

# Current Report 5/2005



## Draft resolutions for the Annual General Meeting

Pursuant to §45, item 1, point 3 of the Council of Ministers Ordinance dated March 21, 2005 regarding the current and periodical information disclosed by issuers of securities (Journal of Acts No. 49, item 463).

The Board of Executives of Fortis Bank Polska S.A. hereby presents the draft resolutions for the Annual General Meeting to be held at Postępu 15 in Warsaw at 3 p.m. on May 24, 2005:

**DRAFT RESOLUTIONS FOR THE ANNUAL GENERAL MEETING OF FORTIS BANK POLSKA SA JOINT STOCK COMPANY to be held on May 24, 2005**

*Draft*

**RESOLUTION No. 1**

dated May 24, 2005

of the Annual General Meeting of

Fortis Bank Polska SA

**concerning election of the Chairman of the Meeting**

The Shareholders present at the General Meeting of Fortis Bank Polska SA elect:

.....

as the Chairman of the Meeting

*Draft*

**RESOLUTION No. 2**

dated May 24, 2005

of the Annual General Meeting of

Fortis Bank Polska SA

**concerning approval of the Agenda**

The Shareholders present at the General Meeting of Fortis Bank Polska SA approve the presented Agenda of the Meeting.

*AGENDA of the Annual General Meeting of Fortis Bank Polska SA convened for May 24, 2005*

1. Opening of the Meeting.
2. Election of the Chairman of the Meeting and confirmation of the Meeting legality.
3. Approval of the Agenda.
4. Election of the Secretary of the Meeting.
5. Presentation of the 2004 Financial Statements, the Board of Executives' Report regarding Fortis Bank Polska activity in 2004 and the 2004 Supervisory Board's Report.
6. Adopting resolutions regarding the following issues:
  - a. consideration and approval of the 2004 Financial Statements and the 2004 Board of Executives' Report.
  - b. approval of the 2004 Supervisory Board's Report.
  - c. approval of the discharge of Board of Executives' duties in the 2004 fiscal year.
  - d. approval of the discharge of the Supervisory Board's duties in the 2004 fiscal year.
  - e. distribution of the 2004 profit.
7. Adopting a resolution regarding amendments to the Bank Statute and authorization of the Supervisory Board to introduce a unified text of the amended Statute.
8. Adopting a resolution regarding amendments to the Supervisory Board Regulations.
9. Adopting a resolution regarding changes in the Supervisory Board's composition.
10. Adopting a resolution regarding remuneration for the Supervisory Board members.
11. Consideration of the statement on Corporate Governance Rules implementation at Fortis Bank Polska SA.
12. Miscellaneous.
13. Closing of the Meeting.

*Draft*

**RESOLUTION No. 3**

dated May 24, 2005

of the Annual General Meeting of

Fortis Bank Polska SA

**concerning election of the Secretary of the Meeting**

The Shareholders present at the Meeting of Fortis Bank Polska SA elect:

..... as the Secretary of the Meeting.

*Draft*

**RESOLUTION No. 4**

dated May 24, 2005

of the Annual General Meeting of

Fortis Bank Polska SA

**concerning approval of the Financial Statements for the 2004 fiscal year and the Board of Executives' Report for the 2004 fiscal year**

Having taken into consideration the opinion of the Supervisory Board and the opinion of certified auditors, the Shareholders present at the General Meeting of Fortis Bank Polska SA hereby approve:

- financial statements for the 2004 fiscal year, including the balance sheet, profit and loss statement, cash flow statement and additional information, and
- the Board of Executives' Report for the 2004 fiscal year.

*Draft*

**RESOLUTION No. 5**

dated May 24, 2005

of the Annual General Meeting of

Fortis Bank Polska SA

**concerning approval of the Supervisory Board's Report for the 2004 fiscal year**

The Shareholders present at the General Meeting of the Fortis Bank Polska SA, after consideration, approve the presented Supervisory Board's Report for the 2004 fiscal year.

