

BY-LAWS OF THE MANAGEMENT BOARD OF TORPOL SPÓŁKA AKCYJNA

General provisions

§1

1. The Management Board is the governing body of the Company subject to the restrictions set forth in the Company's Articles of Association, these By-laws of the Management Board and the resolutions of the Supervisory Board and the General Meeting acting under the provisions of law, and in particular the provisions of the Code of Commercial Companies.
2. Competences of the Management Board include all matters not reserved for the General Meeting or the Supervisory Board.
3. The Management Board is responsible for the creation, implementation and execution of the Company's strategy and defines the objectives of its operation.
4. The powers of the Management Board to represent the Company may not be limited to the legal effect against third parties. The right of Members of the Management Board to represent the Company arises as from the date of their appointment by the Supervisory Board.

Composition and method of appointment of the Management Board

§ 2

1. The Management Board is composed of one or more Members. The number of members of the Management Board is determined in each case by the Supervisory Board. Members of the Management Board, including the President of the Management Board, are appointed and dismissed by the Supervisory Board for a joint term of office of three years, counted in full financial years. Appointment of the same person as a Member of the Management Board for a further term of office may not take place earlier than one year before the end of the current term of office.
2. The Supervisory Board appoints the Members of the Management Board after a qualification procedure, the purpose of which is to verify and assess the qualifications of the candidates and to select the best candidate for a Member of the Management Board. The requirements to be fulfilled by candidates for Member of the Management Board are set out in the Company's Articles of Association.
3. The Supervisory Board determines the remuneration of the Members of the Management Board. Contracts with Members of the Management Board shall be concluded, amended and terminated by the Supervisory Board on behalf of the Company, whereby the Supervisory Board may authorise the Chairman of the Supervisory Board to sign a contract with Members of the Management Board. In contracts between the Company and the

Members of the Management Board, as well as in disputes with them, the Company is represented by the Supervisory Board.

4. The mandate of the Management Board Member expires no later on than the date of the General Meeting approving the financial statements for the last full financial year of the Management Board Member's term of office.
5. The term of office of a Member of the Management Board shall expire before the end of the term of office, inter alia, as a result of death, resignation, dismissal from the Management Board, loss of full legal capacity or conviction by final judgment for the offences specified in Article 18 § 2 of the of the Commercial Companies Code.
6. The expiration of a mandate due to the expiration of a term of office does not limit the possibility of reappointment of the same person to serve as a Member of the Management Board.
7. In the event that a Management Board Member's mandate expires before the end of his or her term of office, the Supervisory Board should immediately take appropriate action to change the composition of the Management Board or to determine how to replace the Management Board Member.
8. The Supervisory Board may - for important reasons - by resolution suspend individual or all members of the Management Board.
9. In the event of suspension of a Member of the Management Board, dismissal of a Member of the Management Board or submission of his/her resignation, as well as in the event of other reasons preventing a Member of the Management Board from performing his/her duties, the Supervisory Board may delegate its representative for a period of no more than 3 months to temporarily perform the duties of a Member of the Management Board.

Responsibilities of the Management Board

§ 3

1. A member of the Management Board is obliged to fulfil his/her duties with particular care due to the professional nature of his/her activities and to maintain loyalty to the Company. A member of the Management Board may not disclose the Company's secrets, even after expiry of his or her mandate.
2. The Management Board is responsible for the performance of duties in accounting within the scope specified in the Accounting Act. The Management Board may delegate specific responsibilities in the field of accounting to an employee of the Company, who is not a Member of the Management Board, at the consent of this employee.
3. The Management Board is obliged to, within three months from the end of the reporting period, prepare and submit to the Supervisory Board the annual financial statements and a written report on the Company's activities during this period.
4. Descriptive report of the Company's activities should include relevant information about the financial standing and financial position, including assessment of the achieved effects, as well as identify risk factors and hazards, in particular information about:

- 1) significant events that may affect the Company's operations that took place during the financial year and after its end, to the date of actual closing of the books of accounts,
 - 2) expected development of the Company,
 - 3) achievements in research and development,
 - 4) current and expected financial position,
 - 5) own shares, including:
 - a) the reason for acquisitions of own shares made during the financial year,
 - b) the number and nominal value of the shares acquired and disposed of during the financial year, or, in the absence of a nominal value – their book value, as well as the proportion of the share capital which the shares represent,
 - c) in the event of acquisition or disposal against payment – the equivalent value of these shares,
 - d) the number and nominal value of all shares acquired and retained and, in the absence of a nominal value – their book value, as well as the proportion of the share capital which the shares represent;
 - 6) branches (plants) owned by the Company;
 - 7) financial instruments within the area of:
 - a) the risks: of price changes, of credit, of material cash flow disruptions and of loss of liquidity to which the entity is exposed,
 - b) the entity's objectives and methods of financial risk management, including methods of hedging the significant types of forecast transactions for which hedge accounting is used,
 - 8) a corporate governance statement, the scope of which is defined by separate regulations, as a separate part of the management report.
5. If the prerequisites indicated in the Accounting Act are met, the Company shall prepare a separate report on non-financial information or include additionally in the Company's management report - as a separate part - a statement on non-financial information.
 6. The Management Board's duties also include submitting a report to the General Meeting, with the Supervisory Board's opinion, on representation expenses, as well as expenses for legal services, marketing services, human relations (public relations) and social communication services and management consultancy services.
 7. The Management Board submits all required forms and documents to the Registry Court.
 8. The Management Board is responsible for maintaining effective internal auditing, risk management and compliance systems, as well as an effective internal audit function, appropriate to the size of the Company and the nature and scale of its operations.
 9. The Management Board provides support for organisational and administrative functioning of other governing bodies of the Company.
 10. The Management Board shall convene the General Meeting in the cases provided for in the Articles of Association and the Code of Commercial Companies, and shall also immediately convene the General Meeting in order to adopt a resolution concerning the continued existence of the Company if the balance sheet prepared by the Management Board shows a

loss exceeding the amount of supplementary capital and reserves and 1/3 of the share capital.

11. The Management Board is obliged, without further request, to provide the Supervisory Board with information on:
 - 1) resolutions of the Management Board and their subject matter;
 - 2) the Company's situation, including its assets, as well as significant circumstances regarding the conduct of the Company's affairs, in particular in the area of operations, investments and personnel;
 - 3) progress in the implementation of the set directions for the development of the Company's activities, at the same time indicating deviations from the previously set directions, at the same time providing justification for the deviations;
 - 4) transactions and other events or circumstances which materially affect or may affect the Company's assets, including its profitability or liquidity;
 - 5) changes to information previously provided to the Supervisory Board, if these changes materially affect or may affect the Company's situation.
12. The fulfilment of the obligations referred to in Section 11(2) - (5) shall include information in the possession of the Management Board concerning subsidiaries and associated companies.
13. The information referred to in sections 11 and 12 shall be provided in the cases referred to in:
 - 1) section 11 points 1-3 - at each meeting of the Supervisory Board, unless the Supervisory Board decides otherwise;
 - 2) section 11(4) and (5) - immediately after the occurrence of certain events or circumstances.
14. The information referred to in sections 11 and 12 shall be provided in writing, except when it is not possible to comply with this form due to the necessity of immediate transmission of the information to the Supervisory Board. The Supervisory Board may decide that it is permissible to provide this information also in another form.

Representation of the Company, conducting the Company's affairs and meetings of the Management Board

§ 4

1. The Management Board performs its functions collectively.
2. Two Management Board Members acting jointly or one Management Board Member acting jointly with a Proxy shall be authorised to make declarations and sign documents on behalf of the Company. If the Management Board is constituted by one person, one Member of the Management Board is authorised to make declarations on behalf of the Company. Declarations made to the Company and the delivery of letters to the Company may be made to a single Board Member or a Proxy.
3. Resolutions of the Management Board are required, in particular, for:

- 1) establishing a power of attorney,
 - 2) all matters referred by the Management Board to the General Meeting, including proposals for the Company's financial statements,
 - 3) convocation of the General Meeting,
 - 4) consent to the disposal of a right or assumption of an obligation to provide a service with a value in excess of PLN 500,000.00 (five hundred thousand zlotys) gross each time,
 - 5) determining the organisation of the Company's business,
 - 6) setting the budget for the given year,
 - 7) all matters requiring a resolution by the Supervisory Board of the Company.
4. The Management Board shall meet not less than twice a month. Meetings of the Management Board shall be convened by its President, and in the case of his/her temporary absence Vice-President, appointed by the President, and in the absence of such indication – each of the Members of the Management Board. In the event of a vacancy in the position of President of the Management Board, the provisions of § 5(4) of the By-Laws shall apply.
 5. The President of the Management Board is obliged to convene a meeting of the Management Board also at the request of a Member of the Management Board or the Supervisory Board, to the extent possible so that the Management Board meeting is held as soon as possible, and if possible, within three days from the date of such request.
 6. The date and place of the meeting of the Management Board, the proposed agenda for the meeting and the method of using means of direct remote communication during the meeting shall be communicated to each Member of the Management Board sufficiently in advance in writing, by text message or by e-mail, in time to enable the Member of the Management Board to be informed about the meeting of the Management Board, the proposed agenda for the meeting and to take part in the meeting and vote.
 7. In order for resolutions of the Management Board to be valid, notice of the meeting must be given to all its Members and at least half of the Members of the Management Board must be present at the meeting.
 8. Resolutions of the Management Board shall be voted by open ballot. Resolutions of the Management Board shall be passed by an absolute majority of votes. In the case of an equal number of votes, the President shall have the casting vote.
 9. A Member of the Management Board is allowed to participate in meetings and the Management Board can adopt resolutions by means of direct remote communication.
 10. The Management Board may adopt resolutions in writing or by means of direct remote communication. Resolutions are valid if all members of the Management Board have been notified of the content of the draft resolution and at least half of the Management Board members participate in passing the resolution. In the event of voting by means of direct remote communication, the Member of the Management Board who casts his/her vote in this manner is obliged to immediately confirm this fact in writing by signing a note to this effect placed under the content of the minutes.

