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Consolidated Text of

THE STATUTE OF THE
NATIONAL DEPOSITORY FOR SECURITIES, A JOINT STOCK COMPANY (KDPW S.A.)

STATUTE
OF THE NATIONAL DEPOSITORY
FOR SECURITIES,
A JOINT STOCK COMPANY (KDPW S.A.)

§ 1

1. The name of the Company is: “The National Depository for Securities” (In Polish: “Krajowy Depozyt Papierów Wartościowych S.A.”). The Company may also be known as “the NDS” (In Polish: “KDPW S.A.”).
2. The Company is based in the city of Warsaw.

3. *Repealed*

§ 2

1. The Company shall operate specifically on the basis of the [Polish] Code of Commercial Companies, the [Polish] Law on the Trading in Financial Instruments, as well as the provisions contained within this Statute.
2. The Company shall be a non-profit oriented institution.

§ 3

1. The business activities of the Company shall include:

1) The management of a securities depository, and specifically:

- a) The registration of dematerialised securities,
- b) The reconciliation of the size of a securities issue with the number of securities registered in the securities depository and in trading,
- c) The management of corporate actions for those entitled to rights from securities registered in the securities depository,
- d) The performance of activities related to the withdrawal of securities from the securities depository,

2) The registration of financial instruments other than securities which have been admitted to regulated stock exchange or over-the-counter trading, or introduced in an alternative trading system,

- 3) The clearing and settlement of transactions in dematerialised securities or other financial instruments,
 - 4) The operating of a system for ensuring transaction clearing and settlement liquidity,
 - 5) The operating of a registration and trading system for securities other than those referred to in subpara. 1, item a) above, and for financial instruments other than securities, other than those referred to in subpara. 2 above,
 - 6) The performance of other duties relating to the trading of securities and other financial instruments,
 - 7) The distribution of information and education relating to the capital markets,
 - 8) The management of the basic resource part of the Guarantee Fund referred to in the [Polish] Act on the Organisation and Operation of Pension Funds,
 - 9) The settlement of transfer payments between open-ended pension funds,
 - 10) The performance of the function of a stock exchange clearing house for transactions concluded on commodities exchanges,
 - 11) The operating of the mandatory Investor Compensation Scheme referred to in the provisions of the Law on the Trading in Financial Instruments.
2. The Company may establish, and affiliate with, companies, subject to the provision that this shall assist in the further performance of the responsibilities referred to in subpara. 1; in such cases, the Company may provide accounting services for affiliate companies .

§ 4

1. The initial capital of the Company shall amount to 21 million zlotys (twenty one million zlotys) and is divided into 21,000 shares, each with a nominal value of 1000 zlotys (one thousand zlotys).
2. Company shares given in exchange for cash payments shall be paid for in full prior to the registration of the Company.
3. Company shares are exclusively registered shares and shall not entitle the owner to any dividend.
4. Company shares shall not convey any additional privileges in any manner whatsoever.

§ 5

1. Company shares may be purchased exclusively by:
 - 1) Companies operating a stock exchange,
 - 2) Companies operating an over-the-counter market,

3) Investment firms,

4) Banks,

5) The State Treasury,

6) The National Bank of Poland, as well as

7) Incorporated entities or other organisational units conducting activities related to the registration of securities, as well as the clearing or settlement of transactions in securities or operating a regulated market, having their registered offices in the territory of: an EU Member State other than the Republic of Poland; a European Economic Area Member State; or an OECD member country, if subject to the Supervision of the relevant regulatory body in any such country.

2. A change of ownership of Company shares shall require the written consent of the Supervisory Board, which shall consider the request at its nearest session. Consent may be withheld on the grounds of conflict with important Company interests.

3. Notifications of the intention to change the ownership of the Company shall be made in written form, indicating the entity that will assume the ownership of the shares, the number of shares that will be subject to the change of ownership and the price agreed by the shareholder with the entity.

4. In instances where consent is withheld, the Supervisory Board shall, within 2 months of the date of the notification to the Company of the transfer of share ownership, designate another purchaser.

5. In the event that another purchaser is designated, the sale of the Company's shares shall take place at a price not lower than the price agreed by the shareholder notifying their intention to sell their shareholding in the Company and the entity indicated in the application. The purchase price shall be paid within three months of the date of the Resolution of the Supervisory Board of the National Depository for Securities on indicating a new purchaser, not earlier however than on the day that the sale of the Company's shares by the shareholder may take place in accordance with the provisions of Law.

