

***Draft of resolutions for the Annual General Meeting of KRUK S.A. of Wrocław
to be held on 18th of April 2018***

Draft /1/ to item 2) on the agenda

**Resolution No. .../2018
of the Annual General Meeting of KRUK S.A.
of Wrocław, dated 18 April 2018**

concerning: appointment of the Chair of the Annual General Meeting

Acting pursuant to Art. 409 of the Commercial Companies Code, the Annual General Meeting of KRUK S.A. hereby resolves as follows:

Section 1

..... shall be appointed Chair of the Annual General Meeting.

Section 2

This Resolution shall become effective as of its date.

**Resolution No. .../2018
of the Annual General Meeting of KRUK S.A.
of Wrocław, dated 18 April 2018**

concerning: adoption of the agenda for the Annual General Meeting

The Annual General Meeting of KRUK S.A. hereby resolves as follows:

Section 1

The Annual General Meeting hereby adopts the following agenda:

- 1) Opening of the Annual General Meeting.
- 2) Appointment of the Chair of the Annual General Meeting.
- 3) Confirmation that the Annual General Meeting has been duly convened and has the capacity to adopt resolutions.
- 4) Adoption of the agenda.
- 5) Presentation by the Company's Management Board of the financial results achieved by the Company and other material information presented in the financial statements.
- 6) Review of the KRUK Supervisory Board's Report for 2017.
- 7) Review of the Directors' Report on the operations of KRUK S.A. in 2017 and adoption of a resolution to approve the Directors' Report.
- 8) Review of the separate financial statements of KRUK S.A. for the financial year ended December 31st, 2017 and adoption of a resolution to approve the separate financial statements.
- 9) Review of the Management Board's proposal concerning the allocation of KRUK S.A.'s net profit for 2017 and the Management Board's dividend recommendation. Adoption of a resolution on allocation of KRUK S.A.'s net profit for 2017 and dividend distribution.
- 10) Review of the Directors' Report on the operations of the KRUK Group in 2017 and adoption of a resolution to approve the Directors' Report.
- 11) Review of the consolidated financial statements of the KRUK Group for the financial year ended December 31st 2017 and adoption of a resolution to approve the consolidated financial statements.
- 12) Adoption of resolutions concerning:

- a) granting discharge to members of the Company's Management Board in respect of performance of their duties in the financial year 2017,
 - b) granting discharge to members of the Company's Supervisory Board in respect of performance of their duties in the financial year 2017.
- 13) Adoption of a resolution authorising the Management Board to buy back the Company's own shares.
 - 14) Adoption of a resolution on allocation of funds for the financing of share buyback.
 - 15) Adoption of a resolution on amending Art. 13 of the Company's Articles of Association.
 - 16) Adoption of a resolution to approve the consolidated text of the Company's Articles of Association.
 - 17) Adoption of a resolution on amending the Rules of Procedure of the Supervisory Board of KRUK S.A. and drafting the consolidated text of the Rules of Procedure.
 - 18) Closing of the Annual General Meeting.

Section 2

This Resolution shall become effective as of its date.

**Resolution No. .../2018
of the Annual General Meeting of KRUK S.A.
of Wrocław, dated 18 April 2018**

concerning: approval of the Directors' Report on the operations of KRUK S.A. in 2017.

Acting pursuant to Art. 393.1 and Art. 395.2.1 of the Commercial Companies Code and Art. 18.1.1 of KRUK S.A.'s Articles of Association, and having taken into consideration the Supervisory Board's assessment of the Directors' Report on the operations of KRUK S.A. in 2017, the Annual General Meeting of KRUK S.A. hereby resolves as follows:

Section 1

After due consideration, the Annual General Meeting of KRUK S.A. approves the Directors' Report on the operations of KRUK S.A. in 2017.

Section 2

This Resolution shall become effective as of its date.

STATEMENT OF REASONS:

The Directors' Report on the operations of KRUK S.A. in 2017 was assessed with positive results by the Supervisory Board in its Resolution No. 4/2018, dated March 19th 2018. In the Resolution, the Supervisory Board included a recommendation that the report should be approved and requested its approval by the Annual General Meeting.

**Resolution No. .../2018
of the Annual General Meeting of KRUK S.A.
of Wrocław, dated 18 April 2018**

concerning: approval of the Company's separate financial statements for the financial year ended December 31st, 2017.

Acting pursuant to Art. 393.1 and Art. 395.2.1 of the Commercial Companies Code and Art. 18.1.1 of KRUK S.A.'s Articles of Association, and having taken into consideration the Supervisory Board's assessment of KRUK S.A.'s separate financial statements for the financial year ended December 31st 2017, the Annual General Meeting of KRUK S.A. hereby resolves as follows:

Section 1

After due consideration, the Annual General Meeting of KRUK S.A. approves KRUK S.A.'s separate financial statements for the financial year ended December 31st 2017, comprising:

- 1) the separate statement of financial position, showing total assets and total equity and liabilities of PLN 3,143,654 thousand,
- 2) the separate statement of profit or loss, showing net profit of PLN 29,514 thousand,
- 3) the separate statement of comprehensive income, showing total comprehensive income for the period of PLN 35,396 thousand,
- 4) the separate statement of changes in equity for the period from January 1st 2017 to December 31st 2017, showing an increase in equity of PLN 13,374 thousand,
- 5) the separate statement of cash flows for the period from January 1st 2017 to December 31st 2017, showing a decrease in net cash of PLN 146,019 thousand,
- 6) the notes to the separate financial statements.

Section 2

This Resolution shall become effective as of its date.

STATEMENT OF REASONS:

The separate financial statements of KRUK S.A. for the financial year ended December 31st 2017 were positively assessed by the Supervisory Board in Resolution No. 3/2018, dated March 19th 2018. In the Resolution, the Supervisory Board included a recommendation that the statements should be approved and requested their approval by the General Meeting.

**Resolution No..../2018
of the Annual General Meeting of KRUK S.A.
of Wrocław, dated 18 April 2018**

concerning: allocation of KRUK S.A.'s net profit for 2017 and distribution of dividends to the Company's shareholders

Acting pursuant to Art. 395.2.2 of the Polish Commercial Companies Code and Art. 18.1.2 of KRUK S.A.'s Articles of Association, and having taken into consideration the Supervisory Board's assessment of the Management Board's proposal regarding allocation of the Company's net profit for 2017 and recommendation of dividend distribution to the Company's shareholders, the Annual General Meeting of KRUK S.A. hereby resolves as follows:

Section 1

1. After due consideration of the Management Board's proposal concerning allocation of KRUK S.A.'s net profit for 2017, the Annual General Meeting of KRUK S.A. hereby resolves to distribute the Company's entire net profit for 2017 of PLN 29,514,356 as dividends to the Company's shareholders.
2. The General Meeting resolves to pay dividends of PLN 5.00 per share. The dividends shall be distributed from the Company's net profit for 2017 of PLN 29,514,356 increased by the amount of PLN 64,525,144 transferred from statutory reserve funds created out of retained earnings.

Section 2

The dividend record date with respect to dividends for the year ended December 31st 2017 shall be April 25th 2018, and the dividend payment date shall be April 27th 2018.

Section 3

This Resolution shall become effective as of its date.

STATEMENT OF REASONS:

The Company's Management Board proposed, and the Supervisory Board approved the proposal, to allocate KRUK S.A.'s entire net profit for 2017 to dividend distribution and to pay dividends of PLN 5.00 per share. The dividends shall be distributed from the Company's net profit for 2017 increased by the amount transferred from statutory reserve funds created out of retained earnings. The

recommendation concerning the dividend payment and dividend amount was prepared taking into account the Company's and the KRUK Group's current financial condition, as well as further growth strategy, plans and prospects. The Management Board notes that the strategy will continue to prioritise the KRUK Group's further growth. The relevant proposal of the Management Board was approved by the Supervisory Board in Resolution No. 5/2018 dated March 19th, 2018.

Resolution No..../2018
of the Annual General Meeting of KRUK S.A.
of Wrocław, dated 18 April 2018

concerning: approval of the Directors' Report on the operations of the KRUK Group in 2017.

Acting pursuant to Art. 395.5 of the Commercial Companies Code and Art. 18.1.12 of KRUK S.A.'s Articles of Association, and having considered the Supervisory Board's assessment of the Directors' Report on the operations of the KRUK Group in 2017, the Annual General Meeting hereby resolves as follows:

Section 1

After due consideration, the Annual General Meeting of KRUK S.A. approves the Directors' Report on the operations of the KRUK Group in 2017.

Section 2

This Resolution shall become effective as of its date.

STATEMENT OF REASONS:

The Directors' Report on the operations of the KRUK Group in 2017 was assessed with positive results by the Supervisory Board in Resolution No. 12/2018, dated March 19th 2018. In the Resolution, the Supervisory Board included a recommendation that the report should be approved and requested its approval by the Annual General Meeting.

