

# CONSOLIDATED TEXT OF THE BYLAWS OF MBANK HIPOTECZNY SA

## I. GENERAL PROVISIONS

### § 1

mBank Hipoteczny Spółka Akcyjna, hereinafter referred to as the "Bank", is a bank operating on the basis of the Act on Covered Bonds and Mortgage Banks, hereinafter referred to as the "Act", the Banking Law, the Commercial Companies Code, other applicable regulations, and these Bylaws.

### § 2

The company name of the Bank is mBank Hipoteczny Spółka Akcyjna.

The Bank may use the following abbreviation of the company name: mBank Hipoteczny S.A.

### § 3

1. The Bank operates in the territory of the Republic of Poland and, after obtaining the permits required by law, abroad.
2. The seat of the Bank is the capital city of Warsaw.
3. The duration of the Bank is unlimited.

### § 4

The founders of the Bank were Bank Rozwoju Eksportu Spółka Akcyjna with its registered office in Warsaw and RHEINHYP Rheinische Hypothekenbank Aktiengesellschaft with its registered office in Frankfurt am Main, Federal Republic of Germany.

## II. SCOPE OF THE BANK'S ACTIVITIES

### § 5

1. The object of the Bank's activity is to provide banking services within the scope specified in the Act and in these Bylaws (PKD 2007 - 6419 Z).
2. The Bank provides services to natural persons and legal entities, as well as to organisational units without legal personality, both in PLN Polish and in foreign currencies.

### § 6

The main activities of the Bank include:

- 1) granting loans secured by a mortgage;
- 2) granting loans not secured by a mortgage, as referred to in Article 3(2)(1)-(3) of the Act,
- 3) the acquisition of other banks' receivables from their loans secured by a mortgage and receivables from loans not secured by a mortgage, as referred to in point 2;
- 3a) the acquisition of securities referred to in Article 3(2)(4) of the Act,
- 4) issuing mortgage covered bonds based on the Bank's receivables from:
  - a) granted loans secured by a mortgage, and
  - b) purchased receivables of other banks from loans secured by a mortgage granted by them;
- 5) issuing public covered bonds based on:
  - a) the Bank's receivables from granted loans not secured by a mortgage referred to in point 2,
  - b) receivables purchased by the Bank from other banks from loans not secured by a mortgage granted by them, referred to in point 2
  - c) securities purchased by the Bank issued by:
    - the State Treasury,
    - local government bodies,
    - Bank Gospodarstwa Krajowego, which are fully secured by a guarantee or surety of the State Treasury.

## § 7

1. In addition to the activities referred to in § 6, the Bank may only perform the following activities:

- 1) taking loans and advances;
- 2) issuing bonds; however, the Bank uses the funds obtained in the manner indicated in points 1-2 exclusively for refinancing activities referred to in § 6;
- 3) safekeeping of securities;
- 4) the purchase and acquisition of shares in other entities whose legal form ensures that the Bank's liability is limited to the amount of funds invested, insofar as this serves to carry out the Bank's activities, within the limits set out by the Act;

- 5) provision of consultancy and advisory services relating to the real estate market, including the determination of mortgage bank property values,
  - 6) managing the receivables of the Bank and other banks from loans referred to in § 6, and granting such loans on behalf of other banks on the basis of agreements concluded with them.
2. The Bank may use free cash for:
- 1) making deposits and acquiring securities to the extent provided for in Article 16(1)(1), (3), and (4) of the Act;
  - 2) acquisition of covered bonds issued by the Bank under the terms provided for in Article 16(1)(2) of the Act,
  - 3) acquiring covered bonds issued by other mortgage banks.
3. The Bank may acquire real estate only to avoid losses on its loans secured by a mortgage and when necessary for the needs related to the activities of the Bank.

