



# **RULES**

**of Management Board of KRUK  
S.A. seated in Wrocław**

**Wrocław, November 2011**

## I. GENERAL PROVISIONS

### § 1

1. These rules define organization, principles and mode of proceeding of the Company Management, as well as division of competences of its Members.
2. The Management of KRUK S.A. seated in Wrocław acts pursuant to the letter of law, provisions of the Articles of Association and these Rules, further referred to as the Rules.
3. Whenever the Rules refer to:
  - 1) CCC - this shall be understood as the September 15, 2000 Commercial Companies Code Act (BoL 2000 nr. 94, item 1037 with lat. amend.),
  - 2) Company – this shall be understood as KRUK S.A. company seated in Wrocław
  - 3) Articles of Association – this shall be understood as the Company Articles of Association
  - 4) Supervisory Board – this shall be understood as the Supervisory Board of the company,
  - 5) General Meeting – this shall be understood as the General Meeting of the Company,
  - 6) Board - this shall be understood as the Company Management Board.

## II. . COMPOSITION AND MODE OF APPOINTING AND DISMISSING MANAGEMENT, REMUNERATION OF MANAGEMENT MEMBERS

### § 2

1. The management comprises of 3 (three) to 8 (eight) Members appointed and dismissed by the Supervisory Board, including the Board President, and appointed, if necessary, by the Vice-president or Vice-presidents of the Board.
  2. The number of the Board Members, including Board Vice-presidents, is defined by the Supervisory Board at all times, basing on a motion of the Board President.
  3. The Board President is appointed and dismissed by the Supervisory Board.
  4. The remaining Board Members, including the Board Vice-presidents, are appointed and dismissed by the Supervisory Board, and their appointment by the Supervisory Board is made at the request of the Board President.
  5. If the Board President does not file the motion defined in item 2 above, or does not elect candidates for Board Members pursuant to item 4 above within 7 (seven) days from the day of appointing him as the Board President, or within 7 (seven) days from the date in which the number of Board Members falls below the minimum defined in para 2 item 1 above, the Board Members shall be appointed by the Supervisory Board, in the number elected by it.
  6. Board Members are appointed for a common tenure of 3 years.
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7. Mandates of the Board Members expire on the date of holding a General Meeting approving a financial report for the last full business year of performing duties of a Board Member.
8. The Supervisory Board determines principles of remunerating Board Members, and the amount of remuneration of the Board President. In consideration of the remuneration principles determined by the Supervisory Board, the Board President submits motions to the Supervisory Board in regard to defining the value of remuneration of individual Board Members other than the Board President, which the motions are then approved by the Supervisory Board.
9. Save for the item 1 above, the Supervisory Board may, for material reasons, appoint Board Members and determine the value of remuneration.
10. Provisions of item 2, item 4, item 5, item 8 and item 9 of this paragraph enter into force on the day of dematerialization of all A series shares, AA series shares, B series shares pursuant to art. 5 item 1 of the June 29, 2005 Act on Trading Financial Instruments (Uniform text: BoL 2010, no. 211, item 1384, with lat. amend.). Until that time, the Board is appointed and dismissed by the Supervisory Board, which also determines the number of Board Members, principles of remuneration and value of remunerations of the Board Members, including the Board President.

### III. SCOPE OF COMPETENCES OF BOARD

#### § 3

1. The Board's competences include management of any and all the matters of the Company, except for those reserved by the letter of law and the Company Articles of Association for exclusive competence of the general Meeting or the Supervisory Board.

#### § 4

1. The Management makes decisions in the form of written resolutions.
2. The exclusive competence of the Board President includes making any decisions related to the establishment and liquidation of organizational units functioning within the Company.

#### § 5

1. The Board represents the Company outside, also in court and outside of court.
2. Joint action of two Board Members, or of a Board Member with the authorized clerk is required for making declarations of will on behalf of the Company, and for representing it.

### IV. DUTIES OF BOARD MEMBERS

#### § 6

1. The Company Board is obliged to manage the Company's assets and to manage matters of the Company, in accordance with law, with provisions of the Articles of Associations, with resolutions of the Supervisory Board and of the General Meeting, and with these Rules; when performing his duties, each Board Member shall maintain due diligence in accord with the professional character of his duties.

