



ING Bank Śląski S.A.

## CHARTER OF ING BANK ŚLĄSKI SPÓŁKA AKCYJNA

### Consolidated Text

As adopted by way of the ING Bank Śląski S.A. Supervisory Board Resolution No. 58/XII/2015 of 17 September 2015, recorded under Rep. A No. 1023/2015, upon accounting for amendments introduced to the Charter by way of the GM Resolution No. 26 of 31 March 2016, recorded under Rep. A No. 2252/2016, and the GM Resolutions Nos. 26 and 27 of 21 April 2017, recorded under Rep. A No. 2853/2017 and GM Resolution No. 26 of 5 April 2018, Rep. A No. 2398.

### I. General Provisions.

#### § 1.

1. The business name of the Bank shall be: ING Bank Śląski Spółka Akcyjna.
2. The Bank may use the abbreviated name, namely: "ING Bank Śląski S.A.".

#### § 2.

The founder of the Bank is the State Treasury.

#### § 3.

The city of Katowice shall be the registered office of the Bank.

#### § 4.

The Bank shall operate within the territory of the Republic of Poland and abroad.

#### § 5.

The Bank may form branches and other units in this country and abroad.

#### § 6.

The Bank shall be entitled under the FX-regulations to purchase and sell FX-values and intermediate in effecting money transfers and settlements in foreign trade.

#### § 7.

As for any matters not governed herein, the regulations of the Commercial Companies and Partnerships Code, the Banking Law, the Foreign Exchange Law and other laws shall be applied.

## II. Subject of the Bank's Business.

### § 8.

1. The business of the Bank shall include banking activities involving any risk to the funds entrusted to the Bank and repayable in any way, and any other activities within the limits defined by the effective regulations and by this Charter.
2. The subject of the Bank's business shall include the following banking activities:
  - 1) accepting call or term deposits and maintaining the accounts for these deposits,
  - 2) maintaining other bank accounts,
  - 3) extending loans,
  - 4) granting and confirming bank guarantees and opening L/Cs,
  - 5) issuing bank securities,
  - 6) carrying out banking money settlements,
  - 7) issuing the electronic money instrument,
  - 8) keeping the housing savings and loan unit,
  - 9) extending cash loans,
  - 10) cheque and bill of exchange operations as well as warranty operations,
  - 11) providing payment services,
  - 12) financial term operations,
  - 13) acquiring and disposing of cash debt claims,
  - 14) storing valuables and securities, and making safe boxes available,
  - 15) running the purchase and sale of FX values,
  - 16) granting and confirming warranties,
  - 17) performing commissioned activities connected with issuing securities,
  - 18) intermediation in execution of money orders and foreign exchange settlements.
3. The subject of the Bank's business shall also include the following:
  - 1) undertaking the liabilities connected with the issue of securities, including bonds convertible into shares,
  - 2) trading in securities,
  - 3) running brokerage activities, as well as acting as an agent of the investment company,
  - 3a) performing activities other than brokerage activity, such as:
    - a) accepting and transmitting orders to purchase or sell financial instruments,
    - b) acquiring or selling financial instruments on own account,

- c) investment advising,
- d) offering financial instruments,
- e) providing services in performance of previously concluded agreements on investment underwriting and underwriting or in conclusion and performance of other agreements of similar nature concerning financial instruments,  
provided that the activities referred to in items a) to d) may concern securities issued by the State Treasury or the National Bank of Poland, other financial instruments that have not been admitted to organised trading, as well as bonds referred to in Article 39p.1 of the Toll Motorways and the National Road Fund Act of 27 October 1994, however, the activities referred to in item b) may also concern the following instruments admitted to organised trading: bonds, mortgage bonds and other transferable securities incorporating property rights equivalent to the rights attached to the debt or derivatives based on bonds, mortgage bonds, other transferable securities incorporating property rights equivalent to the rights attached to the debt, interest rate or currency as their underlying instrument,
- 4) performing custody activity, acting in the capacity of the depository, bank-representative of bond-holders, as well as keeping accounting books on commission, including the registers of funds participants,
- 5) converting debt claims into components of the debtor's assets,
- 6) acquiring and disposing of real estate and debt claims secured with a mortgage,
- 7) providing consulting and advisory services in financial matters,
- 8) rendering trust services and providing electronic identification means within the meaning of trust services regulations,
- 9) providing data processing services,
- 10) performing commissioned activities connected with the privatisation of state owned enterprises,
- 11) providing other financial services, including:
  - a) underwriting services,
  - b) leasing services,
  - c) factoring services,
  - d) forfaiting services,
  - e) intermediation in respect of services set out in items a) to d) above,
  - f) insurance brokerage,
  - g) agency in securities lending and borrowing,

