RESOLUTION No. /2020
of the Extraordinary General Meeting
of Powszechna Kasa Oszczędności
Bank Polski Spółka Akcyjna
as of 23 April 2020

on electing the Chairman of the Extraordinary General Meeting

Pursuant to Article 409 § 1 of the Commercial Companies Code, the Extraordinary General Meeting elects as its Chairman Ms/Mr_________________________.

The rationale
for the draft resolution on electing the Chairman of the Extraordinary General Meeting

Pursuant to Article 409 § 1 of the Commercial Companies Code, the chairman shall be elected from among those entitled to participate in the general meeting. Pursuant to § 6 item 2 of the PKO Bank Polski S.A. General Meeting's Rules and Regulations, the person opening the General Meeting conducts the election of the Chairman of the General Meeting in a secret ballot, ensures that the voting process is conducted correctly and announces its result.
In accordance with the above, the draft resolution shall be considered at the Extraordinary General Meeting.

The draft resolution has received a positive opinion of the Supervisory Board.

RESOLUTION No. /2021
of the Extraordinary General Meeting
of Powszechna Kasa Oszczędności
Bank Polski Spółka Akcyjna
as of 23 April 2021

on (i) establishing a special fund to cover the specific balance sheet losses that arise from recognizing the financial effects of the settlements with consumers who concluded loan agreements or mortgage-secured loans indexed to foreign currencies or denominated in foreign currencies with the Bank, and separating part of funds accumulated in the supplementary capital and transferring it to the special fund, (ii) obliging the Bank's Management Board to submit the terms of settlements, including the terms of debt relief, to the Supervisory Board for approval

§ 1.

Acting pursuant to Art. 396 § 4 and Art. 396 § 5 of the Commercial Companies Code, and § 29 and § 31a of the Bank's Articles of Association, the Extraordinary General Meeting resolves as follows:

1. A special fund of PLN 6,700,000,000.00 (in words: six billion seven hundred million zlotys) will be established to cover the specific balance sheet losses that arise from recognizing the financial effects of the settlements referred to in para. 4, with a provision that the sole competence to adopt

a resolution on covering the losses by using the amounts accumulated in the fund lies with the General Meeting.

2. The amount of PLN 6,700,000,000.00 (in words: six billion seven hundred million zlotys) is separated from the Bank's supplementary capital, partly created from the profit from previous years available for distribution, and transferred to the special fund established in accordance with the provisions of sec. 1.
3. The Bank's Management Board is obliged to submit the settlement conditions referred to in para. 4, including the conditions for debt relief, to the Bank's Supervisory Board for approval.
4. The Bank's Management Board may proceed to conclude settlements (including those involving debt relief) with consumers who concluded credit agreements or mortgage-secured loans indexed to foreign currencies or denominated in foreign currencies with the Bank upon a positive opinion from the Bank's Supervisory Board on the settlement conditions, including the conditions for debt relief. The content of the individual settlements should be within the limits of the conditions approved by the Bank's Supervisory Board in accordance with the previous sentence.

§ 2.

The Resolution comes into force on the day of its adoption.

The rationale

for the draft resolution on (i) establishing a special fund to cover the specific balance sheet losses that arise from recognizing the financial effects of the settlements with consumers who concluded loan agreements or mortgage-secured loans indexed to foreign currencies or denominated in foreign currencies with the Bank, and separating part of funds accumulated in the supplementary capital and transferring it to the special fund, (ii) obliging the Bank's Management Board to submit the terms of settlements, including the terms of debt relief, to the Supervisory Board for approval

In December 2020, the Chairman of the Polish Financial Supervision Authority presented a proposal regarding a solution to the problem of CHF-indexed or denominated loans for housing purposes. The proposal was submitted in relation to an increasing legal risk in the banking sector stemming from the growing number of court proceedings, where borrowers question the effectiveness or the validity of loan agreements or their individual provisions as concluded with the banks. The proposal of the Chairman of the Polish Financial Supervision Authority involves offering to clients the possibility to conclude voluntary agreements, whereby the client would settle the accounts with the bank as if the loan was a loan granted in PLN from the outset.

Also in December 2020, the National Bank of Poland recommended in its report on the stability of the financial system that the banks and the borrowers should seek an out-of-court dispute resolution and conclude settlements for housing loans in foreign currencies. Moreover, in its announcement on February 9, 2021, the Management Board of the National Bank of Poland stated that it welcomed the banks' initiatives to limit the legal risk of foreign-currency housing loans by entering into agreements with the borrowers.

