

**MANAGEMENT BOARD REGULATIONS
OF DEVELIA S.A. WITH ITS REGISTERED OFFICE IN WROCLAW
KRS No. 0000253077**

**DIVISION I
GENERAL PROVISIONS**

§ 1.

These Regulations lay down the principles of operation of the Management Board of the Company., hereinafter referred to as the Management Board, being a collective governing body of DEVELIA Spółka Akcyjna (Joint-stock Company) with its registered office in Wroclaw, hereinafter referred to as the Company.

§ 2.

The Management Board is the Company's governing and executive body which acts on the basis of applicable laws and regulations, in particular on the basis of the Code of Commercial Companies; the Company's Articles of Association; resolutions of the General Meeting or the Supervisory Board to the extent that these are binding upon the Management Board by law; and on the basis of these Regulations, and it is obliged to manage the Company's business and assets, and fulfil the Management Board duties with diligence required in business relations.

§ 3.

The management of the Company's business shall be taken to mean the decision-making process in respect of matters being within the scope of the Management Board powers to manage and run the Company on an ongoing basis. The said decisions, which are of a factual and legal nature, are made in the course of ordinary activities pertaining to the management of the Company, and include both decisions taken without any formal record in the documentation evidencing the Management Board operations; decisions that require to be expressly mentioned in the minutes of the Management Board meetings; and those that require a resolution to be adopted.

**DIVISION II
THE MANAGEMENT BOARD AND THE WAY OF APPOINTMENT
THE MEMBERS**

§ 4.

The Management Board shall be comprised of 1 (say: *one*) to 7 (say: *seven*) members. Members of the Management Board, including the President of the Management Board, shall be appointed and dismissed by the Supervisory Board. The term of office of the Management Board members shall be three years. Re-appointment of a Management Board member shall be permitted for terms of office not exceeding three years each. Member of the Management Board may be dismissed at any time. In the event of dismissing a Management Board member during the term of his/her office and appointing another person in their place, the term of office of the newly appointed person shall end upon the expiration of the term of office of the entire

Management Board. The same applies also in the event of dismissing the entire Management Board during the term of their office and appointing a new Management Board, or extending the composition of the Management Board during the term of their office to include newly appointed members. The Management Board members' mandates shall expire on the date of the General Meeting convened to approve financial statements for the last full accounting year in which they acted in their capacity as Management Board members at the latest. The Management Board members' mandates shall also expire as a result of their death, resignation, or dismissal from the position in the Management Board.

DIVISION III THE MANAGEMENT BOARD OPERATING MODE AND THE SCOPE OF OPERATIONS

§ 5.

1. The President of the Management Board organizes and coordinates the Management Board operations. The competencies of the President of the Management Board shall include, in particular:
 - a) making of the Product Policy and the Products Sales Policy,
 - b) supervision of the Company's internal audit unit,
 - c) conducting the Company's Personal Policy.
2. In case of absence of the President of the Management Board or in any other case he can not perform his duties, within this time in the Company's internal affairs, he is substituted by the Vice President of the Management Board and in case of his absence by the member of the Management Board designates by the President of the Management Board.
3. The powers of the Management Board shall comprise all matters not reserved for the General Meeting or the Supervisory Board.

§ 6.

1. The Management Board shall manage the Company's business, and represent the Company in accordance with the manner of representation adopted by and applicable in the Company. The management of the Company's business shall apply to the internal sphere of the Company's activities.
2. While performing their duties the Management Board shall be obliged to strictly abide by the applicable laws and regulations, provisions of the Articles of Association, and resolutions of the Company's governing bodies.
3. In the event of the Management Board comprised of more than one person, two members of the Management Board acting jointly, or one member of the Management Board acting jointly with the commercial proxy (*prokurent*) shall be required to make declarations on behalf of the Company.
4. Each member of the Management Board shall be entitled and obliged to accept declarations of will or letters addressed to the Company both at the Company's premises, and outside. The Management Board member receiving the declaration of will or letter addressed to the Company shall be obliged to immediately progress it in accordance with procedures applicable in the Company.

5. In contracts or disputes between the Company and the Management Board members the Company shall be represented by the Supervisory Board or an attorney appointed by the resolution of the General Meeting.

§ 7.

