**REGULATIONS
OF THE MANAGEMENT BOARD
OF FEERUM SPÓŁKA AKCYJNA**

**with registered office in Chojnów**

Pursuant to the Code of Commercial Companies and provisions of § 20 para. 2 of the Articles of Association of Feerum Spółka Akcyjna, hereby the Regulations of the Management Board of Feerum Spółka Akcyjna are adopted, hereinafter referred to as the **“Regulations”.**

**§ 1.**

1. The Regulations set out the scope and the rules of procedure of the Management Board, its tasks and powers, as well as the procedure for adoption of resolutions.

2. Whenever the terms listed below are used in these Regulations, they shall have the following meaning:

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| (a) | **Code of Commercial Companies or CCC**  | - the Act of 15 September 2000 – Code of Commercial Companies (Journal of Laws No. 94, item 1037, as amended), |
| (b) | **Supervisory Board**  | - the Supervisory Board of the Company |
| (c) | **Company** | - Feerum Spółka Akcyjna [*join-stock company*] with registered office in Chojnów |
| (d) | **Articles of Association** | - Articles of Association of the Company  |
| (e) | **General Meeting**  | - General Meeting of Shareholders of the Company |
| (f) | **Management Board**  | - the Management Board of the Company  |
| (g) | **Rules of the Best Practices for WSE Listed Companies** | - the rules set out in the appendix to Resolution No. 20/1287/2011 of the Board of Giełda Papierów Wartościowych w Warszawie S.A. [*Warsaw Stock Exchange – WSE*] of 19 October 2011, as amended. |

**§ 2.**

1. The Management Board shall be the management and executive body of the Company.
2. The Management Board shall operate pursuant to the applicable law provisions, in particular the Code of Commercial Companies, provisions of the Articles of Association, these Regulations, as well as resolutions of the General Meeting and the Supervisory Board.
3. Within the scope of its powers and responsibilities the Management Board shall perform activities necessary to fulfil the tasks of the Company specified in the Articles of Association, resolutions of the General Meeting and the Supervisory Board; it shall also represent the Company in all court and out-of court activities and manage the Company’s assets, excluding the powers reserved for other bodies of the Company.

**§ 3**

1. The President of the Management Board, a member of the Management Board or the entire Management Board may be suspended or dismissed by the Supervisory Board before the end of the term of office. The General Meeting is also entitled to do so.
2. Dismissal of members of the Management Board shall not affect their rights under the contract of employment or management contract.
3. A dismissed member of the Management Board and a member who resigned from his/her position shall:
4. submit an explanation in the course of preparation of the Management Board’s report and financial statements covering the period in which he/she served as a member of the Management Board and shall participate in the General Meeting approving the above-mentioned report and statements,
5. duly account for the conducted affairs and hand over the possessed documents to his/her successor or a person appointed by the Supervisory Board, to ensure continuity of operations of the Company.
6. In case a member or all members of the Management Board have been dismissed or suspended from duties and if the Management Board is not able to perform its duties for other reasons, the Supervisory Board may second for up to 3 (three) months a member or members of the Supervisory Board to perform the duties of a member of the Management Board or the entire Management Board, respectively.

**§ 4.**

1. The Management Board may grant a commercial proxy or other proxies to perform specific type activities or special activities. The granted proxies should be organisationally linked with the scope of activities.
2. A resolution on granting a commercial proxy shall require the consent of all members of the Management Board.
3. A commercial proxy may be revoked by each member of the Management Board.

**§ 5.**

1. The Management Board shall manage the Company’s affairs and represent the Company; it shall perform its duties with the diligence required in business trading, with strict observance of law, provisions of the Articles of Association, as well as resolutions and regulations adopted in the Company.
2. The Management Board shall take decisions on its own, except for decisions on activities in respect of which, according to the applicable provisions of law or Articles of Association, consent of other bodies of the Company is required.
3. In case of concluding transactions, the Management Board should obtain consent according to the provisions of the Articles of Association.
4. If the Management Board is composed of more than one person, all members of the Management Board shall be obliged and entitled to act jointly while managing the Company’s affairs, unless the Articles of Association provide otherwise.
5. Declarations of intent on behalf of the Company shall be made by members of the Management Board according to the provisions of the Articles of Association regarding the representation rules.

