

## RULES OF CONCLUDING TRANSACTIONS WITH RELATED PARTIES AT ERBUD S.A.

### Appendix no. 2 to the Management Board resolution 22/2019 dated 29.11.2019

Acting pursuant to Chapter 4b of the Act of 29 July 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies (Journal of Laws of 2019, item 623, as amended), these Rules are implemented.

The procedure adopted in these Rules for concluding transactions with related parties at ERBUD S.A. of Warsaw is to ensure adequate protection of the Company's interest and full transparency when concluding transactions with related parties.

### § 1

#### DEFINITIONS

The following terms have the following meaning in these Rules:

- 1) **Material Transaction** - means a transaction concluded by the Company with a Related Party the value of which calculated in accordance with § 7 of the Rules exceeds 5% of the sum of assets within the meaning of the Accounting Act, determined on the basis of the last approved financial statement of the Company;
- 2) **CCC** – the act of 15 September 2000 Code of Commercial Companies and Partnerships (Journal of Laws of 2019, item 505 as amended);
- 3) **Related Party** - means a Related Party as defined in the international accounting standards adopted on the basis of Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards (OJ L 243 of 11.09.2002, p. 1, as amended. 9) - EU Official Journal of the European Union Polish Edition, Chapter 13, Vol. 29, p. 609), the full definition of which is contained in Appendix 1 to the Rules; a Related Party is in particular:
  - a) a person controlling or co-controlling the Company, having significant influence on the Company or being a member of the key management personnel of the Company or its parent company;
  - b) a close family member of a person referred to in point (a) above;
  - c) an entity belonging to the same capital group as the Company;
  - d) an entity that together with the Company is a joint venture of the same third party;
  - e) an entity controlled or jointly controlled by a person referred to in (a) or (b) above.
- 4) **Employee** - means any natural person who has an employment relationship or any other legal relationship with the Company the subject matter of which is to provide work, services or works in return for remuneration or other consideration from the Company;
- 5) **Chairman of the Supervisory Board** - means the Chairman of the Supervisory Board;
- 6) **Supervisory Board** - means the Supervisory Board of the Company;
- 7) **Rules** - means these Rules for concluding transactions with Related Parties at ERBUD S.A.;

- 8) **Supervisory Board By-Laws** - means the By-Laws of the Supervisory Board of ERBUD Spółka Akcyjna with its registered office in Warsaw;
- 9) **Management Board By-Laws** - means the By-Laws of the Management Board of ERBUD Spółka Akcyjna with its registered office in Warsaw;
- 10) **Regulation 596/2014** - Regulation of the European Parliament and of the Council (EU) No 596/2014 on market abuse and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC (OJ EU. L. 2014.173.1 as amended);
- 11) **Company** - means ERBUD Spółka Akcyjna with its registered office in Warsaw (02-797) at ul. Franciszka Klimczaka 1, registered in the Register of Entrepreneurs of the National Court Register kept by the District Court for the Capital City of Warsaw in Warsaw, 13th Commercial Division of the National Court Register, under KRS number 0000268667, using the following statistical number REGON: 005728373, tax identification number NIP: 8790172253;
- 12) **Offering Act** - means the Act of 29 July 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading and Public Companies (Journal of Laws of 2019, item 623, as amended);
- 13) **Accounting Act** - means the Accounting Act of 29 September 1994 (Journal of Laws of 2019, item 351 as amended);
- 14) **Management Board** - means the Management Board of the Company.

## § 2

### APPLICATION OF THE RULES

1. The Rules lay down the procedures and rules for entering into Material Transactions with Related Parties by the Company.
2. The Company ensures that all Material Transactions with Related Parties are concluded solely in the interest of the Company or its capital group and in accordance with these Rules. The Management Board and the Employees authorised to enter into transactions on behalf of the Company are required, prior to entering into any transaction, to assess whether a Related Party is a party to it and whether it qualifies as a Material Transaction.
3. The Management Board, the Supervisory Board and the Employees authorised to conclude transactions on behalf of the Company are obliged to familiarise themselves with the Rules and observe their provisions.

