

THE REGULATIONS OF THE MANAGEMENT BOARD OF APATOR SA

§ 1

Legal basis

1. The Management Board of APATOR S.A. is the statute body of APATOR Joint Stock Company and it acts based on the Regulations of the Polish Commercial Companies Code, the Statutes of the Company and hereby regulations.
2. The matters not regulated by hereby Regulations, shall apply to the regulations of the Statutes of APATOR S.A. and regulations of the Polish Commercial Companies Code and other legal regulations.

§ 2

The makeup of the Management Board, nominations and dismissals of the Members of the Management Board

1. The Management Board consists from 1 (one) to 6 (six) Members of the Management Board with the President of the Management Board inclusive.
2. Number of Members of the Management Board is established by the Supervisory Board.
3. The Supervisory Board nominates first the President of the Management Board and then for its motion the other Members of the Management Board.
4. The tenure of the Management Board is common and it lasts three years.
5. Mandates of the Members of the Management Board expire on the day of the General Shareholders Meeting to be held when it approves the report of the Management Board and financial statement for the last entire year of performance of their functions.
6. The Members of the Management Board are allowed to be nominated again to the Members of the Management Board.
7. The Members of the Management Board are allowed to be dismissed at every moment from the performance of their function by the Supervisory Board of General Shareholders Meeting before the end of the tenure.

§ 3

The employment of the Members of the Management Board

1. The Members of the Management Board are employed based on contracts of employment, manager contracts or others, according to "Policy Remuneration of the members of Executive Board and Supervisory Board of Apator SA" adopted by Ordinary General Shareholders Meeting of Apator SA on 2nd July 2020.
2. The contracts of employment of the Members of the Management Board are concluded on behalf of the Company with the representative of the Supervisory Board delegated from its Members. The same mode is used to other actions related to the contract of employment of the Member of the Management Board.

3. The Supervisory Board establishes remuneration of the Members of the Management Board according to "Policy Remuneration of the members of Executive Board and Supervisory Board of Apator SA" adopted by Ordinary General Shareholders Meeting of Apator SA on 2nd July 2020. The value of remuneration, awards or benefits of the Members of the Management Board is subject to be disclosed in annual report of the Company presenting its particular elements.

§ 4

Conflict of interests

1. The Members of the Management Board are subject to non-competition clause. The non-competition clause does not refer to the entities of Apator Group. The Member of the Management Board is not allowed to deal with competitive business neither to take part in competitive company as the partner of civil company, partnership or the member of the body of capital company or take part in other competitive legal person as the member of the body. The prohibition covers also the participation in competitive capital company in case of the holding at least 10% of shares in it or the right to nominate at least one Member of the Management Board.
2. The Member of the Management Board is obligated to avoid it occupational activity or non occupational activity that would lead to provoke the conflict of interests or have the negative impact on its reputation as the Member of the Management Board. In case of the conflict of interests or its possibility to arise the Member of Management Board is obligated to advise immediately other members of the Management Board and the Members of Supervisory Board about the event. Furthermore, the member of the management Board is obligated to refrain from taking decisions or other involvement in the matter until the further actions are established by the Supervisory Board.
3. The Member of the Management Board is not allowed to take any benefits that could have the impact on impartiality and objectivity while taking decisions by him or it could have negative impact on the assessment of independence of its opinions and judgements.
4. In case of the occurrence of the conflict of interests found related to the Member of the Management Board, the Supervisory Board makes the decision concerning its settlement. The Supervisory Board by adoption of the resolution establishes the measures that to be introduced in relation to the occurrence of the conflict of the interests or in order to avoid the occurrence of the conflict of interests taking into consideration all the circumstances concerning the matter. The Management Board implement immediately into force the measures adopted by the resolution of the Supervisory Board.
5. The performance of the function in the Management Board of the Company is the main area of the occupational activity of the Member of the Management Board. Additional occupational activity of the Member of the Management Board is not allowed to lead to such involvement of time and the labour that could have negative impact on proper performance of the function in the Company. The member of the management board should not be the member of bodies of other entities if the time spent to perform the function in other entities makes impossible to perform reliably duties in the company.

