



REGULATIONS OF THE MANAGEMENT
BOARD OF IZOSTAL S.A.

Resolution No. 65/IX/2022 of the Supervisory Board of IZOSTAL S.A.
of 1 December 2022

I. General provisions

§ 1

These regulations set out the principles and procedure of operation and organisation of the Management Board of "IZOSTAL" Spółka Akcyjna in Kolonowskie.

§ 2

The Management Board operates on the basis of the Code of Commercial Companies, the Company's Articles of Association, these Regulations, Best Practice for WSE Listed Companies and applicable laws.

§ 3

Terms used in these Regulations shall mean:

1. Regulations of the Management Board, Regulations – these Regulations of the Management Board of "IZOSTAL" S.A.
2. Articles of Association – the articles of association of "IZOSTAL" S.A.
3. Company – IZOSTAL S.A.
4. Management Board – the management board of "IZOSTAL" S.A.
5. Supervisory Board – the supervisory board of "IZOSTAL" S.A.
6. General Meeting – the general meeting of "IZOSTAL" S.A.
7. President of the Management Board – president of the management board of "IZOSTAL" S.A.
8. Vice-President of the Management Board – vice-president of the management board of "IZOSTAL" S.A.

II. Composition, term of office

§ 4

1. The Management Board consists of two to four persons appointed for a joint term of office of three years. The mandate of a Board member appointed during the term of office expires at the same time as the mandates of the other Board members.
2. The term of office is calculated in financial years from the effective date of the appointment resolution (date of appointment), whereby, in the event of appointment during the Company's financial year, the period from the date of appointment to the end of that financial year is treated as the first financial year of the three-year term of office.
3. The Management Board is appointed by an absolute majority of the Supervisory Board. When appointing the Management Board, the Supervisory Board shall indicate in a resolution the President of the Management Board and the functions of the other members of the Management Board.
4. The number of members of the Management Board for a given term of office is determined by the Supervisory Board. The Supervisory Board may increase or decrease the size of the Management Board during the term of office.
5. The Supervisory Board may dismiss the President and/or the Vice-President of the Management Board from their position, while retaining them on the Management Board and at the same time assigning the position of President and/or Vice-President of the Management Board to another member of the Management Board.

III. Scope and principles of the Management Board

§ 5

1. The Management Board manages the Company's business and represents it externally.
2. The scope of the Management Board's activities includes all matters relating to the running of the Company which are not reserved by generally applicable law and the Company's Articles of Association to the competence of the General Meeting or the Supervisory Board.

§ 6

1. The President of the Management Board directs the work of the Management Board and, in particular, coordinates, supervises and organises the work of the other members of the Management Board.

2. In matters not exceeding the ordinary activities of the Company, each member of the Management Board may conduct the Company's affairs independently.
3. A resolution of the Management Board is required for matters beyond the scope of the Company's ordinary activities relating to the running of its business.
4. The Management Board also takes decisions by resolution if at least one member of the Management Board so requests.
5. The Management Board adopts resolutions, in particular on:
 - 1) the Management Board's reports on the Company's activities and the Company's financial statements to be submitted to the General Meeting,
 - 2) proposals and other matters submitted to the Supervisory Board and the General Meeting,
 - 3) granting of a proxy (subject to § 21(1) of the Regulations) and the granting of a power of attorney,
 - 4) convening of Ordinary and Extraordinary General Meetings on its own initiative or at the written request of the Supervisory Board or other entities authorised by applicable law or the Articles of Association, and setting the agenda for the General Meeting,
 - 5) granting and accepting donations,
 - 6) disposing assets with a value in excess of PLN 10,000,
 - 7) internal legal acts of the Company,
 - 8) exceeding the ordinary management and in any other matter when requested by at least one member of the Management Board.
6. The Company's Management Board requests the Supervisory Board's consent to perform actions in the cases indicated in the Articles of Association.
7. In view of the exclusion of the application of Article 380¹ § 1 and 2 of the Code of Commercial Partnerships and Companies, the following scope and manner and frequency of information to be provided to the Supervisory Board by the Management Board is established:
 - a) Scope of information provided:
 - the Company's situation in the operational area, in particular relevant information concerning its assets, investments and employment,
 - state of the markets in which the Company operates,
 - significant new risks identified by the Board,
 - status of implementation of the economic and financial plans and changes in the Company's designated business directions,
 - transactions and other events or circumstances that materially affect or may affect the Company's financial position.

