of the CCC, three days before the date of the OGM, that is on 9, 10 and 11 April 2018, from 9:00 a.m. to 4:00 p.m., a list of shareholders entitled to participate in the OGM will be presented in the Bank's registered seat.

A shareholder may demand to provide him with a list of shareholders to be sent via e-mail, free of charge, by giving his or her e-mail address at which the list should be sent. The demand should be sent at the e-mail address: [walne.zgromadzenia@mbank.pl](mailto:walne.zgromadzenia@mbank.pl) Within a week before the OGM a shareholder has also the right to demand copies of applications on the matters covered by the agenda of the OGM.

Persons entitled to participate in the OGM will be allowed to receive voting cards on the date of the OGM, in front of the meeting room starting from 13:00 p.m.

#### **11. ACCESS TO THE DOCUMENTATION RELATED TO THE GENERAL MEETING**

In accordance with the wording of Art. 402<sup>3</sup> of the CCC information and documentation regarding the OGM will be available at the Bank's website [www.mbank.pl](http://www.mbank.pl) starting from the date of calling the OGM.

#### **12. ADDRESS OF THE WEBSITE AT WHICH INFORMATION RELATING TO THE OGM WILL BE AVAILABLE**

Information relating to the OGM are available at the Bank's website [www.mbank.pl](http://www.mbank.pl)

#### **13. COMMUNICATION BETWEEN THE SHAREHOLDERS AND THE BANK VIA ELECTRONIC MEANS**

On the matters related to the OGM, particularly related to:

- a) granting a power-of-attorney in the electronic form,
- b) notifying the Bank on granting the power-of-attorney in the electronic form,
- c) demanding placing specific matters in the agenda of the OGM,

shareholders may contact the Management Board of the Bank by writing at the following e-mail: [walne.zgromadzenia@mbank.pl](mailto:walne.zgromadzenia@mbank.pl)

The risk related to using the electronic way of communication lays on the side of a shareholder.

If the original documents are prepared in a language other than Polish, sworn translations into Polish should also be attached.

Any documents sent to the Bank via electronic means should be prepared in PDF.

#### **14. PROPOSED AMENDMENTS TO THE BY-LAWS OF THE BANK**

In accordance with requirements of Art. 402 § 2 of the CCC, the Management Board of the Bank hereby announces the proposed changes to the By-laws of mBank S.A.:

##### **1. § 6 (1) in the wording:**

"1. banking operations:

- 1) receiving cash deposits payable on request or within due time limits and operating the accounts of such deposits,
- 2) operating other bank accounts,
- 3) performing bank financial settlements,
- 4) extending financial credits and loans,
- 5) performing cheques and bills of exchange operations and operations with warrants,
- 6) extending and confirming sureties,
- 6a) extending and confirming bank guarantees, opening and confirming letters of credit,
- 7) intermediation in effecting money transfers and settlements made in foreign exchange dealings,
- 8) issuing bank securities,

- 9) performing operations ordered by third parties related to issuing of securities,
- 10) taking into deposit valuables and securities, and making safe deposit boxes available to customers,
- 11) performing forward financial transactions,
- 12) purchasing and selling of monetary receivables,
- 13) performing the functions of a representative bank as stipulated in the Bonds Law,
- 14) purchasing and selling foreign exchange values,
- 15) issuing payment instruments, including cards and performing operations using such instruments,
- 16) issuing electronic money."

- is changed into:

"1. banking operations:

- 1) receiving cash deposits payable on request or within due time limits and operating the accounts of such deposits,
- 2) operating other bank accounts,
- 3) performing bank financial settlements,
- 4) extending financial credits and loans,
- 5) performing cheques and bills of exchange operations and operations with warrants,
- 6) extending and confirming sureties,
- 6a) extending and confirming bank guarantees, opening and confirming letters of credit,
- 7) intermediation in effecting money transfers and settlements made in foreign exchange dealings,
- 8) issuing bank securities,
- 9) performing operations ordered by third parties related to issuing of securities,
- 10) taking into deposit valuables and securities, and making safe deposit boxes available to customers,
- 11) performing forward financial transactions,
- 12) purchasing and selling of monetary receivables,
- 13) performing the functions of a representative bank as stipulated in the Bonds Law,
- 14) purchasing and selling foreign exchange values,
- 15) issuing payment instruments, including cards and performing operations using such instruments,
- 16) issuing electronic money,
- 17) providing payment initiation services,
- 18) providing account information services."