#### § 8

1. The Bank may take measures to perform the activities referred to in § 6 and § 7(1)(1)-(3) and (5):
  - 1) buy and sell foreign exchange and act as an intermediary in money transfers and foreign exchange clearing,
  - 2) perform activities to mitigate foreign exchange and interest rate risks, subject to subparagraph 2.
2. If covered bonds are issued in a currency other than the currency of the Bank's receivables securing the covered bonds or the currency of the funds referred to in Article 18(3) of the Act, the Bank is obliged to perform actions to mitigate currency risk.
3. The Bank may perform any activities which, in accordance with the law, require a licence or specific authorisation after obtaining such licence or authorisation.

### **III. ORGANISATION OF THE BANK**

#### § 9

1. The Bank performs its tasks through the Head Office, including its organisational units, branches and regional representative offices, in Poland and abroad.

2. The Bank may establish and liquidate branches, regional representative offices and other organisational units in Poland and abroad.
3. Decisions on the establishment and liquidation of branches and regional representative offices abroad require the prior approval of the Supervisory Board.
4. The structure of the Bank's Head Office includes divisions, departments, offices and advisors (appointed as necessary).
5. The detailed internal organisation of the Bank is set out in the Bank's Rules of Organisation.

#### § 10

1. The Bank has a management system which is a set of principles and mechanisms relating to the decision-making processes taking place in the Bank and to the evaluation of the Bank's activities.
2. The management system includes procedures for anonymously reporting violations of the law and the Bank's procedures and ethical standards to a designated member of the Management Board and, in special cases, to the Bank's Supervisory Board.
3. The Bank's management system includes, in particular:
  - 1) a risk management system,
  - 2) an internal control system.
4. The Management Board of the Bank designs and implements the management system and ensures its operation.
5. The Supervisory Board oversees the implementation of the management system and assessed the adequacy and effectiveness of the system.
6. Detailed rules for the operation of the management system are laid down in internal regulations of the Bank.

#### §10a

1. The purpose of the risk management system is to identify, measure or estimate, control and monitor the risks occurring in the Bank's activities in order to ensure the correctness of the process of setting and achieving the specific objectives of the Bank's activities.
2. As part of the risk management system, the Bank:
  - 1) applies formalised rules to quantify and manage risks,

- 2) applies formalised procedures to identify, measure or estimate and monitor the risks occurring in the Bank's activities, also taking into account the expected level of risk in the future,
- 3) applies formalised risk limits and rules for dealing with limit overruns,
- 4) uses an established management reporting system to monitor risk levels,
- 5) has an organisational structure adapted to the size and profile of the risks incurred by the Bank.

#### §10b

1. There is an internal control system in place at the Bank, whose purpose is to ensure:
  - 1) effectiveness and efficiency of the Bank's operations,
  - 2) reliability of financial reporting
  - 3) compliance with the Bank's risk management policies,
  - 4) compliance of the Bank's operations with laws, internal regulations and market standards.
2. Within the internal control system, the Bank has in place:
  - 1) a control function responsible for ensuring compliance with control mechanisms concerning, in particular, risk management in the Bank, which includes positions, groups of people or organisational units responsible for the performance of tasks assigned to this function;
  - 2) a compliance function responsible for identifying, assessing, controlling and monitoring the risk of non-compliance of the Bank's activity with the law, internal regulations and market standards, as well as presenting reports in this respect;
  - 3) an independent internal audit function responsible for examining and assessing, in an independent and objective manner, the adequacy and effectiveness of the risk management system and the internal control system, excluding the internal audit function.
3. Detailed principles for the internal control system are set out in the rules adopted by the Management Board of the Bank and approved by the Supervisory Board.
4. The compliance function and the internal audit function report to the President of the Management Board. The activities of the compliance function and the internal audit function are supervised by the Supervisory Board.