## § 3

### EXCEPTIONS

1. The provisions of § 4 - 6 of the Rules do not apply to transactions:
  - a. concluded on market terms in the ordinary course of the Company's business, the elements listed in the procedure referred to in section 2 below are taken into account to determine whether the transaction is of a market nature and relates to the Company's ordinary business;
  - b. concluded by the Company with a company being its subsidiary - if the Company is the only shareholder or stockholder of the company being its subsidiary, with which it concludes a Material Transaction;

- c. related to the payment of remuneration to the Members of the Management Board or Supervisory Board, due in accordance with the remuneration policy adopted in the company, as referred to in Chapter 4a of the Offering Act.
2. The Supervisory Board develops a procedure for periodical assessment whether the transactions referred to in section 1(a) above meet the conditions set out in that provision.

#### **§ 4**

#### **RULES FOR ENTERING INTO MATERIAL TRANSACTIONS WITH RELATED PARTIES**

1. Subject to the provisions contained in these Rules, before the Company concludes any Material Transaction with a Related Party, the Management Board requests the consent of the Supervisory Board for such transaction.
2. If a Material Transaction with a Related Party involves a lot of work, time or resources on the part of the Company, the Management Board may apply to the Supervisory Board for a preliminary opinion on the possibility of such transaction. The opinion of the Supervisory Board is non-binding in nature and does not exclude the Supervisory Board's right to change its position as part of its final assessment as to the legitimacy of its consent to conclude a Material Transaction with a Related Party referred to in § 5 of the Rules.
3. In particularly justified cases, including in particular when there is an important interest of the Company, the Management Board may, pursuant to Art. 17 § 2 CCC, apply to the Supervisory Board for consent to conclude a Material Transaction with a Related Party after such a transaction has been concluded. The Supervisory Board's consent given after the conclusion of a Material Transaction with a Related Party shall have retroactive effect from the moment of such transaction. In such a case, information on the Company's website about the conclusion of a Material Transaction with a Related Party will additionally include a justification concerning the premises justifying the failure to apply to the Supervisory Board for consent to conclude a Material Transaction with a Related Party prior to its conclusion. The Company will supplement the above information immediately after receiving the final decision of the Supervisory Board in this respect.
4. If the person who is to enter into a Material Transaction with a Related Party on behalf of the Company is an Employee, the Employee immediately notifies the planned conclusion of such transaction to the Management Board, which will proceed in accordance with the provisions of this paragraph.
5. The application for the Supervisory Board's consent to conclude a Material Transaction with a Related Party is made in accordance with the provisions of the Management Board By-Laws and the Supervisory Board By-Laws. The Management Board, if possible in given circumstances, should apply for the consent of the Supervisory Board within a period enabling the conclusion of a Material Transaction with a Related Party on the expected date, at the same time providing the Supervisory Board with an appropriate deadline for the assessment referred to in § 5 of the Rules.
6. When applying for consent to conclude a Material Transaction with a Related Party, the Management Board of the Company at the same time provides the Supervisory Board with materials containing information allowing for its assessment referred to in § 5 of the Rules, including in particular:
  - a. the name of the Related Party with which the Material Transaction is entered into, and in the case of Related Parties that are natural persons, their name;

- b. description of the nature of the relationship between the Company and the Related Party with which the Material Transaction is entered into;
- c. the expected date of conclusion and the value of the Material Transaction;
- d. information necessary to assess whether the Material Transaction will be entered into on market terms and whether it is justified by the interest of the Company and non-related shareholders, including minority shareholders;
- e. where possible, a draft agreement for the Material Transaction and, where justified by its volume, a summary of the most important contractual terms of the transaction.

## **§ 5**

### **CONSENT OF THE SUPERVISORY BOARD TO THE CONCLUSION OF A MATERIAL TRANSACTION**

1. The Supervisory Board, having received information from the Management Board, puts to a vote a resolution on granting consent to conclude a Material Transaction with a Related Party.
2. When deciding on the consent to enter into a Material Transaction with a Related Party, the Supervisory Board takes into account preventing the Related Party from using its position and ensuring adequate protection of the interests of the Company and non-related shareholders, including minority shareholders.
3. Where a Material Transaction with a Related Party concerns the interests of a Supervisory Board Member, that Member does not take part in the decision on consent to the conclusion of such transaction.
4. In particularly justified cases, before making the assessment referred to in Section 2 above, the Supervisory Board may, pursuant to § 2(4) of the By-Laws of the Supervisory Board, consult or appoint, at the Company's expense, experts in order to develop relevant opinions to the extent necessary.

