

**TENDER OFFER TO SUBSCRIBE FOR THE SALE OF SHARES
IN BANK BPH S.A. ANNOUNCED BY ALIOR BANK S.A.**

This tender offer to subscribe for the sale of shares in Bank BPH S.A. (the “Company”) with its registered office in Gdańsk (the “Tender Offer”) is announced by Alior Bank S.A. with its registered office in Warsaw (the “Tenderor”) in connection with the intended acquisition of shares in the Company by the Tenderor, representing 66% of the total votes at the general meeting of the Company. This Tender Offer is announced pursuant to Article 73 Section 1 of the Act of 29 July 2005 on public offering and the conditions governing the introduction of financial instruments to organized trading and on public companies (consolidated text: Dz. U. of 2013, item 1382, as amended) (the “Polish Act on Public Offering”) and in compliance with the Ordinance of the Minister of Finance of 19 October 2005 on the forms of tender offers to subscribe for the sale or exchange of shares in a public company, the detailed procedures of the announcement thereof, and the conditions for acquiring shares pursuant to such tender offers (Dz. U. of 2005 No. 207, item 1729, as amended) (the “Ordinance”).

1. Description of shares subject to the tender offer, including the class and the issuer thereof with an indication of the number of votes at the general meeting attached to one share of a given class.

This Tender Offer is announced for 50,600,821 (fifty million six hundred thousand eight hundred twenty-one) ordinary bearer shares with the nominal value of PLN 5.00 (five) each, of A, B, C, D, and E series, issued by the company Bank BPH Spółka Akcyjna with its registered office in Gdańsk, ul. Pułkownika Jana Pałubickiego 2, 80-175 Gdańsk, entered into the Register of Entrepreneurs of the National Court Register by the District Court Gdańsk-Północ in Gdańsk, 7th Commercial Division (National Court Register) under KRS number 0000010260, officially listed and traded on the main market organized by Giełda Papierów Wartościowych w Warszawie S.A. (the Warsaw Stock Exchange, the “WSE”), dematerialized and registered with Krajowy Depozyt Papierów Wartościowych S.A. (the National Depository for Securities, the “NDS”) under ISIN: PLBPH0000019 (the “Shares”).

Each Share carries one vote at the general meeting of the Company.

2. Name and surname or business name, place of residence (registered office) and address of the tenderor.

Business Name: Alior Bank Spółka Akcyjna
Registered Office: Warsaw, Poland
Address: ul. Łopuszańska 38D, 02-232 Warszawa

3. Name and surname or business name, place of residence (registered office) and address of the purchasing entity.

The entity purchasing the Shares under the Tender Offer is the Tenderor referred to in Section 2 hereinabove.

4. Business name, registered office, address, telephone and fax numbers, and e-mail address of the entity servicing the tender offer.

Business Name: Biuro Maklerskie Alior Bank S.A. (“**Brokerage Office**”)
Registered Office: Warsaw

Address: ul. Łopuszańska 38D, 02-232 Warszawa
Telephone: 19 503 (12 19 503 from Play network) or 12 370 7400
Fax: +48 22 555 23 13
E-mail address: biuro.maklerskie@alior.pl

5. The percentage of votes that the purchasing entity intends to acquire under the tender offer, and the corresponding number of shares.

Under the Tender Offer, the Tenderor as the entity purchasing the Shares intends to acquire 66% of the total number of the Company's shares and votes at the general meeting of the Company, i.e. 50,600,821 (fifty million six hundred thousand eight hundred twenty-one) Shares corresponding to 50,600,821 (fifty million six hundred thousand eight hundred twenty-one) votes at the general meeting of the Company, subject to information provided in Sections 9 and 32(a) hereof.

6. An indication of the minimum number of shares covered by the tender offer upon the reaching of which the purchasing entity undertakes to acquire these shares—and the corresponding number of votes—if defined.

The Tenderor, as the entity purchasing the Shares, intends to acquire the Shares on the condition that at least 39,275,408 (thirty nine million two hundred seventy-five thousand four hundred and eight) Shares, that is at least approximately 51.23% of the Company's shares, corresponding to at least 39,275,408 (thirty nine million two hundred seventy-five thousand four hundred and eight) votes at the general meeting of the Company representing at least approximately 51.23% of the total number of votes at the general meeting of the Company are subscribed for under the Tender Offer.