**Resolution No..../2018
of the Annual General Meeting of KRUK S.A.
of Wrocław, dated 18 April 2018**

concerning: approval of the consolidated financial statements of the KRUK Group for the financial year ended December 31st 2017

Acting pursuant to Art. 395.5 of the Polish Commercial Companies Code and Art. 18.1.12 of KRUK S.A.'s Articles of Association, and having considered the Supervisory Board's assessment of the consolidated financial statements of the KRUK Group for the financial year ended December 31st 2017, the Annual General Meeting hereby resolves as follows:

Section 1

After due consideration, the Annual General Meeting of KRUK S.A. approves the consolidated financial statements of the KRUK Group for the financial year 2017, comprising:

- 1) the consolidated statement of financial position, showing total assets and total equity and liabilities of PLN 3,560,128 thousand,
- 2) the consolidated statement of profit or loss, showing net profit for the period of PLN 295,198 thousand,
- 3) the consolidated statement of comprehensive income, showing total comprehensive income for the period of PLN 245,053 thousand,
- 4) the consolidated statement of changes in equity for the period from January 1st 2017 to December 31st 2017, showing an increase in consolidated equity of PLN 223,018 thousand,
- 5) the consolidated statement of cash flows for the period from January 1st 2017 to December 31st 2017, showing a decrease in net cash of PLN 94,101 thousand,
- 6) the notes to the consolidated financial statements.

Section 2

This Resolution shall become effective as of its date.

STATEMENT OF REASONS:

The consolidated financial statements of the KRUK Group for the financial year ended December 31st 2017 were positively assessed by the Supervisory Board in Resolution No. 11/2018, dated March 19th

2018. In the Resolution, the Supervisory Board included a recommendation that the statements should be approved and requested their approval by the General Meeting.

**Resolution No. .../2018
of the Annual General Meeting of KRUK S.A.
of Wrocław, dated 18 April 2018**

concerning: granting discharge to President of the KRUK S.A. Management Board in respect of his duties in the financial year 2017

Acting pursuant to Art. 393.1 and Art. 395.2.3 of the Commercial Companies Code and Art. 18.1.3 of KRUK S.A.'s Articles of Association, the Annual General Meeting of KRUK S.A. hereby resolves as follows:

Section 1

The Annual General Meeting of KRUK S.A. hereby grants discharge to Mr Piotr Krupa, President of the Management Board, in respect of his duties in the period from January 1st 2017 to December 31st 2017.

Section 2

This Resolution shall become effective as of its date.

STATEMENT OF REASONS:

By way of Resolution No. 6/2018 of March 19th 2018, the Supervisory Board requested that the Annual General Meeting grant discharge to Mr Piotr Krupa in respect of his duties as President of the Management Board in the financial year 2017.

Resolution No. .../2018
of the Annual General Meeting of KRUK S.A.
of Wrocław, dated 18 April 2018

concerning: granting discharge to member of the KRUK S.A. Management Board in respect of her duties in the financial year 2017

Acting pursuant to Art. 393.1 and Art. 395.2.3 of the Commercial Companies Code and Art. 18.1.3 of KRUK S.A.'s Articles of Association, the Annual General Meeting of KRUK S.A. hereby resolves as follows:

Section 1

The Annual General Meeting of KRUK S.A. hereby grants discharge to Ms Agnieszka Kułton, the Management Board Member for Purchased Portfolio Operations, in respect of her duties in the period from January 1st 2017 to December 31st 2017.

Section 2

This Resolution shall become effective as of its date.

STATEMENT OF REASONS:

By way of Resolution No. 7/2018 of March 19th 2018, the Supervisory Board requested that the Annual General Meeting grant discharge to Ms Agnieszka Kułton in respect of her duties as member of the Management Board in the financial year 2017.

**Resolution No. .../2018
of the Annual General Meeting of KRUK S.A.
of Wrocław, dated 18 April 2018**

concerning: granting discharge to member of the KRUK S.A. Management Board in respect of
her duties in the financial year 2017

Acting pursuant to Art. 393.1 and Art. 395.2.3 of the Commercial Companies Code and Art. 18.1.3 of KRUK S.A.'s Articles of Association, the Annual General Meeting of KRUK S.A. hereby resolves as follows:

Section 1

The Annual General Meeting of KRUK S.A. hereby grants discharge to Ms Urszula Okarma, the Management Board Member for Strategic Transactions and Customer Relations, in respect of her duties in the period from January 1st 2017 to December 31st 2017.

Section 2

This Resolution shall become effective as of its date.

STATEMENT OF REASONS:

By way of Resolution No. 8/2018 of March 19th 2018, the Supervisory Board requested that the Annual General Meeting grant discharge to Ms Urszula Okarma in respect of her duties as member of the Management Board in the financial year 2017.

**Resolution No. .../2018
of the Annual General Meeting of KRUK S.A.
of Wrocław, dated 18 April 2018**

concerning: granting discharge to member of the KRUK S.A. Management Board in respect of
her duties in the financial year 2017

Acting pursuant to Art. 393.1 and Art. 395.2.3 of the Commercial Companies Code and Art. 18.1.3 of KRUK S.A.'s Articles of Association, the Annual General Meeting of KRUK S.A. hereby resolves as follows:

Section 1

The Annual General Meeting of KRUK S.A. hereby grants discharge to Ms Iwona Słomska, the Management Board Member for Marketing, Public Relations and Human Resources, in respect of her duties in the period from January 1st 2017 to December 31st 2017.

Section 2

This Resolution shall become effective as of its date.

STATEMENT OF REASONS:

By way of Resolution No. 9/2018 of March 19th 2018, the Supervisory Board requested that the Annual General Meeting grant discharge to Ms Iwona Słomska in respect of her duties as member of the Management Board in the financial year 2017.

Resolution No. .../2018
of the Annual General Meeting of KRUK S.A.
of Wrocław, dated 18 April 2018

concerning: granting discharge to member of the KRUK S.A. Management Board in respect of his duties in the financial year 2017

Acting pursuant to Art. 393.1 and Art. 395.2.3 of the Commercial Companies Code and Art. 18.1.3 of KRUK S.A.'s Articles of Association, the Annual General Meeting of KRUK S.A. hereby resolves as follows:

Section 1

The Annual General Meeting of KRUK S.A. hereby grants discharge to Mr Michał Zasepa, Management Board Member for Finance, in respect of his duties in the period from January 1st 2017 to December 31st 2017.

Section 2

This Resolution shall become effective as of its date.

STATEMENT OF REASONS:

By way of Resolution No. 10/2018 of March 19th 2018, the Supervisory Board requested that the Annual General Meeting grant discharge to Mr Michał Zasepa in respect of his duties as member of the Management Board in the financial year 2017.

Resolution No. .../2018
of the Annual General Meeting of KRUK S.A.
of Wrocław, dated 18 April 2018

concerning: granting discharge to Chairperson of the KRUK S.A. Supervisory Board in respect
of his duties in the financial year 2017

Acting pursuant to Art. 393.1 and Art. 395.2.3 of the Commercial Companies Code and Art. 18.1.3 of KRUK S.A.'s Articles of Association, the Annual General Meeting of KRUK S.A. hereby resolves as follows:

Section 1

The Annual General Meeting of KRUK S.A. hereby grants discharge to Mr Piotr Stępnia, Chairperson of the Supervisory Board, in respect of his duties in the period from January 1st 2017 to December 31st 2017.

Section 2

This Resolution shall become effective as of its date.

STATEMENT OF REASONS:

Pursuant to Art. 393.1 and Art. 395.2.3 of the Commercial Companies Code, granting discharge to members of corporate governing bodies in respect of their duties requires adoption of a relevant resolution by the annual general meeting.

**Resolution No. .../2018
of the Annual General Meeting of KRUK S.A.
of Wrocław, dated 18 April 2018**

concerning: granting discharge to member of the KRUK S.A. Supervisory Board in respect of her duties in the financial year 2017

Acting pursuant to Art. 393.1 and Art. 395.2.3 of the Commercial Companies Code and Art. 18.1.3 of KRUK S.A.'s Articles of Association, the Annual General Meeting of KRUK S.A. hereby resolves as follows:

Section 1

The Annual General Meeting of KRUK S.A. hereby grants discharge to Ms Katarzyna Beuch, member of the Supervisory Board, in respect of her duties in the period from January 1st 2017 to December 31st 2017.

Section 2

This Resolution shall become effective as of its date.

STATEMENT OF REASONS:

Pursuant to Art. 393.1 and Art. 395.2.3 of the Commercial Companies Code, granting discharge to members of corporate governing bodies in respect of their duties requires adoption of a relevant resolution by the annual general meeting.

**Resolution No. .../2018
of the Annual General Meeting of KRUK S.A.
of Wrocław, dated 18 April 2018**

concerning: granting discharge to member of the KRUK S.A. Supervisory Board in respect of his duties in the financial year 2017

Acting pursuant to Art. 393.1 and Art. 395.2.3 of the Commercial Companies Code and Art. 18.1.3 of KRUK S.A.'s Articles of Association, the Annual General Meeting of KRUK S.A. hereby resolves as follows:

Section 1

The Annual General Meeting of KRUK S.A. hereby grants discharge to Mr Tomasz Bieske, member of the Supervisory Board, in respect of his duties in the period from January 1st 2017 to December 31st 2017.