## **§ 6**

### **PLACING INFORMATION ABOUT A MATERIAL TRANSACTION ON THE WEBSITE**

1. The Company creates a tab on its website containing information on all Material Transactions concluded with Related Parties.
2. The tab contains data concerning each Material Transaction with a Related Party, containing in particular the information indicated in § 4(6)(a)-(d) of the Rules.
3. Information on a Material Transaction with a Related Party is provided at the latest at the time the transaction is concluded.
4. The provisions of sections 2 and 3 above do not apply to a Material Transaction with a Related Party to which Article 17 of Regulation 596/2014 applies.

## **§ 7**

### **TRANSACTION VALUE**

1. Subject to the provisions of this paragraph, for the purpose of determining the value of the transaction, the value of the performance indicated in a given agreement is taken.

2. In the case of transactions involving recurring performance to be provided under a fixed-term contract, the value of the transaction is deemed to be the sum of the performance for the entire duration of the contract.
3. In the case of transactions involving recurring performance to be provided under a contract concluded for an indefinite period, the value of the transaction shall be deemed to be the sum of the performance provided for in the contract during the first three years of its validity.
4. The values of individual transactions concluded with the same Related Party in the preceding 12 months none of which exceeds the amount referred to in § 1(1) of the Rules shall be added together.
5. If the sum of the value of the transactions referred to in section 4 exceeds the volume adopted for a Material Transaction, the provisions of the Rules apply accordingly:
  - a) the information referred to in § 6(1) of the Rules concerns all transactions the sum of the values of which referred to in Section 4 exceeds the volume adopted for a Material Transaction and is published on the Company's website immediately after such excess;
  - b) the consent of the Supervisory Board referred to in § 5 of the Rules is required for the conclusion of a transaction the conclusion of which will lead to an excess of the volume adopted for a Material Transaction.

## **§ 8**

### **MATERIAL TRANSACTIONS WITH SUBSIDIARIES OF THE COMPANY**

1. The provisions of § 3 and § 6 of the Rules apply accordingly to a transaction concluded by the Company's Related Party with a company which is its subsidiary, if the value of such transaction exceeds 5% of the total assets within the meaning of the Accounting Act, determined on the basis of the last approved financial statements of that subsidiary. The provisions indicated in § 7 of the Rules apply to determining of the transaction value.
2. The Company informs its subsidiaries of the obligation to immediately inform the Company of a planned conclusion of each transaction with a Related Party of the Company, providing the information referred to in § 4(6)(a)-(d) of the Rules and § 3(1) of the Rules, provided that the transaction is subject to any of the exemptions indicated in that provision.

## **§ 9**

### **REGISTERS OF RELATED PARTIES AND TRANSACTIONS WITH RELATED PARTIES**

1. The Company maintains and updates a register of the Company's Related Parties, containing information on all the Related Parties known to the Company, on the basis of the information and statements held by the Company.
2. Members of the Management Board and the Supervisory Board submit a statement in which they provide information necessary to identify their Related Parties to the Company. The statements should be updated in the event of changes in the Company's Related Parties. A sample statement is attached as Appendix 2 to the Rules.
3. The Company ensures that entities from its capital group inform the Company immediately of the existence of any new Related Parties.
4. The Company keeps a register of all transactions (both material and insignificant) concluded with the Company's Related Parties by the Company and its subsidiaries. Within the scope of the register, the information referred to in § 4(6)(a) – (d) of the Rules is collected in relation to each transaction concluded with a Related Party of the Company. In addition, the

transactions referred to in § 3(1) of the Rules contain information justifying their qualification as transactions excluded under this provision.

## **§ 10 PERSONAL DATA**

The Company will process personal data resulting from the conclusion of Material Transactions with Related Parties in accordance with the provisions of Regulation (EU) 2016/679 of the European Parliament and of the Council on the protection of individuals with regard to the processing of personal data and on the free movement of such data and repealing Directive 95/46/EC and the documentation adopted by the Company with regard to the processing of personal data.

## **§ 11 FINAL PROVISIONS**

1. The Rules enter into force upon adoption by resolution of the Management Board and approval by the Supervisory Board.
2. Any amendments to these Rules require their adoption by the Management Board and then approval by the Supervisory Board.
3. The provisions of the Company's Statutes and the By-Laws of the Management Board and the Supervisory Board apply to the manner and conditions of operation of the Management Board and the Supervisory Board referred to in these Rules.
4. The Appendices to these Rules form an integral part hereof.
5. The Management Board reviews the Rules for their adequacy and effectiveness at least once every 3 years.