

RULES OF THE MANAGEMENT BOARD OF FERRUM S.A.
(text adopted by the Management Board Resolution no. 87/IX/18 dated 22th August 2018 and approved by the Supervisory Board Resolution no. 64/X/18 dated 7th September 2018)

I. Aim and subject of the Rules

§ 1

The aim of the Rules is to set out operations of a group Management Board providing efficient and effective managing of the Company's affairs.

§ 2

The Management Board shall exercise its rights concerning managing of the Company's affairs, except for the rights reserved by law or the Company's Statute for other corporate bodies of the Company.

II. Performance of the Management Board

§ 3

1. The basic form of work of the Management Board is holding meetings and adopting resolutions concerning managing of the Company's affairs.
2. The results of the basic work of the Management Board may be recorded in two forms:
 - the minutes of the Management Board's meeting,
 - resolutions of the Management Board.
3. President of the Management Board, hereinafter referred to as "the President", is obliged to supervise the actions of the Management Board.
4. Should the number of the Management Board Members comply with the mode of representation of the Company defined in the Company's Statute, holding the Management Board's meetings and adopting resolutions are not necessary.

§ 4

Members of the Management Board are obliged to take active part in the Management Board's meetings.

§ 5

The Management Board may, by the means of a resolution, oblige a Member of the Management Board to perform a particular additional task or fulfil a professional duty other than resulting from the scope

of the Member's usual responsibilities. The resolution shall determine the scope of the additional task and its time limit.

§ 6

The Management Board may grant a special power of attorney to the Manager of the Personnel Management Office, by means of a resolution, authorising him/her to enter into agreements between the Company and its employees and to represent the Company and perform actions resulting from employment.

§ 7

1. In situations determined in the Company's Statute the Management Board may grant a commercial power of attorney. The power of attorney may be granted to the Company's employees or other persons.
2. Granting the commercial power of attorney requires a resolution of the Management Board adopted by all its Members. A motion filed by a Management Board Member concerning revocation of the commercial power of attorney is the basis to revoke it.
3. The motion mentioned above in par. 2 is binding for other Members of the Management Board.

§ 8

Resolutions of the Management Board shall be adopted particularly with regard to the following issues:

- 1) any matters presented by the Management Board at the General Meeting of Shareholders and to the Supervisory Board,
- 2) passing the Rules of the Management Board,
- 3) passing the Organisational Rules of the Company,
- 4) introducing and amending the Employment Rules,
- 5) introducing and amending the Company's Collective Labour Agreement,
- 6) determining the employment and remuneration policy,
- 7) approving and the Company's annual plans, as well as amending, inter alia:
 - production and sale plans,
 - marketing plans,
 - economic and financial plans,
 - plans concerning renovations and investments,
 - plans concerning the Company's Social Benefits Fund and the Rules of the Company's Social Benefits Fund,
- 8) approving the forecasts concerning implementation of annual plans made available to the public,
- 9) determining the Company's development strategy and all long-term plans, as well as forecasts concerning their implementation, made available to the public,
- 10) contracting loans and credits,
- 11) issuing guarantees, backing bills of exchange, establishing judiciary mortgages, registered pledge of fixed and current assets, as well as other security against the Company's assets, in the scope and amount determined by a separate resolution adopted by the Management Board,

