

**Regulation of the Management Board
of SELENA FM SA
seated in Wrocław
dated 11th February 2019**

§ 1

I. General provisions

This Regulation determines rules, operation mode and organization of the Management Board of SELENA FM S.A. with its registered office in Wrocław.

§ 2

The Management Board operates basing on the Code of Commercial Companies, Statute of the Company, present Regulation, Code of Best Practice for companies and binding legal provisions.

§ 3

Terms used in this Regulation shall have the meanings set forth as below:

1. Regulation of the Management Board - present Regulation of the Management Board of SELENA FM S.A.
2. Statute - statute of the SELENA FM S.A.
3. Company - SELENA FM S.A.
4. Management Board - management board of SELENA FM S.A.
5. Board Member - Chairman of the Management Board, Vice Chairman of the Management Boards or Member of the Management Boards of SELENA FM S.A.
6. Supervisory Board - supervisory board of SELENA FM S.A.
7. Management Board Office - organizational body of SELENA FM S.A. responsible for coordination and organization of the works of the Management Board.
8. Code of Best Practice for companies - a document "Code of Best Practice for Listed Companies 2016", established under the resolution no. 26/1413/2015 of Gielda Papierów Wartościowych S.A. Supervisory Board from the October 13th 2005.
9. Ordinary management- undertakings of the Management Board in respect if the every-day business of the Company, which do not affect the strategy of its functioning being in force and if exceeded it is required to pass a resolution as set forth herein.

§ 4

II. Composition, cadence

1. The Management Board consists of 1 (one) up to 7 (seven) people, including the Chairman of the Management Board, and in case of a multi-person management board - Board Members, who at the same time might be appointed to the role of Vice Chairman- appointed and dismissed by the Supervisory Board.
2. The cadence of the Management Board is the same for all members and lasts 3 (three) years.
3. The mandate of a Board Member expires on the day of the Ordinary General Meeting of the Shareholders in a calendar year, in which the cadency of the Management Board expires. If the cadency of the Management Board expires in December and the Ordinary General Meeting of the Shareholders shall take place within first six months of the following year, the mandate of a Board Member shall expire on a date when the Meeting is held.

§ 5

III. Scope and rules of the functioning of the Management Board

1. The Management Board coordinates the activity of the Company and represents it externally in manners of an accepted in the Company rule of representation.
2. To the scope of functioning of the Management Board belong all the issues connected with conducting of the Company, not reserved in the provisions of binding law and the Statute of the Company for the competences of Shareholders General Meeting or Supervisory Board.
3. The Management Board is obliged to fulfill its duties thoroughly, in accordance with law and with the highest care demanded in the economic turn.

§ 6

Conducting of the Company's issues

1. In all issues not exceeding ordinary management, each Board Member might conduct the case of the Company separately, with a respect to the established representation rules in the Company.
2. Common actions of the Company, not reserved for the resolution of the Management Board, are held individually by the Chairman and particular Board Member in accordance to the inner division of competences.
 - a) The Chairman of the Management Board - coordinates issues connected to general functioning of the Company and SELENA Capital Group, monitors and coordinates also the management field of N-1 level, not belonging to competences of other Members of the Management Board, especially HR and M&A.
 - b) The Board Member responsible for Sales - monitors and coordinates the entirety of issues connected with sales and marketing, supervises the sales companies within the Group.
 - c) The Board Member responsible for Finance - monitors and coordinates the entirety of economic and financial issues, legal and accounting, connected with the risk management, tele informatics and controlling in the Company and SELENA Capital Group, supervises and ensures that the budget discipline is obeyed in the Company and within the Capital Group.
 - d) The Board Member responsible for Development - monitors and coordinates the entirety of issues connected with the development of product range of the SELENA Group, Research& Development processes, optimization of formulas and providing quality of products, implementation of new technologies and purchases of raw materials.
 - e) The Board Member responsible for Operational Issues - controls and coordinates the entirety of issues connected with providing the efficiency of the manufacturing companies from the SELENA Capital Group, environmental protection, health and safety issues, energy, efficiency of S&OP process.
- 2a. Decisions of the Board Members regarding the management of the Company's affairs referred to in point 2 above (ordinary activities not reserved for the resolution of the Management Board) may be expressed in the form of an ordinance issued by a particular Board Member. The ordinance issued by a Board Member, including the Chairman of the Management Board, relate to the area of competence assigned to that Board Member in accordance with point 2 above, whereby the Chairman of the Management Board is entitled to issue ordinances also in the area which at the moment does not belong to the competence of any other Board Member or in the common area. A Board Member issuing the ordinance, specifies in it whether and how the ordinance should be communicated to the indicated group of recipients.
3. Conducting Company's issues described in point 2 individually means entitlement of the Board Member for making decisions in issues delegated to its competences, in respect to the rules of representation resembled in this Regulation.