**2.** In § 11 in the wording:

"The following matters require a resolution of the General Meeting except other matters set out in the Code of Commercial Partnerships and Companies:

- a) examination and approval of the report of the Board of Management on the Bank's operations and financial statements for the past accounting year;
- b) adoption of resolutions on the distribution of profit or coverage of losses;
- c) vote of discharge of duties to the members of the Bank's authorities;
- d) election and dismissal of members of the Supervisory Board;
- e) amendment of the By-laws;
- f) raise or reduction of the Bank's share capital;
- g) adoption of resolutions concerning the cancellation of shares and resolution to cancel shares, in particular setting the policy of share cancellation not regulated in the By-laws;
- h) creation and winding up of special purpose funds;
- i) issuance of convertible bonds or preferred bonds;
- j) determination of remuneration for members of the Supervisory Board;
- k) liquidation of the Bank or a merger with another Bank;
- l) appointment of liquidators;
- l) matters submitted by the Supervisory Board;
- m) matters submitted by shareholders in accordance with the provisions of the By-laws,
- n) election of an entity qualified to audit financial statements as auditor of the Bank."

- is changed into:

"The following matters require a resolution of the General Meeting except other matters set out in the Code of Commercial Partnerships and Companies:

- a) examination and approval of the report of the Board of Management on the Bank's operations and financial statements for the past accounting year;
- b) adoption of resolutions on the distribution of profit or coverage of losses;
- c) vote of discharge of duties to the members of the Bank's authorities;
- d) election and dismissal of members of the Supervisory Board;
- e) amendment of the By-laws;
- f) raise or reduction of the Bank's share capital;
- g) adoption of resolutions concerning the cancellation of shares and resolution to cancel shares, in particular setting the policy of share cancellation not regulated in the By-laws;
- h) creation and winding up of special purpose funds;
- i) issuance of convertible bonds or preferred bonds;
- j) determination of remuneration for members of the Supervisory Board;
- k) liquidation of the Bank or a merger with another Bank;

- l) appointment of liquidators;
- ł) matters submitted by the Supervisory Board;
- m) matters submitted by shareholders in accordance with the provisions of the By-laws,
- n) election of an entity qualified to audit financial statements of the Bank."

**3.** In § 17 in the wording:

" 1. The Supervisory Board shall be composed of not less than five members elected by the General Meeting, for a joint term of office of three years. Members of the Supervisory Board shall possess knowledge, skills and experience adequate for fulfilling their function and duties entrusted to them and shall guarantee the proper fulfilment of these duties. At least half of the members of the Supervisory Board, including the Chairman, shall hold Polish citizenship, permanently reside in Poland, speak Polish and have experience on the Polish market which can be used in supervision of the Bank.

2. The terms of members of the Supervisory Board shall expire at the latest on the day of the General Meeting approving the financial statements of the Bank for the last full year of the term of office of the members of the Supervisory Board.

3. The term of a member of the Supervisory Board shall also expire in the case of death, resignation, or recalling of the member.

4. The number of members of the Supervisory Board shall be determined by the General Meeting with the provision of sections 5 and 6. Members of the Supervisory Board may be re-elected. The Supervisory Board elects its Chairman and Deputy Chairmen from among the Supervisory Board members.

5. At least two of the Supervisory Board Members shall be Independent Supervisory Board Members, unless the General Meeting decides otherwise in a resolution electing the Members of the Supervisory Board or in a resolution adopted pursuant to § 19 section 3 of the By-laws.

6. Criteria characterising an Independent Supervisory Board Member are specified in a separate resolution of the General Meeting."