- 12) acquiring and disposing of real estate and perpetual usufruct,
- 13) considering and endorsing the scope, the amount and the choice of insurance company in the matters concerning property and personal insurance,
- 14) redeeming receivables and interest in the scope and amount determined by a separate resolution adopted by the Management Board,
- 15) selling and transferring receivables below the book value of the main receivables and due interest,
- 16) endorsing losses, deficits and inventory discrepancies in the scope and amount determined by a separate resolution adopted by the Management Board,
- 17) making material and financial donations,
- 18) joining organisations and associations,
- 19) entering into the Company as a shareholder or entering into other entities,
- 20) making decisions concerning affiliation with foreign capital,
- 21) filing motions to the Supervisory Board concerning agreement to enter into transaction not included in the approved annual budget - plan and concerning disposal, acquisition, charging or lease of a real estate, property rights and any other possessions, as well as to assume obligations, if the amount of a single transaction exceeds 10% of the Company's equity as of 31 December of the previous year,
- 22) granting a commercial power of attorney,
- 23) granting a registered commercial power of attorney authorising to exercise the right or assume obligations of particular value, excluding the warrants of attorney for Legal Advisors,
- 24) determining the strategy of proprietary supervision in the capital group,
- 25) determining the rules of management of the capital group,
- 26) determining the rules of employment and remuneration of the persons representing the Company in corporate bodies of subordinate and affiliated entities of the capital group,
- 27) appointing and dismissing the persons representing the Company in corporate bodies of the companies that are members of the capital group,
- 28) determining the rules of financial management in the capital group,
- 29) other matters presented by Members of the Management Board.

§ 9

1. A Management Board Member should inform the Management Board about current or possible conflict of interests and refrain from speaking out and voting on a resolution concerning the matter on which the conflict of interests occurred.
2. The Management Board should present justification of draft resolutions for the General Meeting of Shareholders or request the subject submitting a motion on placing an issue on the agenda of the General Meeting of Shareholders to present such a justification, excluding resolutions on organisational or formal matters or typical resolutions adopted at an Ordinary General Meeting of Shareholders.
3. Members of the Management Board should participate in deliberations of the General Meeting of Shareholders in such a composition that giving substantial answers to questions asked during the General Meeting of Shareholders is possible.

§ 10

1. In order to effectively fulfil its responsibilities determined by the Commercial Companies Code, in binding acts of law and in the Company's Statute, the Management Board may set up an organisational unit responsible for the organisation of the activities of the Company's corporate bodies.
2. The scope of responsibilities of the appointed organisational unit shall be determined by the Organisational Rules of the Company.

§ 11

Rules concerning creating the Company's internal law shall be determined by the Organisational Rules of the Company introduced in accordance with the Company's Statute.

§ 12

The President and a Member of the Management Board may take part in the performance of the operational management of the Company. The performance of the operational management is based on establishing a separate legal relationship determined by the resolution of the Supervisory Board.

III. Meetings of the Management Board

§ 13

1. Any Management Board Member is authorised to convene a meeting of the Management Board. A successive meeting of the Management Board may also be convened by means of an appropriate arrangement included in the minutes taken at the previous meeting of the Management Board or in the form of a meeting schedule or the Management Board's plan of work.
2. The arrangement concerning a successive meeting included in the minutes taken at the previous meeting of the Management Board has the legal validity of formal convening and shall meet the requirements determined in §14 and § 15 of the Rules.

§ 14

1. The President or a Member of the Management Board convening the meeting shall be hereinafter referred to as "the Convening Party".
2. A written notification on convening of a meeting of the Management Board, with the proviso of par. 3, shall be delivered to all Members and invited guests at least 4 days before the meeting.
3. The requirements determined in par. 2 shall not apply when information on convening of the meeting has been included in the minutes from the previous meeting or when all Management Board Members are present at the meeting and did not object to either holding the meeting or placing particular issues on the agenda of the meeting.

4. Meeting of the Management Board can be held without formal convening if all Management Board Members are present and none of them objects to holding it.

§ 15

1. The Convening Party shall include the suggested agenda of the Management Board meeting in the notification on its convening, as well as the way and the time limit of delivering the materials concerning particular items of the agenda.
2. The agenda of the meeting shall be put forward by “the Convening Party”. All items of the agenda shall be described in details.
3. Every Member of the Management Board may file a motion on placing a particular issue on the agenda, provided that a draft resolution and its justification have been prepared by the Member within time limits determined in § 14 par. 2. The Convening Party is obliged to place the issue specified in the Member’s motion on the agenda.