4. Board Members are committed to cooperate and mutual informing about relevant activities undertaken and conducted by them, as well as about activities straying from the rules of conduct in accordance to the cases' competence diversion or concerning scopes of activities granted to other Board Member.
5. Name subordination for the particular Board Member of cases of the Company for their direct conduct in a situation of a vacancy of the Board Member or when the scope of the conducted issue touches upon scopes of competences of at least two Board Members and there is a lack of consent for the way of conducting an issue, is made by the Chairman of the Management Board.
6. As part of the Company's affairs, the Management Board may establish committees and other supporting entities. Appointment of committees and supporting entities takes the form of a resolution of the Management Board, which should define at least the composition of the committee, the scope of its operation and the frequency of meetings.

§ 7

Representation

1. In case of a multi-person management board, for making decisions and signing of documents on behalf of the Company, authorized are:
 - a) Two Board Members together or,
 - b) The Board Member together with a Proxy, if appointed..
2. Declarations directed to the Company, or deliveries of documentation can be made by one Board Member or the Proxy.

§ 8

IV. Meetings of the Management Board

1. On the Meeting of the Management Board, current issues of the Company are discussed. Furthermore, for the meetings of the Management Board mostly those issues are referred, that demand making a decision in form of a resolution of the Management Board and also significant or not-ordinary issues in the opinion of Board Member.
2. Issues for the Management Board Meetings are addressed directly by the Members of the Management Board or other persons through the Management Board Office.
3. The Management Board Office prepares the agenda of the Meeting of the Management Board and deliver it to the Board Members before the meeting, together with materials being a subject to the meeting, unless materials are known by the Board Member.
4. Every issue submitted for the agenda of the meeting should be considered, unless its postponing for the next meeting is justified by a lack of sufficient information for dealing with it. The decision on the postponing on the case for a time of another Meeting, is to be made by the Board Member, who presides in the Meeting.
5. The Meetings of the Management Board are held with dates determined up to date, depending on needs, however not more rarely than once in a month.
6. The Meetings of the Management Board take place in the headquarter of the Company or in different places.

§ 9

Notification on the Meetings of the Management Board

1. The Meetings of the Management Board is summoned in a form of notification by the Chairman of the Management Board or other Board Member in cases of Chairman's absence or when other Member was appointed by the Chairman.
2. The notification should include date, hour, place and the agenda of a Meeting.

3. The notification should be made no longer than 24 hours before the Meeting, with reservation to the point 5 below.
4. The notification on the Meeting of the Management Board is delivered in a form of corporate e-mail. In a special case, the notification on the Meeting of Management Board might be passed on by telephone, fax or using any other tool for a distant communication.
5. In very urgent cases or in special circumstances, the Meeting of the Management Board can take place in respect to the point 1, 2 and 3. The Meeting is then considered as valid when following conditions are met:
 - a) At the Meeting majority of the current composition of the Management Board is present,
 - b) None of the Board Members opposes the Meeting of the Management Board,
 - c) None of the Board Members opposes the agenda of the proposed meeting.

§ 10

Adoption of resolutions

1. The Resolutions of the Management Board are adopted at the Meetings.
2. The Resolutions of the Management Board might be adopted in a written form in cases when it is demanded, without the Meeting. The projects of the resolution shall be introduced to all of the Board Members in a way that all of them had the chance to be introduced to its content and put a signature confirming receiving of the Resolution and declaration of its undertaking. The Chairman of the Management Board might set a deadline, until when Board Members should express their point of view on the project of the resolution.
3. Resolutions can also be adopted using means of distant communication, especially using telephone, audiovisual and electronical tools. All the Board Members shall be notified about the content of the drafted resolution as well as about a date of its planned adoption.
4. Resolutions of the Management Board are made with the absolute majority of votes, every Board Member has one vote.
5. Resolutions adopted in a written general mode or using means of direct distant communication, are valid, when all of the Board Members were informed about adoption and the content of the resolution in a procedural mode described in § 9.
6. In case of an equal voting results, the voice of the Chairman of the Management Board decides about the final result of voting.
7. Resolutions of the Management Boards in particular demand especially following issues:
 - a) Launching of a new project or a program, acquisition of asset or hiring of an employee, if not included in the annual budget in force,
 - b) Exceeding of Ordinary management in cases, which value exceeds the equivalence of 100.000 EUR (one hundred thousand euro);
 - c) Expressing consent on the realization of an investment task and drawing obligations stemming from it, if expenses or obligations connected to it exceeding 250.000 EUR (two hundred fifty thousand euro) arise;
 - d) Drawing obligations, managing property, or any form of burdening of Company's assets, whose value exceeds 100.000 EUR (one hundred thousand euro);
 - e) reports, application and other cases submitted to the Supervisory Board and Shareholders General Meeting;
 - f) convening general and extraordinary Meetings of the Shareholders General Meeting from a self-initiative or as written application of the Supervisory Board or other bodies authorized by proper law regulations or provisions of the Statute and settling of the agenda of Shareholders General Meeting;
 - g) giving consent for acquisition and disposal of real estates, perpetual usufruct and shares in real estates,