- is changed into:

"1. The Supervisory Board shall be composed of not less than five members elected by the General Meeting, for a joint term of office of three years. Members of the Supervisory Board shall possess knowledge, skills and experience adequate for fulfilling their function and duties entrusted to them and shall guarantee the proper fulfilment of these duties. At least half of the members of the Supervisory Board, including the Chairman, shall hold Polish citizenship, permanently reside in Poland, speak Polish and have experience on the Polish market which can be used in supervision of the Bank.

2. The terms of members of the Supervisory Board shall expire at the latest on the day of the General Meeting approving the financial statements of the Bank for the last full year of the term of office of the members of the Supervisory Board.

3. The term of a member of the Supervisory Board shall also expire in the case of death, resignation, or recalling of the member.

4. The number of members of the Supervisory Board shall be determined by the General Meeting with the provision of section 5. Members of the Supervisory Board may be re-elected. The Supervisory Board elects its Chairman and Deputy Chairmen from among the Supervisory Board members.

5. At least two of the Supervisory Board Members shall be Independent Supervisory Board Members. "

**4.** § 20 in the wording:

"1. The Supervisory Board can pass resolutions provided that at least half of its members are present at the meeting while all the members have been invited.

2. In exceptional cases, members of the Supervisory Board may pass resolutions by casting their votes in writing, with the mediation of another member of the Supervisory Board. No votes can be cast in writing on issues added to the agenda in the course of the meeting of the Supervisory Board.

3. The Supervisory Board can pass resolutions in writing or through telecommunications. A resolution is valid if all the members of the Supervisory Board were informed of the draft.

4. Resolutions of the Supervisory Board shall be passed by an ordinary majority of votes and in case of an equal number of votes, the vote of the Chairman of the Supervisory Board shall prevail.

5. No resolution should be passed without the consent of the majority of the Independent Members of the Supervisory Board on the following matters:

- a) any benefits provided by the Bank or any entities associated with the Bank to the Members of the Management Board;
- b) consent for the Bank to enter into a significant agreement with an entity associated with the Bank, a member of the Supervisory Board or the Management Board, or entities associated with them.

6. Adoption of resolution in contravention with requirements under section 5 shall not, however affect its validity, if adopted in accordance with the provisions of § 20 sections 1 - 4. The provisions of section 5 shall not apply if the General Meeting elects a Supervisory Board where there are fewer Independent Members than described in § 17 section 5 of the By-laws."

- is changed into:

"1. The Supervisory Board can pass resolutions provided that at least half of its members are present at the meeting while all the members have been invited.

2. In exceptional cases, members of the Supervisory Board may pass resolutions by casting their votes in writing, with the mediation of another member of the Supervisory Board. No votes can be cast in writing on issues added to the agenda in the course of the meeting of the Supervisory Board.

3. The Supervisory Board can pass resolutions in writing or through telecommunications. A resolution is valid if all the members of the Supervisory Board were informed of the draft.

4. Resolutions of the Supervisory Board shall be passed by an ordinary majority of votes and in case of an equal number of votes, the vote of the Chairman of the Supervisory Board shall prevail.

5. No resolution should be passed without the consent of the majority of the Independent Members of the Supervisory Board on the following matters:

- a) any benefits provided by the Bank or any entities associated with the Bank to the Members of the Management Board;
- b) consent for the Bank to enter into a significant agreement with an entity associated with the Bank, a member of the Supervisory Board or the Management Board, or entities associated with them.

6. Adoption of resolution in contravention with requirements under section 5 shall not, however affect its validity, if adopted in accordance with the provisions of § 20 sections 1 - 4."

**5.** § 22 section 3 point 2 in the wording:

"2. the Audit Committee, whose authority includes, among others, the following:

- a) to give opinions about the election of the auditor by the General Meeting;
- b) to recommend approval or rejection of financial statements by the Supervisory Board;
- c) to exercise regular supervision of the internal audit system at the Bank;
- d) to accept the changes proposed by the Management Board for the post of a manager of the Internal Audit Department and for the post of a manager of the Compliance Department."