Section 2

This Resolution shall become effective as of its date.

STATEMENT OF REASONS:

Pursuant to Art. 393.1 and Art. 395.2.3 of the Commercial Companies Code, granting discharge to members of corporate governing bodies in respect of their duties requires adoption of a relevant resolution by the annual general meeting.

Resolution No. .../2018
of the Annual General Meeting of KRUK S.A.
of Wrocław, dated 18 April 2018

concerning: granting discharge to member of the KRUK S.A. Supervisory Board in respect of his duties in the financial year 2017

Acting pursuant to Art. 393.1 and Art. 395.2.3 of the Commercial Companies Code and Art. 18.1.3 of KRUK S.A.'s Articles of Association, the Annual General Meeting of KRUK S.A. hereby resolves as follows:

Section 1

The Annual General Meeting of KRUK S.A. hereby grants discharge to Mr Arkadiusz Jastrzębski, member of the Supervisory Board, in respect of his duties in the period from January 1st 2017 to December 31st 2017.

Section 2

This Resolution shall become effective as of its date.

STATEMENT OF REASONS:

Pursuant to Art. 393.1 and Art. 395.2.3 of the Commercial Companies Code, granting discharge to members of corporate governing bodies in respect of their duties requires adoption of a relevant resolution by the annual general meeting.

Resolution No. .../2018
of the Annual General Meeting of KRUK S.A.
of Wrocław, dated 18 April 2018

concerning: granting discharge to member of the KRUK S.A. Supervisory Board in respect of his duties in the financial year 2017

Acting pursuant to Art. 393.1 and Art. 395.2.3 of the Commercial Companies Code and Art. 18.1.3 of KRUK S.A.'s Articles of Association, the Annual General Meeting of KRUK S.A. hereby resolves as follows:

Section 1

The Annual General Meeting of KRUK S.A. hereby grants discharge to Mr Krzysztof Kawalec, member of the Supervisory Board, in respect of his duties in the period from January 1st 2017 to December 31st 2017.

Section 2

This Resolution shall become effective as of its date.

STATEMENT OF REASONS:

Pursuant to Art. 393.1 and Art. 395.2.3 of the Commercial Companies Code, granting discharge to members of corporate governing bodies in respect of their duties requires adoption of a relevant resolution by the annual general meeting.

**Resolution No. .../2018
of the Annual General Meeting of KRUK S.A.
of Wrocław, dated 18 April 2018**

concerning: granting discharge to member of the KRUK S.A. Supervisory Board in respect of his duties in the financial year 2017

Acting pursuant to Art. 393.1 and Art. 395.2.3 of the Commercial Companies Code and Art. 18.1.3 of KRUK S.A.'s Articles of Association, the Annual General Meeting of KRUK S.A. hereby resolves as follows:

Section 1

The Annual General Meeting of KRUK S.A. hereby grants discharge to Mr Robert Koński, member of the Supervisory Board, in respect of his duties in the period from January 1st 2017 to December 31st 2017.

Section 2

This Resolution shall become effective as of its date.

STATEMENT OF REASONS:

Pursuant to Art. 393.1 and Art. 395.2.3 of the Commercial Companies Code, granting discharge to members of corporate governing bodies in respect of their duties requires adoption of a relevant resolution by the annual general meeting.

**Resolution No. .../2018
of the Annual General Meeting of KRUK S.A.
of Wrocław, dated 18 April 2018**

concerning: granting discharge to member of the KRUK S.A. Supervisory Board in respect of his duties in the financial year 2017

Acting pursuant to Art. 393.1 and Art. 395.2.3 of the Commercial Companies Code and Art. 18.1.3 of KRUK S.A.'s Articles of Association, the Annual General Meeting of KRUK S.A. hereby resolves as follows:

Section 1

The Annual General Meeting of KRUK S.A. hereby grants discharge to Mr Józef Wancer, member of the Supervisory Board, in respect of his duties in the period from January 1st 2017 to December 31st 2017.

Section 2

This Resolution shall become effective as of its date.

STATEMENT OF REASONS:

Pursuant to Art. 393.1 and Art. 395.2.3 of the Commercial Companies Code, granting discharge to members of corporate governing bodies in respect of their duties requires adoption of a relevant resolution by the annual general meeting.

**Resolution No. .../2018
of the Annual General Meeting of KRUK S.A.
of Wrocław, dated 18 April 2018**

concerning: authorisation of the Management Board of KRUK S.A. to buy back the Company's own shares

Section 1

1. Pursuant to Art. 362.1.5 of the Commercial Companies Code, the Annual General Meeting of KRUK S.A. authorises the Company's Management Board to acquire the Company's own shares listed on the main market of the WSE, i.e. the official stock exchange listing market, in accordance with the procedure and on the terms provided for in Section 1.2 of this Resolution.
2. The Company shall acquire its own shares, fully paid for, in accordance with Art. 362.1.5 of the Commercial Companies Code and the following rules:
 - 1) the total par value of acquired shares shall not exceed PLN **3,761,580** (three million, seven hundred and sixty one thousand, five hundred and eighty złoty), which, as at the date of this Resolution, represents **20.00%** of the Company's share capital and corresponds to **3,761,580** (three million, seven hundred and sixty one thousand, five hundred and eighty) shares with a par value of PLN **1** (one złoty) per share, including the par value of the remaining own shares which have not been sold by the Company,
 - 2) the total payment for the acquired shares, including the price paid and other costs of acquisition, shall not exceed PLN **500,000,000** (five hundred million złoty),
 - 3) the acquisition price shall not be higher than the higher of the price of the last independent trade and the highest current independent bid in trades during WSE trading sessions, and in any case shall not be higher than PLN **250** (two hundred and fifty złoty) and lower than PLN **1** (one złoty),
 - 4) the Management Board shall be authorised to acquire the Company's own shares under Art. 362.1.8 of the Commercial Companies Code in the period from **June 1st 2018 to May 31st 2021**, or until all funds allocated for the buy-back are used up, whichever occurs earlier,
 - 5) Company's own shares may be bought back in the manner and in periods selected by the Management Board and approved by the Supervisory Board, in a way that ensures equal access of the shareholders to the buy-back programme and their equal treatment,

- 6) Company's own shares may be bought back in stock exchange and OTC transactions. Block transactions are not permitted.
- 7) Company's own shares acquired by the Company shall be cancelled and used to reduce the Company's share capital,
- 8) Acting in the best interest of the Company and upon consultation with the Supervisory Board, the Management Board may resolve to:
 - a) terminate the buy-back programme before **May 31st 2021** or before all the funds allocated to the buy-back are used up,
 - b) abandon the buy-back programme in whole or in part.

Section 2

The Annual General Meeting authorises and obligates the Management Board to take all practical and legal steps necessary to buy back Company shares under Art. 362.1.5 of the Commercial Companies Code and Section 1.2 hereof, which shall include execution of an agreement with a brokerage house concerning buy-back of shares on the stock exchange and through OTC transactions. The Management Board shall also be authorised to define other rules for the share buy-back with respect to any matters not provided for in Section 1.2 hereof by adopting the share buy-back programme.

Section 3

Throughout the effective period of the authorisation granted hereunder with respect to the performance of this Resolution, at each General Meeting of the Company the Management Board shall present current information on:

1. the purpose or the cause of the buy-back,
2. the number and par value of own shares acquired, and their share in the share capital,
3. the total acquisition price and other costs of acquisition of the shares.

Section 4

1. This Resolution shall repeal Resolution No. 33/2016 of the Annual General Meeting of May 9th 2016.
2. This Resolution shall become effective as of its date.

STATEMENT OF REASONS

Given the current situation on the financial markets, which may affect the valuation of Company shares, it is reasonable to provide KRUK S.A. with a possibility of buying back its own shares if the valuation of KRUK S.A. is materially different from its fundamental value. The acquired shares may be used in part

to implement the Management Stock Option Plan operated by the Company, but may also be cancelled or held for resale.

**Resolution No. .../2018
of the Annual General Meeting of KRUK S.A.
of Wrocław, dated 18 April 2018**

concerning: allocation of funds for the financing of share buy-back

Acting pursuant to Art. 362.1.5 and Art. 396.4 and 5 of the Commercial Companies Code and Art. 20.2 of KRUK S.A.'s Articles of Association, the Annual General Meeting of KRUK S.A. of Wrocław hereby resolves as follows:

Section 1

The Annual General Meeting resolves to create a capital reserve called "Buy-back reserve" to finance the Company's share buy-back under Resolution No. .../2018 of this Annual General Meeting.

Section 2

1. The Annual General Meeting sets aside **PLN 500,000,000** (five hundred million złoty) from the Company's reserve funds and obligates the Company's Management Board to transfer the amount to the buy-back reserve, to be used for settlement of the total price paid for acquired Company shares and other costs of acquisition.
2. During the effective period of this Resolution, the buy-back reserve may be increased, by way of a resolution of the General Meeting, with funds allocated for this purpose from the Company's net profit generated in subsequent financial years.