## § 11

1. The Bank's internal regulations are issued in the form of:
  - 1) Management Board resolutions where the issuance of regulations is provided for by generally applicable laws or supervisory recommendations,
  - 2) regulations of the President of the Management Board on matters relating to the basic operating principles of the Bank,
  - 3) letters of instruction of directors of organisational units on matters not reserved for the Management Board or other bodies of the Bank,
  - 4) organisational rules of the Bank's organisational units - by the directors of the organisational units, after approval by the supervising member of the Management Board.
2. Detailed rules for the issuance of internal regulations of the Bank are set out in the relevant regulation on internal legislation.

## **IV. BODIES OF THE BANK**

### § 12

The bodies of the Bank include

- 1) the General Meeting,
- 2) the Supervisory Board,
- 3) the Management Board of the Bank.

### **General Meeting**

### § 13

1. The General Meeting is convened as an Annual General Meeting or as an Extraordinary General Meeting.
2. The Annual General Meeting is convened by the Management Board of the Bank once a year, no later than the end of May.
3. An Extraordinary General Meeting may be convened as necessary by the Management Board of the Bank on its own initiative or at the request of the Supervisory Board or at the request of shareholders representing jointly at least 1/10 (one-tenth) of the share capital.

4. The Supervisory Board may convene a General Meeting if the Management Board of the Bank has failed to do so in the manner and within the time limits provided for in these Bylaws.

#### § 14

1. The following matters require a resolution of the General Meeting:
  - 1) consideration and approval of the annual report on the Bank's activities and the financial statements for the previous financial year;
  - 2) discharge to members of the Bank's bodies for the performance of their duties,
  - 3) distribution of the Bank's net profit or coverage of losses;
  - 4) amendment of the Bylaws;
  - 5) electing and dismissing members of the Supervisory Board and determining the principles of their remuneration;
  - 6) increase or decrease of the Bank's share capital;
  - 7) liquidation, sale of the whole of the Bank's undertaking or merger with another bank;
  - 8) selection of liquidators and determination of their remuneration;
  - 9) decisions concerning claims for compensation for damage inflicted in the establishment of the company or in the exercise of management or supervision;
  - 10) determination of the dividend payment date;
  - 11) disposal or encumbrance of the Bank's real estate in which the Bank's management seat is located;
  - 12) matters brought by the Supervisory Board for consideration;
  - 13) matters brought by shareholders under the procedure provided for in the Bylaws for consideration;
  - 14) giving consent for the Bank to acquire or dispose of shares or to establish or join other economic organisations, whereby no consent is required if the acquisition of shares in companies takes place as part of enforcement, bankruptcy, restructuring or any other arrangement with the Bank's debtor and in the event of the disposal of shares acquired in the above manner; in such a case, the Management Board of the Bank is obliged to inform the Supervisory Board of the above actions;
  - 15) other matters reserved by law or the provisions of these Bylaws.

2. No approval of the General Meeting is required for the acquisition of real estate, perpetual usufruct and an interest in real estate if the acquisition takes place as part of enforcement, bankruptcy, restructuring proceedings or any other arrangement with the Bank's debtor. No consent of the General Meeting is required for the disposal of property acquired in the manner set out in the previous sentence. In these matters, a resolution of the Management Board is required.

#### § 15

1. Matters brought before the General Meeting should be presented in advance by the Management Board of the Bank for consideration by the Supervisory Board.
2. Any shareholder(s) wishing to make a motion regarding the Bank's affairs at the General Meeting should submit it in writing to the Management Board of the Bank at least one month before the General Meeting.
3. Motions submitted by the Bank's shareholders are presented by the Management Board of the Bank to the Supervisory Board after receiving an opinion.
4. The Supervisory Board has discretion as to whether or not to table a motion at the General Meeting, but a motion tabled no later than one month before the date of the meeting by shareholders holding jointly not less than 1/10 (one-tenth) of the share capital must be presented to the General Meeting.

#### § 16

1. Shareholders may attend the General Meeting in person or through their representatives.
2. Proxies to attend and vote at the General Meeting should be in writing under pain of invalidity.