ING Bank Śląski S.A.

- h) providing services of reporting to trade repositories and services relating to direct or indirect clearing of financial instruments by central counterparties (CCP) within the meaning of Regulation (EU) No. 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories,
  - 12) performing commissioned activities within the scope of business of the commissioning banks,
  - 13) maintenance of share registers.
4. The Bank may take up or acquire shares and share-based rights and participation interests, as well as acquire participation units in mutual funds.
  5. The Bank may participate financially or operationally in the projects and enterprises implemented jointly with the Bank subsidiaries as well as with the Bank dominant unit.
  6. The change of the subject of the Bank's business shall not require the buy-out of the shares of the shareholders who do not agree thereto, should the resolution concerning such a change be passed with the majority of two-thirds of votes in the presence of the persons representing at least a half of the initial capital.

#### § 8a.

The Bank may perform the activities foreseen for domestic banks in the child subsidy-related regulations and the regulations concerning the implementation of IT solutions into the business of entities performing public tasks.

#### § 9.

Should the legal regulations introduce any limitations or impose the obligation of obtaining a specific licence for performing the activities listed herein, the Bank shall perform such activities within the limits of the applicable regulations or obtained licences.

### **III. Initial Capital.**

#### § 10.

The initial capital of the Bank amounts to PLN 130,100,000.00 (one hundred thirty million one hundred thousand) and is divided into:

- 92,600,000 (ninety two million six hundred thousand) A-series bearer's shares of the face value of PLN 1.00 (one) each,
- 37,500,000 (thirty seven million five hundred thousand) B-series bearer's shares of the face value of PLN 1.00 (one) each.

§ 11.

1. The Bank shares may be redeemed. Redemption of shares may take place upon the permission of the shareholder whose shares are to be redeemed, by way of their purchase by the Bank.
2. The redemption of shares shall require a resolution of the General Meeting, determining in particular the legal basis for redemption, as well as the value of compensation due to the holder of redeemed shares or justification for the redemption of shares without compensation, and also the way of lowering the initial capital.
3. The shares may not be redeemed should it involve lowering the initial capital below the value determined according to the regulation in force as the minimum value required for the Bank's establishment.

§ 11a.

1. The Management Board shall be authorised to increase the share capital by the amount not higher than PLN 26,000,000 (twenty six million) by 21 April 2020 (authorised capital).
2. The Management Board may exercise their right by increasing the share capital once or a few times as per section 1.
3. The Management Board resolutions concerning issue price fixing shall be approved by the Supervisory Board.
4. The authorisation referred to in section 1 shall not apply to the right to increase capital from own funds of the Bank.
5. The Management Board shall not issue preferred shares or grant individual rights to an individually designated shareholder.
6. The Management Board shall be authorised to deprive shareholders of pre-emptive rights under the authorised capital, in full or in part, upon the Supervisory Board's approval.

**IV. The Bank's Governing Bodies.**

§ 12.

