

# REGULATION OF THE MANAGEMENT BOARD MOSTOSTAL WARSZAWA SPÓŁKA AKCYJNA

## Chapter I General Provisions

### §1.

The Management Board of the Company operates on the basis of:

1. the Code of Commercial Companies and applicable provisions.
2. Company's Articles of Association.
3. Resolutions of the General Meeting of Shareholders.
4. This Regulation.
5. Corporate Governance Rules.

### §2.

1. The Management Board of the Company is its executive and management body, it manages its operation and overall activities.
2. The members of the Management Board perform their duties in person.
3. The Management Board consists of the President of the Board and other Members of the Board.

### §3.

1. The President of the Board:
  - 1.1. directs the works of the Management Board;
  - 1.2. calls and presides the meetings of the Management Board;
  - 1.3. directs the overall activities of the Company and represents the Company outside;
  - 1.4. issues internal directives, regulations and other provisions that govern the operation of the Company. The President of the Company Management Board may authorize other persons to issue internal regulations of the Company.
2. During the absence of the President of the Board, he is replaced by appointed Member of the Board.
3. Members of the Board represent the Company outside and administer the business of the Company according to the division of tasks assigned by the President of the Board.

### §4.

1. The method of appointment and dismissal of Members of the Board is governed by the Company's Articles of Association.
2. Dismissed members of the Board cannot use confidential information (being a Company's business secret).
3. In case of changes in the composition of the Management Board, the resigning Member of the Board is obliged to hand over all of its casework together with all documentation as a signed protocol.
4. The person taking over the matters and documentation is the President of the Board or appointed Member of the Board.

### §5.

1. The cadency of the Management Board is regulated by the Company's Articles of Association.
2. The term of office of the Member of the Board appointed before the end of the term of office of the Management Board expires at the same time as the term of office of other Members of

the Board.

3. The term of office of a Member of the Board shall expire at the latest as of the day of the General Shareholders Meeting approving the financial statements for the last full business year during which the Member of the Board performed his/her duties.
4. The term of office of the Member of the Board shall also expire as a result of death, written resignation in form of notice of termination of the mandate contract or dismissal from the Board.

## Chapter II

### Scope of competencies and duties of the Company's Management Board

#### §6.

1. The Company's Management Board is obliged to administer the property and interests of the Company and fulfil its obligations with due diligence, in strict compliance with the Company's Articles of Association, Company's internal regulations and applicable law, and represent the Company before its other bodies.
2. The Management Board, being driven by the interest of the Company, defines the strategy and main objectives of its operation and submits them to the Supervisory Board, while remaining responsible for their implementation and execution. The Management Board task is to ensure transparency and efficiency of the Company's management system, as well as managing its business in compliance with the law and good practice.
3. When making decisions concerning the Company's business, the Members of the Board should act within the limits of justified economic risk, i.e. upon examination of all information, analyses and opinions, which in reasonable opinion of the Management Board should be considered in such case due to the Company's interest, and when determining the Company's interest, one should take into consideration interests of the shareholders, creditors, employees of the Company as well as other entities and persons which cooperate with the Company in scope of its business, as well as interests of local communities, justified in the long term.
4. A Member of the Board of the Company is obliged to refrain from representing the Company in cases when there is a conflict of interests between the Company and this Member of the Board.
5. All cases related to managing the Company's business not reserved by the provisions of law or Articles of Association for the competencies of the General Shareholders' Meeting or the Supervisory Board are within the scope of operation of the Management Board.

#### §7.

1. The Management Board represents the Company in legal court and out-of-court activities of the Company.
2. The right of the Management Board to represent the Company covers all the court and out-of-court activities related to management of the company except for issues which require a resolution of the General Shareholders' Meeting or the Supervisory Board.
3. The Members of the Board are obliged to demonstrate due diligence when performing their duties at a level exceeding the generally required diligence.
4. The Management Board is authorized in particular to:
  - 4.1. administer the Company's assets;
  - 4.2. make and receive declarations of will on behalf of the Company, in particular in scope of property rights and Company's obligations, incurring obligations and signing contracts;
  - 4.3. grant and recall powers of attorney and other authorizations; to appoint a proxy requires the consent of all Members of the Board, made by unanimous resolution; the power to dismiss the proxy is has any Member of the Board;
  - 4.4. adopt the Regulation of the Management Board as well as regulations applicable to its