**RESOLUTION No. 6**

dated May 24, 2005

of the Annual General Meeting of

Fortis Bank Polska SA

**concerning the approval of the discharge of duties of the Board of Executives' members in the 2004 fiscal year**

Having considered the approved Financial Statements and the Board of Executives' Report, the Shareholders present at the General Meeting of Fortis Bank Polska SA approve the discharge of duties in the 2004 fiscal year of the following Board of Executives' members:

*Ronald Richardson, President, Jan Bujak, Vice President, Bartosz Chytła, Vice President (since 1.05.2004), Jean-Luc Deguel, Vice President, Jaromir Pelczarski, Vice President, Koen Verhoeven, Vice President.*

Draft

**RESOLUTION No. 7**

dated May 24, 2005

of the Annual General Meeting of

Fortis Bank Polska SA

**concerning the approval of the discharge of duties of the Supervisory Board members in the 2004 fiscal year**

Having considered the approved Supervisory Board's Report, the Shareholders present at the General Meeting of Fortis Bank Polska SA approve the *discharge of duties in the 2004 fiscal year of the following Supervisory Board members:*

*Luc Delvaux, Chairman, Paul Dor, Deputy Chairman, Antoni Potocki, Deputy Chairman, Werner Claes, Zbigniew Dresler, Didier Giblet, Roland Saintrond.*

Draft

**RESOLUTION No. 8**

dated May 24, 2005

of the Annual General Meeting of

Fortis Bank Polska SA

**concerning distribution of the 2004 profit**

Having considered the Board of Executives' motion and the Supervisory Board's opinion, the Shareholders present at the General Meeting of Fortis Bank Polska SA resolve that the net profit of the Bank for the 2004 fiscal year amounting to **PLN 74,553,052.97** (say: seventy four million five hundred and fifty three thousand fifty two and 97/100) shall be allocated for the increase of own funds in the following way:

- PLN 24,553,052.97 (twenty four million five hundred and fifty three thousand fifty two and 97/100) for general risk fund
- PLN 50,000,000 (fifty million) for retained earnings

Draft

**RESOLUTION No. 9**

dated May 24, 2005

of the Annual General Meeting of

Fortis Bank Polska SA

**concerning amendments to the Bank's Statute and authorization for the Supervisory Board to draw up the unified text of the amended Bank's Statute**

The Shareholders present at the General Meeting of Fortis Bank Polska SA, resolve to amend the Bank's Statute, as follows:

Editorial amendments are made, consisting in the application of a uniform division of articles into paragraphs, subparagraphs and letters, and a rule that in the event of a deletion or addition of a paragraph, sub-paragraph or letter, the numbering of the subsequent units of the article is changed accordingly.

**§ 3 item 1 shall read as follows:**

"The Bank can open and operate branches, sub-branches, business centers designated to provide services to selected customer segments and representative offices ."

**§ 5 item 1 point 13) letter d) (previously numbered as § 5 item 1 letter m) 4 th dot) shall read as follows:**

" d. brokerage activity"

**§ 5 item 1 point 15 (previously numbered as § 5 item 1 letter 0) shall read as follows:**

"providing agency services related to the distribution of participation units, investment certificates or participation units of investment funds, likewise agency services related to their sale and redemption, or safekeeping of investment funds' assets ;"

**§ 5 item 2 points 2) and 4) (previously numbered as § 5 item 2 letters b) and d)) shall read as follows:**

"Within its legal capacity, the Bank may also:

- 2) acquire or purchase shares of other legal entities, stakes, rights derived from shares and stakes in other legal entities, and also, certificates and participation units in investment funds,
- 4) under conditions agreed with the debtor, change the debt into the debtor's property assets."

**In § 5 item 2 points 5), 6) and 7) are inserted and shall read as follows:**

"5) perform and act as a go-between in performing brokerage services whose performance by the Bank does not constitute a brokerage activity or does not require the consent of the Securities and Exchange Commission,

6) act as a go-between in providing financial services in favor of other banks, financial institutions or credit organizations,

7) perform tasks being the subject of the Bank's activity in favor of other banks, financial institutions or credit organizations."