- is changed into:

"2. the Audit Committee, whose authority includes, among others, the following:

- a) to formulate and present recommendations regarding election of entity entitled to audit the financial statements of the Bank by the General Meeting;
- b) to recommend approval or rejection of financial statements by the Supervisory Board;
- c) to monitor: the financial reporting process, effectiveness of internal control systems and systems of risk management, as well as internal audit and financial audit activities ;
- d) to recommend to the Supervisory Board acceptance or refusal of acceptance for appointment and dismissal of a person managing the Internal Audit Department and the Compliance Department;
- e) to prepare policies and procedures regarding election of entity entitled to audit financial statements of the Bank, as well as providing by this entity of permitted non-audit services."

**6.** § 22 section 3 point 3 in the wording:

"3. The Risk Committee, whose authority includes, among others, the following:

- a) exercising regular supervision of credit risks, market risks, operational risks and liquidity risks as well as recommending to approve individual counterparty risk according to parameters defined by the Supervisory Board from time to time;
- b) to recommend approval or disapproval to the Supervisory Board for transactions between the Bank and the Members of the Bank's bodies, as provided by the Banking law.

The Supervisory Board is entitled to define afore mentioned parameters, further rights and authorities of the Risk Committee."

- is changed into:

"3. The Risk Committee, whose authority includes, among others, the following:

- a) exercising regular supervision of credit risks, market risks, liquidity risks and non-financial risks, including operational risk, as well as recommending to approve individual counterparty risk according to parameters defined by the Supervisory Board from time to time;
- b) to recommend approval or disapproval to the Supervisory Board for transactions between the Bank and the Members of the Bank's bodies, as provided by the Banking law.

The Supervisory Board is entitled to define afore mentioned parameters, further rights and authorities of the Risk Committee."

**7.** § 22 section 4 in the wording:

"4. The Audit Committee shall include at least one Independent Supervisory Board Member with qualifications and experience in accounting and finance."

- is changed into:

"4. The Audit Committee shall include at least three members, however at least one member of the Audit Committee shall have knowledge and skills in accounting or audits of financial statements. Majority of members of the Audit Committee, including its Chairman, shall be Independent Supervisory Board Members. "

**8.** § 31a in the wording:

- "1. The Bank has an internal control system which aims at ensuring security and stability of the Bank's operations, supporting management of the Bank, and improving performance of its tasks.
2. Internal controls apply to the operation of all organisational units of the Bank.
3. The Bank's internal control system includes the work of the Internal Audit Department which reports to the President of the Management Board. The tasks of the Internal Audit Department include in particular:
  - a) independent evaluation and audit of compliance with the Bank's procedures for process performance,
  - b) audit and evaluation of internal control mechanisms,
  - c) audit and evaluation of the Bank's risk management,
  - d) evaluation of operating risk.
4. The Internal Audit Department shall prepare regular reports on its work for the Management Board and the Supervisory Board. Notwithstanding any specific internal regulations to this effect, every internal audit report of Internal Audit Department has to be also provided for information purposes for the attention of the Chairman of the Supervisory Board.
5. Detailed principles of internal controls are specified in the relevant rules introduced in a regulation issued by the President of the Management Board based on a resolution by the Management Board."

- is changed into:

- "1. The Bank has an internal control system which aims at ensuring:
  - 1) effectiveness and efficiency of operations of the Bank,
  - 2) reliability of financial reporting,
  - 3) compliance with the principles of risk management in the Bank,
  - 4) compliance of operations of the Bank with provisions of law, internal regulations and market standards.
2. The Management Board is responsible for planning, introducing and assuring of adequate and effective internal control system. The Supervisory Board supervises introduction of internal control system and evaluates its adequacy and effectiveness.
3. The Bank's internal control system includes:
  - 1) controlling function aiming at ensuring the observance of controlling mechanism regarding in particular risk management in the Bank, which includes posts, groups of people and/or organisational units responsible for realisation of tasks attached to this function,
  - 2) compliance unit (Compliance Department) responsible for identification, assessment, controlling and monitoring of the Bank's compliance risk with provisions of law, internal regulations and market standards, as well as presenting reports to this extent,
  - 3) independent unit of internal audit (Internal Audit Department) responsible for independent and objective revision and assessment of adequacy and effectiveness of the risk management system and internal control system, excluding the internal audit unit.
4. The Internal Audit Department and the Compliance Department shall prepare regular reports on its work for the Management Board and the Supervisory Board. Notwithstanding any specific internal regulations to this effect, every internal audit report of Internal Audit Department has to be also provided for information purposes for the attention of the Chairman of the Supervisory Board.
5. Detailed principles of internal controls are specified in the relevant rules introduced in a regulation issued by the President of the Management Board based on a resolution by the Management Board and the Supervisory Board.
6. The Internal Audit Department and the Compliance Department are supervised directly by the President of the Management Board."

**9.** § 33 in the wording:

- "1. The Bank's own funds include:
  - a) share capital,
  - b) supplementary capital,
  - c) reserve capital,
  - d) general banking risk reserve,
  - e) retained profit from previous years,
  - f) net profit for the current reporting period, calculated in accordance with the accounting principles currently in force,
  - g) other items of own capital.
2. The Bank shall create specific funds, including a Company Social Benefits Fund."

- is changed into:



"1. The Bank's own funds include:

- 1) share capital,
- 2) supplementary capital,
- 3) reserve capital,
- 4) general banking risk reserve,
- 5) retained profit from previous years,
- 6) net profit for the current reporting period, calculated in accordance with the accounting principles currently in force,
- 7) other items of own capital:
  - a) valuation of financial instruments classified as of measured at fair value through other comprehensive income,
  - b) valuation of financial instrument representing cash inflows hedge,
  - c) exchange rate differences on the conversion of shares in foreign entities,
  - d) actuarial gains and losses related to post-employment benefits as the result of changes in actuarial assumptions,
  - e) share in profits (losses) of entities under the equity method.

2. The Bank shall create specific funds, including a Company Social Benefits Fund."

**10.** § 34 in the wording:

"The share capital amounts to PLN 169.120.508 (one hundred sixty nine million one hundred twenty thousand five hundred and eight) and is divided into 42.280.127 (forty two million two hundred eighty thousand one hundred and twenty seven) registered and bearer shares with a nominal value of PLN 4 (four) per share."

- is changed into:

"The share capital amounts to PLN 169.248.488 (one hundred sixty nine million two hundred forty eight thousand four hundred eighty eight) and is divided into 42.312.122 (forty two million three hundred twelve thousand one hundred and twenty two) registered and bearer shares with a nominal value of PLN 4 (four) per share."

**11.** § 34a in the wording:

"The Bank has made the following conditional

- a) Pursuant to the resolution on issuing series A bonds with the priority warrant to take up shares and upon the conditional increasing of the share capital by issuing shares, with the exclusion of the right of the hitherto existing shareholders to take up the shares, adopted by the General Meeting on May 21, 2003, the Bank's share capital has been conditionally increased by PLN 1,918,000 (one million nine hundred eighteen thousand) by issuing 479,500 (four hundred seventy nine thousand five hundred) ordinary bearer's shares of the nominal value being PLN 4 (four) each share;
- b) Pursuant to the resolution on issuing series B bonds with the priority warrant to take up shares and upon the conditional increasing of the share capital by issuing shares, with the exclusion of the right of the hitherto existing shareholders to take up the shares, adopted by the General Meeting on May 21, 2003, the Bank's share capital has been conditionally increased by PLN 2,000,000 (two million) by issuing 500,000 (five hundred thousand) ordinary bearer's shares of the nominal value being PLN 4 (four) each share;
- c) On the basis of the resolution concerning issue of series C1, C2, C3, C4, C5, C6, C7, C8, C9, C10 bonds with priority rights for acquisition of shares and the conditional share capital increase by way of issue of shares, with acquisition of shares by existing shareholders excluded, adopted by the General Meeting on 14 March 2008, the share capital of the Bank has been conditionally increased by PLN 2,200,000 (two million two hundred thousand zloty) through issue of 550,000 (five hundred fifty thousand) ordinary bearer shares with a nominal value of PLN 4.00 (four zloty) each;
- d) On the basis of the resolution concerning issue of series D bonds with priority rights for acquisition of shares and the conditional share capital increase by way of issue of shares, with acquisition of shares by existing shareholders excluded, adopted by the General Meeting on 27 October 2008, the share capital of the Bank has been conditionally increased by PLN 2,800,000 (two million eight hundred thousand zloty) through issue of 700,000 (seven hundred thousand) ordinary bearer shares with a nominal value of PLN 4.00 (four zloty) each."