Section 3

The Annual General Meeting authorises the Management Board to spend the funds accumulated in the buy-back reserve in accordance with this Resolution and Resolution No. .../2018 of this Annual General Meeting.

Section 4

1. This Resolution shall repeal Resolution No. 34/2016 of the Annual General Meeting of May 9th 2016.
2. This Resolution shall become effective as of its date.

STATEMENT OF REASONS

This Resolution is prerequisite for the implementation of the share buy-back programme and required under the Commercial Companies Code. For a justification of the amount transferred from reserve funds, see statement of reasons for draft /20/ of Resolution to item 13) of the agenda.

**Resolution No. .../2018
of the Annual General Meeting of KRUK S.A.
of Wrocław, dated 18 April 2018**

concerning: amendments to Art. 13 of the Articles of Association of KRUK Spółka Akcyjna of Wrocław

Acting pursuant to Art. 430.1 of the Polish Commercial Companies Code and Art. 18.6) of KRUK S.A.'s Articles of Association, the Annual General Meeting of KRUK S.A. hereby resolves as follows:

Section 1

The Company's Articles of Association shall be amended in such a way that Art. 13.4, which currently reads as follows:

"4. Subject to the provisions of the Polish Commercial Companies Code, the Supervisory Board may adopt resolutions by voting in writing or by using means of distance communication (by phone or otherwise, in a manner which guarantees communication among all members of the Supervisory Board). A resolution so passed shall be valid only if all members of the Supervisory Board have been duly notified of the content of the draft resolution. If a resolution is to be adopted in writing, the Chairperson of the Supervisory Board shall vote first and send the text of the resolution to the other Supervisory Board members. The resolution shall be valid if signed by an absolute majority of the Supervisory Board members. Adoption of a resolution using means of distance communication shall be approved by the Chairperson of the Supervisory Board, who shall receive the votes of the other members. The approval shall be made by specifying in the resolution the adoption procedure and votes cast by each Supervisory Board member. In the case of either procedure, in the event of a voting tie, the Chairperson of the Supervisory Board shall have the casting vote.";

shall be amended to read as follows:

"4. Subject to the provisions of the Polish Commercial Companies Code, the Supervisory Board may adopt resolutions by way of any of the following procedures: (a) in writing, (b) using means of distance communication only, or (c) in the mixed manner, i.e. when some members of the Supervisory Board attend a Supervisory Board meeting in person and at

least one member of the Supervisory Board participates in the meeting using means of distance communication (phone call, video conference, or otherwise in a manner which guarantees communication among all the members of the Supervisory Board). A resolution passed by way of any of the above procedures shall be valid only if all members of the Supervisory Board have been duly notified of the content of the draft resolution and it has been signed by an absolute majority of the Supervisory Board members. If a resolution is to be adopted in writing, individual members of the Supervisory Board shall cast their votes in writing. Adoption of a resolution using means of distance communication shall be approved by the Chairperson of the Supervisory Board, who shall receive the votes of the other members. The approval shall be made by specifying in the resolution the adoption procedure and votes cast by each Supervisory Board member. In justified cases, meetings of the Supervisory Board may be held in accordance with the mixed procedure subject to prior consent of the Chairperson of the Supervisory Board. If the mixed procedure is applied, the Chairperson of the Supervisory Board or another member of the Supervisory Board who chairs a given Supervisory Board meeting or a person authorised by such member shall read out loud the resolutions or forward them in electronic form to all members of the Supervisory Board attending the meeting, following which they vote in turn for or against a resolution. The signature on behalf of a person taking part in the Supervisory Board meeting using means of distance communication shall be placed by the Supervisory Board member who chairs the meeting, specifying the manner in which that member participates in the meeting. In the case of all of the above procedures, in the event of a voting tie, the Chairperson of the Supervisory Board shall have the casting vote.”

Section 2

The amendments introduced by this Resolution shall take effect as of the date of their entry in the Register of Entrepreneurs of the National Court Register.

STATEMENT OF REASONS

The proposed amendments are meant to enable the Supervisory Board members to participate in the Supervisory Board meetings using means of distance communication and adopt resolutions using the mixed procedure.

**Resolution No. .../2018
of the Annual General Meeting of KRUK S.A. of Wrocław
dated April 18th 2018**

concerning adoption of the consolidated text of the Articles of Association of KRUK S.A. of
Wrocław

Acting pursuant to Art. 402.2 of the Polish Commercial Companies Code, the Annual General Meeting of KRUK S.A. hereby resolves as follows:

Section 1

Further to the amendments to the Articles of Association adopted on April 18th 2018, the Annual General Meeting of KRUK S.A. hereby approves the consolidated text of the amended Articles of Association, attached as an appendix hereto.

Section 2

The consolidated text of the Articles of Association as referred to in Section 1 shall be effective as of the date of registration of the amendments introduced under Resolution No. .../2018 of the Annual General Meeting of April 18th 2018 by the registry court.

STATEMENT OF REASONS:

In view of the amendment of Article 13 of the Articles of Association of KRUK S.A., it is recommended that the consolidated text of the Articles of Association be adopted.

Resolution No. .../2018
of the Annual General Meeting of KRUK S.A. of Wrocław
dated April 18th 2018

concerning: amendment of the Rules of Procedure of the Supervisory Board of KRUK S.A. and drafting the consolidated text of the Rules of Procedure

Acting pursuant to Art. 12.6 of the Company's Articles of Association, the Annual General Meeting hereby resolves as follows:

Section 1

The Rules of Procedure of the Supervisory Board of KRUK S.A. shall be amended as follows:

1. Section 2.12 of the Rules, which currently reads as follows:

12. "A person applying as a candidate for the Supervisory Board, or a member of the Supervisory Board appointed pursuant to item 3, item 4 and item 5 above should, immediately after appointment, submit before the Company a written declaration of fulfilling the criteria of independence, defined in Annex II to the "European Committee's Recommendation of February 15, 2005 on the roles of non-executive directors or directors being members of supervisory boards of listed companies and committees of the board (Supervisory)", and shall immediately notify the Company in case when his situation changes in this regard within the period of his tenure."

shall be amended to read as follows:

12. "A person applying as a candidate for the Supervisory Board, or a member of the Supervisory Board appointed pursuant to item 5 above should, immediately after appointment, submit before the Company a written declaration of fulfilling the criteria of independence, defined in Annex II to the "European Committee's Recommendation of February 15, 2005 on the roles of non-executive directors or directors being members of supervisory boards of listed companies and committees of the board (Supervisory)", and shall immediately notify the Company in case when his situation changes in this regard within the period of his tenure."

2. The introductory sentence in Section 2.13 of the Rules of Procedure, which currently reads as follows:

"Each of the independent members of the Supervisory Board shall fulfil the following criteria:"

shall be amended to read as follows:

“A member of the Supervisory Board shall be deemed to be independent under Section 2.12 if they meet all of the following criteria:”

3. Section 4 of the Rules of Procedure shall be deleted and replaced with new wording reading as follows:

“§ 4

1. The Supervisory Board shall appoint the Audit Committee, the Remuneration and Nomination Committee, and the Finance and Budget Committee.
2. The Audit Committee shall consist of at least three members, with at least one member having knowledge and skills in accounting or auditing of financial statements. A majority of the Audit Committee members, including its chairperson, shall be independent of the Company in accordance with the criteria set out in Section 4.4 below.
3. The Audit Committee’s tasks shall include in particular:
 - 1) monitoring of:
 - a) financial reporting processes;
 - b) effectiveness of internal control systems and risk management systems as well as of internal audit, including financial reporting;
 - c) financial audit procedures, in particular an audit conducted by the audit firm, taking into account all recommendations and findings of the Audit Oversight Commission resulting from audits carried out at the audit firm;
 - 2) controlling and monitoring of the independence of the qualified auditor and the audit firm, in particular when the audit firm provides the Company with services other than the audit of financial statements;
 - 3) informing the Supervisory Board or the Company’s other supervisory or control body about the results of the audit and explaining how the audit contributed to the integrity of financial reporting in the Company, and explaining the role of the Audit Committee in the audit process;
 - 4) assessing the independence of the qualified auditor and giving consent to the provision by the auditor of permitted non-audit services to the Company;
 - 5) developing a policy for selecting an audit firm to conduct the audit;
 - 6) developing a policy for providing permitted non-audit services by the audit firm carrying out the audit, entities related to the audit firm or a member of the audit firm’s network;
 - 7) determining the procedure for selecting an audit firm by the Company;
 - 8) presenting, to the Supervisory Board or other supervisory or control body, or to the authority referred to in Art. 66.4 of the Accounting Act of September 29th 1994, the recommendation referred to in Art. 16.2 of Regulation No. 537/2014, in accordance with the policies referred to in items 5 and 6 above;
 - 9) submitting recommendations aimed at ensuring the integrity of the financial reporting process in the Company.