Pursuant to § 9 Section 2 item 1 of the Ordinance, the Tenderor, as the entity purchasing the Shares, reserves the right to change the minimum number of Shares to be subscribed for that obligates the Tenderor to acquire Shares.

The Tenderor, as the entity purchasing the Shares, reserves the right to acquire the Shares covered by the subscriptions even if the above condition is not satisfied.

If the Tenderor, as the entity purchasing the Shares, decides to acquire the Shares despite the fact that the aforementioned condition has not been satisfied, it shall disclose such information immediately through an information agency referred to in Article 58 of the Polish Act on Public Offering. Additionally, the information on making this decision shall be published by the Tenderor in at least one national daily newspaper no later than 2 (two) business days after the day on which such condition should have been satisfied.

7. The percentage of votes that the purchasing entity intends to reach as a result of the tender offer, and the corresponding number of shares.

The information on the percentage of votes that the Tenderor, as the entity purchasing the Shares, intends to reach as a result of the Tender Offer, and the corresponding number of the Shares, is provided in Section 5 hereof.

8. The proportion in which the shares will be purchased by each of the purchasing entities, if more than one entity intends to purchase the shares.

Not applicable. Only the Tenderor, as the entity purchasing the Shares, intends to acquire the Shares subject to the Tender Offer.

9. The price at which shares are to be purchased under the tender offer.

Except as set forth below in this Section, the Shares subject to the Tender Offer will be acquired at a price of PLN 31.19 (thirty-one zloty nineteen groszy) per Share (the “**Tender Share Price**”).

The Tenderor intends to acquire from the Company’s Sellers (as defined in Section 32 (a) below) under the Tender Offer a certain number of shares in the Company (the “**Sellers’ Tendered Shares**”) for a total price of PLN 1,225 million (“**Sellers’ Tendered Shares Base Price**”), provided that, in accordance with the Share Purchase and Demerger Agreement (as defined in Section 32 (a) below), the Sellers’ Tendered Shares Base Price shall be subject to adjustment to be implemented prior to the completion of the Tender Offer (the “**Sellers’ Tendered Shares Adjusted Price**”).

The number of the Sellers’ Tendered Shares will be determined by dividing the Sellers’ Tendered Shares Adjusted Price by the Tender Share Price. Therefore, in accordance with the Share Purchase and Demerger Agreement, the determination of the Sellers’ Tendered Shares Adjusted Price shall not affect the Tender Share Price. If the Sellers’ Tendered Shares Adjusted Price is higher or lower than the Sellers’ Tendered Shares Base Price, the number of Sellers’ Tendered Shares for which subscriptions will be placed by the Company’s Sellers will be reduced or increased, respectively.

The Sellers’ Tendered Shares Base Price and the Sellers’ Tendered Shares Adjusted Price, in each instance per each Sellers’ Tendered Share, shall not be higher than the Tender Share Price.

The Sellers’ Tendered Shares Adjusted Price may be further adjusted depending on the adjusted tangible book value of the Company’s Core Business (as defined in item 26 below) as at the date of registration of the increase of the Tenderor’s share capital by the relevant registry court in connection with the demerger of the Company (the “**Demerger Effective Date**”) (see item 26 below), i.e. following the completion of the Tender Offer (the “**Final Sellers’ Tendered Shares Price**”). If the Final Sellers’ Tendered Shares Price per each of the Sellers’ Tendered Shares (to be determined following the completion of the Tender Offer) is higher than the Tender Share Price, the Tenderor shall pay the difference to all of the other shareholders of the Company who responded to the Tender Offer.

The Sellers’ Tendered Shares Base Price and the Sellers’ Tendered Shares Adjusted Price, in each case per each of the Sellers’ Tendered Shares, shall constitute the prices determined in accordance with Article 79 Section 4 of the Polish Act on Public Offering.

10. The price from which, pursuant to Article 79 Sections 1 and 2 of the Polish Act on Public Offering, the price set forth in Section 9 cannot be lower, including an explanation of the grounds on which the price has been determined

Without rounding, the arithmetic average of the average daily prices weighted by the volume of trade in the period of 6 (six) months preceding the Tender Offer announcement, during which the Company’s shares were traded on WSE main market, is PLN 31.1815.

During the 12 (twelve) months preceding the announcement of the Tender Offer, the Tenderor or its subsidiaries did not acquire the Company’s shares. There is no direct or indirect parent entity of the Tenderor within the meaning of the Polish Act on Public Offering.

