



# Statute of Fortis Bank Polska SA

The consolidated text was determined by the Supervisory Board of Fortis Bank Polska SA, acting under an authorisation arising out of Article 15 para. 3 item 12 of the existing Statute, based on the consolidated text of the Statute binding to date, and taking into account the amendments resolved by Resolution no. 17 on 29 April 2010.

## I. General Provisions

### Article 1

1. The Bank operates in the form of a joint stock company under regulations of the Code of Commercial Companies and Partnerships, Banking Law, Authorization No. 46 dated 6 October 1990 issued by the President of the National Bank of Poland, and this Statute. The Joint Stock Company is hereinafter referred to as the "Bank".
2. Bank's name: FORTIS BANK POLSKA SPÓŁKA AKCYJNA".

### Article 2

1. The Bank shall maintain its registered office in the capital city of Warsaw.
2. The Bank shall proceed with business within the territory of the Republic of Poland and abroad.

### Article 3

1. The Bank can open and operate branches, sub-branches, business centres designated to provide services to selected customer segments, and representative offices.
2. The Bank may establish or participate in the establishment of banks, cooperatives, civil partnership, limited liability and joint stock companies as well as other legal entities.

### Article 4

The term of the Bank is unlimited.

## II. Scope of business of the Bank

### Article 5

1. The scope of the Bank's business shall include:
  - 1) accepting deposits due on demand and/or in fixed date and maintaining bank accounts for such deposits,
  - 2) maintaining other bank accounts,
  - 3) granting credits and loans, including consumer credits and loans,
  - 4) carrying out bank pecuniary settlements, including payment card settlements, likewise payment card issuance,
  - 5) issuing and confirming bank guarantees, granting sureties, likewise opening and confirming L/Cs,
  - 6) issuing securities, including convertible bonds and banking securities, likewise carrying out commissioned tasks, and assuming obligations related to the issuance of securities,
  - 7) participating in trading in financial instruments, including maintaining securities custody accounts,

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- 8) conducting operations on money and FX markets including forward and derivative instrument transactions,
- 9) conducting check and bill-of-exchange operations and warrant transactions,
- 10) purchasing and selling cash debts,
- 11) purchasing and selling foreign currencies,
- 12) safekeeping valuables and securities, likewise rendering safe-deposit boxes available,
- 13) providing the following financial services:
  - a) consulting services on financial issues,
  - b) custody services,
  - c) leasing services,
  - d) brokerage activity,
- 14) conducting commission sale in favour of open pension funds and safekeeping pension funds' assets,
- 15) providing agency services related to the distribution of participation units, investment certificates or participation titles to investment funds, likewise agency services related to their sale and redemption, or safekeeping of investment funds' assets,
- 16) providing agency services related to property insurance,
- 17) intermediating within the scope of personal insurance, including life insurance,
- 18) rendering certification services under the regulations governing electronic signatures, except for issuing qualified certificates used by the Bank with regard to actions to which it is a party,
- 19) acting as an agent in making money transfers and FX settlements,
- 20) issuance of electronic money instrument.

2. Within its legal capacity, the Bank may also:

- 1) contract credits and loans,
- 2) acquire or purchase shares of other legal entities, stakes, rights derived from shares and stakes in other legal entities, and also, certificates and participation units in investment funds,
- 3) purchase and sell real estate,
- 4) under conditions agreed with the debtor, change the debt into the debtor's property assets,
- 5) perform and act as a go-between in performing brokerage services whose performance by the Bank does not constitute a brokerage activity or does not require the consent of the Polish Financial Supervision Authority,
- 6) act as a go-between in providing financial services in favour of other banks, domestic and foreign, financial institutions or credit organisations,
- 7) perform tasks being the subject of the Bank's activity in favour of other banks, domestic and foreign, financial institutions or credit organizations,
- 8) provide auxiliary banking services in favour of companies affiliated with the Bank or the Bank's parent entity, with the use of IT systems and technologies, including data processing, software development and operation and IT infrastructure services,
- 9) provide consulting services for enterprises regarding capital structure, enterprise strategy or other issues related to such a structure or strategy,
- 10) provide consulting and other services regarding merger, division or takeover of enterprises,
- 11) provide additional services related to a firm commitment underwriting or stand-by underwriting,
- 12) perform the function of a representative bank under the Bond Act dated June 29, 1995.