**Title of Division V, hereinafter mentioned in the Statutes, shall read as** "Bodies of the Bank" (*amendment in the Polish version only*)

**§ 8 point 1 shall read as follows:**

"General Meeting"

**The statement used in § 9 point 1) shall read as follows:**

"discharge of the members of the Bank bodies of their duties" (*amendment in the Polish version only*)

**In § 9 point 2),** the second sentence is inserted and **shall read as follows:**

"A dividend date can be set as at the day of passing the resolution or within the next three months, counting from this day"

**In § 9 point 12) is deleted in the following wording:**

*"adoption of resolutions regarding issue of bonds by the Bank, including bonds convertible into the Bank's shares",*

**§ 10 shall read as follows:**

"1. Annual General Meeting shall take place within six months of the end of each fiscal year.

1. Ordinary or Extraordinary General Meeting shall be allowed to be convened by the Board of Executives on its own initiative or on demand of the Supervisory Board. Extraordinary General Meeting shall be also convened on demand of shareholders that represent at least one tenth of the sharecapital; Shareholders who demand convention of the Meeting shall also define the issues that are to be the agenda of the same.
2. In the scope not regulated by the Code of Commercial Companies and Partnerships and in the Statute, the General Meeting debates pursuant to Rules of Procedure approved by shareholders at the Meeting. The Rules of Procedure are not required to be approved at the next General Meeting, unless they need to be changed."

**In § 14 item 1 is deleted in the following wording:**

*"The Supervisory Board shall proceed in compliance with its by-laws."*

**§ 14 item 4 shall read as follows:**

"The Board of Executives of the Bank or a member of the Supervisory Board shall be allowed to demand convening of a meeting of the Supervisory Board by the Chairman , presenting the proposed meeting agenda. The Chairman of the Supervisory Board shall convene the meeting within two weeks of the receipt of the demand ."

**In § 14 item 13 is inserted and shall read as follows:**

"Detailed rules of operation of the Supervisory Board shall be set out in its by-laws adopted by the General Meeting. "

**In § 15 item 1 is deleted in the following wording:**

*"The Supervisory Board shall perform the function of supreme body of the Bank between the General Meetings."*

**§ 15 item 1 (previously numbered as item 2) shall read as follows:**

"The Supervisory Board shall proceed with constant, general supervision over all activities of the Bank, and in particular, shall mind whether the activities of the Board of Executives are consistent with the interest of the shareholders, welfare of the Bank, and whether they are in line with rules of law and the Statute."

**In § 15 item 2 is inserted and shall read as follows:**

"The duties of the Supervisory Board include:

1. notifying the Banking Supervision Commission about the Board of Executives composition and any changes thereto immediately after the formation of the Board of Executives or making any changes to its composition,
2. notifying the Banking Supervision Commission about the Board of Executives members who, according to the division of the scope of competence, supervise credit risk management and the internal audit,
3. supervision over the implementation of the internal control system and the assessment of its adequacy and effectiveness."

**§ 15 item 3 points 1) and 2) (previously numbered as item 3 letters a) and b)) shall read as follows:**

"1) assessment of the Bank's financial statements,

2) assessment of the report of the Bank Board of Executives and its proposals pertaining to allocation of profit and covering of losses, as well as presentation of annual reports with the results of the said examinations to the General Meeting"

**In § 15 item 3 points 3) and 4) are combined into point 3) and shall read as follows:**

"3) approval of the draft annual budget and long-term programs of the Bank development"

**§ 15 item 3 points 9) and 10) (previously numbered as item 3 letters j) and k)) shall read as follows:**

"9) approval of general rules of making credit decisions, including regulations of the credit committees which are the authorized bodies to reach decisions related to loans and credits under the regulations.

10) adoption of resolutions regarding purchase or sale of real estate or a stake in such real estate and also regarding the purchase or sale of the right of perpetual usufruct."

**In § 15 item 3 points 11) and 12) are inserted and shall read as follows:**

"11) adoption of resolutions on issuing bonds.