§ 5

Representation and entitlements of the Management Board

1. The Management Board manages all the activity of the Company, manages its property and all matters not restricted to the competence of the Ordinary Shareholders Meeting and the Supervisory Board.
2. The Management Board represents the Company to authorities and third persons at the court and outside the court.
3. The Management Board in its activity is obligated to take into consideration both the interest of the Company and the interest of entire Apator Group.
4. Two Members of the Management Board acting jointly, a Member of the Management Board acting jointly with a Proxy or two Proxies acting jointly are authorised to make statements regarding the Company's property rights and obligations and signatures.
5. The Management Board is particularly entitled:
 - to make decisions on matters not restricted to the competence of the General Shareholders Meeting and the Supervisory Board,
 - to nominate and dismiss of proxies, while in case of nomination of a new proxy the consent of all members of the Management Board is required but every member is allowed to dismiss the proxy,
 - to appoint plenipotentiaries to particular matters,
 - to convene the General Shareholders Meetings.

§ 6

Organization of the operation of the Management Board

1. The Members of the Management Board do their duties personally.
2. Particular Members of the Management Board are responsible for independent performance of the matters of the Company within ordinary Management Board.
3. The competences of particular members of the Management Board are specified in Organization Regulations of the Company.
4. The Management Board is managed by the President of the Management Board.

§ 7

The Management Board meetings

1. The Management Board meetings are held every Monday except bank and public holidays. In case of the need, the management board can have the meetings also on other days of the week while all the members of the Management Board have to be advised properly about such sitting.
2. The Board meetings are convened by the President of the Management Board but in case of his absence, entitled by him the Member of the Management Board who is also the Chairman of the meeting.

3. Convention of the meeting of the Management Board is made by electronic mail, entry into the electronic calendar or personally.
4. The meeting is allowed to be cancelled in case of lack of issues to the agenda.
5. The meeting of the Management Board and the adoption of the resolutions by the Management Board is allowed to be made also in the manner that the Member or Members of the Management Board attending the sitting and adopting the resolutions by use of direct means of communication on distance but all the members should be advised about meeting and the content of draft of the resolution via electronic mail. The Members of the Management Board within one working day since the receipt of the draft of the resolution should transfer via electronic mail to indicated e-mail address the information on the voting for or against the resolution to be adopted or they abstain from voting.
6. The Members of the Management Board who attended the meeting and adopted resolutions by use of direct means of communication on distance are obligated to sign the minutes of the meeting and resolutions adopted immediately after their return to the place of the activity of the Company i.e. in Ostaszewo.
7. The Members of the Supervisory Board are allowed to participate in the meetings of the Management Board
8. The employees appropriate to the issue being discussed or other persons are allowed to be invited to the meeting of the Management Board.
9. The minutes of meetings of the Management Board are made. The minutes of the meetings are signed by the Members of the Management Board attending the meeting of the Management Board.
10. In the minutes of the meeting the following should be mentioned:
 - Members of the Management Board attending the meeting,
 - Agenda
 - concise summary of the issue being discussed,
 - approval of the resolution adopted concerning the appropriate issue,
 - number of votes given concerning particular resolutions,
 - dissenting votes of the Members of the Management Board entered in the minutes of the meeting.

§ 8

The duties of the Management Board

1. The Management Board is obligated particularly to:
 - determine and perform the strategy and plans of activity of the Company and Apator Group approved by the Supervisory Board,
 - coordinate the activity of Apator Group and monitor of entities in the group,

- make decisions on the issues of the Company and Apator Group within the limit of reasonable economical risk,
 - attend the sittings of the Supervisory Board,
 - transfer of information on any significant issues concerning the activity of the company and Apator Group and the level of collateral against the exchange rate risk to the Supervisory Board,
 - transfer of information on the risk related to the activity conducted and the methods of risk management is being transferred to the Supervisory Board
 - attend the General Shareholders Meeting in the makeup enabling to provide with the essential answer the questions asked during the General Shareholders Meeting,
 - give explanations and provide with the information the General Shareholders Meeting and the presentation required documents and other materials,
 - represent the Company in contacts with shareholders and provide with the protection of legitimate interests of all shareholders within the limits specified by the law and the best practices,
 - conduct transparent and effective information policy of the Company in within the scope in investor relations,
 - comply with the rules of WSE Listed Companies in the scope accepted by the Company,
 - observe the binding regulations of law and restrain from making decisions that will cause infringement or abuse of law,
 - preparation of separate and consolidated financial statements and the Management Board reports on activity of the Company and the capital group in time,
 - provide binding the Company with notifications timely to registration court
 - provide the Company with the information on disposal or purchase by them or entities closely related the shares of the Company on the basis specified in binding regulations related to the public companies.
2. The Management Board is obligated to adopt the resolutions on issues specified in § 9 para 3 of hereby Regulations.
 3. The Member of the Management board is obligated to give disseting opinion in case when the decision of the management board is the opposite to the interest of the Company or Apator Group
 4. At least once a year the Management Board presents the Supervisory Board information on functioning of internal control system, market management, compliance and the function of internal audit.