§ 16

The materials concerning the issues placed on the agenda of the meeting shall be prepared by a Management Board Member appointed by the President, the Convening Party or the Management Board Member who filed the motion to place the issue on the agenda of the Management Board meeting.

§ 17

1. A meeting of the Management Board is legally valid if it has been convened in accordance with § 13 and § 14 par. 2 or is held in accordance with § 14 par. 4 and if the meeting is attended by at least a half of the number of the Management Board Members.
2. The minutes shall be taken during the Management Board meetings. If agreed by all Management Board Members, the minutes may include only the content of resolutions adopted at the meeting.
3. The minutes of the Management Board’s meeting shall be taken by a minutes secretary appointed by the President or, in case of the President’s absence, by the Convening Party.
4. The minutes of the Management Board meeting shall be concise and shall include:
 - a) title, number, date and place of the meeting,
 - b) statement that all Management Board Members have been invited, as well as names and surnames of the Management Board Members attending the meeting,
 - c) list of the invited guests (names and surnames, positions),
 - d) the agenda,
 - e) result of the meeting in form of resolutions,
 - f) presumptive annotation that a Management Board Member abstains from taking part in Management Board’s decisions concerning conflicting interests,
 - g) signatures of the Management Board Members present at the meeting.

5. The formal motions submitted and voted on shall not be included in the minutes.
6. Presumptive substantial organisational stipulations may be included in the minutes if none of the present Management Board Members makes an objection or files a motion concerning adopting a formal resolution on this matter.
7. Unless during the meeting any of the Management Board Members submits a formal amendment to the minutes taken at the previous meeting, the minutes shall be considered correct. Decisions on considering amendments are made by majority of votes cast by the Management Board Members who attended the previous meeting, at which the minutes were taken.

§ 18

1. The Company's employees competent in the presented matters, as well as other guests may be invited to the Management Board's meeting. The invitation may be oral or written.
2. The right to invite guests and the Company's employees to the whole meeting or its part concerning presentation of a particular item of the agenda lies in the competence of the President or, if the President is absent, the Convening Party.

§ 19

1. If requested by the guest or a Management Board Member, the guest may be excluded from the meeting. The final decision in this case shall be made by the President or, if the President is absent, the Chairperson of the meeting.
2. The provisions of par. 1 shall not apply with regard to Members of the Supervisory Board attending the meeting of the Management Board.

§ 20

1. The meeting of the Management Board shall be opened, chaired and closed by a Member of the Management Board hereinafter referred to as the Chairperson.
2. The President or the Convening Party may act as a Chairperson, as well as a Management Board Member appointed temporarily by the President. If the President is absent at the Management Board's meeting, this duty shall be performed by the Convening Party in the first place.

§ 21

1. Meetings of the Management Board are held in the Company's registered office.
2. The President's consent is required to hold a meeting of the Management Board in a place other than the Company's registered office.

§ 22

The Chairperson opens and closes the meeting with an explicit statement. Leaving the meeting

by a Member of the Management Board before the meeting is closed is possible only with the President's consent, or, if the President is absent, the Chairperson's consent, and shall be included in the minutes.

§ 23

Amending the agenda during the meeting is possible if none of the Management Board Members makes an objection.

§ 24

1. The participants of the meeting are given the floor by the Chairperson.
2. In substantive matters the Chairperson may take away the floor or refuse it to a person who has already spoken out on a particular issue.
3. In formal matters a Member shall not be refused the floor. The formal matters include:
 - 1) filing an amendment to the minutes taken at the previous meeting,
 - 2) a request for the meeting to be adjourned,
 - 3) a motion (an objection) to announce a break,
 - 4) a motion to change the order of the motions to be voted on,
 - 5) a motion (an objection) to establish or amend the agenda of the meeting,
 - 6) a motion to revoke a guest's invitation,
 - 7) a motion to take the floor away during a discussion, to stop the discussion on a particular matter or to close the meeting,
 - 8) a motion for other motion to be dismissed,
 - 9) a motion for a secret voting,
 - 10) an objection to consider a motion on a formal matter as informal.