The following shall be the Bank's governing bodies:

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

## V. General Meeting.

### § 13.

1. The General Meeting shall be convened by way of announcement on the Bank's website and in a way provided for the announcement of current information by public companies and it shall function according to the principles defined in the regulations of the Commercial Companies and Partnerships Code and this Charter as a General or Extraordinary Meeting.
2. The General Meeting should take place on an annual basis, in June at the latest. The General Meeting shall be summoned by the Bank Management Board, and should the Board fail to convene it in the term determined above, the General Meeting shall be convened by the Supervisory Board.
3. The Extraordinary Meeting shall be convened, if needed, by the Bank Management Board on their own initiative, or on the motion of the Supervisory Board or the shareholders representing at least one twentieth of the initial capital; such a shareholders' request should be submitted to the Management Board in writing or in the electronic form.
4. The Extraordinary Meeting may be convened at any time by the Supervisory Board, should they deem it necessary.
5. The Extraordinary Meeting may be also convened by the shareholders representing at least a half of the initial capital of the Bank, or at least a half of the total number of votes in the Bank; a chairperson of such a Meeting shall be appointed by the shareholders.
6. The General Meeting shall take place in the registered office of the Company or in any other venue in the territory of the Republic of Poland pointed out in the announcement about convening the General Meeting.

### § 14.

1. Any matters brought by the Management Board to the General Meeting should be presented beforehand to the Supervisory Board for advice.
2. The shareholders who have the right to request for a given matter to be placed on the agenda of the General Meeting and who wish to submit a motion to be reviewed at the General Meeting should submit it on paper or by electronic means to the Bank Management Board who shall include the matter in the agenda of the coming General Meeting within the term stipulated in the Commercial Companies Code and present it, together with their opinion, to the Supervisory Board.
3. The opinion of the Supervisory Board shall not be required on the matters concerning the Supervisory Board Members.

§ 14a.

1. The right to participate in the General Meeting is reserved exclusively to the persons who are the shareholders sixteen days before the General Meeting.
2. The shareholders mentioned under 1 above may participate in the General Meeting and may execute their voting right in person or by proxy.
3. The Bank may organize the General Meeting in a way allowing the shareholders to participate in the General Meeting via electronic means of communication, inclusive especially of:
  - 1) on-line transmission of the debates of the General Meeting,
  - 2) two-way on-line communication allowing the shareholders to express their opinions at the General Meeting,
  - 3) execution of the voting right in person or through the agency of the proxy prior to or during the General Meeting.

Irrespective of the above, the Bank may conduct the transmission of the General Meeting debates on the Internet alone.

4. The principles of shareholders participation in the General Meeting and the mode of operations in the General Meeting, as well as communication between the shareholders and the Bank by electronic means, including electronic notice of granting proxy are set out in the By-law of the General Meeting. The By-law of the General Meeting shall have the right to authorise the Management Board to determine methods for communication between the shareholders and the Bank by electronic means, other than the ones set out in the By-law.

§ 15.

1. Unless the regulations of the Commercial Companies and Partnerships Code or this Charter provide otherwise, the resolutions of the General Meeting shall be adopted with an absolute majority of votes.
2. In the case provided for in Article 397 of the Commercial Companies Code, the resolution on the dissolution of the Company shall be passed by the General Meeting with the majority of 3/4 of votes.
3. A resolution calling for not considering an issue placed on the agenda at the request of authorised shareholders shall be passed by the General Meeting with the majority of 3/4 of votes, upon receiving the consent of all shareholders attending the meeting who requested considering it.

§ 16.

Each share shall entitle to one vote. The shareholder may vote differently based on each share held.

§ 17.

Subject to §13.5, the General Meeting shall be opened by the Chairperson or Deputy Chairperson of the Supervisory Board, and s/he shall carry out the election of the Chairperson of the Meeting. In the case none of them is able to open the General Meeting, it shall be opened by one of the Supervisory Board Members.

§ 18.

The General Meeting shall adopt resolutions in the following matters:

- 1) issue of bonds convertible into the Bank's shares (convertible bonds),
- 2) determining the principles of remuneration for the Members of the Supervisory Board,
- 3) other, provided for by legal regulations, the Charter or submitted by the Supervisory Board, the Management Board or authorised shareholders.

## **VI. Supervisory Board.**

§ 19.