The Tenderor is not, and in the period of 12 (twelve) months preceding the day of the Tender Offer was not, a party to the arrangement referred to in Article 87 Section 1 item 5 of the Polish Act on Public Offering.

The Tender Share Price is not lower than the minimum price fixed pursuant to the provisions of Article 79 Sections 1 and 2 of the Polish Act on Public Offering.

11. Timetable for the tender offer, including the period for accepting subscriptions for the tendered shares, together with an indication of whether and upon the satisfaction of which conditions, the acceptance period may be shortened.

| | |
|---|----------------|
| Tender Offer announcement date: | 11 July 2016 |
| Commencement of the subscription period: | 1 August 2016 |
| End of the subscription period: | 16 August 2016 |
| Expected date of the Share purchase transaction on the WSE: | 19 August 2016 |
| Expected settlement of the Share purchase transaction: | 24 August 2016 |

Pursuant to § 9 Section 2 Item 3 of the Ordinance, the subscription period for the Shares subject to the Tender Offer may be extended (once or several times), at the sole discretion of the Tenderor, by up to 70 (seventy) days in aggregate. Pursuant to § 9 Section 5 of the Ordinance, the Tenderor shall notify of the extension of the subscription period for the Shares subject to the Tender Offer no later than 7 (seven) days prior to the expiry of the initial subscription period for the Shares subject to the Tender Offer.

Pursuant to § 7 Section 3 item 2 letter b of the Ordinance, the subscription period for the Shares subject to the Tender Offer may be extended (once or more times) by the period of time necessary for ensuring compliance with the legal condition referred to in Section 24 hereof, however, such subscription period shall not be longer than 120 (one hundred and twenty) days. Pursuant to § 7 Section 5 item 1 letter b of the Ordinance, the Tenderor shall notify of the extension of the subscription period for the Shares subject to the Tender Offer no later than on the last day of the initial subscription period for the Shares subject to the Tender Offer.

12. Identification of the parent entity of the Tenderor.

There is no direct or indirect parent entity of the Tenderor within the meaning of the Polish Act on Public Offering.

13. Identification of the parent entity of the purchasing entity.

The entity purchasing the Shares is identical to the Tenderor, therefore the required information is provided in Section 12 hereof.

14. The percentage of votes and the corresponding number of shares held by the Tenderor jointly with its parent entity, subsidiaries and entities being parties to the arrangement referred to in Article 87 Section 1 item 5 of the Polish Act on Public Offering.

As at the date of announcing the Tender Offer, neither the Tenderor nor any of its subsidiaries hold any Company's shares. There is no direct or indirect parent entity of the Tenderor within the meaning of the Polish Act on Public Offering.

The Tenderor is not a party to an arrangement referred to in Article 87 Section 1 item 5 of the Polish Act on Public Offering.

15. The number of votes and the corresponding number of shares which the Tenderor intends to reach jointly with its parent entity and subsidiaries after the tender offer is completed.

As a result of the Tender Offer, the Tenderor, immediately upon the completion of the Tender Offer, intends to attain 50,600,821 (fifty million six hundred thousand eight hundred twenty-one) votes at the general meeting of the Company, corresponding to 50,600,821 (fifty million six hundred thousand eight hundred twenty-one) Shares, that is 66% of the total number of the Company's shares and votes

at the general meeting of the Company, subject to information provided in Sections 9 and 32 (a) hereof.

None of the subsidiaries of the Tenderor intends to acquire any Shares under the Tender Offer. There is no direct or indirect parent entity of the Tenderor within the meaning of the Polish Act on Public Offering.

16. The percentage of votes and the corresponding number of shares held by the purchasing entity jointly with its parent entity and subsidiaries.

The entity purchasing the Shares is identical to the Tenderor, therefore the required information is provided in Section 14 hereof.

17. The number of votes and the corresponding number of shares which the purchasing entity intends to reach jointly with its parent entity and subsidiaries after the tender offer is completed.

The entity purchasing the Shares is identical to the Tenderor, therefore the required information is provided in Section 15 hereof.

18. Identification of the type of relationship between the tenderor and the purchasing entity.

Not applicable. The Tenderor is the entity purchasing the Shares.

