



**REGULATIONS OF THE MANAGEMENT BOARD
OF ERBUD S.A. (JOINT-STOCK COMPANY)
HEADQUARTERED IN WARSAW**

Consolidated text

**Chapter 1
General provisions**

Section 1

1. These Regulations define the rules and mode of operation of the Management Board of the ERBUD Joint-Stock Company and the division of responsibilities of its members.
2. Whenever the provisions of these Regulations make reference to:
 - 1) Audit Committee – it should be understood as the Audit Committee of the Supervisory Board of the Company;
 - 2) CCC – it should be understood as the Law of 15 September 2000 “Code of Commercial Companies” (Journal of Laws of 2000 No. 94, item. 1037, as amended);
 - 3) the Company – it should be understood as the ERBUD Joint-Stock Company headquartered in Warsaw;
 - 4) the Articles of Association – it should be understood as the Statutes of the Company;
 - 5) the Supervisory Board – it should be understood as the Supervisory Board of the Company;
 - 6) the General Meeting – it should be understood as the General Meeting of the Company;
 - 7) the Management Board – it should be understood as the Management Board of the Company.

Section 2

1. The Management Board is a collegial body consisting of 2 to 5 members, who manage the Company’s activity and represents the Company outside. The Supervisory Board may decide to entrust individual members of the Management Board with the function of the President or the Vice-President.
2. The Management shall be acting in line with the valid provisions of law, in particular, the Code of Commercial Companies, Articles of Association and resolutions of the Supervisory Board and the General Meeting.

Chapter 2
Duties, responsibilities and authorities of the Management Board

Section 3

1. Each member of the Management Board shall have the right and be obliged to share and manage the affairs of the Company and to participate in meetings and works of the Management Board.
2. A member of the Management Board shall be obliged to lead cases delegated to him or her under Section 4 of these Regulations.
3. A member of the Management Board may submit any matter he or she was charged with under Section 4 of these Regulations for a resolution by the Management Board. The member of the Management Board may require that the matter passed on to another member of the Management Board under Section 4 of these Regulations shall to be resolved by the Management Board.
4. In the event of any changes in the composition of the Management Board, the withdrawing member of the Management Board shall be obliged to transfer, according to protocol, a report containing the status of all affairs conducted by him or her together with the submission of the documents, materials concerning the Company held by him or her, which have been compiled, developed, received when performing his or her duties in the Management Board or in connection with such performance.
5. The affairs and documents referred to in item 4 shall be taken over by other members of the Management Board.

Section 4

1. The competences of the Management Board shall include all matters relating to the management of the Company that according to the CCC or Articles of Association of Articles of the Company are not authorities of the Supervisory Board and the General Meeting. The Management Board may delegate to the individual members of the Management Board or employees of the Company dealing with particular tasks, subject to the matters that:
 - 1) have been reserved to the exclusive competence of the Management Board by the law or provisions of the Articles of Association;
 - 2) have been entrusted to the Management Board by the General Meeting or the Supervisory Board.
2. Charging the individual members of the Management Board or employees of the Company with conducting specific affairs shall be done, among others, through:
 - 1) a resolution of the Management Board determining competence of individual members the Management Board,
 - 2) defining the range of duties of a person employed by the Company,
 - 3) granting power of attorney and proxy by the Management Board.
3. The Management Board may delegate to the individual members of the Management Board dealing with or control matters being under responsibility of the Management Board in an exactly specific area. The member of the Management Board responsible for the tasks entrusted shall report to the Management Board on performance of those tasks.

4. The internal division of tasks of the Management Board members is set out in the appendix to these Regulations. A scheme of division of tasks is placed by the Company on its website
5. Within the division of tasks, the members of the Management Board, among others, manage units subordinated to them and supervise the performance of matters by subordinate units of the Company.

Section 5

Decisions on matters exceeding operations under an ordinary management of the Company, in particular, on matters requiring decisions of other bodies of the Company shall require a resolution of the Management Board; such ones are:

- 1) identifying strategies and main targets of the Company's activity;
- 2) adopting projects of strategic multi-years plans for company, projects of annual physical and financial plans, and projects of investment plans;
- 3) setting up of a corporate chart of accounts;
- 4) convening the General Meeting;
- 5) adopting the Regulations of the Management Board;
- 6) adopting the Rule of Work;
- 7) adopting the Remuneration Policy;
- 8) arrangements for creating and managing the company's fund of social benefits;
- 9) acquisition, disposal and encumbrance of a real estate, perpetual right to usufruct of a real estate or share in it;
- 10) establishment of deposits and liens, and transfer of ownership on movabilities of all kinds;
- 11) shift of production, foundation and dissolution of units and subsidiaries, acquisition of new businesses, sale or lease of the whole or part of the company, acquiring shares in other companies, acquisition, sale or loan shares and change in the percentage of shares and participation in the increase of capital and the voting in capital companies;
- 12) giving opinions on appointment and dismissal of members of management boards and supervisory boards in subsidiaries;
- 13) employment of staff with annual salaries exceeding the equivalent of the amount of Euro 100,000 Euro, unless the staff employment is provided for in the investment plan that has been already approved by the Supervisory Board;
- 14) granting powers for commercial representation;
- 15) making entries in the of Company's stock-book;
- 16) other cases, of which consideration by the Management Board shall be requested by a member of the Management Board.