1. Supervisory Board Members shall be appointed and recalled by the General Meeting in a secret ballot, considering the requirements laid down in the Banking Law Act.
2. The number of the Supervisory Board Members shall be determined by the General Meeting and may not exceed 11 persons. At least half of the Supervisory Board Members, including its Chairperson, should be the citizens of the Republic of Poland.
3. Save for § 22.6 hereof, in the Supervisory Board, there should be at least two members who have no relationship with the Bank, its shareholders, or employees, where the said relationship should be understood as the relationship that could have significant impact on the ability of such a member to make impartial decisions (Independent Members).
4. The criteria of independence for the Independent Members result from the laws and the Code of Best Practice for WSE Listed Companies accepted by the Bank and are set out in detail in the Bylaw of the Supervisory Board.
5. Supervisory Board Members shall be appointed for the joint term of office which shall commence as of the appointment date and shall last for the full four consecutive financial years.



§ 20.

1. Any Supervisory Board Member may be recalled at any time by way of a resolution of the General Meeting.
2. The mandates of the Supervisory Board Members shall expire:
  - 1) upon the end of their term of office, as of the day of the General Shareholders Meeting approving the financial statements for the last full year of their office,
  - 2) in the case of resignation of the Supervisory Board Member from fulfilling his/her function, as of the day of notifying the Bank thereon or as of the day specified in the resignation letter, which shall, however, not be earlier than the notification day,
  - 3) in the case of recalling the Supervisory Board Member by the General Meeting, as of the day of adopting appropriate resolution,
  - 4) in the case of death of the Supervisory Board Member.

§ 21.

The Supervisory Board shall elect the Chairperson, Vice-Chairperson, and Secretary out of their number.

§ 22.

1. To support the Supervisory Board in the performance of its tasks, the Board shall select from among their number the Audit Committee, the Remuneration and Nomination Committee and the Risk Committee.
2. The Audit Committee shall support the Supervisory Board in monitoring of the financial reporting process, monitoring and supervision of the internal and external audit and management system in the Bank and its related companies, including in particular adequacy and effectiveness of the internal control system and risk management system inclusive of the compliance risk, relationships of the Bank with related companies, and the relationships between the Bank and the entity auditing the Bank's financial statements.
3. The Remuneration and Nomination Committee shall support the Supervisory Board in monitoring and supervising the human resources and payroll area of the Bank, including in particular succession plans, employee rotation processes, Bank employees satisfaction survey as well as remuneration and bonus policy.
4. The Risk Committee shall support the Supervisory Board in monitoring and supervising the risk management process, including operational risk, credit risk and market risk, as well as in the internal capital assessment, capital management and planning processes, as well as the model risk management and the capital adequacy area.

ING Bank Śląski S.A.

5. If necessary, the Supervisory Board may also establish other Committees.
6. The scope of activity, composition and mode of operations of the Committees shall be determined by the Supervisory Board, with the proviso that the criteria of independence should be satisfied by:
  - 1) the majority of Audit Committee members, including the Chairperson and at least one of the Audit Committee Independent Members should additionally hold qualifications in accounting or financial audit,
  - 2) the majority of Remuneration and Nomination Committee members, including the Chairperson.

§ 23.

1. Subject to section 2 herein, the Supervisory Board Members must fulfil their duties in person.
2. The Supervisory Board Members may participate in passing the resolutions of the Board by casting their votes in writing through the agency of another Supervisory Board Member. Casting of the votes in writing must not refer to the issues added to the agenda at the Supervisory Board meeting.

§ 24.

1. The Supervisory Board shall adopt resolutions if more than half of its Members – including the Chairperson or Vice-Chairperson – are present at the session, and all the Board Members have been invited.
2. Regardless of the mode prescribed in §23.2, resolutions of the Supervisory Board may be adopted in the written mode or by remote direct communication means.
3. The resolutions of the Supervisory Board shall be adopted with the absolute majority of votes. In the case of a tie vote, the Chairperson of the Supervisory Board holds the casting vote.
4. Organisation of the work of the Supervisory Board and the mode of its functioning, in particular the mode of voting in writing or by remote direct communication means shall be stipulated in the Supervisory Board By-law resolved by the Board with the majority of at least 2/3 of votes.