19. Identification of the locations at which the subscriptions under the tender offer may be placed.

Subscriptions for the Shares subject to the Tender Offer will be accepted at following Brokerage Office customer service points during their business hours:

| City | Post code | Street |
|---------------------|------------------|------------------------------------|
| Białystok | 15-111 | ul. 1000-lecia Państwa Polskiego 8 |
| Bielsko-Biała | 43-300 | pl. Wolności 9 |
| Bydgoszcz | 85-005 | ul. Gdańska 47 |
| Częstochowa | 42-202 | al. NMP 10 |
| Elbląg | 82-300 | ul. 1 Maja 43/1 |
| Gdańsk | 80-836 | ul. Tkacka 9/10 |
| Gdynia | 81-395 | ul. Abrahama 46 A-B |
| Gliwice | 44-100 | ul. Zwycięstwa 24 |
| Gorzów Wielkopolski | 66-400 | ul. Hawelańska 3 |
| Jelenia Góra | 58-500 | ul. Krótka 1a |
| Kalisz | 62-800 | ul. Polna 14 |
| Katowice | 40-098 | ul. Wilhelma Szewczyka 7 |
| Katowice | 40-065 | ul. Mikołowska 50 |
| Kielce | 25-414 | ul. Warszawska 146 |
| Kraków | 30-504 | ul. Kalwaryjska 35a |
| Kraków | 31-128 | ul. Karmelicka 28 |
| Kraków | 31-534 | ul. Masarska 9 |
| Krosno | 38-400 | ul. Pawła z Krosna 2 |

| City | Post code | Street |
|--------------|------------------|---------------------------------|
| Legnica | 59-220 | ul. Biskupia 3 |
| Lublin | 20-002 | ul. Krakowskie Przedmieście 60 |
| Łomża | 18-400 | ul. Legionów 14 |
| Łódź | 90-318 | ul. Sienkiewicza 82/84 |
| Olsztyn | 10-534 | ul. Linki 3/4 |
| Opole | 45-062 | ul. Kościuszki 1/3-3/3 |
| Piaseczno | 05-500 | ul. Jana Pawła II 9 |
| Poznań | 60-839 | ul. Dąbrowskiego 10 |
| Poznań | 61-754 | ul. Szyperska 14 |
| Poznań | 60-218 | ul. Hetmańska 91 |
| Radom | 26-610 | ul. Żeromskiego 84 |
| Rzeszów | 35-073 | ul. Kolejowa 1 |
| Siedlce | 08-110 | ul. Wojskowa 3 |
| Słupsk | 76-200 | ul. Sobieskiego 30 |
| Szczecin | 70-433 | ul. Śląska 32a |
| Toruń | 87-100 | ul. Szeroka 17 |
| Tychy | 43-100 | al. Jana Pawła II 10 |
| Warszawa | 00-116 | ul. Jana Pawła II 18 |
| Warszawa | 00-686 | ul. Św. Barbary 1 |
| Warszawa | 03-286 | ul. Malborska 1 |
| Warszawa | 00-899 | ul. Jana Pawła II 35 |
| Warszawa | 02-675 | ul. Wołoska 7 |
| Warszawa | 00-175 | ul. Jana Pawła II 70 |
| Wrocław | 50-134 | ul. Białokórnicza 1 |
| Wrocław | 53-332 | ul. Powstańców Śląskich 121-125 |
| Wrocław | 50-369 | ul. Marii Skłodowskiej-Curie 34 |
| Zielona Góra | 65-049 | ul. Bankowa 10 |

It shall be possible to place subscriptions for the sale of the Shares by registered mail or by courier post. Should that form of placing a subscription be elected, it should be mailed to the following address:

Biuro Maklerskie Alior Bank S.A.
ul. Łopuszańska 38D
02-232 Warszawa
with the annotation
„Wezwanie BPH S.A.”

In the case of subscriptions submitted by mail, only the subscriptions placed in accordance with the procedure of responding to the Tender Offer described in item 32 (c) below shall be valid.

20. The dates on which the tenderor will acquire shares under the tender offer from the responding shareholders.

Until the end of the subscription period for the Shares subject to the Tender Offer, the Tenderor, as the entity purchasing the Shares, will not acquire Shares from the responding shareholders.

Transactions as a result of which the Tenderor will acquire the Shares under the Tender Offer will be executed no later than 3 (three) business days following the end of the subscription period, i.e. if the subscription period is not extended, then no later than on 19 August 2016.