### III. Share capital of the Bank

#### Article 6

The share capital of the Bank is PLN 1,206,175,300 (in words: one billion two hundred and six million one hundred seventy five thousand and three hundred zlotys) and is divided into 24,123,506 (in words: twenty

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four million one hundred twenty three thousand five hundred and six) ordinary bearer shares with a nominal value of PLN 50.00 (in words: fifty zlotys) each.

## IV. Redemption of shares

### Article 7

1. Shares shall be allowed to be redeemed.
2. Shares shall be redeemed basing on the net profit or on a separate capital, which can be established by the Bank from parts of the annual profits. Redemption of shares out of the net profit shall be allowed to take place only after the distribution of a dividend for the preceding fiscal year was decided.
3. The amount paid for the redeemed shares is computed based on the recent Bank's balance sheet statement.
4. Detailed conditions governing redemption of shares shall be defined by a resolution of the General Meeting. The redemption shall require consent of the shareholder whose shares are to be redeemed.
5. Redemption of shares requires reduction of the share capital.

## V. Bodies of the Bank

### Article 8

Bank bodies comprise:

- 1) General Meeting,
- 2) Supervisory Board,
- 3) Board of Executives.

## General Meeting

### Article 9

Reserved for the competence of the General Meeting shall be in particular the following issues:

- 1) consideration and approval of a report on the Bank's activity and financial statements, as well as consolidated statements, if their creation and approval is required, likewise discharge of the members of the Bank bodies of their duties,
- 2) adoption of resolutions regarding profit allocation and loss coverage, and if needed, a resolution setting the date of establishing the right to dividend (dividend date) and the dividend payment date. A dividend date can be set as at the day of passing the resolution or within the next three months, counting from this day,
- 3) all decisions pertaining to claims for losses incurred during establishment of the Bank, its management or supervision,
- 4) amendments to the Statute of the Bank,
- 5) election and recall of the Supervisory Board and its specific members,
- 6) determination of remuneration of the Supervisory Board members,
- 7) redemption of shares and determination of detailed conditions governing the redemption,
- 8) establishment and liquidation of capital types and funds, and defining their purposes, subject to Article 20,
- 9) merger or liquidation of the Bank and selection of liquidators,
- 10) approval of the Regulations of the Supervisory Board,
- 11) consideration of issues presented by the Supervisory Board or the Board of Executives,
- 12) adoption of resolutions regarding other matters which by virtue of binding regulations require a resolution to be adopted by the General Meeting.