§ 25.

1. The Supervisory Board shall exercise permanent supervision of the Bank's activities in all areas. Apart from the rights and duties arising from the law, resolutions and recommendations of the financial supervision authority and provided for in other stipulations hereof, the authority of the Supervisory Board shall include the following:

- 1) approving the principles of prudent and stable management of the Bank and the Bank strategy developed by the Management Board and carrying out interim reviews and verifications of its execution, as well as approving the Bank's long-term development plans and annual financial plans of the Bank's activities prepared by the Management Board,
- 2) approving the acceptable risk levels within the areas of the Bank operations,
- 3) approving the motions of the Bank Management Board referring to setting up and liquidation of the Bank's business units abroad,
- 4) consenting to the Bank purchasing or selling shares and rights to shares or participation interests of other legal persons whenever the value of assets exceeds the PLN equivalent of EUR 25,000,000, or whenever the operation to be performed involves assets representing at least 50% of the initial capital of another legal person; consent of the Supervisory Board is not required where the Bank's exposure arises from the conversion of debt claims, execution of the accepted collateral, or an underwriting service,
- 5) appointing and recalling Members of the Management Board, subject to §27,
- 6) concluding contracts with the Bank Management Board Members referring to fulfilling the functions vested in them, and determining the remuneration resulting from the said contracts, as well as consenting to receive other benefits from the Bank or from its associated entities by the Members of the Management Board,
- 7) approving the Bank Management Board By-law, the Organisational By-law and the Bank Internal Audit System,
- 8) selecting the entity authorised to audit the Bank's financial statements, based on the recommendation of the Supervisory Board's Audit Committee and giving advice as to the termination of the agreement with that entity,
- 9) determining the consolidated text of the Charter as well as introducing other editorial changes thereto,
- 10) giving consent to the Bank assuming an obligation or taking an action involving disposal of assets, where the value of a single transaction or the aggregated value of a series of transactions towards one entity or entities related to that entity exceeds 10% of the Bank's own funds, subject to the provisions of items 4) and 11),
- 11) consenting to the acquisition, sale or encumbrance by the Bank of a non-current asset of the value exceeding the PLN equivalent of EUR 25,000,000; the consent of the Supervisory Board – subject to the provisions of section 10 – is not required when the non-current asset is acquired by way of its takeover by the Bank being the creditor due to collection of the Bank's receivables,

- 12) presenting to the ordinary General Meeting reports and evaluations as set out in the laws, recommendations of the regulator and other regulations adopted by the Bank,
  - 13) suspending, for material reasons, a Member of the Bank Management Board in his/ her functions and assigning Members of the Supervisory Board to perform temporarily, for a period not longer than 3 months, the functions of the Management Board Members who may not do so,
  - 14) approval of the Bank's policy on the compliance risk,
  - 15) approval of the principles of internal capital assessment, capital management and planning processes.
2. The powers of the Supervisory Board also include giving advice on the conclusion of agreements with entities related to the Bank within the meaning of the regulations concerning the disclosure duties of listed companies, where the agreements concern assuming obligations or disposal of assets with the value exceeding 5% of the Bank's own funds, and other agreements with such entities that may have a material impact on the Bank's financial or legal standing; the Supervisory Board may determine the types of agreement that require its advice.
  3. The Supervisory Board may execute their powers mentioned under section 1.10) also by granting their consent to the conclusion of legal transactions with certain entities if such transactions meet the preconditions stipulated under above mentioned section, without separate consent of the Supervisory Board to individual transactions. In such a case, the Management Board shall be obliged to inform the Supervisory Board about the transactions concluded based thereon at the nearest session of the Supervisory Board.
  4. Stipulations of section 1.11) herein shall also refer to, respectively, the purchase, sale or encumbrance of a real property or of an interest in the real property, or of the perpetual usufruct, the resolution of the General Meeting is not required in these cases, regardless of the transaction value.

