



THE REGULATIONS OF  
THE BOARD OF MANAGEMENT OF  
BARLINEK SPÓŁKA AKCYJNA  
WITH THE REGISTERED OFFICE IN KIELCE

*Enacted on the basis of § 17 paragraph 3 of the Statute during the sitting of the Board of Management of Barlinek S.A. on February 26th, 2008 and approved by the Resolution of the Supervision Board of Barlinek SA No 3/03/2008 from March 21st, 2008.*

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## Chapter I

### General provisions

#### § 1

1. For the needs of the herein Regulations, the below mentioned terms are of the following meaning:

- a) Company – means Barlinek S.A. with the registered office in Kielce, entered in the Register of Entrepreneurs by the Regional Court in Kielce, Xth Economic Department of National Court Register under the number of KRS 0000018891,
- b) Board of Management – means the Company's Board of Management in the meaning of the regulations of Commercial companies' code,
- c) Board Member – means the person assigned on the way of the Company's Supervision Board's resolution,
- d) Board – means the Company's Supervision Board in the meaning of the regulations of Commercial companies' code,
- e) Statute - means the Company's Statute;
- f) Resolution – means the board's corporate decision,
- g) Commercial companies' code – means the act from September 15<sup>th</sup>, 2000 Commercial companies' code (Journal of Laws No 94, item 1037 with further amendments)

2. The herein Board Regulations (hereinafter referred to as the "Regulations) determines the organization and work manner of the Board of Barlinek Spółka Akcyjna with the registered office in Kielce, its authorizations and obligations as well as the way of performing them.

#### §2.

The Board of the company acts on the basis of:

- a) Commercial companies' code and other valid legal regulations,
- b) Company's Statute
- c) Accepted good practices valid in the Companies quoted on Stock-Exchange,



d) The herein Regulations.

## **Chapter II**

### **Appointing, term of office, dismissal of the Board Members**

#### **§3.**

1. The Company's Board consists of one or more members appointed and dismissed by the Company's Supervision Board, which at the same time determines the amount of the Board Members.
2. In case of one-person Board of Management, the Board Member plays the role of the Board President. In case of multi-person Board of Management, the Supervision Board decides on giving one of the persons included in the Board of Management the function of the President of the Board of Management as well as about the possible giving the function of the Company's Board of Management's Vice-President.
3. The Company's Board of Management is called up for the period of 3 years' time, while the term of office of the first Board of Management cannot last longer than 2 years. The Board of Management's Members are appointed for the period of common term of office, what does not exclude the right for earlier dismissal of each of the Board of Management's members.
4. The Supervision Board may, at any time dismiss or suspend a Board of Management member because of important reasons in activities, especially in case of not giving the vote of acceptance.
5. The mandate of the Board of Management member terminates with the day of the General Assembly taking place which confirms the financial report for the last complete turnover year of performing the function of the Board of Management member, the latest.
6. The mandate of the Board of Management member terminates also as a result of death, resignation or dismissal of the member from the Board of Management.
7. In case of a resignation of the Board of Management member from the function assigned, the statement on the resignation shall be submitted to the Supervision Board.

## **Chapter III**

### **The rules of payment and signing agreements with Board of Management Members**

#### **§4**

1. Labour contracts or contracts of a different character with the members of the Board of Management shall be signed by the President of the Supervision Board on behalf of the Supervision Board stating the height of their remuneration and bonus after the prior acceptance of the contents of the contracts, height of remuneration and bonus with a resolution of the Supervision Board.



2. The members of the Board of Management might be dismissed at any time, what does not deprive them of claims from employment relationship or a different legal relationship concerning the performance of the functions of the board member.

## Chapter IV

### Representation and running the Company's matters

#### §5.

1. In case of calling up the multi-person Board of Management, the will statements submitted on behalf of the Company concerning all the court and extrajudicial acts require, in order to be valid, the co-operation of two members of the Board of Management or one member of the Board of Management together with the appointed agent.

2. The statement of will is submitted in such a way, so that under the company seal the person signing it, stamps his personal seal on which one can find the information about:

- The specific function played in the Board of Management, or
- The determination "Appointed agent."

3. The member of the Board of Management is responsible in relation to the Company for the damage made by the action or omission inconsistent with the law or provisions of the Company's Statute, unless he is not guilty of such. The member of the Board of Management shall perform his obligations with due diligence resulting from the professional character of his activity. If the damage was made jointly, the responsibility of the persons is unanimous.

#### §6.

1. The Board of Management represents the Company in court and beyond it, directs the Company's activity and runs all the matters of the Company not reserved in the Commercial companies' code and Company's Statute to the General Assembly and Supervision Board.