4. Members of the Audit Committee are deemed independent if they meet the independence criteria set out in Art. 129.3 of the Polish Act on Statutory Auditors, Audit Firms, and Public Oversight of May 11th 2017, namely:
- a) they are not, nor have been in the period of the last five years since the date of their appointment, members of the senior management, including the management board or any other governing body, of the Company or any affiliate thereof;
 - b) they are not, nor have been in the period of the last three years since the date of their appointment, employees of the Company or any affiliate thereof, except where a member of the Audit Committee is an employee who is not a member of the Company's senior management and who was elected to the supervisory board or another supervisory or control body of the Company as a representative of its employees;
 - c) they do not have control over the Company within the meaning of Art. 3.1.37.a-e of the Accounting Act of September 29th 1994, nor represent any persons or entities having control over the Company;
 - d) they do not receive, nor have received, any additional significant remuneration from the Company or from any affiliate thereof, except the remuneration paid to members of the Supervisory Board or of any other supervisory or control body, including the Audit Committee;
 - e) they do not maintain, nor have maintained over the last year since the date of their appointment, any material economic relations with the Company or any affiliate thereof directly or as owners, partners, shareholders, members of the supervisory board or of any other supervisory or control body, or members of the senior management, including the management board or any other governing body, of an entity maintaining such relations;
 - f) they are not, nor have been in the period of the last two years since the date of their appointment:
 - i. owners, partners (including general partners) or shareholders of the current or previous audit firm that audited the financial statements of the Company or of any affiliate thereof; or
 - ii. members of the supervisory board or of any other supervisory or control body of the current or previous audit firm that audited the financial statements of the Company; or
 - iii. employees or members of the senior management, including the management board or any other governing body, of the current or previous audit firm that audited the financial statements of the Company or of any affiliate thereof; or
 - iv. any other individual engaged to provide services or supervised by the current or previous audit firm or by a qualified auditor acting on behalf of the firm;
 - g) they are not members of the management board or any other governing body of an entity whose supervisory board or any other supervisory or control body includes a member of the Management Board or any other governing body of the Company;
 - h) they have not been members of the Supervisory Board or any other supervisory or control body of the Company for more than 12 years;

- i) they are not married to, do not cohabit with, or are not related by blood or affinity in the direct line or in the collateral line up to the fourth degree to a member of the Management Board or any other governing body of the Company or a person referred to in subparagraphs 1-8;
 - j) they do not remain in a relationship of adoption, care or guardianship with a member of the Management Board or any other governing body of the Company or with a person referred to subparagraphs 1-8.
5. Members of the Audit Committee have the knowledge of and skills relevant for the industry in which the Company operates. This condition is considered to be met if at least one member of the Audit Committee has the knowledge of and skills relevant for that industry or if individual members have the knowledge of and skills relevant for different aspects of that industry.
6. The Audit Committee shall have the right to seek professional assistance in order to make a correct assessment of financial statements.
7. The Remuneration and Appointment Committee is composed of at least three members, including at least one member with knowledge and experience in the area of remuneration policy; a majority of the Remuneration and Appointment Committee members should be independent Supervisory Board members in accordance with the criteria set out in Section 2.12.
8. The Remuneration and Appointment Committee's responsibilities shall include in particular:
 - 1) Planning of the remuneration policy for the Management Board Members;
 - 2) Alignment of the Management Board Members' remuneration with the Company's long-term interests and its financial performance;
 - 3) Recommendation of candidates to the Management Board to the Supervisory Board;
 - 4) Periodic assessment of the structure, number of members, composition and performance of the Management Board and, where needed, recommendation of changes in this respect to the Supervisory Board, and submission of a periodic assessment of the skills, knowledge and experience of the individual Management Board Members to the Supervisory Board.
9. The Finance and Budget Committee shall consists of two to four members.
10. The Finance and Budget Committee's responsibilities shall include in particular:
 - 1) Drafting budget resolutions, issuing opinions on and assessing draft resolutions of the Supervisory Board on matters related to the Company's finances,
 - 2) Supporting oversight over the implementation of the Company's budget,
 - 3) On-going analysis of the Company's financial performance and condition,
 - 4) Matters related to the operation of the Company's cash, credit and tax systems, as well as its financial plans, budgets and property insurance contracts.
11. The responsibilities and operation of the Supervisory Board committees shall be subject to the provisions of Annex I to *Commission Recommendation of February 15th 2005 on the role of non-executive directors (...).*"

4. In connection with the amendments to the Company's Articles of Association, introduced by way of Resolution No./2018 of the Annual General Meeting dated April 18th 2018, Sections 5.4 and 5.5 of the Rules of Procedure, which currently read as follows:
 4. "Subject to the provisions of the Polish Commercial Companies Code, the Supervisory Board may adopt resolutions by voting in writing or by using means of distance communication (by phone or otherwise, in a manner which guarantees communication among all members of the Supervisory Board). A resolution so passed shall be valid only if all members of the Supervisory Board have been duly notified of the content of the draft resolution. If a resolution is to be adopted in writing, the Chairperson of the Supervisory Board shall vote first and send the text of the resolution to the other Supervisory Board members. The resolution shall be valid if signed by an absolute majority of the Supervisory Board members. Adoption of a resolution using means of distance communication shall be approved by the Chairperson of the Supervisory Board, who shall receive the votes of the other members. The approval shall be made by specifying in the resolution the adoption procedure and votes cast by each Supervisory Board member. In the case of either procedure, in the event of a voting tie, the Chairperson of the Supervisory Board shall have the casting vote.
 5. Casting a vote in writing or using means of distance communication shall not be permitted in the case of election of the Chairperson or Deputy Chairperson of the Supervisory Board, appointment or removal of a Management Board Member, or their suspension from duties."

shall be amended to read as follows:

4. "Subject to the provisions of the Polish Commercial Companies Code, the Supervisory Board may adopt resolutions by way of any of the following procedures: (a) in writing, (b) using means of distance communication only, or (c) in the mixed manner, i.e. when some members of the Supervisory Board attend a Supervisory Board meeting in person and at least one member of the Supervisory Board participates in the meeting using means of distance communication (phone call, video conference, or otherwise in a manner which guarantees communication among all the members of the Supervisory Board). A resolution passed by way of any of the above procedures shall be valid only if all members of the Supervisory Board have been duly notified of the content of the draft resolution and it has been signed by an absolute majority of the Supervisory Board members. If a resolution is to be adopted in writing, individual members of the Supervisory Board shall cast their votes in writing. Adoption of a resolution using means of distance communication shall be approved by the Chairperson of the Supervisory Board, who shall receive the votes of the other members. In justified cases, meetings of the Supervisory Board may be held in accordance with the mixed procedure subject to prior consent of the Chairperson of the Supervisory Board. If the mixed procedure is applied, the Chairperson of the Supervisory Board or another member of the Supervisory Board who chairs a given Supervisory Board meeting or a person authorised

by such member shall read out loud the resolutions or forward them in electronic form to all members of the Supervisory Board attending the meeting, following which they vote in turn for or against a resolution. The signature on behalf of a person taking part in the Supervisory Board meeting using means of distance communication shall be placed by the Supervisory Board member who chairs the meeting, specifying the manner in which that member participates in the meeting. In the case of either procedure, in the event of a voting tie, the Chairperson of the Supervisory Board shall have the casting vote.

5. Casting a vote in writing, using means of distance communication or under a mixed procedure shall not be permitted in the case of election of the Chairperson or Deputy Chairperson of the Supervisory Board, appointment or removal of a Management Board Member, or their suspension from duties.”

Section 2

The Annual General Meeting hereby adopts the consolidated text of the Rules of Procedure of the Supervisory Board of KRUK S.A., reading as set out in Appendix 1 to this Resolution, incorporating the changes specified in Section 1 of this Resolution.

Section 3

1. The amendments to the Rules of Procedure of the Supervisory Board introduced by Sections 1.1-1.3 of this Resolution shall take effect as of the date of this Resolution.
2. The amendments to the Rules of Procedure of the Supervisory Board introduced on the basis of Section 1.4 of this Resolution shall take effect as of the date of their entry in the Register of Businesses of the National Court Register.

Appendix 1 to Resolution .../2018 of the Shareholders' Meeting of KRUK S.A. of 18.04.2018

Rules of Procedure of Supervisory Board of KRUK S.A seated in Wrocław

§1

1. These Rules define the organization and mode of proceeding of the Supervisory Board of KRUK S.A.
2. The Supervisory Board is a body performing permanent supervision over the Company's operations, which functions pursuant to the letter of law, in particular the Commercial Companies Code, and also basing on the Company Articles of Association, as well as

resolutions of the Shareholders' Meeting, to the extent in which they are statutorily binding for the Board, as well as basing on these Rules.

3. Whenever the Rules refer to:

- 1) Commercial Companies Code - this shall be understood as the September 15, 2000 Commercial Companies Code Act (BoL U. of 2000 no. 94, item 1037 with amendments),
- 2) Company – this shall be understood as KRUK S.A. company seated in Wrocław,
- 3) Articles of Association – this shall be understood as the Company Articles of Association,
- 4) Board or Supervisory Board – this shall be understood as the Supervisory Board of the company,
- 5) General Meeting – this shall be understood as the General Meeting of the Company,
- 6) Management - this shall be understood as the Company Management.