The transactions referred to hereinabove shall be settled no later than on the 3rd (third) business day after their execution date, i.e. if the subscription period is not extended, then no later than on 24 August 2016.

21. The procedure and manner of payment by the tenderor for the purchased shares other than dematerialized shares.

Not applicable. All the Shares are dematerialized shares.

22. Indication of whether the tenderor is a subsidiary of the issuer of the tender offer shares, with a description of the nature of this dependence.

The Tenderor is not a subsidiary of the Company.

23. Indication of whether the purchasing entity is a subsidiary of the issuer of the tender offer shares, with a description of the nature of this dependence.

As the Tenderor is the only entity acquiring the Shares under the Tender Offer, the required information is provided in Section 22 hereof.

24. The purchasing entity's statement that all *conditiones iuris* to the purchase of shares under the tender offer have been met and/or on its receipt of a required notification of no objection to the purchase of such shares and/or a required decision of the pertinent body granting consent to such purchase, and/or an indication that the tender offer is announced on the condition that appropriate *conditiones iuris*, decisions or notifications shall have been obtained, together with the deadline by which these *conditiones iuris*, decisions or notifications relating to purchase of shares should occur, not later than the closing of the subscription period.

On June 23, 2016, the President of the Competition and Consumer Protection Office granted an unconditional consent to a concentration consisting in the acquisition by the Tenderor of the Company's Core Business (as defined in item 26 below).

This Tender Offer is being announced subject to the *conditio iuris* that the Tenderor, being the entity acquiring the Shares, obtains a Polish Financial Supervision Authority (the "PFSA") decision confirming that there are no grounds for objection to the acquisition by the Tenderor of the Shares representing more than 50% of the share capital and the total number of the votes at the general meeting of the Company or the lapse of the statutory time period for the PFSA to deliver a decision raising objections to the acquisition.

It is expected that the condition referred to in this Section 24 are to be satisfied by 16 August 2016. This deadline may be extended once or several times up to 28 November 2016 if the aforementioned condition does not materialize inside the initially expected deadline.

25. Conditions under which the tender offer is announced, information whether the tenderor considers acquiring the shares under the tender offer if such conditions are not satisfied, and the date by which the conditions should be satisfied; such a date not to fall later than the final date for accepting subscriptions under the tender offer.

The Tender Offer is announced subject to the following conditions:

- (i) subscriptions placed under the Tender Offer cover the minimum number of Shares referred to in Section 6 above, provided that this minimum number of Shares may be changed pursuant to § 9 Section 2 item 1 of the Ordinance;
- (ii) the *conditio iuris* referred to in Section 24 is satisfied.

The Tenderor, as the entity purchasing the Shares, reserves the right to acquire the Shares even if the condition set forth in item 25 (i) above is not satisfied.

Information regarding the satisfaction or non-satisfaction of these conditions within the timeframe set out in the Tender Offer, and on the Tenderor's decision whether or not to acquire the Shares if the condition set forth in item 25 (i) does not materialize, will be promptly delivered for publication to an information agency as referred to in Article 58 of the Polish Act on Public Offering, and published in at least one national daily newspaper no later than two (2) business days after the satisfaction of the condition or the deadline for its satisfaction.

26. Details of the tenderor's intentions towards the target company.

Subject to the applicable provisions of the law and subject to obtaining the required regulatory approvals, it is expected that following the acquisition of the Shares by the Tenderor a demerger of the Company will be effected in accordance with Article 529 § 1 item 4 of the Commercial Companies Code (the "**Demerger**"). This will involve the transfer of an organized part of the enterprise of the Company (the "**Company's Core Business**") to the Tenderor, including all the assets and liabilities of the Company but excluding: (i) assets and liabilities relating to the provision of mortgage loans to individuals (in particular all mortgage loans granted in PLN and any other currencies to individuals for purposes unrelated to business activities or the operation of a farm, other than the loans extended through the building society scheme) (ii) all shares owned by the Company in BPH PBK Zarządzanie Funduszami sp. z o.o. which holds shares in BPH Towarzystwo Funduszy Inwestycyjnych S.A. („**BPH TFI**”), and (iii) any liability of the Company relating to the offering and distribution of BPH TFI products (the "**Company's Mortgage Business**") (collectively the "**Transaction**"). Upon consummation of the Transaction, the Tenderor will acquire the entire Company's Core Business, whilst the Company will retain the assets and liabilities relating to the Company's Mortgage Business and BPH TFI. As a result of the Demerger, the Tenderor will issue new shares to the Company's minority shareholders, provided such shareholders remain in the Company in due course, while the Company's Sellers will remain the sole shareholders of the Company (and, consequently, economic owners of the Company's Mortgage Business).