6. In instances where another purchaser is not designated, the shares may be acquired without any restrictions, subject to the provisions of subpara. 1 and subject to restrictions arising from the provisions of the Law on the Trading in Financial Instruments.

§ 6

The governing bodies of the Company shall be:

1. The Shareholders' General Meeting,

2. The Supervisory Board of the National Depository for Securities, known as the "Supervisory Board",

3. The Management Board of the National Depository for Securities, known as the "Management Board",

§ 7

1. Shareholders' General Meetings may be ordinary or extraordinary.
2. Ordinary Shareholders' General Meetings called by the Management Board shall take place not later than the 30th of June of every year.
3. Extraordinary Shareholders' General Meetings shall be called by the Management Board as required and at its own initiative, in accordance with a written request from the Supervisory Board or from shareholders representing at least 10% of the initial capital, within two weeks of the submission of the request.
4. The Management Board shall be required to notify each shareholder in writing of the time and the location of the Shareholders' General Meeting not later than two weeks before the date of the meeting. The notification shall include a list of issues for discussion.

§ 8

The Shareholders' General Meeting may be called by the Supervisory Board, in instances where it has not been called by the Management Board within the time limits defined in § 7.

§ 9

All matters to be discussed by the Management Board at the Shareholders' General Meeting shall first be presented for review to the Supervisory Board.

§ 10

1. The Shareholders' General Meeting shall be considered legitimate if at least half of the total number of shares is represented.
2. Resolutions passed by the Shareholders' General Meeting shall be carried with an absolute majority of votes, with the exception of resolutions relating to changes to the Statute, for which a majority of 3/4 of the votes cast is required, as well as resolutions relating to other matters for which the Company Code requires a qualified majority.

§ 11

Voting shall take the form of an open ballot. A secret ballot shall take place in the case of elections, as well as for motions to dismiss members of the governing bodies of the Company or the liquidators of the Company, or to make them accountable for their performance, including in matters of a personal nature. Moreover, a secret ballot shall take place if so requested by at least one of the shareholders present or represented at the Shareholders' General Meeting.

§ 12

1. The Shareholders' General Meeting shall be opened by the chairman of the Supervisory Board or a person indicated by the chairman, after which a chairman of the Shareholders' General Meeting is appointed from among those persons authorised to take part in the Shareholders' General Meeting.

2. In instances where the Shareholders' General Meeting cannot be opened in the manner referred to in subpara. 1, it shall be opened by one of the members of the Supervisory Board, and in the event that none are present, by the President of the Management Board, or a person designated by the Management Board.

§ 13

The Shareholders' General Meeting may pass a resolution on the rules of procedure.

§ 14

The following matters require resolutions passed by the Shareholders' General Meeting:

- 1) A review and approval of the report of the Management Board on the running of the Company, as well as of the financial reports for the previous fiscal year and endorsement of the Governors of the Company in the exercise of their duties,
- 2) All decisions relating to compensation for restitution of losses incurred in the course of the Company's establishment deriving from activities of the Management Board or the Supervisory Board in the course of their duties,
- 3) A review and approval of the report of the Supervisory Board on the activities of the previous fiscal year,
- 4) Other matters for which the Company Code requires the Shareholders' General Meeting to pass a resolution.

§ 15

1. The Supervisory Board shall comprise six to nine members appointed and dismissed by the Shareholders' General Meeting.
2. The Supervisory Board shall be appointed for a 3-year term. In the event that any changes are made to the composition of the Supervisory Board in the course of its term, the mandate of a Supervisory Board member appointed in the course of the term shall expire at the same time as the expiry of the mandates of the remaining members of the Supervisory Board.

§ 16

1. The mandates of the members of the Supervisory Board shall expire:
 - a) on the day of the Shareholders' General Meeting which approves the financial reports for the last complete fiscal year,
 - b) where a member of the Supervisory Board is dismissed by the Shareholders' General Meeting, on the day of the dismissal,
 - c) where a member of the Supervisory Board resigns from his duties, from the moment of the resignation.

§ 17

1. The Supervisory Board shall elect a chairman and vice-chairman, and may elect a Secretary of the Board from among its members in a secret ballot.
2. The chairman shall convene the sessions of the Supervisory Board and shall chair them. The chairman of the previously elected Supervisory Board shall convene the first session of a newly elected Supervisory Board.
3. The Supervisory Board may at any time dismiss the chairman, vice-chairman, and Secretary of the Board by secret ballot.
4. The Secretary of the Supervisory Board shall organise the activities of the Supervisory Board, in particular by managing the organisational and technical requirements of the meetings of the Supervisory Board and by overseeing the management of documentation relating to the activities of the Supervisory Board.