The scope of the information provided also includes information held by the Management Board concerning the Group;
 - b) Method of communication: in writing or electronically, including by e-mail, and in the form of a multimedia presentation;
 - c) Frequency of information: at least once every quarter in the financial year, during or between meetings of the Supervisory Board. The Management Board may provide information with greater frequency if it deems it necessary to protect the interests of the Company;
 - d) The information obligation shall also be deemed to have been fulfilled by the Company making public the information listed in par. 7(a), in the form of current and periodic reports.

§7

1. When taking decisions on the Company's affairs, the members of the Management Board should 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 a view to the Company's interests.
2. In determining the Company's interest, the long-term legitimate interests of 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, should be taken into account.
3. When dealing with shareholders and others whose interests affect the interests of the Company, the Management Board should act with particular care to ensure that transactions are carried out on an arm's length basis.

§ 8

The Management Board maintains the Company's corporate website and posts there, in addition to the information required by law, at least:

- 1) basic corporate documents, in particular the articles of association and bylaws of the Company's bodies,
- 2) professional CVs of members of the Company's bodies,
- 3) current and periodic reports.

§ 9

1. The following are authorised to represent the Company, make declarations of intent and sign documents, including to incur liabilities on behalf of the Company:
 - 1) two members of the Management Board taken together, or
 - 2) a member of the Management Board together with a proxy.
2. Statements addressed to the Company or service of letters may be made on one member of the Management Board or a proxy.

IV. Meetings of the Management Board

§ 10

1. At Board meetings, the current affairs of the Company are discussed. In addition, matters that require a decision in the form of a Board resolution, as well as matters that are unusual or important in the opinion of the Board Members, are particularly referred to Board meetings.
2. Meetings of the Management Board are held at a frequency that meets the current needs of the Company.
3. Meetings of the Management Board are held at the Company's registered office or outside the Company.

§11

1. Proper notice of the meeting to all Board members and the presence of 2/3 of the Board members are required for the validity of Board resolutions, unless stricter requirements are prescribed by the Articles of Association, these Regulations or by law.
2. Meetings of the Management Board are convened by the President of the Management Board on his own initiative or at the request of another member of the Management Board.
3. The invitation shall be made at least 48 hours before the meeting subject to par. 5 below. The invitation should specify the date, time, place of the meeting, the agenda and the means of direct remote communication to be used during the meeting.
4. It is permissible to send the invitation by e-mail, telephone, fax or other means of remote communication.
5. In matters of urgency or in other special circumstances, a meeting of the Management Board may be held without complying with the requirement set out in points 3 and 4. A meeting is valid if the following conditions are all met:
 - 1) all members of the Management Board are present at the meeting, whereby members of the Management Board may also participate in the meeting by means of electronic communication (par. 6 and 7 shall apply mutatis mutandis).
 - 2) no member of the Management Board objects to the holding of a meeting of the Management Board,
 - 3) no member of the Management Board objects to the agenda proposed by a member of the Management Board.
6. Meetings of the Management Board may be conducted by means of electronic communication (in particular by telephone or e-mail, Internet, videoconference) in such a way as to allow simultaneous communication and mutual identification between all members of the Management Board present.
7. The person presiding over the meeting of the Management Board, in the event of voting by means of distance communication, shall identify the members of the Management Board.

8. In case of adopting resolutions by means of remote communication, such as e-mail or videoconference, members of the Management Board are obliged to use equipment equipped with software ensuring security of communication and preventing data theft, in particular an anti-virus program and firewall.

§ 12

1. Resolutions of the Management Board are adopted by an absolute majority of votes. In the event of an equality of votes, the vote of the President of the Management Board shall decide the outcome.
2. Resolutions of the Management Board shall be adopted by open ballot, unless any Member of the Management Board requests a secret ballot.
3. Resolutions of the Management Board may also be adopted:
 - a) by means of direct communication at a distance (teleconference, videoconference, fax),
 - b) in writing.
4. Resolutions adopted by circulation in writing or by means of direct remote communication shall be valid if all members of the Management Board have been notified of the adoption and the content of the resolution in accordance with the procedure set out in § 11.