#### § 17

1. Subject to the cases set out in the Commercial Companies Code, the General Meeting is valid regardless of the number of shares represented at it.
2. Resolutions of the General Meeting are adopted by an absolute majority of the votes cast, subject to the cases set out in the Commercial Companies Code and sub-paragraph 3 below.
3. In matters mentioned in § 14 (1), (2), (3), (4), (6), (7), resolutions should be passed by a majority of at least three quarters of the votes cast.



## § 18

Article 420 §1 and §2 of the Commercial Companies Code does not apply to voting at the General Meeting.

## § 19

1. The General Meeting is opened by the Chairman or Vice-Chairman of the Supervisory Board. In the absence of these persons, the General Meeting is opened by the President of the Management Board or a person designated by the Management Board. If the Bank is a single-shareholder company, the General Meeting may be opened by the sole shareholder or his/her/its proxy.
2. The General Meeting elects a chairman from among those entitled to attend the General Meeting.

## **Supervisory Board**

### § 20

1. The Supervisory Board consists of 5 to 9 members. The members of the Supervisory Board are appointed and dismissed by the General Meeting, taking into account the assessment of the fulfilment of the requirements referred to in Article 22aa of the Banking Law.
  - 1a. Members of the Supervisory Board are appointed for a joint term of office of 3 (three) years. The term of office is calculated in financial years (the first financial year of the term of office is in each case the financial year in which the performance of the function commences, even if it does not commence at the beginning of that financial year). The mandate of a member of the Supervisory Board expires, at the latest, on the date of the General Meeting which approves the financial statements for the last full financial year in which the member served on the Supervisory Board.
2. The mandate of a member of the Supervisory Board also expires as a result of death, resignation or dismissal from the Supervisory Board.
3. Members of the Supervisory Board may be re-elected.
4. The mandate of Supervisory Board members elected during a term of office expires at the end of the relevant term of office of the Supervisory Board.

5. The Supervisory Board or its individual members may be dismissed by the General Meeting before the end of the term of office.
6. The Bank provides the Polish Financial Supervision Authority immediately after the appointment of the Supervisory Board and changes in its composition with information on the composition of the Supervisory Board and changes in its composition, as well as information resulting from the assessment referred to in sub-paragraph 1 on whether the members of the Supervisory Board concerned by the information fulfil the requirements set out in Article 22aa of the Banking Law.

#### § 21

Members of the Supervisory Board may only perform their duties in person.

#### § 22

The Supervisory Board elects a Chairman and a Deputy Chairman from among its members.

#### § 23

The Supervisory Board operates on the basis of the rules adopted by it and approved by the General Meeting.

#### § 24

1. Resolutions of the Supervisory Board are valid if all Supervisory Board members have been invited and when at least half of the Supervisory Board members are present at the meeting, including the Chairman or the Deputy Chairman. Supervisory Board meetings may also be attended by means of direct communication at the distance.
2. Resolutions of the Supervisory Board, including those relating to elections, are adopted by an absolute majority of votes; in the event of an equality of votes, the Chairman of the Supervisory Board has the casting vote and, in his absence, the Deputy Chairman has the casting vote. Resolutions of the Supervisory Board are adopted in an open vote.
3. Each member of the Supervisory Board has one vote.
4. Resolutions of the Supervisory Board are minuted.
5. In special cases, members of the Supervisory Board may participate in the adoption of Supervisory Board resolutions by casting their vote in writing through another member of

the Supervisory Board. Vote cannot be cast in writing on matters placed on the agenda at a meeting of the Supervisory Board.

6. The Supervisory Board may also adopt resolutions in writing or by means of direct communication at a distance. A resolution is valid if all members of the Supervisory Board have been notified of the content of the draft resolution and at least half of the members of the Supervisory Board have participated in the adoption of the resolution.
7. During its meetings, the Supervisory Board may also adopt resolutions on matters not included in the proposed agenda if none of the Supervisory Board members attending the meeting objects.
8. The Supervisory Board may also hold meetings without being formally convened if all members agree and do not object to the inclusion of individual items on the agenda.