1. The basic form of work to be performed by the Management Board shall be to meet and adopt resolutions relating to the management of the Company's business and performance of management functions.
2. Resolutions of the Management Board shall be required in particular to:
 - a) adopt the Management Board Regulations, subject to § 13 Clause 3 of these Regulations,
 - b) adopt or amend the Company's organisational chart,
 - c) set up or close down the Company's branches,
 - d) appoint a commercial proxy, subject to § 20 Subclause (p) of the Company's Articles of Association,
 - e) raise or grant loans, or obtain credit facilities, subject to § 20 Subclause (q) of the Company's Articles of Association,
 - f) approve annual business plans (material and financial plans), investment plans, long-term strategic plans, and investment plans,
 - g) contract contingent liabilities, including guarantees or sureties given by the Company, or issue bills of exchange, subject to § 20 Subclause (s) of the Company's Articles of Association,
 - h) sell or purchase fixed assets, including real estate or interest therein, subject to the provisions of § 20 Subclause (r) of the Company's Articles of Association,
 - i) in respect of matters the examination of which the Management Board requests of the Supervisory Board or the General Meeting, including preparation of the relevant draft resolutions of the said governing bodies of the Company,
 - j) appoint the Management Board representatives.
3. Each member of the Management Board may request that any specific matters be subject to, and resolved by, the Management Board resolution.
4. Members of the Management Board may combine their functions as Management Board members of other subsidiaries of the Company, subject to the consent of the Supervisory Board.
5. Members of the Management Board shall supervise the activities of various substantive departments to the extent resulting from the distribution of powers among the Management Board members.
6. The Management Board may distribute its powers among its individual members, as regards the areas of management and supervision for which a given Management Board member shall be responsible.
7. The Management Board resolution regarding the distribution of powers among the Management Board members shall be approved by the Supervisory Board.

§ 8.

1. Each member of the Management Board shall fulfil their duties independently, and shall be obliged to notify other Management Board members of any material decisions that they take, or of any results of their supervision.
2. The Management Board shall meet regularly depending on the Company's current needs, at the date, time and place agreed upon by the Management Board members.

3. Meetings of the Management Board shall be convened and chaired by the President of the Management Board, or by the member of the Management Board authorised by the President.
4. Each member of the Management Board may petition the President of the Management Board that a meeting be convened in matters which require an immediate Management Board decision, or in order to provide information on important Company matters. In such case the President of the Management Board shall set such a date for the meeting so as to allow the relevant decisions to be taken.
5. The notification of the Management Board meeting, including the agenda, shall, subject to Clause 2, be made at least 24 hours before the date of the meeting, in a manner ensuring that the addressee will receive the said notification, and will acknowledge the receipt thereof (by registered mail, courier, fax, e-mail, telephone, etc.). In the event that the date of the Management Board meeting has been set in advance by way of the Management Board resolution, the obligation to notify shall not apply.
6. Matters not included on the agenda may only be tabled for discussion at the Management Board meeting with the consent of the majority of the Management Board members present at that meeting. Individuals indicated by the President of the Management Board, or by the members of the Management Board, including but not limited to employees of the Company who are substantively responsible for matters discussed at the meeting may attend the Management Board meeting in an advisory capacity.
7. Management Board meetings may, upon the invitation of Management Board members, be attended by the Supervisory Board members, experts required for a decision to be taken on any given matter, or a recording person (all without the right of vote).
8. Individuals participating in Management Board meetings shall be obliged to keep the progress of the meeting confidential.

§ 9.

1. Resolutions of the Management Board may only be adopted, if all members of the Management Board have been correctly notified of the Management Board meeting. The Management Board may adopt resolutions, if at least half of its members are present at the meeting. Voting shall be open, unless the votes are cast on personal matters, in which case voting shall be conducted by secret ballot.
2. Resolutions of the Management Board shall be passed by an absolute majority of votes cast, with each member of the Management Board having only one vote.
3. The adoption of a Management Board resolution shall be recorded in the minutes of the meeting, subject to Clause 5 below, with the text of the resolution being attached to the minutes in the form of a separate document.
4. It shall be permitted for resolutions to be adopted by the members of the Management Board in such a way that the draft resolution is signed successively by each individual member of the Management Board (by circulation).
5. Any member of the Management Board who has voted against any resolution shall have the right to submit a dissenting opinion in writing in which they may explain the relevant reasons. The dissenting opinion shall be attached to the minutes of the meeting. The remaining Management Board members may not object to the dissenting

opinion of the Management Board member opposing the adopted resolution being recorded in the minutes.