The Bank’s Management Board conducted a comprehensive analysis of the benefits and risks associated with the possible variants of proceedings, including in particular the variant of continuing litigation and the variant of submitting the settlement proposals to clients who are consumers. As a result of the analysis, the Bank's Management Board concluded that the rational and the most advantageous option for the Bank would be to commence a program of settlements with clients who are consumers, on the terms consistent with postulates of the Chairman of the Polish Financial Supervision Authority and recommendations of the Management Board of the National Bank of Poland, assuming that the concluded individual settlements would be based on the assessment of legal risk for the Bank from such agreements being reached. In the opinion of the Bank's Management Board, the above motion is justified by the continued upward trend in the number of lawsuits being filed, which in the future could lead to materialization of legal risk and have a significant negative impact on the financial situation of the Bank and on the entire banking sector. The conclusion of settlements would not only reduce the aforementioned legal risk, but also the uncertainty about the content of the final court decisions, their financial consequences, and the costs and length of the court proceedings. This variant will also allow the Bank to use the solution envisaged in the Regulation of the Minister of Finance on March 27, 2020 (Journal of Laws of 2020, item 548) on the withdrawal of income tax on certain income (revenues) related to a mortgage loan granted for housing purposes, whereby the Minister of Finance ordered to withdraw corporate income tax collection in the amount calculated in accordance with the principles set out in the regulation.

Reaching settlements on terms that provide for the settlements of loans or mortgage-secured loans indexed to foreign currencies or denominated in foreign currencies, as if they were credit agreements granted in PLN or loans granted in PLN in the first place, will eliminate the exchange rate risk for those customers of the Bank who decide to enter into a settlement. In making the above assessment, the Bank's Management Board considered the role of the Bank as a joint-stock company and the largest commercial bank in Poland, being an institution of public trust that sets standards of conduct for the banking sector along the principles of corporate social responsibility. The Bank's Management Board also took into account the arrangements undertaken as part of the working group of representatives of the commercial banks and the Polish Financial Supervision Authority, as well as those that resulted from the direct discussions with the representatives of the Polish Financial Supervision Authority, the Bank Guarantee Fund, the Ministry of Finance and the Office of Competition and Consumer Protection. The objective of such arrangements was to consider the conversion effects on the financial safety net of institutions, as well as to ensure that the concluded settlements were permanent, stable and final, and that their provisions were consistent, transparent and understandable to clients.

The adoption of the proposed resolution by the Bank's General Meeting is necessary given the projected financial effects of the proposed settlements. In the opinion of the Bank's Management Board, the amount of PLN 6,700,000,000.00 allocated to the special fund established by the proposed resolution will be sufficient to fully cover the balance sheet losses, which will be included in the Bank's standalone financial statement for 2020.

In connection with the above, it is proposed to establish such special fund that will be used to cover the balance sheet losses. Pursuant to Art. 396 § 4 of the Commercial Companies Code, articles of association may provide for creation of capitals to cover specific losses or expenses (reserve capitals). The Bank's Articles of Association provide for such possibility in § 31a para. 1. At the same time, it is the sole competence of the General Meeting to define the purpose of the special fund (§ 31a, section 2 of the Articles of Association) and to decide on the use of the reserve capital (Art. 396 § 5 of the Commercial Companies Code).

The draft of the resolution has received a positive opinion of the Supervisory Board.

RESOLUTION No. /2021
of the Extraordinary General Meeting
of Powszechna Kasa Oszczędności
Bank Polski Spółka Akcyjna
as of 23 April 2021

on granting consent to the Bank for the acquisition of its own shares and defining the rules of such acquisition, creating reserve capital (fund) intended for the acquisition of own shares, separating part of funds accumulated in the supplementary capital and transferring it to the reserve capital (fund) intended for the acquisition of own shares

§ 1.

Acting pursuant to Art. 362 § 1 items 5 and 8 and § 2 of the Commercial Companies Code, as well as § 7 section 4, § 29 section 3 and § 30 of the Bank's Articles of Association, the Extraordinary General Meeting resolves as follows:

1. The Management Board of the Bank is authorized to purchase the Bank’s own fully paid-up shares once or over multiple times for redemption purpose, including those traded on the regulated market operated by the Warsaw Stock Exchange ("**WSE**") ("**Own Shares**"). The authorization of the Bank's Management Board to purchase Own Shares is granted for a period of 5 years from the next day following the adoption of this resolution, but not longer than until the exhaustion of funds allocated for the purchase of Own Shares.
2. Purchase of Own Shares by the Bank will be executed according to the following rules:
    1) The total nominal value of purchased Own Shares shall not exceed 10% (ten percent) of the Bank’s share capital, i.e. 125 000 000 (in words: one hundred and twenty five million) shares with a nominal value of 1 PLN (one Polish zloty) each.
    2) The purchase price may be defined per Own Share: not lower than 5% and not higher than 95% of the book value per Own Share indicated in the last periodic report of the Bank published before the purchase date of Own Shares.