#### § 25

1. Meetings of the Supervisory Board are convened as required, but at least four times per financial year, once in each quarter of the financial year.
  - 1a. A meeting of the Supervisory Board is chaired by the Chairman of the Supervisory Board. In his absence, the Deputy Chairman of the Supervisory Board acts as chairman of the meeting. If neither the Chairman of the Supervisory Board nor the Deputy Chairman of the Supervisory Board are present at the meeting, the meeting is chaired by a Member of the Supervisory Board elected by those present at the meeting.
2. Meetings of the Supervisory Board are convened by the Chairman of the Supervisory Board on his own initiative or at the written request of the Management Board of the Bank or a member of the Supervisory Board. If the Chairman is unable to convene a meeting, it is convened by the Deputy Chairman or by another member of the Supervisory Board indicated by the Chairman. Until the election of the Chairman or Deputy Chairman, meetings of the Supervisory Board are convened by two members of the Supervisory Board.
3. The notice convening the meeting, including the date, time and place of the meeting and the proposed agenda, as well as the method of using means of direct communication at a distance during the meeting, are sent to the Members of the Supervisory Board by e-mail at least 14 days prior to the date of the meeting. In justified cases, if no Member of the Supervisory Board objects, this period may be shorter.

## § 26

1. The Supervisory Board exercises constant supervision over the Bank's activities in all areas of its operations, and its powers include, in particular:
  - 1) approving the operating strategy and the principles of sound and prudent management of the Bank,
  - 2) approval of the Bank's annual financial plans and multi-annual development programmes,
  - 3) approval of Management Board proposals for the establishment and liquidation of branches and regional representative offices abroad,
  - 4) granting a permit to the Management Board of the Bank for the acquisition, encumbrance, and disposal of real estate, perpetual usufruct, or interest in real estate, whereby no permit is required if the acquisition of real estate, perpetual usufruct, or interest in real estate takes place as part of enforcement, bankruptcy, restructuring or any other arrangement with the Bank's debtor and in the event of the disposal of shares acquired in the above manner; in such a case, the Management Board of the Bank is obliged to inform the Supervisory Board of the above actions,
  - 5) issuing or approving the Bank's internal regulations provided for by generally applicable regulations as falling within the remit of the Supervisory Board, including in particular approval of rules issued by the Management Board of the Bank concerning internal control and the determination of the mortgage bank property value; the Rules for determining the mortgage bank property value come into force upon approval by the Polish Financial Supervision Authority,
  - 6) assessing the Management Board's report on the company's activities and the financial statements for the previous financial year in terms of their compliance with the books and documents and with the facts, assessing the Management Board's proposals for the distribution of profit or coverage of loss, drawing up and submitting to the General Meeting an annual written report for the previous financial year (Supervisory Board report),
  - 7) dealing with other motions and matters requiring resolutions of the General Meeting,
  - 8) selecting, on the recommendation of the Audit Committee, an audit firm to audit the financial statements,

