

RULES OF PROCEEDINGS OF MANAGEMENT BOARD OF ACTION S.A.

I. INTRODUCTION

§ 1

1. These Rules of Proceedings are brought into force by a resolution of the Management Board of ACTION S.A. and have been approved by the Supervisory Board of ACTION S.A. pursuant to Section § 15 Article 2 paragraph 13 and Section § 16 Article 5 of the Articles of Association of ACTION S.A.
2. These Rules of Proceedings lay down the working procedures of the Management Board of ACTION S.A.

§ 2

These Rules of Proceeding define the following terms:

- 1) Rules of Proceedings, which shall mean these Rules,
- 2) Company, which shall mean ACTION S.A. whose registered office is in Warsaw
- 3) Articles of Association, which shall mean the Articles of Association of ACTION S.A.
- 4) General Meeting, which shall mean the General Meeting of Shareholders of ACTION S.A.
- 5) Supervisory Board, which shall mean the Supervisory Board of ACTION S.A.
- 6) Management Board, which shall mean the Management Board (board of directors) of ACTION S.A.
- 7) Board Member, which shall mean a Member of the Management Board, including the Vice President of the Management Board or the President of the Board, if the provision of the Rules in question clearly states so.

II. GENERAL PROVISIONS

§ 3

1. The Management Board is a permanent organizational unit of ACTION S.A.
2. The Board operates within the limits laid down by the provisions of the Commercial Companies Code, the Articles of Association, resolutions of the General Meeting and the Supervisory Board as well as these Rules of Proceedings and other regulations in force at the Company.
3. The Management Board safeguards the transparency and effectiveness of the Company's management system and ensures that the Company's business is conducted in compliance with the law and good practices applicable to publicly traded companies (corporate governance).
4. Members of the Management Board perform their duties personally.
5. While making decisions on the Company's matters, the Management Board is obliged to act within the limits of reasonable economic risk, i.e. first consider all information, analyses and opinions which in the reasonable view of the Management Board deserve being taken into consideration with respect to the best interest of the Company.

§ 4

Each Member of the Management Board shall remain fully loyal and fair towards the Company and refrain from taking actions which could solely serve their own financial gain. Should a Member of the Management Board obtain information on a potentially beneficial investment or another potentially profitable transaction that fits within the Company's field of business, he or she shall present such information to the Management Board without delay to allow it to consider using such an opportunity to the best interest of the Company. Such information may only be used by the Member of the Management Board or passed to a third party upon the Management Board's consent and on the condition that it does not have any adverse impact on the Company's interest.

§ 5

Each Member of the Management Board shall treat the shares of the Company, its parent and subsidiary companies as a long-term investment.

§ 6

Members of the Management Board shall notify the Supervisory Board about every existing or potential conflict of interests resulting from their function.

§ 7

1. While making any transactions with Shareholders or other individuals whose interest has impact on the interest of the Company, the Management Board shall act with utmost care and diligence to ensure that such transactions are made on fair market terms.

2. While determining the best interest of the Company, one shall consider the reasonable long-term interest of its Shareholders, creditors, employees and other entities and persons involved in business operations of the Company, as well as the interest of the local communities.

III. MANAGEMENT BOARD MEMBERSHIP AND TERM

§ 8

The number of Members of the Management Board, the procedure of their appointment and their term of office are specified by the Articles of Association.

§ 9

1. In the event of any changes in the Management Board membership structure, its resigning Member shall officially transfer all affairs they have been conducting, documents and other materials related to the Company created, collected, prepared or received by them during their term as a Management Board Member or related to it.

2. Such matters, documents and materials as Article 1 refers to shall be handed over to the President of the Management Board or other Management Board Member designated by them.

IV. MANAGING CORPORATE AFFAIRS AND REPRESENTING THE COMPANY

§ 10

The scope of responsibilities of the Management Board includes conducting all the affairs of the Company except for matters which according to the Commercial Companies Code or the Articles of Association are reserved to the discretion of the General Meeting of Shareholders or the Supervisory Board.