- employees; the Regulation binds the Management Board and is an internal document of the Company; the determinations of the Regulation of the Management Board do not have any effect on third parties;
- 4.5. issue directives and official orders applicable to employees of the Company, in accordance with the provisions §3 item 1 point 1.4, sign and terminate employment contracts with Company employees, determine their remunerations on the terms specified, in particular, in collective agreement and in work, organization, remunerations regulations;
  - 4.6. summon ordinary and extraordinary Shareholders' Meetings in the manner specified in the Code of Commercial Companies and the Company's Articles of Association, participation in Shareholders' Meetings;
  - 4.7. submit proposals for the Shareholders' Meeting, including proposals for the distribution of profit or losses of the Company;
  - 4.8. address the Supervisory Board with other proposals;
  - 4.9. maintain a book of minutes from the Shareholders' Meetings as well as make relevant copies of it.
5. The decisions bearing risks for the operation of the Company, including financial liability:
- 5.1. taking up credits or loans;
  - 5.2. granting guarantees;
  - 5.3. offers made by the Company with the value exceeding the amount 100 mln PLN net;
  - 5.4. acquisitions of services or materials carried out by the Company with the value exceeding the amount of the 5 mln PLN net;
- referred in points 5.1.-5.2. require a resolution of the Management Board adopted in the manner specified in §11, and referred in points 5.3-5.4 - a decision of the Management Board adopted in the manner specified in §11 point 8. of this Regulation.
6. Moreover, resolution of the Board also requires making decision on corporate issues, in particular related to:
- 6.1. Determining the Company's strategy and approval of long-term development programs of particular areas of its operation;
  - 6.2. approving the economic and financial plan of the Company and schedule of its implementation;
  - 6.3. determining the amount of investment outlays and sources of financing;
  - 6.4. Organizational Regulation of the Company, unless it is implemented by directive of the President of the Board;
  - 6.5. creating, transforming and winding up organizational units of Mostostal and vacancies specified in the Organizational Regulation of the Company;
  - 6.6. terms of granting powers of attorney;
  - 6.7. determining personnel policy and policy of remuneration in the Company, except for the rules determining terms of contracts governing the employment or other legal relations of the Members of the Board with the Company;
  - 6.8. approving policy and terms of cooperation with other market players;
  - 6.9. applying to Company's statutory bodies in cases provided for in the Code of Commercial Companies and the Company's Articles of Association;
  - 6.10. approving the annual balance sheet, profit and loss account and report on Company's operation with presentation of these documents to the Supervisory Board at required dates;
  - 6.11. determining the terms of managing assets;
  - 6.12. Company's ownership changes and public trade of the Company's securities;
  - 6.13. determining the principles and performing the ownership supervision over companies owned by Mostostal Warszawa;
  - 6.14. participation in companies and other legal entities, except for associations and charitable organizations;

- 6.15. concluding and executing agreements between the Company and trade unions active in the Company;
- 6.16. negotiating and solving labour disputes.

#### § 8

1. The Members of the Board directly operate the Company's business according to the division of works specified by the President of the Board in his/her directive or Organizational Regulation.
2. The company's business which was not entrusted for handling to any individual Member of the Board will be personally handled by the President of the Board.
3. The Members of the Board report to the President of the Board in matters specified in item 1 of this point.
4. In matters specified in item 1 of this point, the President of the Board:
  - 4.1. monitors and assesses the Members of the Board work result, and
  - 4.2. determines by way of directive, the detailed scope of tasks of the Members of the Board, as well as the scope and mode of preparing reports in scope of issues specified in item 1.1.
5. A resolution of the Management Board may grant to particular Members of the Board the handling of specific matters (projects) specified in the resolution, for individual handling.
6. The detailed mode of issuing directives and the scope of issues covered by these regulations is determined by the Organizational Regulation.

#### §9.

1. On behalf of the Company the following persons are authorized to make declarations of will signing contracts and incurring obligations:
  - 1.1. two Members of the Board or one Member of the Board together with a proxy with the proviso that representing the Company's Board Member and proxy come from two different competence divisions;
  - 1.2. Authorized persons within the powers of attorney granted to them.
2. Moreover, persons acting on the basis of general and special powers of attorney, granted by persons authorized to represent the Company, according to the principles applicable at the Company, governing the mode and scope of granting powers of attorney, are authorized to make declarations of will, sign contracts and incur obligations on behalf of the Company.

#### §10.

The Management Board is obliged to:

1. Report Company's business requiring disclosure in the register of entrepreneurs maintained by the National Court Register.
2. Submit to the National Court Register all documents and declarations according to the provisions of the Code of Commercial Companies.
3. Maintain a register of minutes and resolutions of the Shareholders' Meetings, meetings of the Supervisory Board and meetings of the Management Board.
4. Present to the Shareholders' Meeting all explanations and documents of the Company's business.
5. Submit to the Supervisory Board all the reports on company's operations, as well as proposals for the distribution of profits, sources and methods of covering any losses and value of write-offs to special funds.
6. Prepare appropriate materials and information for the meetings of the Supervisory Board.
7. Complete post-control recommendations of bodies authorized to control the Company.
8. Call an Ordinary Shareholders' Meeting at least once a year, no later than by the end of June of each year.
9. Call an Extraordinary Shareholders' Meeting on one's own initiative or upon request of the Supervisory Board or of the shareholders holding at least 1/20 of the share capital, no later than within 14 days from the date of submitting such a request in writing, specifying the

- reasons for calling it.
10. Announce at the "Polish Gazette" ("Monitor Polski") financial reports of the Company within 2 weeks from the Shareholders' Meeting approving them, and reporting these matters to the National Court Register.