§2

Composition and appointment of Supervisory Board

1. The Supervisory Board comprises of five or seven members.

2. The Supervisory Board is appointed and dismissed by the General Meeting, save for the provisions of the Articles of Association and the below rules. The number of the Supervisory Board members is determined by the General Meeting at all times.

3. *revoked*

4. *revoked*

5. In the case when Piotr Krupa holds shares of the Company giving him 8% or more of the general number of votes on the General Meeting, he may appoint and dismiss:

- a) 1 (one) member in the five-person Supervisory Board, including the Vice-president;
- b) 2 (two) members in the seven-person Supervisory Board, including the Vice-president.

6. *revoked*

7. *revoked*

8. The right to appoint and dismiss members of the Supervisory Board held by Piotr Krupa and mentioned in item 5 above is exercised by submitting before the Company a written decision on appointing or dismissing a member of the Supervisory Board. Additionally to the submission of the decision mentioned above, Piotr Krupa is obliged to present to the Company a certificate or certificates of deposit issued by an investment company or a custodian bank maintaining a securities account on which the shares of the Company are stored, as evidence that Piotr Krupa holds shares of the Company in the number mentioned in item 5 above.
9. If Piotr Krupa does not appoint members of the Supervisory Board within 21 (twenty-one) days from the day of expiration of mandates of the Supervisory Board members appointed by him, the members of the Supervisory Board that were not appointed pursuant to item 5 above are appointed and dismissed by the General Meeting until the exercise by Piotr Krupa or his legal successor of the rights mentioned in item 5, which then causes automatic expiration of mandates of the Supervisory Board members appointed by the General Meeting pursuant to this decision, but which, however, does not impact the tenure of the given Supervisory Board.
10. In reference to the rights granted in this point to Piotr Krupa, the threshold of 8% or a higher number of the total number of votes on the General Meeting shall be understood at all times as the votes held by Piotr Krupa individually, or by persons collaborating with him, i.e. persons defined in art. 87 item 4 point 1 and point 2 of the July 29, 2005 Act on Public Offering and Terms of Introducing Financial Instruments for Organized trade and on Public Companies (BoL of 2009 no. 185, item 1439, with lat. amend.), and held by entities that are 100% controlled by Piotr Krupa.
11. With the reservation of any applicable law, the Supervisory Board, which, due to the expiration of mandates of some of its members (for other reason than dismissal) comprises of a smaller number of members than defined by the General Meeting pursuant to item 1 and 2, may execute material resolutions until the supplementation of its composition.
12. A person applying as a candidate for the Supervisory Board, or a member of the Supervisory Board appointed pursuant to item 5 above should, immediately after appointment, submit before the Company a written declaration of fulfilling the criteria of independence, defined in Annex II to the "European Committee's Recommendation of February 15, 2005 on the roles of non-executive directors or directors being members of supervisory boards of listed companies and committees of the board (Supervisory)", and shall immediately notify the Company in case when his situation changes in this regard within the period of his tenure.

13. A member of the Supervisory Board shall be deemed to be independent under item 2.12 if they meet all of the following criteria:

- a) the person is not a member of the Management, or an authorized clerk of the Company, its subsidiary company or an affiliated unit, as defined in the September 29, 1994 Accountancy Act (unified text: 2009 nr. 152, item 1223 with lat. amend.), and not having performed such function within the period of 5 (five) years preceding the day of appointment for a member of the Supervisory Board,
- b) the person is not, and has not been for the period of 3 (three) years preceding the day of appointment for a member of the Supervisory Board, a worker of the company, of its subsidiary company or affiliated unit,
- c) the person has not and does not receive from the Company or its affiliated unit any remuneration on account of performing duties of the member of the Supervisory Board, and is not entitled to participation in the employee stock options, or in any other system of performance-based rewarding,
- d) is not a shareholder of the Company, and does not represent a shareholder or shareholders holding shares resulting in a right to exercise 5% (five percent) or more of the total number of votes on the General Meeting, and does not have any actual or material relationship with the shareholder or shareholders that hold such right,
- e) does not maintain, or has not maintained for the period of 1 (one) year preceding the date of appointment for a Supervisory Board member any significant trade relationships with the Company or its affiliated unit, directly or indirectly, as a partner, shareholder, management board member, authorized clerk or worker employed on a higher-level managerial position of an entity maintaining such relations with the Company or its affiliated unit. Significant trade relationship is defined for the purpose of this paragraph as transactions whose value exceeds 5% (five percent) of income of the Company for the last business year,
- f) is not at present, and had not been within the period of 3 (three) years preceding the date of appointment for a Supervisory Board member a partner or worker of a current, or former expert auditor of the Company or its affiliated unit,
- g) is not a management board member or authorized clerk in another company, in which the Management Board member or authorized clerk of the Company performs duties of a supervisory board member,
- h) has not performed duties of a Supervisory Board member longer than 3 (three) tenures,
- i) is not a member of a close family of the Management Board member, Company authorized clerk or of the persons listed in item a) - h) above.

14. For the needs of item 13 above, a close family member is defined as a spouse, relatives or second-grade affinities , or a person remaining in an actual partnership, or residing within a common household.
15. Supervisory Board members are appointed for a common tenure, the duration of which is 3 (three) years.
16. Mandates of the Supervisory Board members expire on the date of holding a General Meeting approving a financial report for the last full business year of performing duties of the Supervisory Board member.
17. The Supervisory Board members withdrawn may be appointed repeatedly, or appointed for another tenure.

§3

Rules of proceeding of Supervisory Board

1. Members of the Supervisory Board exercise their rights and duties in person, and have a right and duty to participate in the sessions of the Board.
2. Save for para 2 item 3, item 4 and item 5 above, the Supervisory Board appoints on its first meeting the President and Vice-president in a secret ballot through an absolute majority of votes of the members present on the meeting.
3. Meetings of the Supervisory Board are called by the President, or the Vice-president, if the former is absent.
4. A meeting of the Supervisory Board shall be held within 14 days from the date of submitting the Management's motion to the President or Vice-president.
5. Members of the Supervisory Board receive remuneration for performing their duties, unless the organ or entities authorized to appoint members of the Supervisory Board decide otherwise. Amount of remuneration of the Supervisory Board members is defined by a resolution of a General Meeting.

§4

1. The Supervisory Board shall appoint the Audit Committee, the Remuneration and Nomination Committee, and the Finance and Budget Committee.
2. The Audit Committee shall consist of at least three members, with at least one member having knowledge and skills in accounting or auditing of financial statements. A majority of

the Audit Committee members, including its chairperson, shall be independent of the Company in accordance with the criteria set out in Section 4.4 below.

3. The Audit Committee's tasks shall include in particular:

1) monitoring of:

a) financial reporting processes;

b) effectiveness of internal control systems and risk management systems as well as of internal audit, including financial reporting;

c) financial audit procedures, in particular an audit conducted by the audit firm, taking into account all recommendations and findings of the Audit Oversight Commission resulting from audits carried out at the audit firm;

2) controlling and monitoring of the independence of the qualified auditor and the audit firm, in particular when the audit firm provides the Company with services other than the audit of financial statements;

3) informing the Supervisory Board or the Company's other supervisory or control body about the results of the audit and explaining how the audit contributed to the integrity of financial reporting in the Company, and explaining the role of the Audit Committee in the audit process;

4) assessing the independence of the qualified auditor and giving consent to the provision by the auditor of permitted non-audit services to the Company;

5) developing a policy for selecting an audit firm to conduct the audit;

6) developing a policy for providing permitted non-audit services by the audit firm carrying out the audit, entities related to the audit firm or a member of the audit firm's network;

7) determining the procedure for selecting an audit firm by the Company;

8) presenting, to the Supervisory Board or other supervisory or control body, or to the authority referred to in Art. 66.4 of the Accounting Act of September 29th 1994, the recommendation referred to in Art. 16.2 of Regulation No. 537/2014, in accordance with the policies referred to in items 5 and 6 above;

9) submitting recommendations aimed at ensuring the integrity of the financial reporting process in the Company.