11. Management Board Members may participate in adopting resolutions of the Management Board by casting their votes in writing through another Member of the Management Board, with the exception of matters placed on the agenda during the meeting of the Management Board.
12. All Management Board meetings are recorded in minutes. The minutes should include: specification of how (form and date of the notice) the meeting is convened, the agenda, full names of the present Members of the Management Board and the author of the minutes, content of the adopted resolutions, the number of votes cast for each resolution, the way of voting and dissenting opinions. The minutes are recorded with maintenance of continuous annual numbering and placed in the Book of Minutes of the Management Board. The minutes shall be signed by all present Members of the Management Board.
13. The resolutions shall be signed by the voting members of the Management Board.
14. The meetings of the Management Board may be attended by invitees, who are allowed to advise on the issues discussed.
15. Board meetings should only consider matters on the proposed agenda. Adoption of a resolution on matters not included in the proposed agenda shall be permissible if all Board Members are present and none of the Board Members raises an objection to the adoption of the resolution.
16. The Management Board may also hold meetings without being formally convened if all Members of the Management Board agree to do so and do not raise an objection to the inclusion of particular matters on the agenda.

§ 5

1. Internal division of duties among the Members of the Management Board shall be performed by the resolution of the Company's Management Board. On this basis, the Management Board Members directly supervise the work of subordinate areas of activity.
2. The President directs the work of the Management Board, chairs its meetings and coordinates the work of the Management Board Members.
3. In case of the President's temporary inability to perform his/her duties, the President shall appoint, for the period of his/her absence, a deputy who holds the power of the President in terms of internal relations of the Company and its Management Board.
4. In the event of a vacancy in the position of President of the Management Board, until a President of the Management Board is appointed for an ongoing or new joint term of office, the powers of the President of the Management Board with regard to the internal relations of the Company and the Management Board shall be exercised in accordance with the guidelines of the Supervisory Board as expressed by a resolution of the Supervisory Board and, in the absence of such guidelines, in accordance with the rules of substitution set out in the resolution of the Company's Management Board on the internal division of the work of the Members of the Company's Management Board and the procedure for the exercise of substitution by the Members of the Company's Management Board.

Other provisions relating to Members of the Management Board

§ 6

1. In making decisions in the Company's affairs, the Members of the Management Board shall act within the limits of reasonable economic risk, i.e. after considering all information, analyses and opinions which, in the reasonable opinion of the Management Board, should be taken into account in a given case with regard to the Company's interest. In determining the interests of the Company, the Management Board shall take into account the long-term legitimate interests of the Shareholders, creditors, employees of the Company and other entities and persons cooperating with the Company in its business activities, as well as the interests of local communities.
2. In conducting transactions with Shareholders and other persons whose interests affect the interests of the Company, the Management Board should act with particular diligence so that transactions are conducted on an arm's length basis.
3. A member of the Management Board shall be liable for damage caused by activities contrary to the law or the Company's Articles of Association.
4. A Member of the Management Board may not, without the Company's consent, engage in a competitive business or participate in a competitive company as a partner in a civil law partnership, a partnership or as a member of a body of a capital company, or participate in another competitive legal person as a member of its body. This prohibition also extends to participation in a competitive capital company in the event that a Member of the Management Board holds at least 10% of shares in it or has the right to appoint at least one member of the management board.
5. In the event of a conflict between the interests of the Company and the interests of the Management Board Member, his/her spouse, relatives and in-laws to the second degree, as well as people with whom he/she is personally connected in such a way that it could raise reasonable doubt as to impartiality, Member of the Management Board should refrain from settling such matters and may request indication of this fact in the minutes. In the case of acquiring information on the possibility of investment or other transaction concerning the Company's business activity, a Member of the Management Board shall present it to the Management Board immediately so as to consider the possibility of its use by the Company. Use of such information by a Member of the Management Board or its disclosure to a third party can only occur with the consent of the Management Board and only if it does not infringe the Company's interest.
6. Members of the Management Board shall inform the Supervisory Board of any conflict of interest in relation to their function or of the possibility of its arising.

Final provisions

§ 7

Adoption and amendment of these By-laws require a resolution of the Management Board and approval by resolution of the Supervisory Board.

Podpisano przez/ Signed by:
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Podpis jest prawidłowy
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