

BOARD REGULATIONS

DELKO S.A.

Art 1. Definitions

Whenever the following is referred to in the Regulations:

- a) The Board – it should be understood as the Company Board;
- b) The Chairperson – it should be understood as the Chairperson of the Board;
- c) Member of the Board – it should be understood as any member of the Board, unless the context in which this term was used shows that it does not refer to the Chairperson;
- d) Secretary – it should be understood as an employee of the Company designated to deal with organizational issues and handle the Board's office business;
- e) Meeting – it should be understood as a meeting of the Board;
- f) The Supervisory Board – it should be understood as the Supervisory Board of the Company;
- g) The Articles – it should be understood as the Articles of Association of the Company;

Art. 2. General Provisions

1. The Executive Board acts based on:

- a) The generally applicable law, in particular the Code of Commercial Companies;
- b) The Company's Articles of Association;
- c) The resolutions of the General Meeting of Shareholders of the Company;
- d) The resolutions of the Supervisory Board;
- e) The present Regulations;

2. The composition of the Board, the manner of appointment and dismissal, and the term of office are specified in art. 17 of the Company Articles and in the relevant resolutions of the Supervisory Board, issued on the basis thereof.

3. The Management Board is a collegiate body and consists of:

- a) The Chairperson of the Board,
- b) The members of the Board.

4. Members of the Board may be employed by the Company under an employment contract or they can conclude agreements with the Company other than contracts of employment, and regarding their services. In any case, the employment is pursuant to a resolution of the Supervisory Board, which also determines the remuneration of a member of the Board. Members of the Supervisory Board appointed by the Supervisory Board shall conclude contracts with each member of the Board on behalf of the Company.

5. The provisions of this Regulation do not in any way contravene the generally applicable law, in particular the Commercial Code, or the provisions of the Articles, the resolutions of the General Meeting or the resolutions of the Supervisory Board.

Art. 3. Basic competence of the Board

1. The Management Board is the managerial and executive body of the Company and as such runs the Company's business and directs the entirety of its activities, manages the enterprise run by the Company and represents it outside.

2. Representation of the Company to third parties means performing legal proceedings on behalf of the Company and for it. The Board's right to representation extends to any judicial and extrajudicial activities, except those which, under specific provisions have been reserved for the exclusive competence of the Company's other units.

3. Authorized to make representations on behalf of the Company are two members of the Management Board acting jointly.

4. As defined in the employment legislation, the Company's Board is a body operating on behalf of the Company as an employer, subject to art. 2 sec. 4.
5. The rights and duties of the Board include in particular:
 - a) Fixing dates, agendas and summoning General Meetings of Shareholders;
 - b) Submitting proposals to the General Meeting, together with the opinion of the Supervisory Board, in matters covered by the agenda;
 - c) Presenting supervisory authorities with financial statements and the Board's written report on its activities during the fiscal period and a proposal for the distribution of profit or coverage of losses.
 - d) Enacting the Company's Organizational Regulation and other internal acts of the Company, regulating the workflow of the Company's enterprise;
 - e) Developing and adopting annual, long-term and strategic plans of the Company;
 - f) Setting up power of attorney and proxy;
 - g) Fixing dividend payment dates and their publication;
 - h) Applying to the Supervisory Board to summon a meeting thereof
 - i) Applying to the Supervisory Board for the approval of: Board Regulations, Organizational Rules of the Company, annual, long-term and strategic plans of the Company.

Art. 4. Dates, venue and method of summoning of Board meetings

1. Board Meetings shall be held on dates depending on current needs.
2. Meetings shall be held at the headquarters of the Company. With good reason, the person convening a given meeting may order to hold it elsewhere in the country.
3. A Board meeting shall be convened by the Chairperson of the Board or their deputy member of the Board, on own initiative or at the written request of at least one member of the Board or Chairperson of the Supervisory Board.
4. The notice of a meeting being summoned may be made in writing, in person or by fax at least two days prior to the date of the meeting, and in cases of emergency also in any other manner that allows effective communication of the time and agenda of the planned meeting. The notification must be accompanied by the meeting agenda, containing a list of issues for consideration.
5. The notice must indicate:
 - a) The date and start time of the meeting,
 - b) The proposed meeting agenda, the content of which should indicate: What matters and in what order will be looked into at the meeting, the name and –should it be lacking – other form of indication of factual material documentation attached to the invitation.
6. When fixing the meeting agenda, the Chairperson or their deputy member of the Board ought to include issues submitted to the report of the last meeting and presented in the written requests from the Board members or the Chairperson of the Supervisory Board which have already been received.
7. The meeting may be validly held without any formal convening:
 - a) If its timing and agenda were established at the previous meeting, provided, however, that members of the Board absent from the previous meeting be notified of the meeting,
 - b) If all members of the Board have turned up for the meeting and none of them objected to the meeting being held, the proposed agenda or the vote on resolutions.