- 9) appointment, dismissal and suspension of the President of the Management Board, members of the Management Board, and the power to appoint a Vice-President and to appoint a member of the Management Board as Chief Risk Officer,
  - 10) determining the terms and conditions of contracts and remuneration for members of the Management Board of the Bank and representing the Bank in concluding contracts with members of the Management Board,
  - 11) approval of the Rules of the Management Board,
  - 12) authorising advance dividends to shareholders,
  - 13) approving the Management Board's proposals for the Bank's future activities abroad,
  - 14) giving consent for the Bank to conclude with a related party of mBank S.A. any transaction meeting the criteria set out below and periodically analysing transactions which benefit from the exemption set out in Article 90j (1)(1) of the Act on Offering:
    - a) the value of the transaction exceeds 5% of the Company's total assets within the meaning of the Accounting Act of 29 September 1994, determined on the basis of the last approved financial statements of the Bank, whereby the value of the transaction is determined in accordance with Article 90h (2) and (3) and Article 90l of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies of 29 July 2005 ("Act on Offering"),
    - b) related party means an entity as defined in Article 90h (1)(2) of the Act on Offering, excluding related parties which are also subsidiaries and mBank S.A. is their sole shareholder,
    - c) the conditions set out in Article 90j of the Act on Offering are not met in relation to such transaction.
- 1a. No Supervisory Board consent is required for the Bank to enter into a transaction with the parent company, a subsidiary or an associate whose value, when aggregated with the value of transactions entered into with the same company during the financial year, exceeds 10% of the Bank's total assets within the meaning of the accounting regulations, determined on the basis of the Bank's last approved financial statements.
2. The Supervisory Board appoints an Audit Committee and a Risk Committee.
  3. The Supervisory Board may, by resolution, appoint standing committees other than those indicated in sub-paragraph 2, whose members serve as members of the Supervisory Board delegated to carry out selected supervisory activities at the Bank.

## § 27

1. The Supervisory Board appoints and dismisses members of the Management Board of the Bank, including the President of the Management Board, taking into account the assessment of fulfilment of the requirements referred to in Article 22aa of the Banking Law.
2. The appointment of the President of the Management Board and a member of the Management Board who is the Chief Risk Officer, and the assignment of the function of a member of the Management Board and Chief Risk Officer to an appointed member of the Management Board is made with the consent of the Polish Financial Supervision Authority. The consent is requested by the Supervisory Board.
3. The Supervisory Board, immediately after the appointment of the Management Board and after any change in its composition, provides the Polish Financial Supervision Authority with information on the composition of the Management Board and the change in its composition and information, resulting from the assessment referred to in sub-paragraph 1, on the fulfilment by the members of the Management Board of the requirements referred to in Article 22aa of the Banking Law. In addition, the Supervisory Board informs the Polish Financial Supervision Authority about the approval and any change of the internal division of competences in the Management Board of the Bank.

### **Management Board of the Bank**

## § 28

1. The Management Board of the Bank is composed of 3 to 4 persons appointed and dismissed by the Supervisory Board.
2. The Management Board of the Bank consists of: the President of the Management Board of the Bank and other members of the Management Board of the Bank. The Supervisory Board may entrust members of the Management Board with the function of Vice President of the Management Board.
3. The President and the other members of the Management Board of the Bank are appointed for a joint term of office of 3 years. The term of office is calculated in financial years (the first financial year of the term of office is in each case the financial year in which the term of office commences, even if it does not commence at the beginning of that financial year). The mandate of a Management Board member expires at the latest on the date of the General Meeting approving the financial statements for the last full financial year in which the member served on the Management Board.

4. The mandate of a Management Board member also expires as a result of death, resignation or dismissal from the Management Board.
5. Resolutions of the Management Board of the Bank may be adopted if all members of the Management Board of the Bank have been duly notified of the Management Board meeting. The presence of at least two Management Board members is required for Management Board decisions to be valid. Management Board meetings can also be attended by means of direct communication at a distance.
6. Resolutions of the Management Board of the Bank are adopted by an absolute majority of votes; in the event of an equality of votes, the President of the Management Board has the casting vote.
7. The Management Board may adopt resolutions in writing or by means of direct communication at a distance.
8. The request for a resolution to be adopted by written procedure and the draft resolution to be adopted by such procedure are delivered to the members of the Management Board in such a way that each member of the Management Board can become acquainted with them.
9. A resolution by written procedure may be adopted if more than half of the Management Board members are in favour of the resolution, provided that all Management Board members have been notified of the contents of the draft resolution.
10. Decisions concerning the assumption of obligations or disposal of assets whose total value with respect to a single entity exceeds 5% of the Bank's own funds are made by the Management Board, with the exception of actions reserved to the competence of other bodies of the Bank.
11. The resolutions of the Management Board of the Bank are minuted.
12. The Management Board may make an advance payment to shareholders on account of the expected dividend at the end of the financial year if the Bank has sufficient funds for the payment and if the Bank's approved financial statements for the previous financial year show a profit. The payment of an advance dividend requires the consent of the Supervisory Board and agreement with the Polish Financial Supervision Authority. The advance dividend may constitute at most half of the Bank's profit made since the end of the previous financial year, as shown in the audited financial statements less unabsorbed losses and treasury shares.