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**Article 10**

1. Annual General Meeting shall take place within six months of the end of each fiscal year.
2. Annual or Extraordinary General Meeting may be held in Warsaw or Krakow.
3. An Annual General Meeting shall be convened by the Bank's Board of Executives. The Supervisory Board has the right to convene an Annual General Meeting if the Board of Executives fails to convene it on the date determined in the Statute. The Supervisory Board has also the right to convene an Extraordinary General Meeting if it deems fit to do so.
4. The Extraordinary General Meeting can be convened also by shareholders who represent at least one half of the Bank's share capital, or at least one half of the overall number of votes in the Bank.
5. The Bank's Board of Executives shall convene the Extraordinary General Meeting on its own initiative and at the request of a shareholder or shareholders who represent at least one twentieth part of the share capital. A request to convene the Extraordinary General Meeting and put specific issues on the agenda of such Extraordinary General Meeting should be submitted to the Bank's Board of Executives in writing or by electronic means. If the Extraordinary General Meeting is not convened within two weeks of the day of submitting the request of a shareholder or shareholder to the Bank's Board of Executives, the registration court may decide to authorise the shareholder or shareholders who made such a request, to convene the Extraordinary General Meeting. The shareholders thus authorised by the registration court shall quote the registration court's decision in their announcement of convening the Extraordinary General Meeting.
6. The General Meeting shall be convened by an announcement published on the Bank's website and in the manner appropriate for passing current information by public companies, however such an announcement should be published at least twenty six days before the General Meeting's date.
7. The General Meeting can be cancelled by the person or body by which it has been convened. The General Meeting is cancelled in the same manner as it is convened, immediately after the cancelling person or body obtains information about an obstacle that would hinder holding the General Meeting at the date for which it has been convened.
8. A shareholder or shareholders representing at least one twentieth of the Bank's share capital are authorised to demand that a specific issue be added to the agenda of the next General Meeting. To this end, they should file their motion to the Bank's Board of Executives, in writing or by electronic means, along with a justification or a draft resolution regarding the recommended agenda item, no later than twenty one days prior to the date set for the General Meeting. The Bank's Board of Executives shall announce, in the manner appropriate for convening General Meetings, any amendments to the agenda introduced at the request of shareholders, immediately, however no later than eighteen days prior to the date set for the General Meeting.
9. A shareholder or shareholders representing at least one twentieth of the Bank's share capital can, prior to the General Meeting's date, submit draft resolutions to the Bank, in writing or by electronic means, regarding issues on the agenda of the General Meeting, or issues that are to be put on the agenda. The Bank shall announce draft resolutions at its website forthwith.
10. In the scope not regulated by the Code of Commercial Companies and Partnerships and in the Statute, the General Meeting debates pursuant to Rules of Procedure approved by shareholders at the Meeting. The Rules of Procedure are not required to be approved at the next General Meeting, unless they need to be changed.

**Article 11**

Resolutions of the General Meeting shall be adopted by an absolute majority of votes cast unless stipulations of the Code of Commercial Companies and Partnerships or this Statute define stricter requirements.

**Article 12**

Persons who are the Bank's shareholders on the date falling sixteen days prior to the date of the General Meeting have the right to participate in the General Meeting.

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## Supervisory Board

### Article 13

1. The Supervisory Board shall comprise from 5 (five) to 10 (ten) members.
  - 1.a. At least two Supervisory Board Members shall know the Polish banking market well and specifically, they shall reside in Poland, be fluent in Polish and have appropriate experience regarding the Polish market that can be used in the supervision over the Bank's business.
  - 1.b. At least two Supervisory Board Members are independent Members free of any relationship with the Bank, its shareholders or employees that might materially affect the ability to take impartial decisions by such independent Members.
2. The Supervisory Board shall elect a Chairman and at least one Vice-Chairman from among its members.
3. The tenure of the Supervisory Board member is five years. Members of the Supervisory Board shall be appointed for the period of a common tenure; a mandate of the Supervisory Board member appointed prior to the expiry of a given tenure of the Supervisory Board shall expire at the same time as mandates of the remaining members of the Supervisory Board.
4. Each member of the Supervisory Board shall be entitled to the election for consecutive terms.
5. Members of the Supervisory Board shall be entitled to the remuneration for their activities.