§ 25

Every Management Board Member present at the meeting shall be obliged to keep the official secret.

IV. Adopting resolutions

§ 26

1. The Management Board shall adopt resolutions if requested by the Company's General Meeting, Supervisory Board or Members of the Management Board.
2. A resolution may be drawn up separately (as an appendix to the minutes of the meeting) or as a part of the minutes of the Management Board's meeting. A resolution included in the minutes of the Management Board meeting may be compiled in form of a separate document which is an excerpt from the resolution. The excerpt shall be signed by the Chairperson of the meeting and/or a person taking the minutes.
3. A resolution which was not adopted is not included in the minutes unless requested by the President of the Management Board or a Member of the Management Board who filed a motion to adopt the resolution.

§ 27

1. Voting on a resolution of the Management Board shall be carried out at the meeting of the Management Board, except for stipulations of par. 2.
2. A resolution of the Management Board may be adopted without holding the Management Board meeting, via:
 - 1) voting in writing by casting a written vote and submitting it to the President of the Management Board or to a deputy person appointed by the President, or by placing a signature underneath the resolution text;
 - 2) voting by telecommunication means in form of fax or the Internet.
3. In order to adopt a resolution following the procedure described in par. 2, casting votes by all Management Board Members is necessary.
4. If the Management Board is requested to adopt a resolution by the Supervisory Board or the General Meeting of Shareholders, the President shall appoint a person responsible for preparing a draft resolution.

§ 28

1. Every Management Board Member is entitled to file a written dissenting opinion or an oral objection to the minutes.
2. The fact that a dissenting opinion or an objection was filed shall be included in the minutes directly after giving the voting result.

§ 29

The voting is open. If requested by at least one Member of the Management Board present at the meeting, the President shall order a secret voting.

§ 30

Resolutions of the Management Board are adopted by absolute majority of votes. If the number of the present Management Board Members is odd, the requirement concerning obtaining the majority is met when more than a half of the Members present at the meeting vote for the resolution, rounding the number of the votes up, (e.g. when 5 Members are present – 3 votes for are required).

§ 31

1. Resolutions of the Management Board shall be drawn up by a minutes secretary appointed by the Convening Party.
2. Resolutions shall be signed by all Members of the Management Board present at the meeting.
3. The original of a resolution along with appendixes are to be filed by an appointed organisational unit.

4. Every Management Board Member, as well as the appointed organisational unit are entitled to certify copies and excerpts of the minutes and resolutions of the Management Board.

§ 32

1. A resolution of the Management Board shall be concise and shall include:

- 1) the title:

RESOLUTION No.
OF THE MANAGEMENT BOARD OF FERRUM S.A.
Of ...(date)...

- 2) subsequent number/term number/current year quoted by last two digits; if a resolution was not adopted, in the place where the number of the resolution shall be put, the words: "NOT ADOPTED" shall be entered,
 - 3) the date when the resolution was adopted,
 - 4) the wording: "on: ..." to give the subject of the resolution or a concise description of the issue the resolution is adopted on,
 - 5) the wording: "on the basis of..." to give the legal basis allowing the resolution to be adopted,
 - 6) substantive content of the resolution,
 - 7) the number of the votes for the resolution (entered in a numeral form),
 - 8) information whether a dissenting opinion was filed or not (the filing party's name and surname, as well as the marking of the appendix to the minutes including the dissenting opinion),
 - 9) signatures of the Management Board Members present at the meeting.
2. Any Member of the Management Board not present at the meeting is obliged to become acquainted with the minutes and resolutions of the meeting and to certify it by putting signature on the original minutes of the meeting of the Management Board on the first day of his/her presence.

§ 33

Every Management Board Member who is against adopting a resolution has the right to express his/her objection by filing a dissenting opinion to be included in the minutes.