## § 29

1. The Management Board of the Bank manages the Bank's affairs and represents the Bank.
2. The Management Board adopts annual financial plans and a strategy, which are approved by the Supervisory Board. In these, the Management Board determines the maximum volume of covered bonds and bonds to be issued in any given year.
3. The Management Board of the Bank works on the basis of rules adopted by the Management Board and approved by the Supervisory Board.

## § 30

1. The powers of the Management Board include all matters which, under the provisions of the Commercial Companies Code and the Bylaws, are not reserved for the Supervisory Board and the General Meeting.
2. The internal division of competences in the Management Board of the Bank is determined by the Management Board and approved by the Supervisory Board.
3. The President of the Management Board directs the work of the Management Board of the Bank, represents the Management Board of the Bank towards the General Meeting and the Supervisory Board.
4. A member of the Management Board is appointed to the position of Chief Risk Officer.

## § 31

1. The following are authorised to make statements regarding the Bank's property and non-property rights and obligations and to sign documents on behalf of the Bank:
  - 1) two Management Board members jointly or a Management Board member and a proxy or each of these persons acting jointly with a representative,
  - 2) proxies - acting within the limits of their powers under the regulations on proxies, together with a Management Board member, proxy or representative acting within the limits of the power of attorney granted to him or her,
  - 3) representatives acting alone or jointly within the limits of their authority.
2. The Management Board may appoint proxies. The appointment of a proxy requires the consent of all Management Board members. Any Management Board member may revoke a proxy.



3. The Bank's representatives acting within the limits of the power of attorney granted to them may be appointed to carry out actions of a specific type of actions or specific actions. Powers of attorney are granted and revoked in accordance with the procedure provided for the submission of statements on behalf of the Bank.

#### § 32

1. The Management Board of the Bank prepares an annual report on the Bank's activities and ensures that the annual financial statements are drawn up no later than three months after the end of each financial year.
2. The report of the Management Board and the annual financial statements are submitted by the Management Board of the Bank to the Supervisory Board for consideration and then to the General Meeting for approval.

### V. SHARE CAPITAL, SHARES

#### § 33

1. The share capital amounts to PLN 220,000,000 (two hundred and twenty million) and is divided into 2,200,000 (two million two hundred thousand) registered shares with a nominal value of PLN 100 (one hundred) each, including: 500,000 (five hundred thousand) registered ordinary series A shares numbered 000001 to 500000, 850,000 (eight hundred and fifty thousand) registered ordinary series B shares numbered 000001 to 850000, 400,000 (four hundred thousand) registered ordinary series C shares numbered 000001 to 400000, **450,000 (four hundred and fifty thousand) registered ordinary series D shares numbered 0000001 to 0450000. Each share confers one vote.**
2. The share capital of the Bank will be covered by cash paid in full prior to the registration of the Bank or the registration of an increase in the Bank's share capital.
3. Shares may be redeemed. The redemption of shares is effected either by a reduction of the share capital or from net profit. The redemption of shares and/or their cancellation (reduction of the CET1 share capital) requires the consent of the Polish Financial Supervision Authority.

#### § 34

The Bank's shares are transferable.