2. The Company's Board of Management while performing the authorizations of the General Assembly in the companies dependant is obliged to get the prior consent of the Company's Supervision Board in case if the commitment made or the right disposal by the dependant company shall exceed the limits determined in § 20 paragraph 2 item 6 of the Statute.

3. Purchase and selling the real estate, perpetual usage or shares in the real estate or shares in the perpetual usage by the Company belongs to the competence of the Board of Management and does not require the resolution of the General Assembly with the proviso of § 20 paragraph 2 item 6 or 7 of the Statute.

#### §7.

1. Within the scope of the Board of Management's actions, the issues not reserved for neither the whole Board of Management nor for other Members of the Board of Management belong to the Board of Management's President's scope of activities.

2. The Board of Management's President's scope of activities, include especially:

- a) Co-ordination and directing the works of the Board of Management,



b) Informing the Members of the Board of Management about essential issues and tasks connected with the Company's functioning.

3. The Members of the Board of Management, in terms of the functions division:

a) Direct the subordinate organizational units of the Company,

b) Settle the issues which are of their functionalities and control the performance of their by the subordinate organizational units of the Company,

c) Give orders and service notes which regulate the issues of their functionalities,

d) Control the usage of internal regulations valid in the Company by the subordinate organizational units,

e) Inform other Members of the Board of Management about essential issues and tasks connected with the Company's functioning.

#### §8.

1. The Board of Management might assign appointed agents and call up the representatives.
2. While assigning the power of attorney, it is required to determine the type of power of attorney together with possible limitations (general, generic, to the given activity).
3. Stating the appointed agent requires consent of all the Members of the Board of Management, however his dismissal might be done by every Member of the Board of Management.
4. Assignment and dismissal of the power of attorney requires the co-operation of two Members of the Board of Management or one of them together with the Appointed Agent.

## Chapter V

### Competence Scope and Principles of Company Board Functioning

#### §9.

1. The President of the Board organizes and coordinates the works of the Board and supervises its resolution execution. In case of absence, the assigned Board Member acts for President.
2. The Board divides management obligations concerning organizational unit and departments of the Company among its Members.
3. The Board may commission additional temporary duties to one of Members; these duties may differ from the established work division.
4. Temporary leaves / exemptions from work (vacations) in the Board are granted to the Members by the President, and the President is granted vacation by the President of Supervisory Board, in case of absence – Vice-President.
5. In order to facilitate organizational and legal Board servicing, the Board employs the



Manager of the Board Office and legal advisors.

§10.

1. The Board can pass certain issues servicing to particular Board Members and Company employees. However, the Board is not allowed to assign these issues which are reserved for exclusive Board competence by means of proper regulations or Articles of Association.
2. Task assignment to particular Board Members and Company employees takes place in the following way:
  - a) Board's approval of the company organizational statute
  - b) specification of the scope of employee's duties in the employment contract and granting proper authorizations or powers of attorney
  - c) issuing- by proper Board Member- dispositions and official notes
  - d) assignment- in the form of Board resolution- of a given issue to a particular Board Member or Company employee
3. Assignment of a given issue/task to a particular Board Member of Company employee does not mean the limitation of the Board's competence.

§11.

1. The Board's competence includes the Company representation and management of its business activity as well as property management, in accord with regulations in force.
2. To the best interest of the Company, the Board specifies the strategy and main aims of the Company activity and submits it to the Supervision Board. The board is responsible for implementation and execution of the above mentioned strategy and aims.
3. While making decisions on Company issues, the Board Members should act within the limits of justified business risk that means after the examination of all information, analyses and opinions, which – in the reasonable Board's opinion- should always be taken into account due to the Company's best interest.

§12.

The following Board decisions require the written consent of the Supervision Board, expressed in a resolution adopted on the Board's application addressed to the Supervision Board.

- a) contracting liabilities and managing rights within the scope included in current Company activity, if their value exceeds 20% of the Company equity capital. In case of doubts whether a given issue is included in the scope of current Company activity or not, the Supervision Board shall have the right to decide on the Board's application. This decision shall be binding for the Board;
- b) contracting liabilities and managing rights within the scope of current Company activity if their value exceeds 10% of the Company equity capital;



c) conclusion of the Contract between the Board and the sub-issuer, specified in art. 433 § 3 of the Commercial companies' code.

