

**THE RULES  
OF ELEKTROBUDOWA SA  
MANAGEMENT BOARD**

**GENERAL PROVISIONS**

§ 1.

1. The Rules define the duties and the way of performing them by the Company Management Board (hereinafter called "the Management Board").
2. The Management Board is one of the authorities of the Company prescribed by its Articles, whose duties cover managing the Company's operations and business, including development of the Company's strategy and main objectives for the implementation and fulfilment of which it is responsible.

§ 2.

The Management Board acts in accordance with the Polish Code of Commercial Companies, the Company Articles and the present Rules. The Management Board observes the best practices principles set forth in "Best Practice for GPW Listed Companies 2016".

§ 3.

Any reference in the provisions of the Rules to:

1. the Supervisory Board shall mean the Supervisory Board of ELEKTROBUDOWA SA;
2. the Management Board shall mean the Management Board of ELEKTROBUDOWA SA;
3. the Act – shall mean the regulations arising from the Code of Commercial Companies;
4. the Articles shall mean the Articles of Association of ELEKTROBUDOWA SA;
5. the Company shall mean ELEKTROBUDOWA SA.

**SCOPE OF RESPONSIBILITIES OF THE MANAGEMENT BOARD**

§ 4.

1. The Management Board directs all affairs of the Company and represents the Company towards third parties, with the exclusion of those restricted for the competence of the Supervisory Board and the General Meeting of Shareholders.
2. Within its powers, the Management Board takes its decisions independently and takes responsibility for those decisions.
3. All Members of the Management Board have the right and obligation to jointly manage the Company's affairs.
4. The Management Board, within its powers, determines the responsibilities of its members.

§ 5.

The scope of activities of the Management Board includes in particular:

- a) organization of the Company's operations to ensure the fulfilment its tasks set forth in its Articles;
- b) development of the strategy and main objectives of the Company, including their implementation;

- c) drafting plans and programmes of the Company's operations and ensuring their economic and financial effectiveness, during their development and implementation;
- d) concluding contracts of employment and other agreements with the Company's employees and other persons if the objective scope or the party to the contract do not fall within competences of the Supervisory Board;
- e) declarations on behalf of the Company, representing the Company towards third parties, as provided by the Articles;
- f) implementing recommendations made by the Supervisory Board and the General Meeting, within its powers;
- g) convening ordinary and extraordinary general meetings;
- h) appointment and revocation of the commercial power of attorney, subject to §6.2 of the present Rules;
- i) concluding civil law agreements with business entities and institutions on behalf of the Company, in matters falling within the scope of the Company's activity;
- j) keeping the records and documents related to General Meetings, the Supervisory Board, the Management Board and the Company's operations;
- k) submitting and making available to the General Meeting and the Supervisory Board any statements, balance sheets, profit and loss accounts and other fair information on the standing and performance results of the Company;
- l) proposing solutions to the General Meeting or the Supervisory Board in matters falling within their competences.

## **REPRESENTATION OF THE COMPANY**

### § 6.

1. Company may be represented by two members of the Management Board acting jointly or by one member of the Management Board acting together with a commercial proxy (prokurent).
2. The Management Board can appoint a commercial proxy after prior consent of the Supervisory Board.
3. A representative, acting independently within the scope of authorisation, can be appointed to perform specific or particular acts.
4. The Management Board may appoint a representative(s) to perform actions concerning employment relationship.

## **FORM OF DECISION BY THE MANAGEMENT BOARD**

### § 7.

1. The Management Board assume their actions provided by the Articles, on the basis of resolutions adopted earlier during its meetings, guided by the Company's interests and with consideration to the interests of shareholders, employees and other co-operating entities.
2. The resolutions constitute decisions taken in accordance with the procedure provided by the present Regulations documented in respect of:
  - date of adopting a resolution,
  - contents of the resolution,
  - result of voting the resolution,
  - justification, if required,
  - date of entering the resolution into force,
  - dissenting opinions, if declared.

3. To adopt a resolution, absolute majority vote by the Members of the Management Board present at their meeting is required. In case of an equal number of votes, the President of the Management Board shall have the casting vote.
4. Resolutions can be passed only during the meetings of the Management Board.