In the period between the completion of the Tender Offer and the earlier of: (i) the Demerger Effective Date; or (ii) the day falling six months following the completion of the Tender Offer ("**Transition Period**"), the Tenderor has agreed not to exercise any rights ensuing from the shares in the Company, without the prior written consent of the Company's Sellers (as defined in item 32(a)), subject to the exceptions set out in the Share Purchase and Demerger Agreement (as defined in item 32(a)). During the Transition Period, the Company's Sellers will remain the Company's reference shareholders.

If following the completion of the Tender Offer, the Tenderor and the Company's Sellers hold jointly shares constituting at least 90% of the share Company's capital in the Company, the Tenderor expects to proceed with a squeeze-out of the minority shareholders of the Company and request the Company's Sellers to act in concert with the Tenderor with respect to the squeeze-out.

The Tenderor intends to vote in favour of the Demerger at the Company's general meeting. As a result of the Demerger, all the shares in the Company except the shares held by the Company's Sellers after the Tender Offer will cease to exist. As a result, the Tenderor will cease to be a shareholder of the Company once the Demerger is completed. An issue of the Tenderor's shares, which will be issued in exchange for the Company's shares, will be addressed to the Company's minority shareholders (i.e. except for the Tenderor, the Company's Sellers and their affiliates) holding shares in the Company on the Demerger Effective Date.

The Company's Core Business had, as at and for the financial year ended December 31, 2015, net loans and advances to customers of PLN 8.2 billion, tangible equity value of PLN 1.6 billion, amounts due to customers of PLN 12.4 billion, total annualized revenue of approximately PLN 1.0 billion, and an operating cost base of approximately PLN 1.3 billion (before taking into account any anticipated cost savings or cost synergies and excluding one-off restructuring costs). The Management Board of the Tenderor believes that this will provide the Tenderor's Group with a critical mass as of the closing of the Demerger, putting the Tenderor's Group in ninth place by asset value among the banks operating in Poland, with a clearly defined strategic goal of attaining a position as the sixth or fifth largest bank in Poland by asset value.

Acquiring the Company's Core Business will result in the acquisition of a large customer base, which the Management Board of the Tenderor estimates at approximately 0.8 million open clients (clients having at least one Company product) plus approximately 1.2 million additional customer leads (defined as potential customers for whom the Company's Core Business has contact details and consent to provide marketing materials).

27. Details of the purchasing entity's intentions towards the target company.

Since the Tenderor is the only entity purchasing the Shares under the Tender Offer, the intentions of the entity purchasing the Shares under the Tender Offer correspond to the intentions of the Tenderor which are presented in Section 26 hereof.

28. The right to withdraw from the Tender Offer

Pursuant to Article 77 Section 3 of the Polish Act on Public Offering, the Tenderor is authorized to withdraw from the Tender Offer only if after the announcement of the Tender Offer another entity announces a public tender offer for the Shares. The Tenderor, however, undertook in the Share Purchase and Demerger Agreement (as defined in Section 32 (a) below) not to withdraw from the Tender Offer in the event that another entity announces a public tender offer for shares in the Company.

29. The settlement procedure under § 8 Section 1 of the Ordinance chosen for the tender offer to be launched in the circumstances described in Article 73 Section 1 of the Polish Act on Public Offering.

The Tenderor, which is also the entity acquiring the Shares, shall purchase the Shares in the manner specified in § 8 Section 1 item 1 of the Ordinance, i.e., it will purchase:

- (i) all the Shares covered by subscriptions placed inside the term for accepting subscriptions – if the number of Shares for which subscriptions were placed inside such term is lower than or equal to the maximum number of Shares which the Tender Offer concerns;
- (ii) the number of Shares specified in the Tender Offer, upon applying pro rata reduction, so that the number of Shares purchased be equal to the maximum number of Shares which the Tender Offer concerns – if the number of Shares for which subscriptions were placed inside such term is higher than the maximum number of Shares which the Tender Offer concerns.