#### §13.

The following issues require the resolution of the General Assembly, adopted on the Board's application addressed to the Supervision Board:

- a) examination and approval of the Boards report on the Company activity and financial report for the previous financial year
- b) distribution of profit and establishment of the manner to cover possible loss for the previous financial year
- c) granting votes of acceptance to Company bodies for the performance of their duties
- d) sale or lease of the enterprise or its organized part or establishment of the restricted title for these parts
- e) the change of Articles of Association
- f) issuing exchangeable bonds or bonds with priority and issuing subscription warranties, specified in art. 453 § 2 of the Commercial companies' code,
- g) purchase of own stocks in the situation specified in art. 362 § 1 point 2 of the Commercial companies' code or authorization for their purchase in the situation specified in art. 362 § 1 point 8 of the Commercial companies' code,
- h) redemption of stocks and conditions for this redemption,
- i) conclusion of the contract between the dominant Company and the subsidiary company, concerning the management over the subsidiary or transfer of profit by this subsidiary
- j) establishment of principles of the Supervision Board rewarding
- k) other issued reserved in the Articles of Association or the Commercial companies' code

#### §14.

1. All Board Members are obliged to inform each other on regular basis about all important issues connected with Company management and functioning, especially those which require Board's resolution.

2. Every Board Member has full and unhindered right to receive information of all kinds, at all times and on all areas of Company activity.

3. In case of important issues arising, the Board can address the President of the Supervision Board to call its assembly in order to present its opinion.



## Chapter VI

### Sittings and resolutions of the Board

#### §15

1. The resolutions of the Board are passed during the sittings which take place in the Company's registered office. It is possible for the sitting to take place beyond the registered office of the Company.
2. The sittings take place as often as it is necessary however not less than once a month.
3. The sittings of the Board of Management are summoned by the President of the Board of Management on his own initiative or at the motion of the Member of the Board of Management. If the President of the Board of Management does not summon the sitting, every Member of the Board of Management is authorized to do so.
4. The sitting shall be held within the time not later than four (4) working days from the date of submitting such an application.
5. The sittings of the Board of Management are chaired by the President of the Board of Management and in case of his absence another member of the Board assigned by him.
6. The calling of the sitting with the proviso of paragraph 7 might take place by mail, e-mail, telefax, telegraphic or telephone way at least four (4) days before the date of the sitting. The agenda together with the projects of resolutions and necessary materials concerning the issues included in the agenda shall be delivered to the members of the Board at least two (2) working days before the date of the Board sitting. In urgent matters the above mentioned terms might be shortened.
7. The sittings of the Board might take place without the formal calling up if all the members of the Board are present, agree for the sitting to take place and including the specific issues in the agenda as well as participate in the voting.
8. The agenda determined and sent to all the members of the Board might be changed only after the consent of all the members of the Board. The agenda might be extended if all the Board Members are present at the sitting and do not raise objections. This does not concern changes of administrative character.
9. Every Board member has an obligation to appear at the sitting. The unjustified absence shall be considered as violation of the obligations of the Board Member. The evaluation of the reasons of absence is stated by the President of the Board of Management or a member of the Board of Management and in case of their absence another member of the Board assigned by the President.
10. Board Members might participate in the sitting with the use of means making it possible to communicate in distance, especially by means of a video-conference.



11. The Company's employees might be invited to report the given issues during the Board sitting.

12. The Board might assign advisors and advisory teams. If necessary, the advisors or the representatives of advisory teams might be invited to the Board sitting in order to report the given tasks.

§16.

1. With the proviso of the provisions of the herein Regulations, the Board acts collectively and decisions passed by the Board are of resolutions' form.

2. Only the Board Members participate in the voting on the content of the resolution.

3. The voting is open.

4. The appropriate announcement on the planned sitting of all the Board members is required for the Board resolutions to be valid.

5. The resolutions are passed with majority of votes.

6. The Board resolutions are required for the following issues:

- a. Stating the rules of management and strategy of action of the Company and Capital group as well as introducing changes into it,
- b. Accepting the projects of capital and material investments,
- c. Stating the division of duties between the Board Members,
- d. Stating the procuration,
- e. Giving power of attorney for dealing with a specific matter with stating the limits of power, including also power of attorney for representing the Company during the meetings of partners (general assemblies in the entities in which the Company possesses shares or stocks),
- f. Stating the Company's normative acts, including the regulations determining the internal organization of the enterprise of the Company and submitting the documents for approval to the Supervision Board.
- g. Accepting the Company's financial statements and consolidated statements of capital group as well as yearly report from the company's activity and capital group's activity, within the period allowing to evaluate the documents by the Supervision Board and accepting them by the General Assembly in accordance with the valid regulations,
- h. making the motion in the subject of the Company's profit division or the way of covering its losses for the given turnover year,
- i. Stating the date of paying the dividend taking into account the deadlines determined by the Company's General Assembly,
- j. Entrusted to the Board of Management by the General Assembly or the Supervision Board,



- k. Preparation of the budget or other economical and financial plans of the Company,
  - l. burdening the Company's real estates,
  - m. Summoning the General Assembly, determining the agenda and proposing the contents of the resolutions,
  - n. Issues, making of which at least one of the Board members objects,
  - o. Issues exceeding the scope of the Company's normal activities.
7. The resolution is valid from the date of undertaking it, unless a different time of validity was proposed for it.
8. The change of the resolution content requires passing a new resolution.