### Article 14

1. Members of the Supervisory Board while executing their statutory responsibilities shall apply economical management principles in compliance with binding law. They shall not be allowed to assign their tasks to third parties.
2. The Supervisory Board members are obligated to maintain confidentiality of any information regarded as a bank secret or trade secret of the Bank. The said obligation shall be binding also after the Supervisory Board' members have terminated their functions.
3. The President of the Board of Executives shall participate in meetings of the Supervisory Board by virtue of his office. Participation of other invited people shall also be allowed.
4. The Board of Executives of the Bank or a member of the Supervisory Board shall be allowed to demand convening of a meeting of the Supervisory Board by the Chairman, presenting the proposed meeting agenda. The Chairman of the Supervisory Board shall convene the meeting within two weeks of the receipt of the demand.
5. Resolution of the Supervisory Board shall be regarded as validly adopted, if all members were invited at least 14 days before the meeting, and at least half of the members of the Board attend the meeting, including the Chairman and/or Vice-Chairman of the Board.
6. Resolutions of the Supervisory Board shall be adopted by a majority of votes. In the event of equal number of votes "for" and "against", the Chairman of the Supervisory Board shall have the casting vote.
7. The Supervisory Board members may participate in adopting resolutions by the Supervisory Board by giving his/her vote in writing through another member of the Board.
8. The Supervisory Board may adopt resolutions by voting in writing (in lieu of a meeting).
9. The Supervisory Board may adopt resolutions by voting using direct telecommunication means, including telephone and Internet.
10. The Supervisory Board resolution adopted by voting in writing or using direct telecommunication means shall be valid provided that all members of the Board have been notified about the contents of the draft resolution.
11. The Supervisory Board resolution shall not be adopted by voting in writing or using direct telecommunication means in case of election of the chairman and deputy chairman of the Supervisory Board, appointment of a Member of the Board of Executives and recall or suspension of such persons from or in performance of their duties.
12. Provisions of paragraphs 5-11 above do not apply to circumstances, when the Supervisory Board explicitly delegates the execution of a given transaction to one or several of its members.
13. Detailed rules of operation of the Supervisory Board shall be set out in its by-laws adopted by the General Meeting.

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Article 15

1. The Supervisory Board shall proceed with constant, general supervision over all activities of the Bank, and in particular, shall mind whether the activities of the Board of Executives are consistent with the interest of the shareholders, welfare of the Bank, and whether they are in line with rules of law and the Statute.
2. The duties of the Supervisory Board include:
  - 1) notifying the Polish Financial Supervision Authority about the Board of Executives composition and any changes thereto immediately after the formation of the Board of Executives or making any changes to its composition,
  - 2) notifying the Polish Financial Supervision Authority about the Board of Executives members who, according to the division of the scope of competence, supervise credit risk management and the internal audit,
  - 3) supervision over the implementation of the management system, including the risk management system and internal controls, and the assessment of its adequacy and effectiveness,
  - 4) supervision over the consistency of the Bank's policy with respect to risk assumption with the Bank's strategy and financial plan,
  - 5) supervision over the compliance risk management and annual assessment of the compliance risk management effectiveness by the Bank.
3. Reserved for the competence of the Supervisory Board shall be in particular the following issues:
  - 1) assessment of the Bank's financial statements,
  - 2) assessment of the report of the Bank Board of Executives and its proposals pertaining to allocation of profit and covering losses, as well as presentation of annual reports with the results of the said assessments to the General Meeting,
  - 3) approval of the draft annual budget, long-term programs of the Bank development and the Bank's business strategy likewise rules of the Bank's prudent and stable management,
  - 4) approval of annual economic and financial plans of the Bank,
  - 5) approval of the Bank Board of Executives motions regarding opening or liquidation of branches, sub-branches and representative offices of the Bank outside Poland,
  - 6) approval of the Board of Executives motions regarding participation as a shareholder in establishment of another bank, company or another commercial organisation, with the exclusion of the Stock Exchange investments concluded for a term no longer than 6 months,
  - 7) appointment and recalling of the President of the Board of Executives of the Bank, Vice Presidents and Members of the Board of Executives as well as determination of their remuneration. The Board may delegate one or more of its members to a committee empowered to make decisions on remuneration of members of the Board of Executives.
  - 8) selection, upon the Board of Executives' motion, of a statutory auditor to carry out the audit of the Bank's financial statements,
  - 9) approval of general rules of making credit decisions, including regulations of the credit committees which are the authorised bodies to reach decisions related to loans and credits under the regulations,
  - 10) adoption of resolutions regarding purchase or sale of real estate or a stake in such real estate and also regarding the purchase or sale of the right of perpetual usufruct,
  - 11) adoption of resolutions on issuing bonds,
  - 12) drawing up a consolidated text of the Bank's amended Statute and editorial changes according to the resolution of the General Meeting,
  - 13) appointment of an Audit Committee composed of the Supervisory Board members basically to supervise the Audit Department activity,
  - 14) approval of the Bank's compliance risk policy assumptions,
  - 15) approval of internal procedures regarding internal capital estimation, capital management and capital planning processes.
  - 16) approval of the internal control rules,