- is changed into:

"The Bank has made the following conditional increasing of its share capital:

- a) Pursuant to the resolution on issuing series A bonds with the priority warrant to take up shares and upon the conditional increasing of the share capital by issuing shares, with the exclusion of the right of the hitherto existing shareholders to take up the shares, adopted by the General Meeting on May 21, 2003, the Bank's share capital has been conditionally increased by PLN 1,918,000 (one million nine hundred eighteen thousand) by issuing 479,500 (four hundred seventy nine thousand five hundred) ordinary bearer's shares of the nominal value being PLN 4 (four) each share;
- b) Pursuant to the resolution on issuing series B bonds with the priority warrant to take up shares and upon the conditional increasing of the share capital by issuing shares, with the exclusion of the right of the hitherto existing shareholders to take up the shares, adopted by the General Meeting on May 21, 2003, the

- Bank's share capital has been conditionally increased by PLN 2,000,000 (two million) by issuing 500,000 (five hundred thousand) ordinary bearer's shares of the nominal value being PLN 4 (four) each share;
- c) On the basis of the resolution concerning issue of series C1, C2, C3, C4, C5, C6, C7, C8, C9, C10 bonds with priority rights for acquisition of shares and the conditional share capital increase by way of issue of shares, with acquisition of shares by existing shareholders excluded, adopted by the General Meeting on 14 March 2008, the share capital of the Bank has been conditionally increased by PLN 2,200,000 (two million two hundred thousand zloty) through issue of 550,000 (five hundred fifty thousand) ordinary bearer shares with a nominal value of PLN 4.00 (four zloty) each;
  - d) On the basis of the resolution concerning issue of series D bonds with priority rights for acquisition of shares and the conditional share capital increase by way of issue of shares, with acquisition of shares by existing shareholders excluded, adopted by the General Meeting on 27 October 2008, the share capital of the Bank has been conditionally increased by PLN 2,800,000 (two million eight hundred thousand zloty) through issue of 700,000 (seven hundred thousand) ordinary bearer shares with a nominal value of PLN 4.00 (four zloty) each;
  - e) Pursuant to Resolution of the Annual General Meeting of 12 April 2018 on the Issue of Subscription Warrants, Conditional Share Capital Increase with Divestment of the Existing Shareholders' Pre-emptive Right to Subscription Warrants and Shares, Change of the Company's By-Laws and on Applying for Admission of Shares to Trading on the Regulated Market, and Dematerialisation of Shares, the share capital of the Bank has been conditionally increased by PLN 3,736,000 (three million seven hundred thirty six thousand) by way of issue of 934,000 (nine hundred thirty four thousand) ordinary bearer shares with a face value of PLN 4.00 (four) each."

**12.** § 47 in the wording:

"Copies of annual financial statements, the report of the Board of Management, the report of the Supervisory Board, and the auditor's opinion shall be distributed to the shareholders at their request not later than fifteen days before the Ordinary General Meeting."

- is changed into:

"Copies of annual financial statements, the report of the Board of Management, the report of the Supervisory Board and the audit report, shall be distributed to the shareholders at their request not later than fifteen days before the Ordinary General Meeting."