

Agreement on the Merger Plan of Bank Gospodarki Żywnościowej S.A. and BNP Paribas Bank Polska S.A.

Current report no. 36/2014 dated 10 October 2014

With reference to current report No. 25/2014 dated 3 September 2014 regarding the intended merger of Bank Gospodarki Żywnościowej S.A. (“BGŻ”) and BNP Paribas Bank Polska S.A. (“BNPP Polska”) (the “Merger”), the Management Board of BGŻ hereby informs you that on 10 October 2014, the Management Board of BGŻ and the Management Board of BNPP Polska agreed and executed the merger plan of BGŻ and BNPP Polska which was prepared in compliance with Articles 498 and 499 of the Act of 15 September 2000 on Commercial Companies Code (consolidated text: Dz. U. of 2013, item 1030, as amended) (the “CCC”) (the “Merger Plan”).

The Merger will be effected pursuant to Article 492 §1 item 1 of the CCC by way of transferring all property (all assets and liabilities) of BNPP Polska (the Target Bank) to BGŻ (the Bidding Bank), with a concurrent share capital increase in BGŻ from the amount of PLN 56,138,764 (in words: fifty six million one hundred thirty eight thousand seven hundred sixty four zloty) to the amount of PLN 84,238,318 (in words: eighty four million two hundred thirty eight thousand three hundred eighteen zloty) by way of the issuance of 28,099,554 (in words: twenty eight million ninety nine thousand five hundred fifty four) shares in BGŻ with the nominal value of PLN 1.00 (in words: one zloty) (the “Merger Shares”), to be delivered by BGŻ to the existing shareholders of BNPP Polska.

Under the Merger Plan the following share exchange ratio was decided upon: in exchange for 6 (in words: six) shares of BNPP Polska, the shareholders of BNPP Polska will receive 5 (in words: five) Merger Shares.

The Management Board of BGŻ and the Management Board of BNPP Polska determined the share exchange ratio after having reviewed the results of the valuations of BNPP Polska and BGŻ. In determining the share exchange ratio, the Management Board of BGŻ has taken into consideration the opinion it received from PwC Polska Sp. z o.o. as to the fairness, from a financial point of view, to the shareholders of BGŻ, of the proposed share exchange ratio.

As a result of the Merger, BGŻ will assume all rights and obligations of BNPP Polska, and BNPP Polska will be wound-up without liquidation proceedings.

BNPP Polska’s property (all assets and liabilities) will be transferred to BGŻ on the day of the registration of the Merger in the register of entrepreneurs of the National Court Register maintained by the registration court competent for BGŻ’s registered office. BGŻ’s share capital increase through the issuance of the Merger Shares will be registered on the same day. The merged Bank will operate under the name Bank BGŻ BNP Paribas Spółka Akcyjna.

Pursuant to Article 506 § 2 and 4 of the CCC, in order to effect the Merger, the General Meetings of BGŻ and BNPP Polska shall pass certain resolutions, in particular those approving the Merger Plan and expressing consent for the proposed amendments to BGŻ's Articles of Association related to the Merger.

The Merger will not be consummated until all the required regulatory consents and approvals related to the Merger will be obtained, including: (i) the Polish Financial Supervision Authority's (the "KNF") permit for the Merger, pursuant to the provisions of Article 124 Sec. 1 of the Banking Law (consolidated text: Dz. U. of 2012 item 1376, as amended) (the "Banking Law"); (ii) the KNF's permit for the amendments to the Articles of Association of BGŻ, pursuant to the provisions of Article 34 Sec. 2 in conjunction with Article 31 Sec. 3 of the Banking Law; (iii) the decision on the approval by the KNF of the information Memorandum pursuant to Article 38b Sec. 1 in conjunction with Article 7 Sec. 7 Item 1) and Article 7 Sec. 14 Item 1) of the Act of 29 July 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies (consolidated text: Dz. U. of 2013, item 1382); and (iv) other consents and authorizations stipulated in Section 4.2 of the Merger Plan.

In light of the above, BGŻ hereby presents to the public, as an attachment to this report:

1. [Merger Plan with the following schedules pursuant to the provisions of Article 499 § 2 of the CCC:](#)

- Draft resolution of the General Meeting of BGŻ on the Merger, the increase of the share capital of BGŻ and the amendments to the Articles of Association of BGŻ;
- Draft resolution of the General Meeting of BNPP Polska on the Merger;
- Draft amendments to the Articles of Association of BGŻ;
- Document setting forth the value of the assets of BNPP Polska as at 30 September 2014;
- Document setting forth the value of the assets of BGŻ as at 30 September 2014.

The schedules indicated in Article 499 § 2 item 4 of the CCC have not been attached to this Merger Plan due to the application of the exception indicated in Article 499 § 4 of the CCC.

2. [Report of the Management Board of BGŻ dated 10 October 2014 prepared under Article 501 of the CCC justifying the merger of BGŻ and BNPP Polska.](#)

3. [Opinion of PwC Polska Sp. z o.o. as to the fairness, from a financial point of view, to the shareholders of BGŻ, of the proposed share exchange ratio.](#)

Please note that BGŻ and BNPP Polska intend to apply to the registry court for appointment of an auditor to prepare an opinion pursuant to Art. 503 §1 of the CCC. Upon the receipt thereof, BGŻ will publish such an opinion in the form of a current report.

The decision regarding the Merger results from the performance of the commitments undertaken by the BNP PARIBAS Group towards the PFSA.

Legal basis:

§5 Sec. 1 item 13 and §19 Sec. 2 of the Ordinance of the Minister of Finance of 19 February 2009 regarding the current and periodic information disclosed by issuers of securities and conditions for recognizing as equivalent information required by the laws of a non-member state (consolidated text: Dz. U. of 2014, item 133).