12) drawing up the unified text of the Bank's amended Statute and editorial changes according to the resolution of the General Meeting. "

**§ 16 starting with the item 3 to the end shall read as follows:**

3. The Board of Executives shall manage the Bank's operations and shall represent the Bank in external contacts. The scope of the Board's activity includes all issues not reserved for the competence of other Bank bodies.
4. The Bank's Board of Executives may delegate specific issues under its own responsibility to individual Executives and employees of the Bank
5. Resolutions of the Board of Executives shall be adopted by a simple majority of votes. In case of equal number of votes "for" and "against", the President of the Board shall have the casting vote.
6. Resolutions of the Board shall be validly adopted if more than half of the Executives participate in the meeting.
7. The Board of Executives' resolution may adopt resolutions by voting in writing or using direct telecommunication. Resolution adopted in this mode shall be valid provided that all members of the Board have been notified about the contents of the draft resolution.
8. The Board of Executives shall manage the Bank's assets economically and fulfill its duties effectively and in accordance with law, the Statute and the Board of Executives regulations.
9. The Board of Executives shall be obligated to maintain confidentiality of any information regarded as a bank secret or trade secret of the Bank. The said obligation shall be binding also after the Board of Executives' members have terminated their functions.
10. The Board of Executives shall be responsible for development , implementation and operation of a system of internal controls adjusted to the size and profile of risk related to the Bank's activity.
11. Detailed operational procedures of the Board of Executives shall be defined in the Board of Executives' Regulations approved by the Supervisory Board."

**Following § 16 the new §16a is inserted and shall read as follows:**

## § 16a

1. Board of Executives members are responsible for the areas of the Bank's activity entrusted to them by the Board of Executives and Supervisory Board.
2. The basic responsibilities (competencies) of the President of the Board of Executives include managing the work of the Board of Executives and managing the assigned areas of the Bank's activity, that is, Internal Audit, monitoring compliance with internal regulations and external laws (Compliance) and acting as Chairman of the Asset and Liabilities Committee.
3. Board of Executives' member appointed upon the consent of the Banking Supervision Commission, is responsible in principle for managing the Bank's activity areas related to conducting pecuniary settlements, performance of the Bank's security policy and programs, and assuring the Bank's business

continuity, in particular the continuity of statutory activity through the coordination of emergency operational procedures.

4. The Supervisory Board and Board of Executives assign the management of the remaining spheres of the Bank's business to specific members of the Board of Executives."

**Title of Division VI shall read as follows** "Rules of Representation"

**§ 17 item 1 since the beginning to the colon shall read as follows:**

" The following persons shall be authorized to make declarations of will regarding property rights and duties :

**Following § 17 three subsequent paragraphs §17a, §17b, §17c, including the Divisions VII and VIII are inserted and shall read as follows:**

VII. Organizational structure

"§17a

1. The basic organizational structure of the Bank is made up of:
  - Head Office
  - operating units for servicing Bank customers
2. The task of the Head Office is to ensure a proper functioning of the Bank in all areas of its business.
3. The following units operate within the Head Office established by the Board of Executives
  - Departments (offices) - organizational units (administrative), separated organizationally and functionally, founded to perform determined continuous functions, managed by department (office) director,
  - Groups - permanent and ad hoc ones - units separated organizationally and functionally founded to perform tasks within a narrower scope than the scope of tasks to be performed by a department, functioning within a department (office) or independent ones, managed by a group manager,
  - committees permanent or temporary - units separated organizationally and functionally of advisory, consultative or decision-making character, whose scope of competence and activity is determined in committee regulations
4. Operating units, designated to service customers include:
  - Branches and sub-branches,
  - business centers designed to service selected customer segments.
5. The Board of Executives may group organizational units and create business lines, that is, functionally separated organizational structures, designated for a comprehensive service of specific customer segments or performance of specific banking services. A business line is managed by a business line director.
6. A detailed organizational structure, including the organizational diagram and the scope of activity of the Bank's organizational units, is determined by the Organizational Regulations of the Bank.