## **VII. Bank Management Board.**

### § 26.

1. The Bank Management Board consists of three to eight members: the President and Vice-Presidents. At the request of the President of the Management Board, the Supervisory Board may designate one of the Vice-Presidents to perform the function of the 1st Vice-President.
2. The number of the Management Board Members shall be determined by the Supervisory Board. At least half of the Members of the Management Board shall be the citizens of the Republic of Poland.

ING Bank Śląski S.A.

3. The Management Board Members shall be appointed for the joint term of office which shall commence as of the appointment date and shall last for the full four consecutive financial years.
4. The mandates of the Board Members shall expire:
  - 1) upon the end of their term of office, as of the day of the General Shareholders Meeting approving the financial statements for the last full year of their office,
  - 2) in the case of resignation of a Management Board Member from his/her function, as of the day of notifying the Bank thereon or as of the day specified in the resignation letter, which shall however not be earlier than the notification day,
  - 3) in the case of recalling the Management Board Member by the Supervisory Board, on the day of recall,
  - 4) in the case of death of the Management Board Member.

#### § 27.

1. The President of the Management Board and the Vice-President in charge of management of the risk material to Bank's business shall be appointed by the Supervisory Board upon the approval of the Polish Financial Supervision Authority. The earlier appointed Management Board Member referred to hereinabove may be entrusted with the capacity of the Vice-President only upon approval of the Polish Financial Supervision Authority.
2. Vice-Presidents of the Management Board shall be appointed and recalled by the Supervisory Board after taking into account the opinion of the President of the Management Board.
3. The Supervisory Board shall inform the Polish Financial Supervision Authority about the composition of the Management Board and about any change in that regard as well as about any changes affecting the Management Board Members and required by the Banking Law Act.
4. Management Board Members shall be appointed and recalled after the assessment of satisfaction of the requirements referred to in the Banking Law Act by them.

#### § 28.

1. The Management Board shall adopt resolutions if more than half of its Members are present at the meeting and all the Members of the Management Board have been invited.
2. Subject to the regulations of the Commercial Companies Code the resolutions of the Management Board shall be passed with an absolute majority of votes. In the case of a tie vote, the President of the Management Board holds the casting vote.

ING Bank Śląski S.A.

3. The organisation of Management Board's works, the scope of affairs requiring a resolution of the Management Board and mode of functioning shall be specified in the Management Board By-law resolved by the Management Board and approved by the Supervisory Board.

§ 29.

1. The Management Board shall manage and represent the Bank. Any matters not restricted to the authorities of other Bank's bodies pursuant to the laws or the Bank Charter shall rest with the Management Board.
2. The Management Board shall act collectively with the reservation of issues which according to the stipulations of the Management Board By-law or the Organisational By-law may be assigned to particular Management Board Members.
3. As part of activities entrusted to the Management Board and referred to in section 2:
  - 1) the President of the Management Board shall be responsible, in particular, for the internal audit unit, the compliance unit and HR management units,
  - 2) the Vice-President of the Management Board whose appointment requires permission of the Polish Financial Supervision Authority shall be responsible, in particular, for the credit, market and operational risk management units.
4. Furthermore, the President of the Bank Management Board:
  - 1) is in charge of the Management Board operations, plans the work and chairs meetings of the Management Board,
  - 2) represents the Management Board before the General Shareholders Meeting and the Supervisory Board.

§ 30.

1. Decisions shall be taken at the Bank in the following manner:
  - 1) decisions on matters reserved for the General Meeting shall be taken in the form of resolutions of the General Meeting,
  - 2) decisions on matters reserved for the Supervisory Board shall be in the form of resolutions of the Supervisory Board,
  - 3) decisions on matters, in the case of which collective action of the Management Board is required under the Organisational By-law and under the Management Board By-law, shall be in the form of resolutions of the Management Board,