30. The chosen procedure for acquiring the shares if the *pro rata* reduction referred to in § 8 Section 1 and 2 of the Ordinance results in fractional shares remaining – for a tender offer under Article 73 Section 1 of the Polish Act on Public Offering.

If following the proportional reduction described in Section 29 hereof, fractional parts of the Shares are left, such Shares will be allocated successively from the largest to the smallest subscriptions, until none are left.

31. Detailed description of the established collateral referred to in Article 77 Section 1 of the Polish Act on Public Offering, its type and value, as well as a comment on the delivery to the Polish Financial Supervision Authority of a certificate on the establishment of collateral.

The collateral has been provided in the form of the blocking of a portfolio of liquid dematerialized Treasury and corporate bonds held by the Tenderor on a securities account kept for the benefit of the Tenderor by Brokerage Office or on accounts of the custodian bank (“**Bonds Portfolio**”).

The collateral in the form of the blocking of the Bonds Portfolio was established for a total amount of not less than 100% of the value of the Shares which the Tender Offer concerns, calculated on the basis of the Tender Share Price indicated in Section 9 above.

The relevant certificate confirming the establishment of the collateral was delivered to the PFSA.

32. Other information which the tenderor deems appropriate.

a) Share Sale and Demerger Agreement between the Tenderor and GE Investments Poland sp. z o.o., DRB Holdings B.V. and Selective American Financial Enterprises, LLC

On March 31, 2016 the Tenderor and GE Investments Poland sp. z o.o., DRB Holdings B.V. and Selective American Financial Enterprises, LLC (jointly referred to as the “**Company’s Sellers**”) entered into a share purchase and demerger agreement (the “**Share Purchase and Demerger Agreement**”), which envisages, among other things, (i) the acquisition by the Tenderor from the Company’s Sellers of shares constituting a significant stake in the Company, and (ii) the demerger of the Company in accordance with Article 529 § 1 item 4 of the Commercial Companies Code effected through the transfer of the Company’s Core Business to the Tenderor. As a result of the Transaction, only those assets and liabilities which do not constitute a component of the Company’s Core Business will be left in the Company. The acquisition of the Shares under the Tender Offer is only a stage of the Transaction, leading to the subsequent Demerger.

The closing of the Transaction depends on the satisfaction of conditions precedent specified in the Share Purchase and Demerger Agreement, the most important of which, that have yet to be satisfied, include the obtaining of approvals and clearances of the PFSA, the adoption of a resolution approving the Demerger by the Tenderor’s general meeting and the obtaining of certain advance tax rulings related to the Demerger. The Tenderor has provided notifications of the satisfaction of the remaining conditions precedent specified in the Share Purchase and Demerger Agreements in its current reports.

Pursuant to the Share Purchase and Demerger Agreement, upon the materialization of all the conditions precedent, the Company’s Sellers committed themselves to subscribe for the Sellers’ Tendered Shares. At the same time, the Company’s Sellers undertook not to place these subscriptions before the materialization of all the conditions precedent.

The Company’s Sellers undertook not to place subscriptions for the sale of the remaining shares in the Company (i.e., Company shares other than the Seller’s Shares under the Tender Offer). The Company’s Sellers also undertook not to withdraw their subscriptions placed in response to the Tender Offer if there is a tender offer to acquire Shares announced by any third party or in the event of the Tenderor introducing amendments to the wording of the Tender offer consistent with the Share Purchase and Demerger Agreement, the introduction of which authorizes the Company’s shareholders to withdraw their subscriptions.

Detailed information concerning the Transaction were included in the Tenderor’s current report No. 14/2016 of April 1, 2016. Furthermore, in its Current Report No. 29/2016 of April 30, 2016, the Tenderor published the Demerger Plan.

Information regarding the next phases in the implementation of the Transaction shall be disclosed by the Tenderor in subsequent current reports, if required in accordance with mandatory provisions of law.

b) Other terms of the Tender Offer

This Tender Offer, its later updates and amendments, if any, to the information provided herein, which shall be published in accordance with the prevailing regulations is the sole legally binding

document providing information regarding the Tender Offer for the sale of the Shares announced by the Tenderor.

This Tender Offer is addressed to all shareholders of the Company who hold Shares in the period of accepting subscriptions for the sale of the Shares through the Tender Offer. The tendered Shares cannot be subject to a pledge or encumbered by any third-party rights.