VIII. Rules of making decisions and the manner of internal regulations issuance

## §17b

1. Resolutions of the Bank bodies are adopted on issues within their respective scopes of competence in accordance with the commonly binding law, the Statute and internal regulations of the Bank.
2. Internal regulations and other decisions regarding the Bank's operating activity including decisions on incurring liabilities or disposing of the assets whose total value in respect of one entity exceeds 5% of equity funds, shall be adopted in the form of resolutions of the Board of Executives, subject to paragraph 6. . In ceases determined in the Statute, internal regulations or decisions require the approval by the General Meeting or Supervisory Board.
3. Managers of particular areas of the Bank's activity or the Bank's organizational units shall make decisions on issues that fall within their scope of competence and do not require resolutions of the Bank's bodies.
4. The rules of making decisions by the Bank's committees are determined in respective internal regulations.
5. Decisions on incurring liabilities or disposing of the assets whose total value in respect of one entity exceeds 5% of equity funds, may be made by the Bank's committees or specific persons acting per resolution of the Board of Executives, which determine the scope of authorization and manner of decision making.. .

## §17c

1. Board of the Executives members issue orders and circular letters:
2. The orders pertain primarily to the implementation, amendment or cancellation of the following:
  1. operating instructions, which determine the rules of conduct in specific areas of the Bank's business,
  2. tables of commissions and fees for banking activities and other services,
  3. decisions of the Bank's committees on specific issues.
3. Circular letters pertain primarily to an interpretation of the binding provisions and rules of their application. "

**Title of Division IX shall read as follows**

"Equity and rules of financial management"

**§ 18 shall read as follows:**

1. The Bank keeps its accounting books in a manner that allows making financial statements in compliance with the binding reporting and financial accounting rules.
2. The fiscal year is the calendar year."

**§ 22 shall read as follows:**

1. A system of internal controls operates in the Bank. The purpose of the system is to support decision processes to contribute to ensuring the following:
  1. effectiveness and efficiency of the Bank's business,

2. reliability of financial reporting,
  3. compliance of the Bank's business with law provisions and internal regulations.
2. The Supervisory Board, Board of Executives, managerial staff and all the remaining employees of the Bank participate in the internal controls process, which covers operation of all organizational units of the Bank.
  3. The quality of internal controls is checked by the Audit Department, whose tasks include monitoring, examination and assessment, in an independent and objective manner, of the adequacy and effectiveness of the system of internal controls, and providing opinions concerning the management of the Bank, including the effectiveness of the management of risk related to the Bank's activity.
  4. The status of the Audit Department guarantees an autonomy and impartiality of its activity, and authority necessary for performing its objective.
  5. The Supervisory Board may create an Internal Audit Committee composed of the Supervisory Board's members to supervise the Audit Department activity.
  6. The Audit Department Director manages works of the Audit Department.
  7. The Audit Department periodically notifies the Supervisory Board on the inadequacies found together with conclusions resulting from the internal audits conducted and actions undertaken to remove these inadequacies or fulfill recommendations.
  8. Detailed rules and procedures of the audit conducted by the Internal Audit Department are established in the internal regulations approved by the Bank's Board of Executives."

The General Meeting of Fortis Bank Polska SA authorizes the Supervisory Board to draw up the unified text of the Bank's Statute .

*Draft*

### **RESOLUTION No. 10**

dated May 24, 2005

of the Annual General Meeting of

Fortis Bank Polska SA

#### **concerning amendments to the Regulations of the Supervisory Board:**

The Shareholders present at the General Meeting introduce the following amendments to the Regulations of the Supervisory Board, adopted by Resolution No. 8/2001 of the General Meeting of June 21, 2001:

*In English version "the Board of Directors" is replaced with "the Supervisory Board" in the whole text of the document:*

#### **§ 1 shall read as follows:**

"These regulations set forth the scope of activity, work organization as well as rights and obligations of the Supervisory Board of Fortis Bank Polska SA (hereinafter called "the Bank") not regulated in the provisions of the Company Code and the Bank's Statute."