- 4) decisions on matters for which no collective action of the Management Board is required, and which have been left for decision of the individual Management Board Members, shall be in the form of a decision of the Management Board Member; however, the Management Board may determine – by way of a resolution – matters requiring at least two Members of the Management Board to decide upon,
  - 5) decisions on matters delegated by the Management Board to the competence of any Committee, shall be in the form of resolutions of that Committee,
  - 6) decisions on matters that are not reserved for the Management Board, the Management Board Member or a competent Committee shall be in the form of a decision of a competent director of the appropriate level.
2. Decisions on assuming obligations or disposal of assets, if their total value for one entity exceeds 5% of the Bank's own funds, are taken, subject to stipulations of §25.1.4), §25.1.10) and §25.1.11) as well as §25.2, by the Management Board or relevant Committee established pursuant to the Organisational By-law or other people within the authority assigned by the Management Board.

§ 31.

1. By-laws, internal instructions and other internal regulations, including in particular the ones setting out the policy, the principles of operations or of the organisation of the Bank to the extent falling within the powers of the Management Board or of the individual Members of the Management Board, shall be issued in the form of Ordinances of the President of the Management Board, on the basis of the resolutions of the Bank Management Board or the decisions of the authorised Member of the Management Board, respectively.
2. Furthermore, internal regulations on matters that have not been reserved for the Management Board or for the individual Members of the Management Board may also be issued on the basis of the resolutions of the competent Committee or the decisions of the competent director of the appropriate level.

§ 32.

1. Two Management Board Members acting jointly, or one Management Board Member acting jointly with a proxy, or two proxies acting jointly shall be authorised to make declarations of will on behalf of the Bank. The Bank shall have joint commercial representation, whereby proxies are only authorised to act jointly with another proxy or with a Member of the Management Board.

ING Bank Śląski S.A.

2. The proxies acting individually or jointly with any person referred to in section 1 herein, or with another proxy, may be appointed for performing certain activities, or performing certain type of activities.

#### **VIII. Bank's Organisation and Governance System.**

##### § 33.

1. The organisational structure of the Bank is as follows:
  - 1) the Head Office, composed of Divisions, Departments and other organisational units or forms,
  - 2) Branches grouped in Regions and Areas, divided into the Corporate Network and the Retail Network in terms of functions.
2. The detailed internal organisation of the Bank is determined by the Organisational By-law adopted by the Management Board and approved by the Supervisory Board.

##### § 34.

The Bank shall have a one-company structure and shall be an employer as understood in the light of the Labour Law Regulations.

##### § 35.

1. There is governance system in the Bank that consists of the principles and mechanisms referring to the decision-taking processes taking place in the Bank and to the appraisal of the activities carried out. The principles of the governance system are specified in detail in this Charter, By-law of the Supervisory Board and By-law of the Management Board, Organisational By-law and in the by-laws of relevant Committees functioning in the Bank.
2. The following systems operate under the governance system in the Bank:
  - 1) risk management system,
  - 2) internal audit system.
3. The governance system – inclusive of risk management and internal audit system – is designed and implemented by the Bank's Management Board who are also responsible for its efficient functioning.
4. Implementation of the management system is supervised by the Supervisory Board who also appraise its adequacy and effectiveness.



§ 35a.

1. The tasks of the risk management system are to identify, measure or assess, control and monitor the risk appearing in the Bank's operations in order to ensure the correctness of the process of determining and executing the purposes of the activities carried out by the Bank.
2. Under the risk management system, the Bank:
  - 1) applies formalised principles used for determining the size of the risk taken and the principles of the risk management,
  - 2) applies formalised principles aimed at identification, measurement or assessment and monitoring of the risk appearing in the activity, where the said procedures take also into account the forecasted level of future risk,
  - 3) applies formalised limits to mitigate the risk and principles of conduct in the case of exceeding the limits,
  - 4) applies the approved management reporting system that allows risk level monitoring,
  - 5) has an organisational structure adjusted to the size and profile of the risk borne.

§ 35b.