6. Management Board meetings, including resolutions, shall be recorded, if the meeting relates to material Company's business, and the Management Board deems it justifiable. Minutes should contain the date and place of the meeting, its agenda, names of the Management Board members present at the meeting, number of votes cast on individual resolutions, dissenting opinions, and the progress of the meeting. Resolutions of the Management Board, as well as the minutes shall be signed by the Management Board members present at the meeting.
7. Upon the consent of all the Management Board members it is possible not to take the minutes of the Management Board meeting provided, however, that any resolutions adopted at that meeting will be recorded separately.
8. In the event that a decision is made not to take the minutes of the Management Board meeting, the progress of the meeting will be recorded in the form of a memorandum whose contents may vary from the requirements provided for in the provisions of the Code of Commercial Companies.
9. The memorandum may be used in the event of any doubts as to the progress of the meeting.
10. The minutes or memorandum of the meeting should be signed by the members of the Management Board, and by the recording person, if he or she were present at the meeting. In the event that any resolution is not recorded separately, but is included in the minutes of the Management Board meeting, the signature of the minutes of the meeting shall be tantamount to the signature of all records of resolutions that are included in the minutes.
11. The minutes should contain the following:
 - a) date and place of the meeting,
 - b) names of individuals present at the meeting, including the titles thereof,
 - c) mention of the validity of the meeting,
 - d) agenda,
 - e) texts of adopted resolutions, including the number of each resolution (in order of adoption at the meeting held on the given day), number of votes cast for, against, or abstaining,
 - f) name of the recording person, if they are present the meeting.
12. The minutes should be signed by all the individuals present at the meeting.
13. The text of the resolution shall contain in particular:
 - a) number and date of adoption,
 - b) number of votes cast,
 - c) mention of dissenting opinions, if any.
14. The Company shall keep a Book of Resolutions and a Book of Minutes of the Management Board Meetings. The following shall have access to the said Books:
 - a) Members of the Management Board, or individuals authorised by the members in writing,
 - b) Members of the Supervisory Board,
 - c) Persons conducting inspections at the Company who are authorised to have access to the Company's documents under separate provisions.

§ 10.

Members of the Management Board may not participate in the resolution of issues in which there is a possibility of a conflict of interests between the interests of the Company and the personal interests of the Management Board members, their spouses, relatives, or persons related by affinity up to the second degree.

§ 11.

1. The Management Board may request that the Supervisory Board meeting be convened, proposing the agenda for such meeting. The Chairman of the Supervisory Board shall convene the meeting within two weeks following the date of receipt of the relevant request.
2. In the event that the Chairman of the Supervisory Board fails to convene the meeting in accordance with Clause 1 above, the requesting body may itself convene the meeting by giving the date, place, and the proposed agenda for such meeting.

§ 12.

1. Upon expiration of the term of office, the Management Board members shall, in the form of an official record, hand over the Company's business to the new Management Board.
2. The said official record shall contain the following:
 - a) description of the various spheres of the Company's activities,
 - b) list of pending transactions,
 - c) list of the Company's receivables and financial obligations,
 - d) minutes of the Management Board meetings taking place during the entire term of office.
3. The record shall be signed by all the leaving and newly appointed members of the Management Board. In the event of any person being unable to sign the record, the said fact should be recorded and accompanied by the explanation of reasons for the missing signature.
4. Clause 3, sentence 2 above shall apply accordingly in the event that the new Management Board is unable to take over the Company's business in the form of an official record.
5. The new Management Board members may request any other necessary information from the leaving Management Board members, as well.

§ 13.

1. The Management Board shall gather and retain documents relating to their activities and to the activities of the Company, including, among others, documents relating to the Company's business activities, personnel documents, documents submitted by the General Meeting or by the Supervisory Board.
2. The documents referred to in Clause 1 above shall be retained for the period as provided for in the relevant applicable laws and regulations.

**DIVISION IV
FINAL PROVISIONS**

§ 14.

1. The Management Board members shall, in relation to the Company, be subject to limitations as set forth in the Code of Commercial Companies, the Company's Articles of Association, these Regulations, or resolutions of the Supervisory Board and the General Meeting.
2. In matters not regulated hereunder the provisions of the Company's Articles of Association and those of the Code of Commercial Companies shall apply.
3. These Regulations shall enter into force on the day that they are approved by the Supervisory Board.
4. All and any modifications of, or additions to, these Regulations must be adopted by way of the Supervisory Board resolution regarding the adoption thereof.
5. The cost of Management Board operations are covered by the Company.