§ 18

1. The Supervisory Board shall convene sessions at least once every quarter.
2. The chairman or deputy-chairman of the Supervisory Board shall be obliged to convene a session of the Supervisory Board at the written request of the Management Board or a member of the Supervisory Board. The session shall take place within two weeks of the day of the submission of such a request.

§ 19

1. For resolutions of the Supervisory Board to be legitimate, written notification of a session to all members of the Supervisory Board is required at least 5 days prior to the event and at least half of the members of the Supervisory Board need to be present at the session.
2. The Supervisory Board shall pass resolutions on the basis of an absolute majority of votes of the members of the Supervisory Board present at the session.
3. In exceptional circumstances, the Supervisory Board may pass resolutions presented as a circular. Resolutions passed on the basis of this procedure shall be valid once their draft version has been passed by at least 2/3 of the members of the Supervisory Board.
4. The Supervisory Board shall pass a resolution on the detailed rules defining its organisation and working procedures.

§ 20

1. The Supervisory Board shall continuously monitor the activities of the Company.
2. In addition to other provisions contained within this Statute, the responsibilities of the Supervisory Board shall be:
 - a) To review financial statements,
 - b) To review reports of the Management Board, as well as its recommendations on the division of profits or covering of losses,

- c) To submit a written report at the Shareholders' General Meeting of the work carried out by the Supervisory Board, and to present the results of the activities, referred to in points a) and b) above,
- d) The suspension from duties on significant grounds of a member of the Management Board, or of all members of the Management Board,
- e) To delegate a member or members of the Supervisory Board, for a period not longer than three months, to temporarily carry out the duties of members of the Management Board in instances where these have been dismissed, have resigned, or for any other reason are unable to carry out their duties.
- f) To approve the Rules of the National Depository for Securities,
- g) To approve the Rules of the Settlement Guarantee Fund,
- g:) To approve the rules of operation of the Investor Compensation Scheme,
- h) To set the salary levels of the members of the Management Board, with the exception of the salary of the President of the Management Board,
- i) To act on behalf of the Company in agreements and disputes arising between the Company and members of the Management Board,
- j) To give its consent for the purchase or sale of stocks or shares in companies governed by the Company Code, if the value of their purchase or sale price exceeds 1/20 of the overall initial capital of the Company,
- k) To appoint a certified auditor,
- l) To give its consent to the sale or purchase of proprietary interests other than that described in Item n), or to the creation of any financial obligation if the value of a given sale, purchase or obligation exceeds 15% of the balance sum of the National Depository, according to the balance-sheets for the previous fiscal year, subject to the provisions of Item n),
- l) To approve annual Company business plans, or Company business plans over several years presented by the Management Board,
- m) To approve annual Company financial plans, or Company financial plans over several years, presented by the Management Board,
- n) To purchase and sell property, tenure in perpetuity or shares in property,
- o) To grant approval for the establishment of companies.

§ 21

1. The members of the Supervisory Board shall carry out their privileges and obligations in person.
2. The members of the Supervisory Board shall receive a monthly salary, the amount of which shall be defined by the Shareholders' General Meeting.
3. The Shareholders' General Meeting may award bonus payments from Company profits to members of the Supervisory Board.

§ 22

1. The Management Board shall comprise three to five members.
2. The Shareholders' General Meeting shall appoint and dismiss the President of the Management Board and shall determine the President's salary level.

3. The remaining members of the Management Board, including one or several Management Board Vice-Presidents, shall be appointed by the Supervisory Board at the request of the President of the Management Board.

4. Members of the Management Board may be dismissed by the Supervisory Board, subject to the provisions of subpara. 2.

5. The Management Board shall be appointed for a 3-year term. In the event that any changes are made to the composition of the Management Board in the course of its term, the mandate of a Management Board member appointed in the course of the term shall expire at the same time as the expiry of the mandates of the remaining members of the Management Board.

§ 23

1. The Management Board shall oversee the affairs of the Company, manage its assets and represent the Company externally.