§ 34

1. The content of resolutions and the minutes of the Management Board's meeting, with exception of par. 2, is an inside information and may not be published, unless otherwise agreed with the Management Board. The permission to make the documents available to a third party shall be issued by the President of the Management Board or in form of a resolution adopted by the Management Board or the Supervisory Board.
2. The provisions included in par. 1 shall not apply to the Supervisory Board and the General Meeting of Shareholders.

V. Cooperation with the Company's General Meeting and Supervisory Board

§ 35

1. The Management Board shall, on current basis, implement its own resolutions, as well as resolutions of the Supervisory Board and the General Meeting of Shareholders.
2. The President shall, on current basis, supervise implementation of resolutions of the Supervisory Board and the General Meeting of Shareholders and control implementation of the Management Board resolutions imposing particular obligations and tasks on particular Management Board Members.
3. The President may entrust the appointed organisational unit with supervision of implementation of resolutions of the Supervisory Board, the General Meeting of Shareholders, as well as the Management Board.
4. Before entering into a substantial agreement with an affiliated entity, the Management Board shall ask the Supervisory Board to accept the agreement. This obligation does not apply with regard to typical transactions entered into on the basis of market conditions, within the Company's ordinary business activity regarding the affiliated entity in which the Company holds a majority capital share. The term "an affiliated entity" used herein is compliant with the Regulation of the Minister of Finance dated 19 February 2009 on current and periodic information published by issuers of securities and conditions of recognising the information required by laws of a non-member state as equivalent.

§ 36

1. The appointed organisational unit shall complete the received materials meant for the Supervisory Board or the General Meeting of Shareholders and compile a draft covering note (including a detailed list of the materials handed over) for the President to sign.
2. A draft covering note mentioned in par. 1 shall be handed over, with appropriate advance, to each Member of the Management Board in order to be substantively proven and to make it possible for the President to file any comments before the document is signed.
3. The appointed organisational unit is obliged to supply Members of the Supervisory Board and the Management Board with a written reminder regarding duties to be carried out within specified time limits and tasks resulting from resolutions of the Company's corporate bodies which have not been implemented yet, with appropriate advance prior to the General Meeting of Shareholders, as well as prior to meetings of the Supervisory Board and the Management Board.
4. Immediately after receiving each resolution of the General Meeting of Shareholders or the Supervisory Board, the appointed organisational unit is obliged to hand over the copy of the resolution to the Management Board Members.

§ 37

1. The materials presented by the Management Board to the Supervisory Board and the General

Meeting of Shareholders shall be prepared by the appointed organisational unit or by a manager of an organisational unit who has been appointed by the President.

2. The materials presented to the Supervisory Board and the General Meeting of Shareholders shall be signed by the Company's Management Board.

VI. Control in the Company

§ 38

1. Rules and forms of performing control in the Company are determined by the Organisational Rules of the Company.
2. In particularly justified cases the Management Board, by means of a resolution, may commission a specialised legal entity or a natural person to carry out an accurate detailed inspection the Company.
3. Provisions of par. 2 shall be also applicable to affiliated limited liability companies in which individual Partners' supervision has not been excluded.

VII. Filing system

§ 39

Documents connected with the activities of the Management Board and handed over to the Management Board by the General Meeting of Shareholders and the Supervisory Board shall be gathered and filed by the appointed organisational unit.

§ 40

The documents mentioned in § 39 are inside information and may be made available only to Members of the Management Board. The documents may be made available to third parties only under stipulations of § 34.

VIII. Final provisions

§ 41

1. The President is authorised to conduct the usual correspondence of informational nature between the Management Board and third parties. The President may transfer this authority to the appointed organisational unit.
2. A Member of the Management Board who at the same time holds the position of a section director may independently conduct correspondence within competences determined in the Organisational Rules the Company.

§ 42

The cost of the Management Board activities shall be covered by the Company.

§ 43

The Rules of the Management Board may be supplemented by legal regulations concerning the activities of the Management Board included in the Commercial Companies Code, as well as in other acts of law and the Company's Statute.

§ 44

The Rules of the Management Board become legally binding as of the day of endorsement by the Supervisory Board.