

**Resolution No. ...  
of the Ordinary General Meeting  
of ING Bank Śląski Spółka Akcyjna of 21 April 2017**

**on amendments to the *Charter of ING Bank Śląski S.A.***

§1

Under Article 430 §1 of the Commercial Companies and Partnerships Code of 15 September 2000, the General Meeting of ING Bank Śląski S.A. resolve on the following amendments to the *Bank Charter*:

1. §8 section 3 item 8) shall read:

“8) rendering trust services and providing electronic identification means within the meaning of trust services regulations,”

2. the current wording of §8 section 6 shall be moved to the new §8a. which shall read:

“§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.”

3. the current §8 section 7 shall be designated as section 6.

4. §19 section 1 shall read:

“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.”

5. in §20 section 2 item 2, the words “Supervisory Board” shall be replaced with the word “Bank”; consequently, §20 section 2 item 2) shall read:

“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,”

6. in §22 section 1, after the words “Audit Committee” the word “and” shall be replaced with a comma and the words “and the Risk Committee” shall be added at the end of this section; consequently, §22 section 1 shall read:

“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.”

7. the current §22 section 4 shall be designated as section 6 and shall read:

“6. The scope of activity, composition and mode of operations of the Committees shall be determined by the Supervisory Board; however, the Audit Committee should include at least two members who meet the criteria of independence and of whom one has qualifications in accounting or financial audit. The independence criteria shall be met by the majority of members of the Remuneration and Nomination Committee, the Committee Chairman included.”

8. in §22 the following sections 4 and 5 shall be added:

“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.

5. If necessary, the Supervisory Board may also establish other Committees.”

9. in §25 section 1 item 9, the words “immediately after adopting a resolution on amendments to the Charter by the General Meeting” shall be deleted; consequently, §25 section 1 item 9 shall read:

“9) determining the consolidated text of the Charter as well as introducing other editorial changes thereto,”

10. in §26 section 4 item 2), the words “Supervisory Board” shall be replaced with the word “Bank”; consequently, §26 section 4 item 2) shall read:

“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,”

11. §27 shall read:

“§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.”

12. §29 section 3 shall read:

“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.”

13. §33 section 1 item 1) shall read:

“1) the Head Office, composed of Divisions, Departments and other organisational units or forms,”

14. §35a section 3 shall read:

“3. As part of the risk management system, the Management Board shall ensure effective management of the compliance risk which is understood as the risk of consequences of non-observance of laws, internal regulations and market standards.”

15. in §35b section 1:

- a. in the introductory sentence, the words “to support the decision-taking processes that contribute to ensuring the following” shall be replaced with the word “ensure”; consequently, the introductory sentence in §35b section 1 shall read:

“1. The purpose of the internal audit system is to ensure:”

- b. the current item 3) shall be designated as item 4) and shall read:

“4) compliance of the Bank’s operations with the law, internal regulations and market standards.”

- c. a new item 3) shall be added in the following wording:

“3) observance of risk management principles at the Bank,”

16. §35b section 2 shall read:

“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 compliance risk identification, assessment, control and monitoring as well as 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.”

17. §35b section 3 shall read:

- “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.”

18. §36 section 1 shall read:

- “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.”

19. in §37 section 1, the words “general risk fund for the unidentified risk related to banking activity” shall be replaced with the words “general bank risk fund”; consequently, §37 section 1 shall read:

“1. The general bank risk fund shall be established under the Banking Law Act.”

20. in §37 section 2 after the word “tax”, the words “in the amount passed by the General Meeting” shall be added and the word “unidentified” shall be deleted before the word “risk”; consequently, §37 section 2 shall read:

“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.”

21. after §39, new §39a and §39b shall be added in the following wording:

“§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."

22. in §42 item 3), the words "general risk fund for an unidentified risk related to banking activity" shall be replaced with the words "general bank risk fund"; consequently, §42 item 3) shall read:

"3) general bank risk fund,"

§2

The amendments to the Charter as laid down in §1 section 1 and in sections 4 through 22 shall be approved by the Polish Financial Supervision Authority.

**Rationale  
for the draft resolution of the Ordinary General Meeting  
of ING Bank Śląski Spółka Akcyjna of 21 April 2017  
on amendments to the Charter of ING Bank Śląski S.A.**

The Charter is amended to adjust its provisions to the current legal framework, supplement the objects of the Bank with trust services and make some editorial changes.

**Trust services and electronic identification**

Under the legal framework applicable by 28 September 2016, the Bank could render certification services within the meaning of the digital signature-related regulations, save for issuance of qualified certificates used by the Bank in the acts it is a party to.

With the Act on Trust Services and Electronic Identification of 5 September 2016 (Act on Trust Services) which took effect on 29 September 2016, the Act on Digital Signature was repealed and the Banking Law Act was revised. As per the current wording of Article 6 section 1 item 6a of the Banking Law Act, banks may render trust services and provide electronic identification means within the meaning of trust services regulations. As per Article 136 of the Act on Trust Services, banks are required to adjust their charters to the amended law within 12 months from the effective date of the Act on Trust Services.

In consequence of the changes arising from the Act on Trust Services, the draft resolution also provides for the amendments to the current wording of §8 section 6 of the Charter which is moved to the new §8a. After amended, the Charter will reflect the Bank's capacity to perform the activities referred to in Article 19a section 2a of the Act on Implementation of IT Solutions into the Business of Entities Performing Public Tasks of 17 February 2005 (Act on IT Solutions) being identification and authentication through the digital platform of public administration services (ePUAP) and Article 20c section 8 of the Act on IT Solutions being platform-compliant trusted profile-based authorisation and confirmation of the platform-compliant trusted profile in the manner discussed in Article 20c section 1 item 3 of the Act on IT Solutions.