2. Board Members perform their duties in person, according to the function defined by the Supervisory Board in resolutions on appointing Board Members, as well as in these Rules.
3. In case of occurrence of a conflict of interests, or a possibility of occurrence of such, a Board Member should notify the remaining Board Members on such conflict, and abstain from speaking in the discussion, or voting over a resolution regarding the matter for which a conflict of interests has occurred.
4. Special duties of a Board Member include:
  - 1) implementation of the strategy and main goals of the Company, maintaining diligence, transparency and effectiveness of the Company management system,
  - 2) executing annual budgets/operating plans of the Company,
  - 3) managing the Company matters in accordance with law and good practice,
  - 4) acting within the limits of justified economic risk when making decisions related to the Company,
  - 5) duty of maintaining loyalty towards the Company,
  - 6) informing the Company Management on any conflict of interests due to the function performed, or on the possibility of occurrence of such.
  - 7) Members of the Board are obliged to participate in sessions of the General Meeting, in a composition allowing to give substantive response to questions asked during the General Meeting.
5. In case of changes in the composition of the Board, the withdrawing Board Member is obliged to formally transfer any cases managed by him, along with any documentation held. The person accepting the cases and the documentation is the Board President, or a Board Member assigned by him, or any other person assigned by him.
6. Any breach of law, of provisions of the Articles of Association and of this paragraph shall be deemed as material reason as mentioned in para 14 item 2 point 5 of the Company Articles of Association, and shall constitute basis for suspending one's rights and duties, and also may be a reason for dismissing a Board Member from the function performed.
7. Board Member is responsible towards the Company for any damage caused by action or negligence in breach of law or provisions of the Articles of Association, unless he is found not to be guilty.

## VI. CALLING AND PRESIDING OVER BOARD SESSIONS

### §7

1. Works of the Board are organized by the Board President.
2. The Board holds fixed sessions at least twice per two weeks, at a date and place specified by the Board President.
3. Board sessions are called by the Board President, or Board Vice-president, as a substitute. This duty may be performed on behalf of the President (Vice-president), by the Manager or by other worker of the Board Office.
4. Each Board Member may submit a motion to the Board President on calling a board meeting.

5. Each Board Member may submit a motion to the Board President on including in the agenda an issue from the given area of the given Board Member.
6. Board Sessions are presided by the Board President, or the Board Vice-president as a substitute, provided he is appointed. Board President or Vice-president managing the Board session has the right to:
  - a) define agenda of the session;
  - b) amend agenda of the session;
  - c) implement open or secret ballot;
  - d) give floor to individual Board Members, and limit the duration of speaking of the remaining Board members during the Board session;
  - e) order breaks in the session; and
  - f) formulate the contents of drafts of resolutions;

#### §8

1. Notification on a planned session of the Board, along with the proposed agenda and any materials submitted before the management shall be delivered to each Board member in writing or by electronic email at least three working days before the date of session.
2. In sudden cases, the Board President, or the Vice-president substituting him, unless such as appointed, may order another mode and date of notifying the Board Member on the date of session.

### VII. ADOPTING RESOLUTIONS

#### §9

1. Board Resolutions are adopted through open or secret ballot.
2. The Board may adopt resolutions only if each of the Board Members has been effectively notified on the session, and if at least half of the total number of Board Members is present at the session.
3. The Board Resolutions are passed by a simple majority vote.
4. Save for the provisions of the Commercial Companies Code, the Board may adopt resolutions in other modes than a meeting, including:
  - a) **in written mode**, consisting in each Board Member casting a vote in writing by placing their signature on a resolution draft in the specific field corresponding to a for, against, or abstain vote.
  - b) **with the use of direct remote communication means** (e.g. video exchange, telephone).
5. The Resolutions adopted in the mode defined in art. 4 are valid only if all the Board Members have been notified on the content of its draft. The Resolution is valid if signed by an absolute majority of the Board members. Adoption of the resolution with the use of direct remote communication means is approved by the Board President who receives the votes from the remaining Board Members-

- such approval is made by way of annotation in the resolution of the mode of adoption, and the votes cast by individual Board Members.
- 6. In case of equal number of votes cast for the resolution, *and* against the resolution, the Board President's vote decides.

## VIII. MINUTES

### §10

1. Sessions and resolutions of the Board are minuted by a minute clerk.
2. The minutes should include:
  - 1) date and place of session,
  - 2) full names of Board Members present at the session,
  - 3) full names of persons invited,
  - 4) adopted agenda,
  - 5) results of the session, particularly a note on adopting a resolution and its contents, or a note on solving the case differently,
  - 6) number of "for" and "against" votes cast for the individual resolutions, or the "abstain" ones,
  - 7) dissenting opinions regarding the resolutions.
3. The minutes are signed by the Board Members present at the meeting, as well as by the Management Board Office Manager, or a worker of the Management Board Office appointed by him - as a minute clerk.
4. In case of adopting resolutions in the mode of para 9 item 4 of these Rules, minutes from the vote carried out in writing, or through direct remote communication means, or in mixed mode should include:
  - 1) subsequent number of the minutes, and the date of voting,
  - 2) information on the form of voting applied, contents of the resolution, results of the vote, and dissenting opinions.
5. Accuracy of the minutes is confirmed by the Management Board Office Manager, who also submits duplicates of the resolutions adopted by the Board for the specific needs of organizational areas.
6. Minutes from the Board sessions, along with annexes, and the resolutions adopted by the Board are filed by the Management Office.

## X. FINAL PROVISIONS

### §11

1. The Management Board Rules are overt and generally accessible.
2. In matters not stipulated by these Rules, the Commercial Companies Code, the Company Articles of Association, and the generally applicable regulations shall apply.

### §12

These Rules enter into force on the first date of trading shares of the Company on a regulated market.