“Activities related to the ordinary management of the Company” are activities aimed at keeping the business moving forward, ensuring its normal operation, maintaining the market share and ability to introduce the Company's services to the market.

Section 6

1. The Management Board of the Company shall make every effort to make accessible to the media consistent and reliable information about the Company, in particular on the present activities and economic situation of the Company.
2. The information referred to in item 1 above shall be provided in accordance with the law and taking into account the interests of the Company.

Section 7

1. A member of the Board should be fully loyal to the company and shirk actions that could lead only to his own material benefit.
2. In case of obtaining information about the possibility of making investment or other profitably transaction within the framework of the company's activity range, a member of the Management Board should present this information to the Management Board immediately in order to consider the possibility of its use by the Company. The use of such information by the member of the Management Board or transferring it to a third party is possible only upon the consent of the Management Board and only if it does not violate the interests of the Company.

Section 8

A member of the Management Board should consider the shares of the Company and also shares of parent companies and subsidiaries held by him or her as a long-term investment.

Chapter 3

Meetings of the Management Board

Section 9

Convening of meetings

1. The Management Board meetings shall be held when necessary, but not less than once a month.
2. The Management Board meeting should be convened at the request of a member of the Management Board within the period not exceeding three working days from the date of making the request. The request mentioned above should contain the proposal of an agenda.
3. The person convening a meeting of the Management Board shall specify the date, time, place of the meeting and the proposal of an agenda. In case the meeting of the Management Board is convened upon the procedure described in item 2 above, the agenda should include proposals of a member of the Management Board, on whose proposal the meeting will be convening.
4. The notice convening the Meeting addressed to members of the Management Board shall be served to the address, phone number, e-mail address or other last contact data provided to the company by individual members of the Management Board. The notice should be served: (i) personally to a member of the Management Board, (ii) by registered mail or courier service, (iii) by fax or e-mail.

5. The requirements described in item 4 above shall not be applied when the date of the Meeting was set up in the minutes from the previous Meeting of the Management Board, also when all the members of the Management Board are present and none of them objected holding the meeting.
6. In particular cases, when a delay in convening the meeting of the Management Board could compromise material interests of the Company or when it could lead to a significant damage, a member of the Management Board calls the members of the Management Board present in the headquarter in for the Meeting informing the absent members of the Management Board of this fact by the phone or by one of the other means of communication specified in item 4. In such a case the time limit described in item 7 does not apply.
7. The members of the Management Board shall be notified of the Meeting and the agenda not later than three days before the meeting of the Management Board, unless the nature of the case will show that it must be dealt with immediately and the convening was carried out according to the item 6 above.

Section 10

Meetings of the Management Board may be attended by other persons invited by the Management Board.

Section 11

The method of adoption of resolutions

1. Resolutions of the Management Board may be adopted, if all members of the Management Board were properly notified of the meeting.
2. Management Board Resolutions shall pass by an absolute majority of votes.
3. Voting on the resolutions shall be open. In case of personnel matters and upon request of even one member of the Management Board the voting shall be secret.
4. Resolutions may be adopted outside a meeting:
 - a) In writing, by casting a vote by each member of the Management Board by putting their signature under the content of the resolution proposed with indication whether they vote 'for' or 'against' or 'abstain' and passing thus signed content of the resolution to the Company's headquarter address or its e-mail address;
 - b) By means of direct remote communication. Voting rules are set forth in Section 12 of these Regulations.
5. A member of the Management Board who requests the adoption of a specific resolution shall decide that a special voting procedure in a given case will be applied. He or she also shall organize the voting in the selected mode. In case of objection to vote outside the meeting made by at least one member of the Management Board, voting on the issue should take place at the next meeting of the Management Board.

Section 12

Adopting resolutions by means of direct remote communication

1. Adoption of resolutions by means of direct remote communication may be carried out by phone, teleconference, videoconference, instant message services or e-mail.
2. Adoption of resolutions by the use of e-mail and instant messaging services shall be carried out in the following way:
 - a) Each member of the Management Board receives a draft resolution with information on the time of closing the vote.
 - b) Members of the Board in response (as a reply to an e-mail or an instant message) cast votes on the subject matter of the resolution, by referring to the subject of the resolution on which the vote is held and by inserting in the message information on whether they vote “for” adopting the proposed resolution or “against” or whether they abstain”.
 - c) Any member of the Management Board who does not cast a vote within a specified time limit is deemed as abstaining.
 - d) After the votes are counted, minutes of the adoption of the resolution shall be drawn up with a mention of the fact that the vote was carried out with the use of e-mail or instant messaging services. The minutes with printouts of statements of members of the Management Board concerning the vote shall be included in the book of minutes of the Management Board.
3. Adopting resolutions by the Management Board with the use of a phone, teleconference or a videoconference shall be carried out in the following way:
 - a) A draft resolution made in writing shall be read out to all members of the Management Board.
 - b) Each member of the Management Board having been read out to the draft resolution shall confirm whether they understood the content of the resolution and shall state whether they vote “for” adoption of the proposed resolution, “against” or abstain.
 - c) After the votes are counted the minutes shall be drawn up with a mention of the fact that the vote was carried out with the use of a phone, teleconference or videoconference. The minutes shall be included in the book of minutes of the Management Board.