§ 13

1. The attendance of Board members at the meeting is mandatory and their absence should be duly excused. The assessment of the reasons for absence shall be carried out by the President of the Board or, in his absence, by the deputy member of the Board.
2. Persons invited by the President of the Management Board may participate in Board meetings in an advisory capacity.
3. Meetings of the Management Board shall be chaired by the President of the Management Board or, in his/her absence, by a member of the Management Board present at the meeting designated by the President.

§ 14

1. Every participant in a meeting of the Management Board shall have the right to present his or her opinion on the matters on the agenda and the right to make proposals on such matters. Requests may be made orally or in writing.
2. The members of the Management Board, during the meeting, may place on the agenda matters not provided for in the agenda, subject to the conditions listed in par. 11(5).

§ 15

1. Meetings of the Board are minuted.
2. The minutes of the meeting should contain the content of the resolution and at least: the date and place of the meeting, the agenda, the names of the Board members taking part in the vote and of those invited, the number of votes cast on the individual resolutions, dissenting opinions with possible justification and objections.
3. The minutes of the meeting of the Management Board shall be taken by one of the members of the Management Board or a designated minute taker.
4. The minutes shall be signed by all Board members present, with the exception of the minutes of meetings held by electronic means of communication, which shall be signed by the Chairman of the meeting.
5. The resolutions adopted by the Management Board at the meeting, as well as any motions, reports and other materials discussed at the meeting shall be appended to the minutes.
6. Board Members not present at the Management Board meeting should read the minutes.

§ 16

All work relating to the Management Board's service, the maintenance of the collection of resolutions and minutes is handled by the Management Board Office.

V. Responsibilities of members of the Management Board

§ 17

1. In the event of a conflict of interest between the interests of the Company and those of a member of the Management Board, his or her spouse, relatives and relations by affinity up to the second degree and persons with whom he or she is personally related, or the possibility of such a conflict arising, the member of the Management Board should inform the Management Board and refrain from voting in the discussion and from voting on the resolution on the matter in which the conflict of interest has arisen.
2. If the situation referred to in par. 1 above arises, the Management Board shall inform the Supervisory Board of such conflict of interest.

§ 18

1. 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 partnership, a partnership or as member of a body of a corporation, or participate in another competitive legal person as a member of a body. This prohibition also extends to participation in a competing corporation, in the event that a Member of the Management Board holds at least 10% of the shares in that company or has the right to appoint at least one member of the Management Board.
2. The approval of a member of the Management Board shall be granted by the authority empowered to appoint members of the Management Board.

§ 19

1. A member of the Management Board should maintain full loyalty to the Company.
2. A member of the Management Board should refrain from actions that could only lead to the realisation of his or her own material gain.
3. If a member of the Management Board becomes aware of an investment opportunity or other favourable transaction relating to the Company's objects, he or she should present such information to the Management Board without delay for the Company to consider. The use of such information by a member of the Management Board or the transmission of such information to a third party may only take place with the consent of the Management Board and only if this does not harm the interests of the Company.

§ 20

Members of the Management Board should participate in the General Meeting in a composition making it possible to provide substantive answers to questions asked during the General Meeting. The attendance of the President of the Management Board at the General Meeting is mandatory.

VI. Appointment of proxy and establishment of representatives

§ 21

1. The Management Board may grant a power of attorney – the consent of all members of the Management Board expressed in the form of a resolution is required for its establishment.
2. The proxy may be revoked at any time by a written declaration of intent addressed to the proxy and signed by one member of the Management Board.
3. The Management Board may appoint proxies to perform certain types of activities – a resolution of the Management Board is required to appoint a proxy.
4. A power of attorney may be revoked by a written declaration addressed to the proxy and signed in accordance with the Company's rules of representation.

VII. Final provisions

§ 22

1. These Regulations shall enter into force on the date of approval by the Supervisory Board.
2. Any amendments to the Regulations may only be made in the same manner and form as their adoption.
3. Any matters not covered by these Regulations shall be governed by the applicable legal provisions.