**§ 6.**

1. The Management Board shall be responsible for proper, accurate and timely drawing up of financial statements.
2. After the end of a business year, within the time limits specified by law, the Management Board of the Company shall draw up financial statements, including balance sheet, profit and loss statement, cash flow statement, additional information and report on the Company’s activities in a particular business year, and submit them the Supervisory Board and other authorised bodies.
3. Members of the Management Board shall participate in sessions of the General Meeting, and in case of their absence, they shall submit a written justification to the General Meeting.

**§ 7.**

1. A member of the Management Board should inform the Management Board of an existing or possible conflict of interests and should refrain from taking part in the discussion as well as voting on a resolution with respect to which a conflict has arisen.
2. Members of the Management Board are also obliged to inform the Supervisory Board of any existing or possible conflict of interests related to the position held.

**§ 8.**

1. A member of the Management Board should be fully loyal to the Company and should refrain from any actions which could result only in his/her own financial advantages.
2. If a member of the Management Board obtains information on the possibility of making an investment or other advantageous transaction related to the Company’s business activity, he/she should immediately present such information to the Management Board in order to consider whether the Company may take advantage of it.
3. The information referred to in para. 2 above may be used by a member of the Management Board or provided to a third party upon prior consent, expressed in a resolution of the Management Board, and only if it does not infringe the interests of the Company.

**§ 9.**

During his/her term of office, a member of the Management Board may not – without prior consent of the Supervisory Board – undertake any additional gainful activity or other activity interfering with the duties of the member of the Management Board. In particular, a member of the Management Board may not undertake any activity competitive to the activity of the Company, participate in a competitive company as a partner in a civil law partnership or personal partnership, or hold positions in supervisory or management bodies of other entities (excluding holding the said positions in entities belonging to the capital group of the Company within the meaning of the applicable provisions of the Accounting Act) without prior consent of the Supervisory Board.

**§ 10.**

Duties shall be assigned to members of the Management Board based on a resolution of the Management Board introducing the organisational regulations of the Company, in which the scope of powers and responsibilities of individual members of the Management Board shall be specified.

**§ 11.**

Members of the Management Board should attend the General Meeting in a number that enables giving substantial answers to the questions asked during the General Meeting.

**§ 12.**

1. The Management Board shall ensure transparent and effective information policy, using both traditional methods and modern technologies ensuring quick, secure and wide access to information. The Management Board, using these communication methods to the fullest extent, should ensure adequate communication with investors and analysts.
2. The Management Board should make every effort to ensure that any cancellation of a General Meeting or change of its date should not prevent or restrict the exercise of the shareholders’ right to participate in a General Meeting.
3. If securities issued by a company are traded in different countries (or in different markets) and in different legal systems, the Management Board should strive to ensure that corporate events related to the acquisition of rights by shareholders take place on the same dates in all countries where such securities are traded.