§ 9

The Resolutions of the Management Board

1. It is required that all the members of the Management Board to be advised about the sitting of the Management Board in order to get the resolutions valid.

2. The resolutions of the Management Board are adopted by absolute majority of votes of members attending the meeting except the resolution concerning nomination of proxy mentioned in § 5 para 5 of hereby Regulations. In case when the votes are equal the vote of the President of the Management Board is decisive.
3. The Management Board is obligated to adopt the resolutions at least of the following issues:
 - 1) preparation the strategy of development of the Company and Apator Group and the amendments to it,
 - 2) preparation of annual and long-term financial plans of the Company and Apator Group and also adjustments to them,
 - 3) publishing information on the implemented tax strategy for the fiscal year,
 - 4) decision on preparation and announcement of the forecast of financial results and adjustment,
 - 5) annual and interim separate financial statements,
 - 6) annual and interim consolidated financial statement,
 - 7) making decisions on asset write-offs or the creation of one-off provisions with a total value exceeding PLN 3 million,
 - 8) establishment of the representative of Apator SA at General Shareholders Meeting/General Shareholders Meeting of the company related in capital to Apator SA,
 - 9) establishment of the method of voting concerning particular issues being in the agenda of General Shareholders Meeting/General Partners Meeting of the Company related in capital to Apator SA,
 - 10) motion on extension of the agenda of General Shareholders Meeting/General Partners Meeting of the company related in capital to Apator SA,
 - 11) accounting policy of the Company,
 - 12) , securing the Company against financial risks,
 - 13) making advance payment towards expected dividend,
 - 14) proposal of net profit distribution or cover of the loss for the financial year,
 - 15) convent of Ordinary/Extraordinary Shareholders Meeting of Apator SA and establishment of the agenda,
 - 16) draft of resolutions of Ordinary/Extraordinary Shareholders Meeting of Apator SA,
 - 17) extension of the agenda of Ordinary/Extraordinary Shareholders Meeting of Apator SA on the motion of a shareholder or refusal of the motion,
 - 18) granting, cancellation and change of the scope of power of attorney except power of attorney at the court,
 - 19) granting of proxy,
 - 20) amendment to organization structure of the Company,
 - 21) property insurance and legal liability,

- 22) intention of purchase or disposal of property, perpetual usufruct or share in property,
 - 23) consent on disposal of a right or assume the obligations by the Company except matters restricted to the competence of General Shareholders Meeting of the value exceeding PLN 10 million, but not exceeding PLN 20 million,
 - 24) intention of having the right or taking the liability except the matters restricted to the competence of the General Shareholders Meeting of the value exceeding PLN 20 million,
 - 25) granting consent to incurring expenditure on research and development works with a value exceeding PLN 0.5 million, but not exceeding PLN 1.5 million,
 - 26) intention of incurring expenditure on research and development works with a value exceeding PLN 1.5 million,
 - 27) intention of conclude transactions with a related entity of the Company with a value exceeding 5% of the total assets determined on the basis of the last approved financial statement of the Company
 - 28) release of any third person from the debt towards the company of the value exceeding PLN 300 000,
 - 29) intention of purchase or disposal of shares in other entities,
 - 30) consent to the disposal of the registered shares of A series for other persons than shareholders holding registered shares of Apator SA,
 - 31) conversion of registered shares of Apator SA,
 - 32) conclusions and terminations of Corporate Collective Labour Agreement and amendment to it,
 - 33) proposition of Policy Remuneration of the members of Executive Board and Supervisory Board of Apator SA
 - 34) approval of remuneration policy for employees and its performance,
 - 35) other issues beyond duties of normal operation of the Management Board.
4. The resolutions are numbered cumulative order in calendar year.

§ 10

Administration service

1. The organizational unit indicated in Organization Regulations of the Company is responsible for the provision of administrative service of the sittings of the Management Board and the storage of the documentation concerning the course of the meetings.
2. The minutes of the meetings of the Management Board and the resolutions are archived in hard copy and in electronic form.