§17.

1. Board sittings are classified.
2. The minutes are prepared from each Board sitting, which include:
  - a) Agenda,
  - b) Information about the date and place of sitting,
  - c) Names and surnames of the Board Members present,
  - d) Stating of passing the resolutions and their full content,
  - e) Amount of votes given for the specific resolutions,
  - f) Separate opinions on the issues included in the agenda,
  - g) A list of people from beyond the Board who participated in the sitting.
3. The minutes are signed by all the Board members present at the sitting.
4. The Board member confirms the consistency of the minutes with the course of the sitting by means of signing it.
5. Plans, reports, motions and other materials being the subject of sitting shall be enclosed to the minutes.
6. Every Member has a right to introduce corrections into the minutes. The settlements concerning the corrections pass with the majority of votes of people present at the sitting, which the minutes concerns.
7. The minutes are stored in the Company's registered office, in the way determined by the Board President.



8. Every Board Member is authorized to certify the copies or extracts from the minutes of the Board sittings.

9. The minutes shall be rendered accessible for review to the Board Members at their every demand.

§18.

Regardless of the organization supervision on the realization of resolutions made by the Board Office Manager, the Board Members are obliged to control the progress of the Board resolutions execution by the subordinate organizational units as well as to report the information on the subject mentioned above during the Board sittings.

## **Chapter VII Documents filing**

§19.

1. The documents connected with the Board's activity as well as those incoming to the Board from the General Assembly and Supervision Board are collected and filed by the Manager of the Board Office.
2. The above mentioned documents are of classified character. Rendering the Board documents to third party requires written consent of the Board Member.

## **Chapter VIII Competitive activities and a conflict of interests**

§20.

1. The Board Member cannot, without the Company's consent issued on the way of the resolution of the Supervision Board deal with competitive business nor participate in a competitive company as a partner of civil partnership or as a member of the organ of a capital partnership nor participate in a different competitive legal person as a member of the organ. The prohibition concerns also the participation in the competitive capital company in case of possessing of at least 10% of shares by the Board Member in it or stocks or the right for assigning of at least one Board member.
2. The prohibition which is mentioned in paragraph 1 does not include performance of function in the entities included in the Company's capital group.
3. In case of conflict of interests of the Company with the interests of the Board Member, his/her spouse, relatives and akin to the second degree as well as people he is connected personally with, the Board Member shall stop from participating in such issues dissolution and might demand it to be noted in the minutes.
4. The Board Members shall inform the Supervision Board about each conflict of interests in connection with the function performed or about the possibility of such.
5. In the agreements between the Company and Board Members as well as in disputes with them, the Company is represented by the Supervision Board or the proxies assigned on the power of the resolution of the General Assembly.



## **Chapter IX**

### **Final provisions**

#### §21.

1. The newly-selected Board of the Company starts its activity on the basis of protocol taking over of issues and documents from the outgoing Board.
2. The taking over minutes shall include the listing of actual state of matters, according to the scope of action of the given organizational departments.
3. The minutes, after being signed by the outgoing and newly-selected members of the Board with the participation of the representative of Supervision Board shall be obtained, by the following people:
  - a) The President of the outgoing Board,
  - b) The President of the newly-selected Board,
  - c) The President of the Supervision Board.
4. Immediately, after selection, the new Board is obliged to report to the National Court Register names and surnames of the newly selected Members of the Board.
5. Also all the changes in the Board make-up are subject to reporting.
6. The first sitting of the newly selected Board aims at getting to know with the Regulations of the Board and discussing the plan of activity with special regard to the matters resulting from minutes of taking over cases and documents of outgoing Board.

#### §22.

1. In the matters not regulated by the herein Regulations the provisions of the Commercial companies code as well as other valid legal regulations and Company's Statute shall apply.
2. The herein Regulations in brought into life with the day of approving it by the Supervision Board.
3. All the changes of the herein Regulations require the Resolution of the Board and approval of the Supervision Board in order to be valid.