Art. 5. Supplementing the agenda

1. At the written request of a member of the Board or the Chairperson of the Supervisory Board, the meeting agenda ought to be supplemented with items proposed in that request.
2. It is considered that the request referred to in sec. 1 has been submitted effectively if it has been forwarded to the President or a deputy Board member in the written form no later than one day prior to the date of the meeting.

3. At the request of a member of the Board, the meeting agenda may also be supplemented without observing the conditions mentioned in sections 1 and 2, however this shall require a resolution of the Board.

Art. 6. Inviting other people to meetings

1. People shall be invited to attend a Board meeting, whose professional reputation or available information may prove useful for the correct identification of a matter covered by the meeting agenda or for settling a problem which, in the course of the meeting, might bring doubts.
2. These people shall be invited to the meeting by the Chairperson or a member of the Board currently substituting for them, on their own initiative or at the request of at least one member of the Board, submitted by a date and in a manner specified in art. 5 sec. 2.

Art. 7. Secretary's Duties

Pursuant to a Board resolution, the Chairperson of the Board may authorize a designated employee of the Company (the Secretary) to handle duties associated with the preparation of Board meetings and to draw up reports thereof. The authorization ought to be given in writing and should specify the scope of duties assigned.

Art. 8. Participation in the meeting.

1. Members of the Board and a Secretary (if appointed) participate in a meeting. Members of the Supervisory Board shall have the right to participate in any meeting, in an advisory capacity.
2. Other people shall take part in the meeting only if they have been invited to the meeting by the Chairperson or any member of the Board who is currently substituting for them.
3. Board members may participate in a meeting, both through their personal appearance and through the communications media. A meeting in which more than one Board member is to participate using communications media may only take place as specified in art. 12 – Meeting using communications media.

Art. 9 Course of a meeting

1. The meeting shall take place according to the agenda indicated in the notices of the meeting, supplemented with issues mentioned in requests referred to in art.
2. At the meeting, the Board session shall be lead by the Chairperson or another member of the Board currently substituting for them, who shall then have all powers of the Chairperson connected with chairing the Board session.
3. The competence of the Chairperson, as director of the Board meeting session, shall include in particular:
 - a) Ordering the opening and closing of the meeting, and also – session breaks,
 - b) Ordering to sign the attendance list,
 - c) Assessing whether the Board have the power to adopt resolutions,
 - d) Giving the floor to meeting participants and taking it away from them when taken in violation of rules customarily used in this respect,
 - e) Ensuring proper and efficient conduct of meetings,
 - f) Ordering votes and confirming results thereof.
4. Matters covered by the meeting agenda shall be presented by members of the Board, or the Company's employees (speakers) specified in the notice. In the absence of such a person, the speaker shall be designated by the Chairperson.
5. A member of the Board who proposes a motion to be voted on must provide it in the form of a draft resolution.

6. The order of motions to be put to vote shall be determined by the Chairperson.

Art. 10. Minutes of the meeting.

1. The course of the meeting shall be minuted. With the consent of the Board members participating in the meeting, the course of the meeting may be recorded onto magnetic tape, in which case the minutes of the meeting may be made based on the record from the tape.

2. The minutes shall be drawn up by a Secretary, referred to in art. 7, and in their absence – a person appointed by the Chairperson or a member of the Board who is currently substituting for them.