3) The Bank may purchase Own Shares in the following way:

   a) in transactions on the regulated market operated by WSE, taking into account the principles set out in the Commission Delegated Regulation (EU) 2016/1052 of 8 March 2016 supplementing Regulation (EU) No. 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the conditions applicable to buy-back programs and stabilization measures; or

   b) by launching calls for tenders addressed to all shareholders of the Bank for the sale of Own Shares outside the regulated market operated by WSE, with the provision that the purchase price of Own Shares be the same for all shareholders of the Bank. If the number of Own Shares submitted by shareholders for the purchase by the Bank is higher than the total number of Own Shares specified by the Bank in its call to submit the offers, the Management Board will proportionally reduce the shareholders' offers by rounding the fraction of Own Shares down to the nearest integer, such that the total number of Own Shares is equal to the maximum number in the Bank's call for tenders. If the application of the above rule for rounding the fraction of Own Shares down to the nearest integer (allocation rule) does not cover the entire number of Own Shares intended for purchase by the Bank in the call for tenders, the Bank will acquire the remaining Own Shares after applying the above rounding rule (i.e. such number of shares that constitutes difference between the maximum number of Own Shares and the reduced and rounded down number of shares in shareholders' offers) from the shareholder who submitted the sale offer for the largest number of Own Shares, and in the case of offers for the same number of Own Shares, from the shareholder whose offer submission came earlier.

4) The purchase of Own Shares may only take place after the relevant approvals by the Polish Financial Supervision Authority have been obtained.

3. The Management Board of the Bank is authorized to take any factual or legal actions necessary for the acquisition of Own Shares (including for the determination of price and other acquisition rules in the scope not covered under § 1, as well as the commencement, completion, suspension, renewal or resignation from the acquisition of Own Shares - in whole or in part - at any time during the period of authorization granted in § 1 section 1 of this resolution).
4. The Bank's Management Board may convene the General Meetings in order to adopt resolutions on redemption of Own Shares, reduction of the share capital and amendments to the Bank's Articles of Association with regard to some or all of Own Shares acquired before or after the expiry of the period of authorization granted for the purchase of Own Shares.
5. Subject to the provisions of Art. 348 § 1 of the Commercial Companies Code, reserve capital (fund) will be created in the amount of 4,500,000,000.00 PLN (in words: four billion five hundred million zlotys) as part of the Bank's reserve capitals, supplemented in accordance with the section 6 below, for the purpose of settling the total purchase price of Own Shares plus the costs of acquiring Own Shares, in

accordance with the provisions of § 1. The Management Board of the Bank is authorized to spend the amounts accumulated in this reserve capital (fund) on terms set out in § 1.

6. The total amount of 4,500,000,000.00 PLN (in words: four billion five hundred million zlotys) is separated from the Bank's supplementary capital created from profit in prior years intended for distribution, and transferred to the reserve capital (fund) created in accordance with the provisions of the section 5 above, for the purpose of settling the total purchase price of Own Shares plus the costs of acquiring Own Shares, in accordance with the provisions in § 1.

§ 2.

The Resolution comes into force on the day of its adoption.

The rationale

for the draft resolution on granting consent to the Bank for the acquisition of its own shares and defining the rules of such acquisition, creating reserve capital (fund) intended for the acquisition of own shares, separating part of funds accumulated in the supplementary capital and transferring it to the reserve capital (fund) for the purchase of own shares

Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna („Bank") currently maintains a significant surplus capital above the supervisory requirements that could be distributed to shareholders in the future, while taking into account the Polish Financial Supervision Authority's position on dividend policy. One of the forms of such distribution is the buy-back of own shares pursuant to § 7 sec. 4 and § 30 sec. 1 of the Bank's Articles of Association. In connection with the above, the Bank would like to define the rules for the purchase of own shares, the creation of reserve capital (fund) intended for the purchase of own shares and the separation of part of funds accumulated in the supplementary capital, and transferring it to the reserve capital (fund) intended for the acquisition of Own Shares and for performing such transactions.

The authorization of own shares' purchase by the Bank will also be an important tool for increasing the value of the Bank's remaining shares that will not be acquired by the Bank.

In order to carry out the purchase, pursuant to Art. 362 § 2 point 3) in connection with Art. 362 § 1 item 8) 1 of the Code of Commercial Companies, it is necessary to set aside reserve capital (fund) within the reserve capital for the purpose of setting the total purchase price of shares increased by the purchase costs, which is the sole competence of the Bank's General Meeting. The proposed amount of the reserve capital (fund) results from the adopted conditions regarding the number of shares and the price.

In the opinion of the Management Board, the Bank has a surplus of capital, and therefore own funds, as reflected by the levels of its solvency and leverage ratios, which allow for an implementation of the share buy-back program. Taking into account the liquidity situation of the Bank, defined inter alia by its liquidity ratios, the Bank will be able to finance the purchase of up to 10% of its own shares that will not lead to deterioration of its liquidity. The proposed buy-back structure will enable all interested shareholders to participate in the program on equal and transparent terms, while maintaining the Bank's capital resources at a safe level, and it will not interfere with development of business activities and achievement of strategic goals. In addition, the Bank will maintain a capital buffer in the event of adverse events, as well as to cover any additional capital needs related to the exposure to foreign currency loans.

At the same time, pursuant to Art. 77 of the Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending the Regulation (EU) No. 648/2012, any reduction, redemption or repurchase of Tier I Basic Capital issued by the Bank will be possible only upon obtaining prior consent of the Polish Financial Supervision Authority.

The draft resolution has received a positive opinion of the Supervisory Board.