§ 11

The Board represents the Company in matters specified by the Articles of Association.

§ 12

1. The following matters require to be decided upon by the Management Board by means of a resolution:

1) matters whose consideration by the Supervisory Board or the General Meeting is requested by the Management Board as per the Commercial Companies Code or the Articles of Association

2) assigning the conduct of affairs or types of affairs that do not exceed the ordinary scope of the Company's operations to individual Members of the Management Board

3) deciding on the Company's strategy or policies in relation to the basic scope of its operations

4) preparing the annual budget for the Company or long-term plans of its development

5) incurring liabilities (e.g. by issuing guarantees or sureties) by the Company or making expenditures or managing the Company's rights under a single transaction or multiple interrelated transactions of a value equivalent to at least 10% of the Company's equity as per the most recent audited financial statement that were not allowed for in the approved budget.

For liabilities that arise of contracts with a term longer than one year, the liability value shall mean the total value of the Company's liabilities arising of such contracts for the entire term of their validity. For liabilities that arise of contracts executed for an unspecified period of time, the liability value shall mean the value of the Company's liabilities arising of such contracts for a period of 3 years. Should it be impossible to determine the value of liabilities arising of a contract, an estimate of that value should be made. If the Company's liability or the value of an asset or a right (title) is specified in a foreign currency, the value of the liability, expenditure or ordinance shall be calculated using the average exchange rate of the National Bank of Poland as of the last day of the month which precedes the execution of the contract that gives rise to such a liability, expenditure or ordinance

6) purchasing or otherwise acquiring shares in other companies

7) divesting parts of the Company's or its subsidiary's fixed assets whose value exceeds 10% (ten per cent) of the net book value of the fixed assets of the Company or its subsidiary, as recognized based on the last audited financial statements of the Company or its subsidiary, save for those which constitute inventory intended for sale under normal business operations

8) establishing a limited property right on a real estate asset

9) applying to other control or supervisory bodies of the Company in an event provided for in the Commercial Companies Code or in the Articles of Association

10) approving statements of the Management Board on the Company's operations or the Company's financial statements for the given financial year; approving motions on appropriation of profits or covering losses

11) approving the Rules of Proceedings of the Management Board

12) approving the Organizational Rules

13) granting the powers of proxy – upon an unanimous consent of all Members of the Management Board to establishing a proxy

14) summoning the General Meeting or specifying its agenda

15) making decisions on mass redundancies.

2. Each Member of the Management Board who deems a specific matter to be a special or a strategic one or one involving a substantial economic risk to the Company should request that the matter be dealt with by the Management Board by means of a resolution.

3. The Management Board shall pass a resolution whenever at least one of its Members requests it.

§ 13

1. Each Member of the Management Board has the right and duty to conduct the Company's affairs and may deal with matters that do not exceed the standard scope of operations of the Company without a prior resolution of the Management Board, provided they comply with the applicable regulations of the law, the Articles of Association, the existing regulations and rules of the corporate control and supervision bodies and the corporate governance rules the Company declared to adhere to.

2. Subject to Section § 12, the Management Board may pass resolutions that assign specific matters or affairs to individual Members of the Management Board.

3. A Member of the Management Board to whom the Management Board has delegated a matter to deal with shall be authorized to make decisions on such a matter in their own discretion.

V. MANAGEMENT BOARD MEETINGS AND THEIR PROCEDURE

§ 14

1. The meetings of the Management Board shall serve the purpose of discussing the Company's ongoing affairs. In particular, during the meetings the Management Board shall deal with matters which require decisions being made by means of a Management Board's resolution as well as with matters which are special or otherwise important in the view of the Management Board Members.

2. Matters may be brought to the agenda of the Management Board's meetings by any of its Members.

3. Meetings of the Management Board are held on dates set on an ongoing basis as needed, however, not less frequently than once per month.