**Former wording of § 3 is numbered as §3 item 1**

**In § 3 items 2-5 are inserted and shall read as follows:**

"2. The Supervisory Board shall include at least two independent members according to independence criteria defined in the Profile of an Independent Supervisory Director included under items 4-5.

3. Each member of the Board should have an appropriate level of education, likewise knowledge and professional experience corresponding to the profile and scope of the Bank 's business. He or she should have experience in positions with high degree of responsibility and have proven ability to exercise mature business judgment. His behavior ethics should not be questionable.

4. Additionally, Independent Supervisory Director should meet at least the following criteria:

- a. Not to be an Executive of the Bank or of associated company and not having been in such position for the previous five (5) years.
- b. Not to be an employee of the Bank or of associated company and not having been an employee of the Bank or of associated company for the previous three (3) years.
- c. Not to receive, or have received any significant additional remuneration from the Bank or of associated company apart from a fee received as supervisory director.
- d. Not to be or to represent in any way one or several shareholders controlling over 1% of the Bank's shares.
- e. Not to be or to have been within the last three years (3), partner or employee of the external auditor which has audited the Bank's financial statements in that period.
- f. Not to be executive or managing director in another competitive company, and not have other significant links with Executives or Supervisory Directors of the Bank through involvement in other companies or their bodies.
- g. Not to be a close family member of an executive or managing director, or of persons in the situations referred to in points (a) to (f). Close family members means Board member's spouse, own or an adopted child of under 18 yrs old, or relative by blood or marriage up to the second degree or other person remaining in the same household.

**5. The independent Supervisory Board member undertakes:**

- a. To be guided exclusively by the overall goal of the FBP Supervisory Board, which is to perpetuate a successful financial services business of the Bank,
- b. To maintain in all circumstances his independence of judgment, decision and action,
- c. To clearly express his concern, and have recorded in the minutes his opposition to a proposal submitted to the Board in the event that he finds that a decision of the supervisory board may harm the interests of Fortis."

**In § 4 item 2 is deleted in the following wording:**

*"2. The responsibilities of the Board of Directors cover in particular: auditing the profit and loss statements and the Board of Executives' reports as well as submitting the Annual Report on the outcome of the aforesaid audit to the Fortis Bank Polska SA General Shareholders Meeting."*

**In § 4 former item 3 is numbered as item 2.**

*Draft*

**RESOLUTION No. 11**

dated May 24, 2005

of the Annual General Meeting of

Fortis Bank Polska SA

**concerning changes in the Supervisory Board's composition**

The Shareholders present at the General Meeting of Fortis Bank Polska SA appoint the following persons as members of the Supervisory Board:

1. ....
2. ....
3. ....

The Supervisory Board in the following composition

...

is appointed for the next five-year tenure, which shall expire on the date of the Annual General Meeting approving financial statements for the 2009 fiscal year.

*Draft*

**RESOLUTION No. 12**

dated May 24, 2005

of the Annual General Meeting of

Fortis Bank Polska SA

**concerning remuneration for the Supervisory Board's members:**

The Shareholders present at the General Meeting of the Fortis Bank Polska SA - approve the following monthly remuneration for the Supervisory Board's members:

- Chairman: PLN ...
- Deputy Chairman PLN ...
- Member: PLN ...

The aforesaid remuneration shall take effect on .....

*Draft*

**RESOLUTION No. 13**

dated May 24, 2005

of the Annual General Meeting of

Fortis Bank Polska SA

**concerning the statement on Corporate Governance Rules implementation at Fortis Bank Polska S.A.**

The Shareholders present at the General Meeting of the Fortis Bank Polska SA, considering the importance of the corporate governance standards adopted by the Resolution of the Supervisory Board and the Management Board of the Warsaw Stock Exchange dated December 15, 2004, support the implementation at Fortis Bank Polska SA of the "Best Practices in Public Companies in 2005" in the extent recommended by the Board of Executives and the Supervisory Board as presented in the Board of Executives statement on the compliance to corporate governance rules by Fortis Bank Polska SA.