1. The purpose of the internal audit system is to ensure:
  - 1) effectiveness of the Bank's operations,
  - 2) reliability of the financial reporting,
  - 3) observance of risk management principles at the Bank,
  - 4) compliance of the Bank's operations with the law, internal regulations and market standards.
2. The internal control system includes:
  - 1) control function tasked with ensuring the application of controls, notably those concerning risk management at the Bank; this function covers jobs, groups of persons or organisational units responsible for performing that function tasks,
  - 2) compliance unit tasked with identification, assessment, control and monitoring of compliance risk understood as the risk of consequences of non-compliance with laws, internal regulations and market standards, and also delivery of relevant reports, and
  - 3) independent internal audit unit tasked with examination and appraisal of – impartially and objectively – the adequacy and effectiveness of the risk management system and internal control system, except for the internal audit unit.
3. The persons managing the internal audit and the compliance units shall report directly to the President of the Bank Management Board. The approval of the Supervisory Board is required to appoint and recall the managers of those units.

ING Bank Śląski S.A.

4. Detailed principles of the operation of the internal audit system shall be specified by the Bank Management Board and approved by the Supervisory Board.
5. The Supervisory Board shall supervise the internal control system and shall appraise its adequacy and effectiveness at least once a year.

#### **IX. Bank's Capitals and Funds.**

##### § 36.

1. The Bank's own funds shall comprise:
  - 1) paid up and registered share capital,
  - 2) supplementary capital,
  - 3) reserves,
  - 4) general bank risk fund,
  - 5) revaluation fund, and
  - 6) retained earnings.
2. The Bank's own funds shall be established pursuant to the principles set out in the applicable laws.

##### § 37.

1. The general bank risk fund shall be established under the Banking Law Act.
2. The Fund referred to in section 1 herein shall be established out of the profit after tax in the amount passed by the General Meeting and shall be earmarked for risks of banking activities.
3. Decisions to make use of the fund as mentioned under section 1 shall be taken by the Bank Management Board.

##### § 38.

The supplementary capital shall be established from the profit after taxes, out of the surplus funds achieved while issuing the shares above their face value, and out of the extra charges paid by the shareholders and assigned for covering the balance sheet losses of the Bank.

ING Bank Śląski S.A.

§ 39.

The reserve capital shall be established independent of the supplementary capital of the Bank out of the write-offs from the profit after taxes, in the amount resolved by the General Meeting. The reserve capital may be used to cover specific losses and expenditures, and to raise the initial capital out of the Bank's funds.

§ 39a.

Retained earnings comprise:

- 1) retained earnings of previous years,
- 2) profit under approval and net profit of the present reporting period, computed in line with the effective accounting principles, less any foreseeable encumbrances and dividends, in the amounts not higher than the amounts of profit verified by chartered auditors, upon approval by the Polish Financial Supervision Authority.

§ 39b.

The revaluation fund shall be used to record post-revaluation changes in the value of non-current assets, made in line with the applicable regulations. The revaluation fund shall be increased whenever the value of non-current assets is raised. The revaluation fund shall be decreased with the differences arising from the revaluation of non-current assets earlier forming Bank's assets and later sold, donated or liquidated.

§ 40.

The decision on the use of the reserve and supplementary capital shall be taken by the General Meeting.

**X. Finances of the Bank, Profit Distribution, and Accounting.**

§ 41.

The Bank's finances shall be run based on the annual financial plans approved by the Supervisory Board.

Detailed principles of the Bank's finances shall be defined by the Bank Management Board.

ING Bank Śląski S.A.

§ 42.

The Bank's profit after taxes shall be allocated, in the amount resolved by the General Meeting, for the following:

- 1) supplementary capital,
- 2) reserves,
- 3) general bank risk fund,
- 4) dividend for the shareholders that may also be offered in the form of the shares of the new issue,
- 5) other purposes.

§ 43.

1. The Bank shall keep the accounting in compliance with the International Accounting Standards, International Financial Reporting Standards and related interpretations published in the form of regulations of the European Commission.
2. For the cases not governed by the stipulations mentioned under section 1, the Polish Accounting Standards shall be applied accordingly.
3. The Accounting Policy of the Bank shall be determined by the Bank Management Board.

§ 44.

A calendar year shall be the financial year.