2. The responsibilities of the Management Board shall include all activities that are not the exclusive authority of the Shareholders' General Meeting or the Supervisory Board. In particular, the Management Board shall prepare a draft of the Rules of the National Depository for Securities, the Rules of the Supervisory Board, the Rules of the Court of Arbitration, as well as prepare drafts and adopt regulations governing the detailed operations of the National Depository for Securities.

3. The President shall oversee the work of the Management Board.

4. The Management Board shall convene at least once a month. Resolutions shall be adopted by a simple majority vote. In instances where votes are equal on both sides, the President of the Management Board shall have the casting vote.

§ 24

1. Two members of the Management Board acting together, or one member of the Management Board together with a proxy shall be authorised to submit declarations of intent on behalf of the Company.

2. The right to commercial representation may only be joint.

§ 25

Members of the Management Board may only carry out duties in the governing bodies of other business enterprises with the express permission of the Supervisory Board.

§ 26

1. Shareholders who are no longer able to perform the functions of a National Depository shareholder, or who have had their National Depository participation status revoked may have their shares annulled without their consent.

2. The annulment of the shares for the reasons described in subpara. 1 requires the initial capital of the company to be lowered. This shall take place following a resolution of the shareholder's general meeting.

3. *[Repealed]*

§ 27

The Company shall consist of the following capital and assets:

- a) Initial capital,
- b) Additional capital,
- c) Reserve capital,
- d) Company social contribution fund,
- e) Employee fund,
- f) Capital from the regular valuation of fixed assets.

§ 28

1. Additional capital is formed by deducting amounts from Company profits that are not less than 10% of the profit sum.
2. Amounts may cease to be deducted for additional capital when the level of that capital shall equal one third of the initial capital.
3. Initial capital may be increased in order to transfer funds from the additional or reserve capital, and to raise the nominal value of the shares.

§ 29

[Repealed]

§ 30

The Company social contribution fund shall consist of deductions made according to the appropriate regulations, as well as deductions from Company profits.

§ 31

1. The employee fund shall be used for bonus payments for Company employees, as well as for supplementing the Company social payments fund.
2. The Management Board shall determine the conditions for the payment of bonuses from Company profits. The Supervisory Board shall determine the conditions for the payment of bonuses from Company profits for members of the Management Board.

§ 32

1. The National Depository for Securities shall maintain a Settlement Guarantee Fund consisting of contributions made by depository participants.
2. The assets of the Settlement Guarantee Fund shall be used to secure the proper settlement of transactions concluded on the regulated market, according to the conditions defined in the Rules of the Settlement Guarantee Fund.

§ 32a

The National Depository for Securities shall maintain the base part of the Pension Guarantee Fund referred to in the [Polish] Act on the Organisation and Operation of Pension Funds; the Fund shall consist of contributions made by public pension societies.

§ 33

1. The Company shall keep accounts and prepare financial reports, according to the relevant regulations in force.
2. The Company's fiscal year shall be a calendar year. The Company's first fiscal period shall be the period from the commencement of activities, up to December 31, 1995.

§ 34

1. Civil disputes between the Company and Depository participants relating to proprietary interests, as well as disputes between Depository participants relating to matters concerning the activities of the Company shall be resolved exclusively by the Court of Arbitration at the National Depository for Securities.
2. The Court of Arbitration shall comprise 10 adjudicators, including the President and Vice-President of the Court.
3. The adjudicators of the Court of Arbitration shall be elected by the Shareholders' General Meeting for a 3-year term. The term of office of an adjudicator of the Court of Arbitration shall end at the convening of an ordinary Shareholders' General Meeting.
4. The President and Vice-President of the Court of Arbitration shall be appointed and dismissed by the Shareholders' General Meeting from among the members of the Court of Arbitration.
5. The Court of Arbitration shall adjudicate in a group of 1 or 3 members.
6. The decisions of the Court of Arbitration shall be final; there is no right of appeal.
7. The authority and the structure of the Court of Arbitration of the National Depository for Securities are defined by the Rules of the Court of Arbitration. The Rules of the Court of Arbitration shall be adopted by the Supervisory Board.
8. The provisions of the law of civil procedure shall apply as appropriate for all actions before the Court of Arbitration.
9. The Management Board shall represent the Company in matters referred to in subpara.1.
10. The provisions of this paragraph shall not apply to disputes arising as a result of disciplinary measures imposed by the Company on a Depository participant in instances where the participant has not carried out his responsibilities. The correct procedures in such disputes shall be defined by the provisions of the internal rules and regulations of the Company.