4. The meetings shall be held at the Company's premises or at another venue chosen by the President of the Board.

5. The participation of Members of the Management Board in its meetings shall be obligatory and any absence must be properly substantiated. The absence justifications presented shall be reviewed by the President of the Board. In case of his or her absence, they shall be reviewed by the Member of the Management Board temporarily acting as their deputy.

§ 15

1. The President of the Board may choose to invite guests, experts or counselors to participate in the Management Board's meetings. Such individuals may also be invited by other Members of the Management Board, provided the Management Board consents to it by means of a resolution. The participants of Management Board meetings may include a minutes keeper.
2. Upon a prior consent of the President of the Board, the matters included in the agenda may be presented by the Company's employees.
3. All participants of Management Board meetings are obliged to keep its proceedings secret.

§ 16

1. The Management Board may pass resolutions if:
 - 1) all Members of the Management Board are present at its meeting;
 - 2) all Members of the Management Board have been notified about the time and venue of the meeting as per Section § 17 and at least half of the number of Members of the Management Board take part in the meeting, including its President or Vice President.
2. Resolutions shall be adopted in an open voting.
3. The Management Board shall pass their resolutions by an absolute majority of votes cast. Should there be an equal number of votes "for" and "against" the resolution which is subject to voting, the President of the Management Board's vote shall be decisive.

§ 17

1. Meetings are summoned by the President of the Board, who may summon them by their own initiative or upon request of another Member of the Management Board. The President of the Management Board may authorize its another Member in writing to summon a meeting.
2. The meeting should take place within five days from the date of submitting the request for summoning it.
3. Meetings shall be summoned by notifying the participants upon an at least 48 hours' notice. The notices about the planned meeting of the Management Board may have the form of:
 - 1) a verbal announcement at the Company's premises made in the presence of all the Members of the Management Board
 - 2) a notice submitted by a courier service, sent by fax or electronic mail.
4. In urgent cases, the meeting of the Management Board may be summoned without observing the requirements provided fir in Article 3. A meeting summoned as urgent remains valid if all Members of the Management Board have been notified about it using the telecom number {they} specified.

§ 18

1. Meetings of the Management Board shall be chaired by its President. In the President's absence, the meetings shall be chaired by a Member of the Management Board designated by them ("Chairperson").
2. The Chairperson of the Management Board's meeting shall have the following scope of competence:
 - 1) chairing the session, granting and revoking its participants the permission to speak;
 - 2) conducting voting and announcing its results,
 - 3) laying down the rules and procedures of Management Board sessions with respect to matters not regulated by these Rules of Proceedings;
3. Having opened the meeting, the Management Board shall approve its agenda.
4. Minutes of the meetings of the Management Board shall be taken by a minute keeper designated by the Chairperson. The meeting minutes must be taken under the Chairperson's directions.

5. The minutes should cover at least the agenda agreed, the names of the Members of the Management Board present, the results of voting and number of votes cast on each resolution and the dissenting opinions submitted by Members.
6. The minutes should be signed by all Management Board Members present at the meeting and by the minutes keeper not later than at the subsequent meeting of the Management Board. Each Member of the Board shall have the right to request supplementing the minutes. Should the request be rejected by the Management Board, the Member of the Management Board shall have the right to make a written statement while signing the minutes.
7. The Members of the Management Board absent at the given meeting shall acknowledge the minutes of that meeting not later than at the first session following it at which they are present.
8. All resolutions adopted by the Management Board at the meeting as well as all motions, formal requests, reports and other materials discussed during the meeting shall accompany its minutes as attachments.
9. In the event of a conflict of interests between the Company and a Member of its Management Board, their spouse or relatives by blood or by affinity up to the second degree, such a Member of the Management Board shall abstain from participation in resolving such matters and request that fact to be recorded in the minutes.
10. In urgent cases, the Management Board may pass resolutions by correspondence without a Board meeting, provided all the Members of the Management Board have been properly notified about the intention to adopt such a resolution and its wording. In order for the resolutions adopted in that manner to be valid, they must have been voted on by a majority of Members of the Management Board. In such cases, the Management Board shall pass their resolutions by an absolute majority of votes cast.