**§ 13.**

1. The Management Board shall ensure operation of a corporate website of the Company and publishing on it:
2. basic corporate documents, in particular the Articles of Association and regulations of the Company’s governing bodies,
3. professional CVs of members of the Company’s governing bodies,
4. current and periodic reports,
5. in case members of the Company’s governing body are elected by the General Meeting – the justifications for nominations proposed to the Management Board and the Supervisory Board, made available to the company, along with the professional CVs of the candidates, within the time limit enabling review of the documents and adoption of a resolution with due recognition,
6. annual reports on the Supervisory Board’s activities, taking into account the activities of its committees, along with the assessment of the activities of the Supervisory Board, the internal control system and system of management of risk material for the Company, submitted by the Supervisory Board,
7. information on the reasons for cancellation of a General Meeting, change of its date or agenda, along with the justification,
8. information about breaks in sessions of the General Meeting and the reasons for ordering such breaks,
9. information on corporate events such as payment of the dividend or other events resulting in acquisition or limitation of rights of a shareholder, including the deadlines and principles of such operations; such information should be published within a time limit enabling investors to make investment decisions,
10. information known to the Management Board based on a statement made by a member of the Supervisory Board on any relationship of a member of the Supervisory Board with a shareholder who holds shares representing not less than 5% of all votes at the General Meeting;
11. if the Company has introduced an employee incentive scheme based on shares or similar instruments – information about the projected cost to be incurred by the company from to its introduction,
12. a statement on compliance with the corporate governance rules contained in the last published annual report, as well as the report (if published) referred to in § 29 para. 5 of the Warsaw Stock Exchange Rules, concerning application of corporate governance rules in the Company and enclosed to the annual report of the Company,
13. information about the contents of the Company’s internal rule of changing the entity authorised to audit financial statements or information about the absence of such rule.

**§ 14.**

1. The President of the Management Board shall exercise supreme supervision over all employees and organisational units of the Company.
2. The President of the Management Board shall have the right to take single-person final decisions regarding internal relationships, in particular regarding employee relationships, including the right to rescind a decision of another member of the Management Board, unless a prior resolution of the Management Board or law provisions require otherwise.
3. the President of Management Board may appoint another member of the Management Board to be his/her deputy during his/her absence. In such case, the appointed member of the Management Board shall have all powers and responsibilities of the President of the Management Board.

**§ 15.**

The following issues shall require a resolution of the Management Board:

1. issues exceeding the scope of ordinary management,
2. all activities in respect of which even only one of members of the Management Board has raised an objection,
3. appointment, dismissal and determining remuneration of directors of divisions, directors of plants, assistant directors of plants and chief accountant,
4. granting or revoking commercial proxies and determining the amount of remuneration for commercial proxies, as well as granting proxies to perform specific type activities or special activities,
5. motions concerning approval of the annual financial statements, profit distribution or coverage of loss,
6. convening General Meetings, preparing the agenda and draft resolutions,
7. issues related to economic and financial policies of the Company and investment purchases of value exceeding 10% of the Company’s equity,
8. adoption of the organisational regulations of the Company, workplace regulations and other important internal normative acts, as well as making any amendments to these documents,
9. determining annual and long-term technical and economic plans of the Company,
10. decisions on collective redundancies,
11. assignation of duties to members of the Management Board,
12. other issues within the scope of powers of responsibilities of the Management Board, if the Management Board considers it reasonable to decide on them according to such procedure.

**§ 16.**

1. Meetings of the Management Board shall be held at least once a month. Meetings of the Management Board shall be convened by the President of the Management Board on his/her own initiative, an in his/her absence – by a member of the Management Board. A request to convene a meeting of the Management Board may be submitted by any member of the Management Board to the President of the Management Board.
2. Meetings of the Management Board shall be convened at least 3 (three) days before the scheduled date of the meeting of the Management Board, by mail (registered mail), fax, telephone or by e-mail. The notice of a meeting of the Management Board shall specify the date, place, time and the agenda of the meeting.
3. In cases of urgency, it is possible to hold a meeting on the day of convocation of the meeting of the Management Board, if all members consent to it.
4. The activities of the Management Board shall be managed by the President of the Management Board, and in his/her absence – the Vice-President of the Management Board appointed by him/her or a member of the Management Board appointed by him/her.
5. Members of the Management Board are obliged to actively participate in meetings of the Management Board. Periodic leave from performance of management duties shall be granted to members of the Management Board by the President of Management Board. The President of the Management Board shall inform the Supervisory Board of the planned leave.