## **MEETINGS OF THE MANAGEMENT BOARD**

### § 8.

1. Meetings of the Management Board are presided over by its President, who is also the Company's Chief Executive Officer.
2. Meetings of the Management Board are held when there is a real need, defined by the scope and importance of the tasks being performed.
3. Meetings of the Management Board are convened by the President on his own initiative or on a written motion put forward by at least one member of the Board.
4. For the validity of convening a meeting all members of the Management Board have to be informed, in any form, about the date and agenda of the meeting.
5. The requirement to inform is not necessary if all members of the Management Board are present at the same time in the same place and none of them objects to having a meeting.
6. By a written motion of a member of the Management Board the President is obliged to convene a meeting of the Board not later than within 3 days since it has been placed.
7. For a meeting of the Management Board to take place, the attendance of majority of the current Board's members is required.
8. Participation in meetings of the Management Board is an inalienable right and duty of each member of the Board.
9. A Board member attends the meetings personally.
10. Absence of a Board member requires an excuse, as provided by the regulations on excused absence from work.
11. If two consecutive meetings of the Management Board do not take effect for the absence of the Board members, President is obliged to immediately inform the Supervisory Board about it.
12. Members of the Supervisory Board or persons who are not the Management Board members may be invited to attend a meeting of the Management Board, if the meeting takes place upon a motion by the Supervisory Board.
13. The venue of meetings of the Management Board is the registered seat of the Company or another place in Poland or abroad indicated by the President.
14. Draft resolutions which have been adopted by voting become valid resolutions.
15. Voting of draft resolutions is open. Each member of the Management board is eligible to one vote, subject to provisions of § 7.3 above.
16. All participants of meetings are bound to official secrecy.
17. Voting right means the right to vote for a resolution, against a resolution or to refrain from voting.
18. Each member of the Board who votes against a resolution has the right to lodge a dissenting opinion. A dissenting opinion must be recorded in the minutes of the meeting. The member of the Board who has lodged a dissenting opinion has to provide the President of the Management Board with a written justification of his dissenting opinion within 7 days since the resolution has been passed.
19. In the case of a conflict of the Company's interests with the interests of a member of the Management Board, his/her spouse, relatives and relations by affinity up to the second degree, and persons with which he/she has personal connections, the member should refrain from taking part in settlement of such matters and he can insist on recording it in the minutes.

## **RIGHTS AND DUTIES OF THE MANAGEMENT BOARD MEMBERS**

### **§ 9.**

1. Members of the Management Board shall perform their duties with due diligence and according to their best knowledge, skills and experience.
2. Each member of the Management Board is bound to maintain loyalty towards the Company and to refrain from actions which could inflict damage on the Company or which are aimed only at satisfying his own interests.
3. When a member of the Management Board receives information on the opportunity for investment or other business, advantageous for the Company and related to its scope of activity, he should immediately pass such information to other Board members to enable them considering the opportunity for the Company.
4. Members of the Management Board must inform the Supervisory Board of any conflict between their interests and the interests of the Company, as well as of the likelihood of such a conflict.
5. A Member of the Management Board should refrain from professional or other activities which might cause a conflict of interest or adversely affect its reputation as a member of the governing body of the Company, and where a conflict of interest arises, immediately disclose it.  
The criteria, circumstances and rules of behaviour in the face of a conflict of interest are defined in the Company's internal regulations.
6. A member of the Management Board may not, without the consent of the Company, engage in a competitor business or participate in a competitor company as a partner in a civil law partnership or a partnership, or as a member of a governing body of a capital company or participate in another competing legal person as a member of its governing body. The prohibition shall also apply to participation in a competitor capital company, where the member of the management board holds at least 10% of shares of that company or the right to appoint at least one member of its management board.
7. Members of the Management Board are entitled for remuneration for performing their functions; the remuneration shall consist of a fixed salary and a variable part dependent on the Company's economic results. The variable part of the remuneration shall be verified every year by the Supervisory Board. The aggregate remuneration of all members of the Management Board as well as their individual remuneration with breakdown into parts shall be disclosed in the annual report, together with the information on procedures and methods of its establishing.

## **LEADING THE ACTIVITIES OF THE MANAGEMENT BOARD**

### **§ 10.**

1. The President of the Management Board presides over the Board meetings, sets the agenda and order of discussing the proposed and draft resolutions, gives the floor to the members of the Board, orders voting on resolutions and establishes the results of voting.
2. The President of the Management Board can entrust one of the members with a function of a Vice President, who will perform the duties of the President in his absence, with the exclusion of rights set forth in § 11 item 4 of the Company Articles (also Chapter IV item 3 of the present Regulations).
3. Minutes are made from all resolutions of the Management Board. The minutes of the meeting include:
  - the agenda;
  - names and first names of the members attending the meeting;
  - resolutions adopted by the Management Board;
  - number of votes for the particular resolutions;

- justification for the resolutions;
- dissenting opinions.

The minutes are made by an employee from the Management Board Bureau or a member of

the Board appointed by the President.

4. The minutes of the meeting shall be signed by all members of the Board present at the meeting.
5. Submitting a dissenting opinion does not waive the member's obligation to sign the minutes.
6. Resolutions of the Management Board which constitute annexes to the Minutes shall be signed by all members of the Management Board present in the meeting on which the resolution was adopted.
7. The administrative matters of the Management Boards are handled by the Management Board Bureau.

## **FINAL PROVISIONS**

### § 11.

To the matters which are not covered by the present Regulations the provisions of the Company Articles and the Act - Polish Commercial Companies Code are applied.