**Other amendments**

The amendments adjusting the Charter to the current Banking Law Act comprise:

- addition to the Charter of the duties for the General Meeting to follow the requirements of the Banking Law Act when appointing or recalling Supervisory Board Members,
- accommodation for the fact of establishment of the Risk Committee which operates at the Bank under Article 9cb section 1 item 2) of the Banking Law Act,
- specification that the appointment of the Vice-President in charge of management of the risk material to Bank's business and entrusting of that function to the Management Board Member shall be approved by the Polish Financial Supervision Authority by virtue of Article 22b section 1 of the Banking Law Act.
- inclusion of the duties for the Supervisory Board to provide the Polish Financial Supervision Authority with information concerning the Management Board Members under Article 22a section 2 of the Banking Law Act,

- accommodation for the duty to abide by the Banking Law Act when appointing and recalling Management Board Members, whereby Article 22a section 1 of the Banking Law Act is complied with,
- accommodation for the statutory segregation of responsibilities within the Management Board under Article 22a sections 3, 4 and 6 of the Banking Law Act, and also the solutions used by the Bank,
- compliance risk definition adjustment,
- adjustment of internal control system goals and framework, particularly through the isolation of the control function.

The other amendments serve:

- accommodation for the rules adopted by the Bank (and also confirmed in the Bylaws of the Audit Committee and of the Remuneration and Nomination Committee), whereunder the independence criteria shall be met by at least two Audit Committee members and the majority of the members of the Remuneration and Nomination Committee, the Committee Chairman included,
- change of the addressee for the Supervisory Board Member and Management Board Member to file the letter of resignation with. By virtue of the resolution of 7 judges of the Supreme Court of 31 March 2016 (case no. III CZP 89/15), the letter of resignation ought to be sent to the company as per its standard representation principles,
- confirmation that the Supervisory Board may determine the consolidated text of the Charter, taking account of the amendments passed by the General Meeting as far as needed to ensure the legibility of the Charter and not only directly upon resolution adoption by the General Meeting,
- resignation from the elaborate enumeration of the organisational units and forms functioning within the Head Office in the Charter and its limitation to inclusion of the core organisational units and forms in the Charter only,
- indication that the manager of the compliance unit reports directly to the President of the Bank Management Board and that his/her appointment and recalling have to be approved by the Supervisory Board; in that manner, the Bank's practice, compliant with §49 section 3 of the Principles of Corporate Governance for Supervised Institutions, is confirmed, and
- change of the presentation manner of own funds in the Charter, accounting for the legal regulations and the Accounting Policy adopted by the Bank.

The remaining amendments are of editorial nature.

**Resolution No. ...  
of the Ordinary General Meeting  
of ING Bank Śląski Spółka Akcyjna of 21 April 2017**

**on amendments to the *Charter of ING Bank Śląski Spółka Akcyjna* regarding authorisation of the Management Board to increase share capital up to the authorised capital and to exclude the pre-emptive right.**

§1

Under Article 430 §1, Article 444, Article 445 §1 and Article 447 §1 and §2 of the Commercial Companies and Partnerships Code Act of 15 September 2000, the General Meeting of ING Bank Śląski S.A. hereby resolve on the amendment to the *Bank Charter* consisting in adding new §11a worded as follows:

“§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.”

§2

The amendment to the Charter provides for the authorisation of the Bank Management Board to increase the share capital on the terms and conditions set out in Article 444 et seq. of the Commercial Companies and Partnerships Code (authorised capital), which will enable the Management Board, if required, to take fast actions aimed at consolidating the Bank's capital position.

§3

The amendments to the Charter as set out in §1 require approval of the Polish Financial Supervision Authority.



**Rationale**  
**for the draft resolution of the Ordinary General Meeting of ING Bank Śląski Spółka Akcyjna of 21 April 2017 on amendments to the Charter of ING Bank Śląski Spółka Akcyjna regarding authorisation of the Management Board to increase share capital up to the authorised capital and to exclude the pre-emptive right along with the Bank Management Board opinion**

The standard capital increase procedure always requires a resolution of the General Meeting, whereby the process becomes protracted (especially in view of the requirements due to the Bank being a WSE-listed public company). The notion of authorised capital is added to the Bank Charter to enable the Bank to activate a fast capital injection procedure. It can be of importance in the case of a risk that the Bank may fail to fulfil capital requirements and it may help to prevent such a risk. This solution is also an effort to meet the regulators' expectations as regards the implemented regulations on development by banks of recovery plans referred to in the Banking Law Act.

The authorisation granted to the Management Board shall be limited to the amount provided for in the Charter and can be exercised solely within the timeframes provided for in the Bank Charter.

The aforementioned premises also justify granting the Management Board the authorisation to exclude or limit the pre-emptive rights to shares issued under authorised capital. Granting of such an authorisation will enable the Management Board to effectively conduct the issue targeted at the strategic investor should the scenario of fast capital injection to the Bank materialise.

The issue price of shares issued under authorised capital shall be fixed by the Management Board, taking account of the market environment at the time of passing a relevant resolution. It should be emphasized that both the Management Board decisions on exclusion or limitation of the pre-emptive rights of the existing shareholders and those regarding the share issue price shall be controlled by the Supervisory Board, whose approval is required to both the former and the latter. This control is to ensure protection of interests of the Bank and its shareholders.

In view of the above, the Bank Management Board is of the opinion that the passing by the General Meeting of the resolution regarding the authorisation of the Management Board to increase share capital up to the authorised capital and the option for the Management Board to exclude the pre-emptive rights of the existing Bank shareholders in full or in part is fully justified and in the best interest of the Bank and its shareholders.