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## Board of Executives

### Article 16

1. The Board of Executives shall be composed of three to ten members, including the President of the Board of Executives, one or a number of Vice Presidents of the Board of Executives and members of the Board of Executives in the number that is to be defined by the Supervisory Board. The tenure of the Board of Executive member is five years. Members of the Board of Executives shall be appointed for the period of common tenure, a mandate of the Board of Executives member appointed prior to the expiry of a given tenure of the Board of Executives shall expire at the same time as mandates of the remaining members of the Board.
  - 1.a. At least half of the Board of Executives' Members shall know the Polish banking market well and specifically, they shall reside in Poland, be fluent in Polish and have appropriate experience regarding the Polish market that can be used in the management of the Bank's business.
2. Appointment of two Members of the Board of Executives, including the President of the Board, is made with consent of the Polish Financial Supervision Authority, given upon a request of the Supervisory Board.
3. The Bank's Board of Executives manages the Bank's operational activity and represents the Bank before external parties. The scope of tasks of the Board includes primarily all the issues that are not reserved for the competence of other bodies of the Bank.
4. The Board of Executives can delegate specific issues that belong to the scope of the Board of Executives' competence to specific Board of Executives' Members or the Bank employees.
5. Resolutions of the Board of Executives shall be adopted by a simple majority of votes. In case of equal number of votes "for" and "against", the President of the Board shall have the casting vote.
6. Resolutions of the Board of Executives shall be validly adopted if more than half of the Executives participate in the meeting.
7. The Board of Executives may adopt resolutions by voting in writing or using direct telecommunication. Resolution adopted in this mode shall be valid provided that all members of the Board of Executives have been notified about the contents of the draft resolution.
8. The Board of Executives shall manage the Bank's assets economically and fulfil its duties effectively and in accordance with law, the Statute and the Board of Executives' regulations.
9. The Board of Executives shall be obligated to maintain confidentiality of any information regarded as a bank secret or trade secret of the Bank. The said obligation shall be binding also after the Board of Executives' members have terminated their functions.
10. The Board of Executives designs, implements and ensures functioning of the management system, that includes in particular risk management system and internal controls, adjusted to the size and profile of risk related to the Bank's activity.
11. Detailed operational procedures of the Board of Executives shall be defined in the Board of Executives' Regulations approved by the Supervisory Board.

### Article 16a

1. Board of Executives members are responsible for the areas of the Bank's activity entrusted to them by the Board of Executives and Supervisory Board.
2. The primary scope of competence of the Board of Executives' President includes the management of the Board's work and management of the Bank's activity areas covering internal controls and human resources.
3. The primary scope of competence of the Executive(s) appointed subject to the consent of the Polish Financial Supervision Authority includes the management of the Bank's activity areas regarding, respectively:
  - 1) strategic credit risk management,
  - 2) the function monitoring the observance of the Bank's internal regulations and commonly binding law (Compliance),
  - 3) ensuring the Bank's business continuity, including the continuity of the statutory activity performance by the coordination of back-up operational processes,
  - 4) effecting cash settlements.

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4. The Supervisory Board and Board of Executives assign the management of the remaining spheres of the Bank's business to specific members of the Board of Executives.

## VI. Rules of Representation

### Article 17

1. The following persons shall be authorised to make declarations of will regarding property rights and duties:
  - a) two members of the Board of Executives or two signing clerks (commercial proxies) acting jointly;
  - b) a member of the Board of Executives acting jointly with a signing clerk (commercial proxy).
2. For conducting specific type of operations or particular transactions, the Bank shall be allowed to appoint plenipotentiaries who may act together with a member of the Board of Executives, a signing clerk, other plenipotentiary or on their own, but always within the scope of their powers of attorney.