The Tenderor shall not be liable for, and shall not reimburse any expenses incurred by the shareholders, their attorneys or statutory representatives in relation to any actions which may be indispensable in order to subscribe for the sale of the Shares under the Tender Offer. Neither shall the Tenderor reimburse any costs or pay damages should the Tender Offer not be completed on the terms set out in this Tender Offer.

The subscriptions placed under the Tender Offer may be withdrawn only in the circumstances specified in the Ordinance, in particular if another entity announced a tender offer for the Shares and the rights to the Shares subject to the subscriptions placed in response to this Tender Offer have not yet been conveyed.

c) Procedure for responding to the Tender Offer

Prior to commencing to accept subscriptions, Brokerage Office will deliver to investment firms and banks holding securities account a detailed procedure to be followed when responding to the Tender Offer along with the forms required for placing a subscription for the sale of the Shares. The aforementioned documents will be available at the Brokerage Office head office and the outlets in which subscriptions under the Tender Offer will be accepted, listed in item 19 above.

Shareholders willing to respond to this Tender Offer should perform the following actions:

- (i) instruct the entity keeping their securities account on which the Shares are registered to block the Shares and to sell the Shares to the Tenderor and obtain a certificate of deposit confirming the performance of the aforementioned actions;
- (ii) deposit the original of the certificate of deposit referred to in item (i) above and a form of subscription for the sale of the Shares in one of the Brokerage Office outlets listed in item 19 above or mail it by registered mail or courier post.

In the event of a subscription being placed by mail, the signature of the person placing the subscriptions should be certified by an employee of the entity issuing the certificate of deposit by placing his/her signature on the subscription form or should be notarized. The documents should be mailed sufficiently in advance so that Brokerage Office received them not later than 17:00 hours on the last day of accepting the subscriptions for the Shares. Only the subscriptions placed on a form consistent with the form presented by the Brokerage Office shall be deemed valid.

The address to which the required documents should be mailed:

Biuro Maklerskie Alior Bank S.A.
ul. Łopuszańska 38D
02-232 Warszawa
with the annotation
„Wezwanie BPH S.A.”

Natural persons responding to the Tender Offer should produce an identity document (Polish ID card or passport), whereas natural persons representing legal persons or organizational units having no legal personality should additionally produce a recent extract from the relevant registry and the authorization to place the subscription unless it follows from the extract from the registry supplied.

To confirm the placing of a subscription, Brokerage Office shall issue an extract from the register of subscriptions to the person responding to the Tender Offer.

Additional information regarding the procedure of subscribing for the sale of the Shares may be obtained in the Brokerage Office outlets listed in item 19 or by phone at Nos.: 19 503 (12 19 503 from Play network) or 12 370 7400.

d) Costs of settlements

Tendering shareholders shall bear the usual brokerage fees, costs and expenses charged by entities maintaining the securities accounts in connection with the settlement of the sale transaction in the context of the Tender Offer. Tendering shareholders should contact the entities maintaining their securities accounts to inquire about the amount of the applicable commissions and fees.

Disclaimer:

Notice to Bank BPH Shareholders

This Tender Offer document is for informational purposes only and is an English translation of the official Polish language Tender Offer document (*dokument wezwania*), which was submitted to the Polish securities regulator, the Polish Financial Supervision Commission (*Komisja Nadzoru Finansowego*) and the Warsaw Stock Exchange (*Gielda Papierów Wartościowych w Warszawie S.A.*). The official Polish language Tender Offer document, which is prepared in accordance with applicable Polish law and regulations, is binding. Tenders for the sale of shares in Bank BPH S.A. can only be made in response to the official Polish language Tender Offer document.

Notice to Bank BPH Shareholders in the US and in other Foreign Jurisdictions

This Tender Offer is made for the shares you own in Bank BPH S.A., a Polish company. The Tender Offer is subject to disclosure requirements of Poland, which may be different from those of the United States or any other foreign country.

Please note that it may be difficult for you to enforce any rights or claims you may have arising under the U.S. federal securities laws or any other foreign securities laws, since the Tenderor is located in Poland, and some or all of its officers and directors may be residents of Poland. You may not be able to sue a Polish company or its officers or directors in a foreign court for violations of securities laws in your own jurisdiction, and it may be difficult to compel a Polish company and its affiliates to subject themselves to the judgment of a court in your own jurisdiction.