**§ 17.**

1. To adopt resolutions at a meeting of the Management Board, at least two members of the Management Board, including its President, should participate in the meeting.
2. Each member of the Management Board shall have one vote.
3. Resolutions of the Management Board shall be adopted by an absolute majority of votes, except in cases for which the Articles of Association or applicable law provide otherwise. In case of an equal number of votes, the President of the Management Board – and in his/her absence the chairman of the meeting appointed by the President – shall have the casting vote.
4. Voting shall be by open ballot, unless a member of the Management Board requests that a resolution be adopted by secret ballot.
5. If necessary, guests and employees responsible for a particular area of business activity of the Company to be discussed on a meeting of the Management Board may be invited to the meeting.
6. The President of the Management Board may order voting by circulation if all members of the Management Board consent to it. A resolution voted on by circulation shall be adopted if all members of the Management Board put their signature under its contents.

**§ 18.**

1. Minutes shall be taken from meetings of the Management Board.
2. Minutes shall be registered with annual numbering, and the originals should be included in the book of minutes of the Management Board. All members of the Management Board shall receive copies of the minutes.
3. Resolutions shall be numbered separately for each meeting. Number of a resolution shall consist of: the sequence number, slash, the number of the minutes it concerns, slash, the last two digits of the year.
4. The minutes shall be signed by all members of the Management Board attending the meeting.
5. Minutes of the meeting of the Management Board should include:
6. date and place of the meeting,
7. first names and surnames of members of the Management Board present at the meeting,
8. agenda,
9. contents of resolutions, which constitute appendices to the minutes,
10. the number of votes cast for each resolution and dissenting opinions individually requested to be included in the minutes.

**§ 19.**

The administrative support for the Management Board shall be provided by an appointed employee of the Company or by the office of the Management Board. This person or the office of the Management Board shall also keep a register of basic documents of the Company and the register of civil law contracts concluded by the Company.

**§ 20.**

1. Members of the Management Board shall be jointly and severally liable for proper management of the affairs of the Company.
2. Each member of the Management Board shall be liable for damage caused by activity contrary to the law or Articles of Association or regulations of the statutory bodies of the Company. The rules of civil liability of members of the Management Board are set out in the relevant provisions of the Code of Commercial Companies.

**§ 21.**

1. The management of the Company shall be formally taken over by the newly appointed members of the Management Board of the Company from the outgoing members of the Management Board. The report on the takeover shall be drawn up by the outgoing Management Board or a member of the Management Board.
2. The report should include a description of the actual state of individual areas of activity of the Company, as at the date of handover.
3. The report shall be signed by all outgoing and newly appointed members of the Management Board.
4. The report should be drawn up in as many copies as necessary for all outgoing and newly appointed members of the Management Board and the Supervisory Boards and for evidence purposes.
5. In case the outgoing Management Board is not able to hand over the affairs of the Company, the report shall be drawn up by a committee appointed by the Supervisory Board.

**§ 22.**

The Management Board shall submit reports on its activity to the Supervisory Board at its request and to the General Meeting every year.

**§ 23.**

1. The Management Board shall collect and archive documents related to its activities for at least 5 (five) years.
2. Documents related to the activity of the Management Board and documents provided to the Management Board shall be for official use only. Documents of the Management Board may be made available to third parties upon consent of the President of the Management Board, which should be expressed in writing, with a proviso that this restriction shall not apply to enabling auditors to review minutes of meeting of the Management Board in connection with the audit of financial statements of the Company carried out by them.

**§ 24.**

1. The operating costs of the Management Board shall be covered by the Company.
2. These Regulations shall become effective as of the date of their approval by the Supervisory Board.
3. Any amendment to the Regulations shall require a relevant resolution of the Management Board and approval by a resolution of the Supervisory Board.

**§ 25.**

These Regulations have been adopted by Resolution of the Management Board of 29 October 2012.