Section 13

1. The meeting of The Management Board shall be minuted.
2. The minutes should contain a serial number and the date of the meeting, the agenda, the full names of current members of the Management Board and other persons present at the meeting, the content of the resolutions adopted, the number of votes cast for each resolution and dissenting opinions. The provisions of this paragraph shall be applied relevantly to the minutes drawn up in the course of adoption of the resolutions in the modes described in Section 12.
3. The minutes of the meeting shall be signed by all members of the Management Board present at the meeting and the recorder.
4. In the event that a member of the Management Board considers that the decision made by the Management Board in his or her opinion conflicts with the Company’s interest they may request including in the minutes their opinion on this matter.

5. The minutes of the Management Board meetings and the minutes of adoption of resolutions in the modes referred to in Section 12 shall be kept at the headquarters of the Company.

Chapter 4

Cooperation with other bodies of the Company; conflict of interests; statements

Section 14

1. Members of the Management Board shall be obliged to attend the General Meeting in the composition enabling them providing a substantive response to questions asked during the General Meeting.
2. The Management Board presents to the attendees of the General Meeting of the Company financial results and other relevant information contained in the financial statement which shall be the subject of an approval by the General Meeting.
3. In the event that a shareholder makes a request for information on the company, not later than within 30 days, the Management Board shall be obliged to answer the shareholder's request or to inform them of refusal to provide such information, if the Management Board made such a decision on the grounds of the Article 428 § 2 or § 3 of CCC.
4. The absence of a member of the Management Board at the General Meeting should be clarified, and explanation shall be presented at the General Meeting.
5. In each case where the Company's financial matters are the subject of the deliberations the Management Board shall invite an auditor to the General Meeting.

Section 15

1. Members of the Management Board may participate in meetings of the Supervisory Board. If the subject of deliberations is cases from the responsibility area of the member of the Management Board, the Chairman of the Supervisory Board shall be obliged to invite the member for the meeting.
2. The invitation addressed to members of the Management Board by the President of the Supervisory Board shall include the information about the place of the meeting, the agenda, draft resolutions and materials relating to the matters brought to the meeting of the Council. Invitations should be delivered no later than 7 days before the date of the meeting.
3. Members of the Management Board shall not participate in this part of the meeting of the Supervisory Board, which concerns directly their self or the Management Board, in particular a dismissal of a member of the Management Board and arrangements for principles of remuneration of the members of the Management Board.

Section 16

The Management Board shall put forward for approval to the Supervisory Board the strategy and key operational objectives of the Company.

Section 17

At the request of the Audit Committee, the Management Board is obliged to provide it with information, explanations and documents necessary for the performance by the Audit Committee of its tasks under the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Oversight and under internal regulations of the Company.

Section 18

1. A member of the Management Board shall avoid taking up professional activity or nonprofessional activity which could lead to a conflict of interests.
2. A member of the Management Board shall be obliged to notify the Supervisory Board of appearance or a possibility of appearance of any conflict of interests in connection with the function performed by him or her. The above-mentioned information shall be immediately communicated to the President or vice-President of the Supervisory Board.
3. A conflict of interests may arise particularly when:
 - a) a member of the Management Board may benefit or avoid a loss resulting from suffering a loss or failing to receive a benefit by the Company;
 - b) the financial interest of a Member of Management Board remains distinct from the Company's financial interest;
 - c) a member of the Management Board runs the same business activity as the activity run by the Company;
 - d) a member of the Management Board receives a financial benefit from a different entity which already is or is to become the Company's counterparty in connection to the service provided in favour of such different entity or a service provided by this entity in favour of the Company;
 - e) a member of the Management Board gets personally involved in the business activity or other activity outside the Company in such a way that makes it impossible for him or her to devote the necessary amount of time for performance of their duties in favour of the Company.
4. The proceedings seeking to resolve the conflict of interests that occurred or may occur shall be determined by the Supervisory Board in the form of a resolution.
5. In the event that the Company's interests conflict with the interests of a member of the Management Board or the persons mentioned in the Article 377 of CCC, the member of the Management Board should refrain from participation in resolving such matters, in particular he or she should abstain from voting on a resolution related to such a matter and he or she may request it is recorded in the minutes. Violation of the above limitations shall not result in invalidity of the resolution adopted by the Management Board.
6. Sitting on the management or supervising boards of companies other than Companies of the Erbud Group by members of the Management Board shall require consent of the Supervisory Board.

Section 19

Prior to taking up duties as a member of the Management Board of the Company, candidates for this function shall submit a written statement on the fulfilment of the conditions referred to in Article 76(1-3) of the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Oversight.

Chapter 5

Final provisions

Section 20

The Regulations shall enter into force as of the date of entry into force the resolution of the Management Board adopting these Regulations.