3. The minutes ought to reflect the course of the meeting. The contents of the report shall include in particular:

a) A reference to the course of the meeting being recorded to magnetic tape,

b) A reference to the time of opening and closing of the meeting and the breaks ordered,

c) The content of the Chairperson's statement referred to in art. 9 sec. 3, item c,

d) The meeting agenda adopted by the Board or an indication that the meeting has taken place according to the agenda indicated in the invitations to the meeting,

e) A Board member's voice should they petition to have it included in the minutes; a Board member shall have the right to dictate the content of their voice for the minutes or explain that the voice will be presented in writing by the end of the session,

f) The voice of any other person taking part in the meeting, if inclusion thereof in the minutes has been demanded by any member of the Board,

g) The contents of legal advice expressed at the meeting, concerning the the session procedure,

h) A notice of a Board member abstaining from participation in the settlement of matters in which there is a conflict of the Company's interest with the personal interests of that member, their spouse and relatives up to the second degree,

i) A reference to a document presented at the meeting if its inclusion has been demanded by any member of the Board, unless that document has been annexed to the minutes,

j) The content of the resolutions adopted and the number of votes for each resolution – but if the detailed texts of the resolutions adopted have been annexed to the minutes in the form of attachments, then they ought to be signed by all Board members present at the meeting,

k) The announcement of a member of the Board's dissenting opinion on a resolution adopted.

4. The following are attached to the minutes, as their integral parts:

a) The roll of meeting participants,

b) Copies of documents presented at the meeting, which have been requested to be enclosed by a member of the Board,

c) Written voices of Board members, referred to in sec. 3, item e),

d) Board members' dissenting opinions regarding resolutions adopted,

e) Written comments of Board members regarding the content of the minutes, referred to in sec. 5.

5. The minutes must be drawn up and signed by all members of the Board participating in the meeting, no later than three days of the date of the meeting being held. Board members' objections to the content of the minutes which have not been taken into account when adopting the minutes shall be attached to the minutes in the form of annexes.

6. The board members absent from the meeting in question are obliged to immediately become familiar with the session minutes, especially with the resolutions adopted as evidenced by providing the minutes with a dated and signed note "I am aware of the content."

7. The person responsible for the meeting minutes shall be the Secretary.

Art. 11. Board resolutions

1. Resolutions of the Board shall be required in particular for:

- a) The adoption of annual, long-term and strategic plans of the Company and recommending them to the Supervisory Board,
 - b) Recommending proposed changes to the Company's capital structure to the Company's other authorities,
 - c) Taking out and granting loans and credit, charging the Company assets with early credit repayment, as well as providing guarantees and warranties,
 - d) The issuance of bonds by the Company,
 - e) All issues proposed by the Board for a Supervisory Board meeting and General Meeting,
 - f) The Company's accession to another company or foundation,
 - g) The creation, liquidation of departments, branches and other separate organizational units of the Company's enterprise,
 - h) Decisions in respect of investment, acquisition, disposal, liquidation and leasing out elements of the Company's sustainable assets - subject to cases reserved for the exclusive competence of the General Meeting or the Supervisory Board,
 - i) Making donations for social purposes or charity,
 - j) Adopting documents defining the organizational and legal structure of the Company,
 - k) Adopting Work Rules in an enterprise run by the Company,
 - l) Adopting a Collective Agreement in an enterprise run by the Company
 - m) Decision to start group layoffs,
 - n) Granting proxy and power of attorney,
 - o) Any other matter beyond the scope of regular operations of the Company, which for the purposes of these Regulations shall be deemed to be matters that may result in taking out an obligation or in disposing property right with a value exceeding 10% of the Company's net asset value according to the most recent balance sheet,
 - p) Matters not exceeding the scope of regular operations, whose collective settlement by the Board in the form of a resolution has been demanded even by one of the members of the Board.
2. Resolutions of the Board, subject to sec. 5, shall be taken at the Board meetings.
 3. The Management Board shall have the power to adopt resolutions, if all members of the Board have been invited to the meeting in accordance with the provisions of art. 4, with at least half of its members attending the meeting.
 4. The Management Board may take important resolutions without complying with the requirements indicated in the preceding paragraph, if all members of the Board are present at the meeting and none of them opposes a vote on the resolutions.
 5. In cases justified by special circumstances, where delay in taking a decision could expose the Company to a loss, the Board may also adopt resolutions by circulation, if all members agree to adopt the resolution in this mode and give their votes. The voice of a member of the Board ought to be placed in writing. A separate protocol shall be made for a vote by circulation.
 6. The vote shall be open. A secret ballot shall be ordered:
 - a) For personal affairs of the Board members,
 - b) For an application to the Supervisory Board to dismiss or suspend a member of the Board,
 - c) For any other matter – at the request of one member of the Board.
 7. Resolutions of the Board shall be passed by an absolute majority vote, while if they are adopted at a meeting of the Board, at least half of the Board members must be present for their validity.
 8. In the event of a conflict of the Company's interest with the personal interests of a Board member, their spouse and relatives up to second degree, the Board member ought to abstain from participation in the settlement of matters and require this to be indicated in the minutes. This fact must be notified to the Supervisory Board.