### VI. FUNDS, FINANCIAL MANAGEMENT AND ACCOUNTING OF THE BANK

#### § 35

1. The Bank's own funds include:
  - 1) core funds,
  - 2) supplementary funds in an amount not exceeding the core funds of the Bank.
2. The core funds include:
  - 1) paid-up and registered share capital,
  - 2) supplementary capital,
  - 3) other reserves,
  - 4) general risk fund for unidentified risks of banking activities,
  - 5) retained earnings,
  - 6) profit under approval and net profit for the current reporting period, calculated in accordance with the applicable accounting principles taking into account the limitations provided for in the Banking Law,
  - 7) other balance sheet items of the Bank, as determined by the Banking Supervision Commission, less items provided for in the Banking Law.

#### § 36

1. To cover the net loss that may arise from the Bank's activities, a supplementary capital is created to which at least 8% of the net profit as shown in the annual financial statements is transferred until this capital reaches at least one third of the share capital.
2. Any surplus achieved on the issue of shares above their nominal value and remaining after covering the costs of the issue of shares must also be transferred to the supplementary capital.
3. The supplementary capital also includes surcharges paid by shareholders in exchange for the granting of special rights to their existing shares without an increase in share capital, unless the surcharges are used to offset extraordinary write-offs or losses.
4. The use of the supplementary capital is decided by the General Meeting, but a part of the supplementary capital, amounting to one third of the share capital, may be used only to cover the net loss.

#### § 37

Independently of the supplementary capital, other reserves are created from part of the net profit to cover special losses or expenses of the Bank.

The General Meeting decides on the use of other reserves.

§ 38

1. A general risk fund is set up in accordance with the rules set out in the Banking Law.
2. The general risk fund is used to cover losses related to banking activities.
3. The fund referred to in sub-paragraph 1 is disposed of by the Management Board of the Bank.

§ 39

1. The annual net profit, pursuant to the resolution of the Annual General Meeting, is allocated to:
  - 1) supplementary capital,
  - 2) other reserves,
  - 3) general risk fund for unidentified risks of banking activities,
  - 4) other funds,
  - 5) dividends to shareholders,
  - 6) other.
2. The Bank pays its monetary obligations to shareholders in respect of their rights attached to the shares itself, without the intermediation of the shareholder registrar.

§ 40

1. The Bank's financial management is handled on the basis of and within the framework of financial plans approved by the Supervisory Board.
2. Detailed principles of financial management are determined by the Management Board of the Bank on the basis of guidelines approved by the Supervisory Board.

§ 41

1. As of 1 January 2006, the Bank keeps its accounts in accordance with the International Accounting Standards and the International Financial Reporting Standards and, to the extent not regulated by these provisions, national accounting standards apply accordingly.

2. The Bank maintains a separate covered bonds collateral account in order to monitor the fulfilment in the long term of the requirements referred to in the in Article 18 of the Act.
3. The detailed principles and organisation of the Bank's accounting are determined by the Management Board of the Bank.

#### § 42

The financial year is the calendar year. If the Bank commences its operations in the second half of a calendar year, the Bank may combine the books of account and financial statements for that period with the books of account and financial statements for the next year.

### **VII. FINAL PROVISIONS**

#### § 43

Copies of the annual report of the Management Board of the Bank, the annual financial statements and the report of the Supervisory Board will be produced for inspection by shareholders on request, at least 15 days before the annual General Meeting.

#### § 44

The dividend is paid on the date set in the resolution of the General Meeting. If the resolution of the General Meeting does not specify such a date, the dividend is paid on the date set by the Supervisory Board. The Bank does not pay interest to shareholders on dividends not taken up on time.

#### § 45

The Bank's announcements provided for by law will be published in the Monitor Sądowy i Gospodarczy, unless Polish law provides for other publication.

#### § 46

The Bank publishes an announcement in the Monitor Sądowy i Gospodarczy no later than three months after the end of the financial year concerning:

- 1) the aggregate nominal amount of covered bonds issued by the Bank in trading as at the last day of the financial year;

- 2) the total amount of the Bank's claims and assets entered in the covered bonds collateral register as at the last day of the financial year.

§ 47

In all matters not provided for in these Bylaws, the provisions of the applicable law apply, in particular the Commercial Companies Code, the Banking Law and the Act.