4. Members of the Audit Committee are deemed independent if they meet the independence criteria set out in Art. 129.3 of the Polish Act on Statutory Auditors, Audit Firms, and Public Oversight of May 11th 2017, namely:

a) they are not, nor have been in the period of the last five years since the date of their appointment, members of the senior management, including the management board or any other governing body, of the Company or any affiliate thereof;

b) they are not, nor have been in the period of the last three years since the date of their appointment, employees of the Company or any affiliate thereof, except where a member of the Audit Committee is an employee who is not a member of the Company's senior management and who was elected to the supervisory board or

- another supervisory or control body of the Company as a representative of its employees;
- c) they do not have control over the Company within the meaning of Art. 3.1.37.a-e of the Accounting Act of September 29th 1994, nor represent any persons or entities having control over the Company;
 - d) they do not receive, nor have received, any additional significant remuneration from the Company or from any affiliate thereof, except the remuneration paid to members of the Supervisory Board or of any other supervisory or control body, including the Audit Committee;
 - e) they do not maintain, nor have maintained over the last year since the date of their appointment, any material economic relations with the Company or any affiliate thereof directly or as owners, partners, shareholders, members of the supervisory board or of any other supervisory or control body, or members of the senior management, including the management board or any other governing body, of an entity maintaining such relations;
 - f) they are not, nor have been in the period of the last two years since the date of their appointment:
 - i. owners, partners (including general partners) or shareholders of the current or previous audit firm that audited the financial statements of the Company or of any affiliate thereof; or
 - ii. members of the supervisory board or of any other supervisory or control body of the current or previous audit firm that audited the financial statements of the Company; or
 - iii. employees or members of the senior management, including the management board or any other governing body, of the current or previous audit firm that audited the financial statements of the Company or of any affiliate thereof; or
 - iv. any other individual engaged to provide services or supervised by the current or previous audit firm or by a qualified auditor acting on behalf of the firm;
 - g) they are not members of the management board or any other governing body of an entity whose supervisory board or any other supervisory or control body includes a member of the Management Board or any other governing body of the Company;
 - h) they have not been members of the Supervisory Board or any other supervisory or control body of the Company for more than 12 years;
 - i) they are not married to, do not cohabit with, or are not related by blood or affinity in the direct line or in the collateral line up to the fourth degree to a member of the Management Board or any other governing body of the Company or a person referred to in subparagraphs 1-8;
 - j) they do not remain in a relationship of adoption, care or guardianship with a member of the Management Board or any other governing body of the Company or with a person referred to subparagraphs 1-8.
5. Members of the Audit Committee have the knowledge of and skills relevant for the industry in which the Company operates. This condition is considered to be met if at least one member of the Audit Committee has the knowledge of and skills relevant for that industry

- or if individual members have the knowledge of and skills relevant for different aspects of that industry.
6. The Audit Committee shall have the right to seek professional assistance in order to make a correct assessment of financial statements.
 7. The Remuneration and Appointment Committee is composed of at least three members, including at least one member with knowledge and experience in the area of remuneration policy; a majority of the Remuneration and Appointment Committee members should be independent Supervisory Board members in accordance with the criteria set out in Section 2.12.
 8. The Remuneration and Appointment Committee's responsibilities shall include in particular:
 - 1) Planning of the remuneration policy for the Management Board Members;
 - 2) Alignment of the Management Board Members' remuneration with the Company's long-term interests and its financial performance;
 - 3) Recommendation of candidates to the Management Board to the Supervisory Board;
 - 4) Periodic assessment of the structure, number of members, composition and performance of the Management Board and, where needed, recommendation of changes in this respect to the Supervisory Board, and submission of a periodic assessment of the skills, knowledge and experience of the individual Management Board Members to the Supervisory Board.
 9. The Finance and Budget Committee shall consists of two to four members.
 10. The Finance and Budget Committee's responsibilities shall include in particular:
 - 1) Drafting budget resolutions, issuing opinions on and assessing draft resolutions of the Supervisory Board on matters related to the Company's finances,
 - 2) Supporting oversight over the implementation of the Company's budget,
 - 3) On-going analysis of the Company's financial performance and condition,
 - 4) Matters related to the operation of the Company's cash, credit and tax systems, as well as its financial plans, budgets and property insurance contracts.
 11. The responsibilities and operation of the Supervisory Board committees shall be subject to the provisions of Annex I to *Commission Recommendation of February 15th 2005 on the role of non-executive directors (...)*.

§5

Resolutions of Supervisory Board

1. Resolutions of the Supervisory Board are adopted by an absolute majority of votes of the Board Members present at the meeting. In the case there is an equal number of votes on both sides, the President's vote shall decide.

2. For the Supervisory Board's resolutions to be valid, it is required that all the members of the Supervisory Board are invited to the meeting, and that at least half of them is present.
3. With the reservation of provisions of the Commercial Companies Code, members of the Supervisory Board may participate in adopting resolutions of the Supervisory Board, by transferring their vote in writing to another member of the Supervisory Board. Such written transfer of vote cannot be made for matters introduced into the agenda during the meeting of the Supervisory Board.
4. Subject to the provisions of the Polish Commercial Companies Code, the Supervisory Board may adopt resolutions by way of any of the following procedures: (a) in writing, (b) using means of distance communication only, or (c) in the mixed manner, i.e. when some members of the Supervisory Board attend a Supervisory Board meeting in person and at least one member of the Supervisory Board participates in the meeting using means of distance communication (phone call, video conference, or otherwise in a manner which guarantees communication among all the members of the Supervisory Board). A resolution passed by way of any of the above procedures shall be valid only if all members of the Supervisory Board have been duly notified of the content of the draft resolution and it has been signed by an absolute majority of the Supervisory Board members. If a resolution is to be adopted in writing, individual members of the Supervisory Board shall cast their votes in writing. Adoption of a resolution using means of distance communication shall be approved by the Chairperson of the Supervisory Board, who shall receive the votes of the other members. In justified cases, meetings of the Supervisory Board may be held in accordance with the mixed procedure subject to prior consent of the Chairperson of the Supervisory Board. If the mixed procedure is applied, the Chairperson of the Supervisory Board or another member of the Supervisory Board who chairs a given Supervisory Board meeting or a person authorised by such member shall read out loud the resolutions or forward them in electronic form to all members of the Supervisory Board attending the meeting, following which they vote in turn for or against a resolution. The signature on behalf of a person taking part in the Supervisory Board meeting using means of distance communication shall be placed by the Supervisory Board member who chairs the meeting, specifying the manner in which that member participates in the meeting. In the case of either procedure, in the event of a voting tie, the Chairperson of the Supervisory Board shall have the casting vote.
5. Casting a vote in writing, using means of distance communication or under a mixed procedure shall not be permitted in the case of election of the Chairperson or Deputy Chairperson of the Supervisory Board, appointment or removal of a Management Board Member, or their suspension from duties.

§5¹

Competences of Supervisory Board

1. The Supervisory Board performs supervision over the Company's operations in all of its aspects.
2. The competences of the Supervisory Board, in addition to the matters defined in the Commercial Companies code, particularly include:
 - 1) auditing financial reports, reports of the Management from the Company's operations for the previous business year, to the extent of their accuracy against ledgers and documents, against the actual matter of state, as well as assessing motions of the Management Board related to the appropriation of profit or coverage of losses;
 - 2) submitting to the General Meeting an annual written report of the results of the assessment mentioned in point 1 above;
- 3) appointing and dismissing the Board President;
- 4) with the reservation of para 7 item 6 of the company Statute, appointing Board members (including Vice-presidents of the Management Board), as well as dismissing the Management Board members appointed;
- 5) suspending, for material reasons, rights and duties of individual or all members of the Management Board, and delegating members of the Supervisory Board for temporary performance of duties for the Management Board members that are unable to perform their duties;
- 6) determining, based on a motion of the Management Board President, principles of remuneration, as well as the amount of remuneration of the Management Board members;
- 7) determining remuneration of the Management Board President;
- 8) approving annual financial plans of the Company (budget), as well as strategic economic plans of the Company; the budget shall cover at least a plan of income and costs of the Company for the given business year, a forecast of end-year balance, and a plan of cash flow for the given balance year;

- 9) granting consent for taking loans and credits by the Company, and for issuing obligations not included in the budget, above a cumulated amount constituting an equivalent of 10% of own capital of the Company per year, with the exception of taking loans and credits from entities of KRUK Capital Group. Whenever the below paragraph mentions KRUK Capital Group, this is understood as the company, as well as its subsidiary companies, in the understanding of the Accountancy Act;
- 10) granting consent for establishing securities, guarantees, and making encumbrances on the Company assets, not included in the budget, above a cumulated amount constituting an equivalent of 10% of own capital of the Company per year, except when the parties of such operations are exclusively entities of KRUK Capital Group. Establishing securities and guarantees for credits, loans and obligations included in the budget, or to which the Supervisory Board has consented in the mode defined in point 9) does not require the Supervisory Board's consent.
- 11) granting consent for contracting liabilities by the Company in relation to a single transaction, or a series of interrelated transactions of total value exceeding, in one business year, the amount constituting an equivalent of 5% of own capital of the Company, not included in the budget, and not being a result of standard operations of the Company;
- 12) granting consent for procurement of acquisition by the Company of shares or bonds in other commercial companies, or for the Company's entry into other commercial entities, with the exclusion of procurement or acquisition of shares or bonds in entities of KRUK Capital Group;
- 13) granting consent for procurement or disposition of Company assets, whose value exceeds 15% (fifteen percent of net accounting value of the Company, determined basing on a recent verified financial report, not included in the budget, with the exclusion of procurement or disposal of assets to entities of KRUK Capital Group
- 14) granting consent for disposal or transfer of intellectual rights or other intellectual property, particularly rights to patents and technologies as well as trademarks, except for when the parties to such transactions are exclusively entities of KRUK Capital Group;
- 15) granting consent for employing by the Company, or by an affiliated company, of advisors or other persons that are foreign to the Company or to an affiliated

company, as consultants, lawyers or agents, provided the total annual costs of engaging such persons that are borne by the Company, which are not included in the budget, are to exceed 500.000,00 (five hundred thousand) PLN;