Art. 12. Meetings via communications media

1. The provisions of the preceding articles shall apply to sessions via communications media, as amended by the following provisions.

2. A session via communications media can only be held with the consent of at least two thirds of the Board composition.
3. Notices of the meeting to the Board members regarding a session via communications media must specify in particular:
 - a) Which board members shall participate in it via communications media,
 - b) Where they shall be during the meeting,
 - c) By what communications media they shall be available.
4. At a meeting via communications media, resolutions must not be adopted if the notices of the session do not specify the manner in which the Board members' votes cast in ballots are to be communicated and if draft resolutions are not going to be presented.
5. At a session via communications media, people must not be present other than members of the Management Board and Supervisory Board members, nor can documents be presented that are not already in the possession of the Board members.
6. The adoption of the minutes of a session via communications media shall take place only as a result of it being signed by all members of the Board participating in the meeting.
7. Resolutions adopted at a session via communications media shall become effective upon the signing of the minutes by all members of the Board participating in the meeting.
8. The provisions of sec. 1 – 7 shall apply respectively to that part of the (ordinary) meeting of the Board, which – with the consent of all Board members, present in person at that session – was decided to be terminated at a certain day, and completed in the form of a session via communications media

Art. 13. Basic rights and obligations of members of the Board

1. Each Board member shall have the right and duty to handle, without prior Board resolutions, matters which do go beyond the scope of regular operations of the Company and are within the limits of the powers conferred on a member of the Board. However, a matter shall require a joint decision in the form of a resolution of the Board, should its being chaired by a member of the Board be opposed to even by one other Member of the Board.

Art. 14. Ban on competitive activity

Without written permission of the Supervisory Board granted in the form of a resolution, members of the Board may not undertake any activities competitive to the Company, or participate in a competitive company as an explicit partner or a member of its authorities.

Art. 15. General principles of the Board members' liability to the Company

1. Members of the Board shall be jointly and severally liable to the Company in particular for:
 - a) Improper maintenance of financial and accounting records,
 - b) Damage caused by a lack of professional diligence when performing duties,
 - c) Damage caused by conduct contrary to the commonly applicable law or provisions of the Articles, resolutions of the GMS and the Supervisory Board and any internal acts applicable in Company's enterprise.
2. Within the limits of competence entrusted individually to them, each member of the Board shall be responsible for carrying out the duties assigned to them. Failure to exercise the duties or inadequate performance in particular, may at any time be the cause of dismissal from the Company Board and a basis for the termination of employment, as long as such a relationship has been established between the Company and a member of the Board.

Art. 16. Proceedings in the event of change of Management Board or individual members thereof

1. Transfer of duties and matters handled by the resigning Board or Board member to a new Board or member of the Board shall take place by way of an acceptance protocol, with the participation of a representative of the Supervisory Board.
2. In particular, the acceptance protocol ought to include a list of transferred issues pending, with an indication of their degree of maturity and urgency, and a statement of documents and materials transferred concerning the Company.
3. Copies of the acceptance protocol, signed by the parties involved in the transfer operations, shall be received by:
 - a) The transferor
 - b) The receiver
 - c) The Company – for the file

Art. 17. Method of settling disputes between members of the Board

1. Negative conflicts of jurisdiction between the members of the Board shall be settled by the Chairperson of the Board.
2. Other disputes arising between members of the Board shall be settled by the Chairperson of the Supervisory Board.
3. A dissatisfied person shall have the right to appeal against the decisions referred to in the preceding paragraphs to the Supervisory Board.

Art. 18. Final Provisions

1. The present Regulations shall become effective after they have been approved by Resolution of the Supervisory Board.
2. The present Regulations have been adopted by resolution of the Supervisory Board No. 11/2007/VII kad. dated 13 September 2007.