§ 19

1. The minutes and the resolutions passed shall be stored in the Management Board's minutes book.
2. Copies of the Management Board's resolutions shall be submitted to the heads of the Company's business units whose scope of operations they concern, as well as to other employees whose scope of responsibilities they pertain to.
3. Copies of resolutions adopted by the Management Board shall be submitted to the Supervisory Board.

§ 20

As soon as they have been appointed, each Member of the Management Board shall notify the President of the Management Board about their service address and telecom numbers, both business and private (mobile telephone numbers, land line telephone numbers, fax numbers, email addresses) to which they wish to be notified about meetings or receive other correspondence. The Members of the Management Board shall update their service addresses and telecom numbers without delay whenever their change occurs under the pain of considering notifications submitted to the previously indicated service address or telecom number effective.

VI. PRESIDENT OF MANAGEMENT BOARD

§ 21

1. The President of the Management Board represents the Management Board, leads and coordinates its work, summons and chairs its meetings. In his or her absence, their role, as specified in these Rules of Proceedings, shall be performed by a Member of the Management Board designated by them.
2. The scope of responsibilities of the President of the Management Board shall particularly include:
 - 1) representing the Management Board and leading its work
 - 2) leading the work on preparing strategic plans which set directions for the further development of the Company
 - 3) leading the work on preparing the annual budgets of the Company upon consulting other Members of the Management Board
 - 4) directly supervising the work of the business units which directly report to them
 - 5) supervising the financial aspects of the Company's operations,
 - 6) resolving all other issues related to managing the Company's operations which are not at the sole discretion of the Management Board or other control or supervisory units of the Company

7) performing the tasks of the Chairperson at the Management Board's meetings.

VII. ORGANIZATIONAL STRUCTURE

§ 22

1. The Management Board may enact Organizational Rules for the Company which shall define the detailed corporate organizational structure and other organizational aspects of its operations. The Organizational Rules are subject to approval by the Supervisory Board.
2. Members of the Management Board shall supervise the work related to the matters delegated to their individual attention as well as the operations of the corporate business units which report to them directly.
3. Members of the Management Board shall make decisions at their sole discretion on matters which are not reserved to the discretion of the Management Board or the President of the Management Board and that fit the scope of affairs assigned to them or the tasks of the business units which report to them, as well as make other decisions under the powers and authority delegated to them collectively by the Management Board.
4. Members of the Management Board may act as heads of organizational divisions or of business units with specific functions or hold other positions at the Company, according to the relevant resolutions of the Management Board.

VIII. STRATEGY, FINANCIAL PLANS (BUDGET), LONG-TERM DEVELOPMENT PLANS

§ 23

1. The Management Board is obliged to prepare the Company's strategy as well as to draft the Company's financial plan (the budget) for the next financial year each year. The financial plan (the budget) shall include a plan of expenditures and revenues for the next financial year.
2. The corporate strategy as well as the financial plan (the budget) are subject to approval by the Supervisory Board by 31 December of the financial year preceding the year the budget applies to.
3. The Supervisory Board may approve the budget prepared by the Management Board in part or in full. Should the budget fail to obtain approval or be approved only partially, the Supervisory Board may specify a date by which the Management Board shall present a new draft of the budget which will reflect the remarks made by the Supervisory Board or will include the part of the budget adopted by the Supervisory Board.
4. The long-term company development plans prepared by the Management Board shall be submitted to the Supervisory Board.
5. The Management Board shall be responsible for implementing the approved financial plans (the budgets) and long-term development plans.

IX. FINAL PROVISIONS

§ 24

Any issues not governed by this agreement shall be subject to the regulations of the Commercial Companies Code and the Articles of Association.