- 16) approving managerial stock options terms;
- 17) appointment of an expert auditor for auditing annual financial reports of the Company, as mentioned in art. 395 of the Commercial Companies Code, in line with Polish and international accountancy standards;
- 18) granting consent for entering into, or amending agreements between the Company or its subsidiary company, and the members of the Company Board or members of the Supervisory Board;
- 19) granting consent for issuing by the Company, or its subsidiary company any cost-free resolutions, or making any cost-free obligations within the scope of the Company's business activity, in an amount exceeding 1.000.000,00 (one million) PLN in one business year, except for when the exclusive parties are entities of KRUK Capital Group;
- 20) granting consent for making by the Company, or its subsidiary company any cost-free resolutions, or contracting any cost-free obligations falling outside the scope of business activity of the Company, in an amount exceeding 200,000 (two hundred thousand) PLN per year, except for when the parties are exclusively entities of KRUK Capital Group;
- 21) granting consent to the purchase or disposal of property, perpetual usufruct rights or interests in property by the Company if their value is 5,000,000 (five million) PLN or more; and
- 22) other matters included herein and provisions of the Commercial Companies Code.

3. Moreover, the Supervisory Board:

- 1) once a year prepare and present to the Annual General Meeting the assessments and reports provided for in the "Code of Best Practice for WSE Listed Companies" adopted by the WSE Supervisory Board in a relevant resolution,
- 2) once a year performs, and presents before the General Meeting of Shareholders an

assessment of its work,

- 3) processes and opinionates matters to be made a subject of resolutions of the general meeting.

§6

Duties of Supervisory Board Members

1. When performing his duties, a member of the Supervisory Board is obliged to maintain due diligence in accord with the professional nature of his activity, and is particularly obliged to observe the law, the Company Articles of Association, the resolutions of the Meeting of Shareholders, to have consideration for the interest of the Company, its business, and the current and predicted financial situation.
2. A member of the Supervisory Board should have adequate knowledge and experience, and should be able to sacrifice sufficient amount of time for performing his duties.
3. A member of the Supervisory Board provides information to the Management on his affiliations with a shareholder holding shares that represent at least 5% of total number of votes at the General Meeting. The above duty applies to affiliations of economic, family or other nature, that may impact the position of the Supervisory Board member on the matters discussed by the Council.
4. A member of the Supervisory Board should notify the Supervisory Board on any conflicts between his interests and the interests of the Company that occur, or on a possibility of occurrence of such. A member of the Supervisory Board should abstain from speaking in a discussion, and from voting over a resolution regarding a matter for which such conflict of interests occurred.
5. Members of the Supervisory Board participate in sessions of the General Meeting in a composition allowing to give substantive response to questions asked during the General Meeting.
6. A member of the Supervisory Board may resign from his function at any time, except for when such resignation could negatively impact the ability of proceeding of the Supervisory Board, including its ability of adopting resolutions. In particular, when, as a result of such resignation, the number of members of the Supervisory Board would fall below the statutory minimum, rendering the Supervisory Board unable to adopt material resolutions, or if it could potentially negatively impact its ability to act, the member of the Supervisory Board should delay his resignation, and perform his function until the date of supplementing the Supervisory Board.

§7

1. Members of the Board perform their supervisory duties in a collegial manner.
2. The Board may delegate one of its members for performing specific supervisory actions.

§8

Presiding Over Works of Supervisory Board

1. The President of the Supervisory Board presides over the works of the Board and its sessions, and coordinates works of the other members.
2. In the case of temporary inability of the President to perform his duties mentioned in item 1, these shall be performed by the Vice-president.

§9

Meetings of Supervisory Board

1. The Supervisory Board holds its meetings as required, but at least four times a year, at a date and place stated in the notification on calling a Supervisory Board meeting. The notification on the Supervisory Board meeting shall specify the date, time, place and the proposed agenda. Meetings of the Supervisory Board are called by the President, or the Vice-president, in case of absence of the former.
2. The Supervisory Board, during its session, may specify the place and date of the next meeting of the Board. In such case, the Board Members present at the meeting do not have to be repeatedly notified on the place and date of the next meeting; the place and date of that meeting is notified to the absent members, however. The Company Management, or a member of the Supervisory Board, may formally request the Board President to call a Board meeting, stating the proposed agenda. The President of the Supervisory Board is obliged to call such meeting within two weeks from the date of receiving the request.
3. Each Supervisory Board member may submit a motion to the Supervisory Board President on the inclusion of a specific issue into the agenda of the nearest Board meeting; the motion should be delivered at least 7 (seven) days before the meeting scheduled, and shall include all materials regarding the issue.
4. A notification on the Supervisory Board meeting shall be delivered at least 7 (seven) days before the date of the Supervisory Board Meeting, or shall be sent by fax or electronic mail. A notification sent by registered mail is deemed delivered on the date

of confirmation of receipt of the registered letter, or on the date of expiration of receipt deadline at a post office, provided the recipient has not showed up to receive the notification before that date. Notification sent using direct remote communication means, i.e. fax or electronic mail is deemed delivered on the date indicated on the data transmission confirmation, or on the date indicated in the electronic confirmation of receipt of correspondence, accordingly. The Supervisory Board may be called without maintaining the above requirements, provided all the Board Members give their consent.

5. The Supervisory Board may hold a meeting without formal calling, if all members of the Supervisory Board are present on the meeting, and no one raises objection as to the meeting or the inclusion of issues proposed in the agenda.
6. Meetings of the Supervisory Board are notified to the Company Management President. Moreover, other persons, whose participation in the meeting is deemed desired by the Board, should also be notified.

§10

1. The following persons invited by the Board may participate in meetings of the supervisory Board, without a right of vote: members of the Management, experts necessary to decide on a matter at hand, as well as the minute clerk.
2. All, or some Board Members participate in the meetings of the Supervisory Board, subject to the Supervisory Board's requirement.

§11

1. Meetings are presided by the President of the Supervisory Board, or the Vice-president, if the former is absent.
2. Materials prepared for a Supervisory Board meeting should be produced in writing and delivered by mail, courier, fax or electronic mail. All documents should be delivered to members of the Supervisory Board not later than within five days from the date of meeting, save for the case defined in para 9 item 4 subitem 4, or para 9 item 5 above.

§12

1. Members of the Supervisory Board vote over the resolutions passed in an open manner.

The voting in personal matters is secret. A secret ballot is also carried out if demanded by at least one Board member.

2. The first to vote over the given resolution is the member of the Board who took initiative in adopting the resolution. The President votes last, provided he is not an initiator of the resolution.
3. Resolutions not included in the agenda may be adopted only if none of the present, duly notified members of the Supervisory Board raises any objections.

§13

1. Sessions of the Board are minuted.
2. Minutes are kept by the person appointed as minute clerk, or by the person presiding over the meeting.
3. The minutes should include:
 - 1) Sequential number of the session,
 - 2) Date, place and mode of session,
 - 3) nominal list of members of the Supervisory Board and other persons present on the meeting, including specification of their functions,
 - 4) note regarding the correctness of holding the session,
 - 5) agenda,
 - 6) contents of the resolutions adopted, including specification of the number of resolution adopted (according to its order in the given year), number of "for", "against" and "abstain" votes cast for the individual resolutions, and contents of reservations or dissenting opinions made to the resolutions,
 - 7) other decisions and conclusions.
 - 8) full name of the minute clerk,
4. The minutes should be signed by all the persons present on the Supervisory Board session. In justified cases, the Supervisory Board may sign the minutes on the next meeting, which should be annotated.
5. Original minutes from the meeting, along with its annexes, are stored at the Company Management Office.

§14

In case of expiration of the Supervisory Board's tenure, its members transfer all the cases at hand to the new Supervisory Board.

§15

These Rules enter into force on the day of issuing Company shares for trade on a regulated market.

STATEMENT OF REASONS:

Amendments to the Rules of Procedure of the Supervisory Board regarding the independence criteria of members of the Supervisory Board and the functioning of the Supervisory Board Committees, and the Audit Committee in particular, are meant to adjust the provisions of the Rules to the requirements introduced by the Polish Act on Statutory Auditors, Audit Firms, and Public Oversight of May 11th 2017. Otherwise, the introduced amendments repeat the provisions of the Articles of Association regarding the procedure for adopting resolutions by the Supervisory Board, and in this respect the amendment of the Articles of Association entails the necessity to adjust the provisions of the Rules of Procedure of the Supervisory Board to the changes made in the Articles of Association, the purpose of which is to enable the Supervisory Board members to participate in the Supervisory Board meetings using means of distance communication and adopt resolutions under the mixed procedure.