## VII. Organisational structure

### Article 17a

1. The basic organisational structure of the Bank is made up of:
  - 1) Head Office,
  - 2) operating units for servicing Bank customers.
2. The task of the Head Office is to ensure a proper functioning of the Bank in all areas of its business.
3. The following units operate within the Head Office established by the Board of Executives:
  - 1) departments (offices) - organisational units (administrative), separated organisationally and functionally, founded to perform determined continuous functions, managed by department (office) director,
  - 2) groups - permanent and ad hoc ones - units separated organizationally and functionally founded to perform permanent or periodical specialist tasks, functioning within a department (office) or independent ones, managed by a group manager,
  - 3) sections - organisational units (administrative), separated organisationally and functionally, operating within the structure of a permanent group, founded to perform determined permanent tasks, coordinated by a section coordinator;
  - 4) committees – standing or temporary - units separated organisationally and functionally of advisory, consultative or decision-making character, whose scope of competence and activity is determined in committee regulations.
4. Operating units, designated to service customers include:
  - 1) Branches, sub-branches, points of sale,
  - 2) business centres designed to service selected customer segments.
5. The Board of Executives may group organisational units and create business lines that are functionally separated organisational structures, designated for a comprehensive service of specific customer segments or performance of specific banking services. A business line is managed by a managing director.
6. A detailed organisational structure, including the organisational diagram and the scope of activity of the Bank's organisational units, is determined by the Organizational Regulations of the Bank.

## VIII. Rules of making decisions and the manner of internal regulations issuance

### Article 17b

1. Resolutions of the Bank bodies are adopted on issues within their respective scopes of competence in accordance with the commonly binding law, the Statute and internal regulations of the Bank.

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2. Decisions regarding the Bank's operating activity including decisions on incurring liabilities or disposing of assets whose total value in respect of one entity exceeds 5% of equity funds, shall be adopted in the form of resolutions of the Board of Executives, subject to item 5 below.
3. Managers of particular areas of the Bank's activity or the Bank's organisational units shall make decisions on issues that fall within their scope of competence and do not require resolutions of the Bank's bodies.
4. The rules of making decisions by the Bank's committees are determined in respective internal regulations.
5. Decisions on the assumption of liabilities or disposal of assets whose total value in relation to one entity exceeds 5% of the Bank's equity, can be taken by committees of the Bank or designated people acting under the BoE resolution that defines the scope of such an authorisation and the decision-taking manner.

#### Article 17c

1. Board of the Executives members issue orders and circular letters.
2. The orders pertain primarily to the implementation, amendment or cancellation of the following:
  - 1) Bank regulations, except for the ones that require a resolution adopted by a relevant body of the Bank,
  - 2) instructions, which determine the rules of conduct in specific areas of the Bank's operating activity,
  - 3) tables of commissions and fees for banking activities and other services,
  - 4) methodologies that describe in detail methods applied to analysis or the performance of banking activities by the Bank,
  - 5) interest rate tables for banking activities carried out by the Bank.
3. Circular letters pertain primarily to an interpretation of the binding provisions and rules of their application.

## IX. Equity and rules of financial management

#### Article 18

1. The Bank keeps its accounting books in a manner that allows making financial statements in compliance with the binding reporting and financial accounting rules.
2. The fiscal year is the calendar year.

#### Article 19

1. Within three months of the end of a fiscal year, the Board of Executives shall make and present to the Supervisory Board the financial statements and a written report of the Bank's operations. The Bank's financial statements are subject to an audit by an authorised statutory auditor.
2. Documents, referred to in item 1 above, presented to the Supervisory Board should be signed by the Board of Executives, and made available to shareholders together with the opinions of the Supervisory Board and of the certified auditor, 15 (fifteen) days before the date of the General Meeting.