### Chapter III

#### Organization of the work of the Management Board and adoption of resolutions

##### §11.

1. The meetings of the Management Board take place at the dates determined by the President of the Board specified in the schedules or as needed, however no less than once a month.
2. The meeting shall be called by the President of the Board or a Member of the Board authorized by the President of the Board, at least 48 hours before planned meeting of the Management Board, unless all the Members of the Board agree to hold a Board meeting at an earlier date.
3. All the Members of the Board must be correctly informed about a meeting of the Management Board, in writing or by e-mail.
4. The participation of Members of the Board in the Management Board meetings is obligatory.
5. Members of the Board receive the draft resolutions together with necessary documents latest 48 hours before the meeting of the Board.
6. For the validity of the resolutions, more than 50% of the composition of the Management Board and the President of the Board is required, unless the President of the Board has given its written consent to hold the meeting without his/her participation.
7. Resolutions are taken by simple majority of votes. In case of an equal number of votes for and against, the vote of the President of the Board is decisive.
8. The decisions of the Management Board are reported in form of minutes and signed by those Members of the Board present at the meeting. The minutes should be signed by all present Members of the Board.
9. When a Member of the Board believes the minute does not reflect the course of the meeting, he/she may require rectification, by reporting on the case dissenting opinion. The final contents of the minutes shall be decided by the Management Board by way of resolution adopted at the next meeting after the submission of the request.
10. In matters exceeding the scope of ordinary management, the decisions are made in form of resolutions of the Management Board.
11. The Management Board decides on which matters should be decided by way of resolutions of the Management Board.
12. Resolution should be adopted in a way specified in the Code of Commercial Companies or in the Company's Articles of Association, in accordance with the procedure adopted by the Company.
13. The resolutions are adopted in open ballot. At the request of at least one member of the Management Board, the resolutions shall be adopted in secret ballot.
14. The resolutions of the Management Board should be sequentially numbered, dated and signed by Members of the Board and should contain a note on the result of the vote.
15. The resolutions are separate documents intended for further submission for execution or information.
16. The Member of the Board who voted against the resolution cannot refuse to sign the contents of the minutes.
17. Failure to adopt a valid resolution, i.e. not adopted by the Management Board or contrary to the procedures, may result in invalidity of the legal act taken by the Company in execution of such an invalid resolution.
18. A Member of the Board may subject any issue within his/her scope of duties to be resolved by the Management Board.
19. A Member of the Board may request that an issue within the scope of duties of another

Member of the Board was resolved by the Management Board.

20. If any of the Members of the Board opposes the method of handling the Company's business by another Member of the Board and informs him/her of this in writing, the Member of the Board concerned by the opposition is obliged to suspend any decisions in the questioned matter and submit it for discussion of the Management Board, which shall decide on it in form of a resolution.

§12.

1. The Management Board may adopt a resolution outside the meeting, in the mode of a vote by correspondence (circulation mode). In such case, the letter containing the text of the resolution shall be signed by a Member of the Board - which means voting for the resolution. Voting against the resolution shall be made by making an applicable annotation by one's signature. The letter with the text of the resolution should be received by all Member of the Board and it may be sent to each Member of the Board separately.
2. A resolution is considered adopted if all the Members of the Board were informed about its content in advance. The text of the resolution should mention that it was adopted by correspondence.
3. If the resolution is adopted by correspondence, the minutes shall not be prepared. The resolution accepted by correspondence shall be considered adopted on the day on which the President of the Board or the Member of the Board replacing the President of the Board during his/her absence receives the required number of written votes for the resolution, unless the content of the resolution provide for otherwise.
4. The correspondence mode does not apply to resolutions adopted in matters for which the applicable regulations require a secret ballot.

Chapter IV  
Final provisions

§13.

1. The Company is represented by the Supervisory Board in contracts between the Company and the Member of the Board.
2. The remuneration of the members of the Board shall be determined by the Supervisory Board.
3. Without the consent of the Supervisory Board, a Member of the Board cannot handle any competitive business or participate in a competitive legal person as a member of its: Management Board, Supervisory Board or partner in case of holding at least 10% of shares or stock.
4. The obligation of non-competition applicable to the Members of the Board may be revoked only when the Member of the Board receives from the Company's Supervisory Board an applicable permission to a specific activity. The permission of the Company must be explicit.

§14.

These regulations enter into force upon its adoption resolution concerning amendments to the Board Rules by the Management Board Mostostal Warszawa SA.