#### Article 20

1. The Bank sets up the following funds:
  - a) share capital,
  - b) additional capital ("kapitał zapasowy") - earmarked for the coverage of balance sheet losses,
  - c) reserve capital ("kapitał rezerwowy") - earmarked for the coverage of specific losses and expenses,
  - d) general risk fund - earmarked for the coverage of unidentified risks related to banking activity,

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- e) the other funds imposed by law.
- 2. All capital categories and funds established originate from the net profit, unless regulations require or permit their creation, increase or replenishment in other way. The additional capital is established from net profit deductions, amounting to the level to be decided upon at the General Meeting. The additional capital shall also accommodate the surplus between the issue and nominal price of the Bank shares and also supplementary payments effected by the Bank shareholders earmarked for the coverage of balance sheet losses.
- 3. The General Meeting shall decide upon the creation and dissolution of capital categories or funds other than the ones referred to in item 1 above, as well as upon means needed for the creation, increase or replenishment of any capital or fund, provided that the means originate from the net profit. The Board of Executives decides upon allocation of means derived from other sources, and upon the creation of a fund financed exclusively from other sources.
- 4. The General Meeting shall decide upon the use of the capital and funds, unless regulations provide otherwise. In particular, the Board of Executives may decide upon the use of funds derived exclusively from other sources than the net profit.

#### Article 21

- 1. The net profit recognised in the annual balance sheet approved at the General Meeting shall be allocated as follows:
  - 1) up to 8% of the profit shall be used for the replenishment of the additional capital until the latter reaches one third of the share capital; after the additional capital has reached that level, the said profit amount may be used for further replenishment of the additional capital,
  - 2) the remaining profit may be used for the replenishment of other Bank capital categories or funds, dividends for shareholders and other purposes pursuant to resolutions of the General Meeting.
- 2. Balance sheet losses shall be covered first from the additional capital, and in case the capital proves insufficient - from the remaining capital or funds.

## X. Management system

#### Article 22

The management system includes risk management system and internal controls.

#### Article 22a

- 1. A system of internal controls operates in the Bank. The purpose of the system is to support decision processes to contribute to ensuring the following:
  - 1) effectiveness and efficiency of the Bank's business,
  - 2) reliability of financial reporting,
  - 3) compliance of the Bank's business with law provisions and internal regulations.
- 1a. The internal controls include:
  - 1) risk controls,
  - 2) verification whether the Bank's business is consistent with law provisions and internal regulations,
  - 3) internal audit.
- 2. The Supervisory Board, Board of Executives, managerial staff and all the remaining employees of the Bank participate in the internal control process, which covers operation of all organizational units of the Bank's head office, branches and subsidiaries.
- 3. The quality of internal controls is checked by the Audit Department, whose tasks include monitoring, examination and assessment, in an independent and objective manner, of the adequacy and effectiveness of the system of internal controls, and providing opinions concerning the Bank's management system, including the effectiveness of the management of risk related to the Bank's activity.

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4. The status of the Audit Department guarantees an autonomy and impartiality of its activity, and authority necessary for performing its objective.
5. The Audit Department Director manages works of the Audit Department.
6. The Audit Department periodically, at least once a year, notifies the Supervisory Board on the inadequacies found together with conclusions resulting from the internal audit assignments conducted and actions undertaken to remove these inadequacies or fulfil recommendations.
7. Detailed rules and procedures of the audit conducted by the Internal Audit Department are established in the internal regulations approved by the Bank's Board of Executives.

#### Article 22b

1. There is a risk management system in the Bank.
2. The objective of the risk management system is to identify, measure or estimate and monitor the risk inherent in the Bank's activity. It serves to ensure that detailed objectives for the Bank's business activity are correctly determined and accomplished.
3. In the risk management system, the Bank:
  - 1) applies formalised rules to determine the level of risk assumed, and risk management rules,
  - 2) applies formalised procedures aimed at identification, measurement or estimation and monitoring of the risk existing in the Bank's business, including also the expected risk level in the future,
  - 3) applies formalised limits to mitigate the risk, and the code of conduct in case the limits are exceeded,
  - 4) applies formalised management reporting system to enable monitoring of the risk level,
  - 5) has an organisational structure which is adjusted to the level and profile of the risk assumed by the Bank.
4. 3. Bank shall control the risk related to the activity of subsidiary undertakings.

## **XI . Final Provisions**

#### Article 23

Any amendments to the Statute shall become effective upon their registration in the National Court Register.