- h) giving consent for credit, loan, leasing agreement and other agreement of a similar kind aiming to finance the operations of the Company,
 - i) Adoption and changing of bonus system, motivational programs for the employees,
 - j) Adoption of the organizational structure of a Company;
 - k) Adoption of the rules of Corporate Governance,
 - l) Adoption of the Company/ SELENA Group policies,
 - m) Granting a proxy;
 - n) Setting an inner division of competences between Members of the Management Board if there is any other distinction stemming from present Regulation;
 - o) Making donations,
 - p) Approving of the changes of the charters of subsidiaries,
 - q) Appointing and revocation of management board members of the subsidiaries,
 - r) Implementation of managing limitation for the management board members of the subsidiaries
 - s) Approval of the financial report and consolidated financial report and the management board report of the Company and of the Group for a tax year, a half- year and a quarter,
 - t) Approval of the yearly financial reports and financial report of subsidiaries,
 - u) Approval of the profit division and the manner of covering the loss of subsidiary,
 - v) Giving consent for acquisition and disposal of the real estate owned by a subsidiary,
 - w) Giving loans and granting guarantees for other companies and entities,
 - x) Giving consent for judicial and extra- judicial settlement,
 - y) Other issues, which settling in a form of resolution is demanded by at least one Board Member.
 - z) Appointing committees and other supporting or advisory entities of the Management Board
8. The Management Board shall vote a resolution in every situation when an acceptance or an opinion of the Supervisory Board is required, including without a limitation in the following cases:
- a) Perennial strategy of the Company and of the Group,
 - b) Annual financial plan and business plan of the Company and the Group (annual budget),
 - c) Acquisition and disposal by the Company of real estates, perpetual usufruct and shares In real estates, if the value exceeds the equivalent of 3% of the equity capitals of the Company in accordance with the last audited financial report,
 - d) Conclusion by the Company of an agreement with entities related with the Company, except for the typical transactions based on the market terms concluded within the business operations of the Company with a subsidiary, where the Company owns majority of shares,
 - e) Conclusion by the Company of important agreement which were not included in the financial plan approved by the Supervisory Board; an important agreement shall be also an agreement which the Company is a party of, if the value of such an agreement amounts to at least 3% of the value of the equity capital of the Company in accordance with the last audited financial report,
 - f) Issuing by the Company of a promissory note, accepting of a promissory note or granting by the Company of a guarantee which value exceeds 3% of the value of the equity capital of the Company in accordance with the last audited financial report, except if it was included in the financial plan approved by the Supervisory Board,
 - g) Division of the profit or covering of the loss,
 - h) Creation or deletion of reserve capital, special funds of the Company and determination of their aim,
 - i) Issuing of corporate bonds and stock by the Company,
 - j) Other issues to be voted by the General Meeting of the Company.
 - k) distribution of profit or loss,

- l) creation and liquidation of capital reserves and special funds of the Company and determine its destiny,
- m) issue of bonds and shares by the Company,
- n) other matters that should be taken in the form of a resolution at the General Meeting

§ 11

Participation in the Meeting

1. Participation of the Board Members in Meetings is mandatory and their absence shall be reasonably justified.
2. In Meetings of the Management Board, persons invited by the Chairman of the Management Board or other Board Members can take part in an advising manner, especially employees of the Company responsible for merits-related issues being a subject of the Meeting of the Management Board.
3. Persons participating in the Meeting of the Management Board are obliged to keep confidentiality of the conduct of the Meeting and adopted resolutions.
4. The Meetings are led by the Chairman of the Management Board or other Member of Management Board designated by him.

§ 12

Opinions, application, change of the conduct of the Meeting

1. Every participant in the Meeting of the Management Board has the right to express their opinion in regard to issues being a subject of the Meeting, as well as the right to submit applications in these cases. Applications can be submitted orally or in a written form.
2. Board Members during the Meeting can submit issues for the conduct of the Meeting, not planned originally for the meeting. Resolution regarding issue introduced later to the conduct of the Meeting, can be adopted if all of the Board Members are present.

§ 13

Protocols

1. Meetings of the Management Board and adopted by them regulations are protocoled.
2. Protocol should include text of the resolution and at least: date of adoption of the resolution, the agenda of the Meeting, names and surnames of present Board Members and invited persons, number of votes on particular resolutions, opposing opinions and objections.
3. Protocol is prepared by one of the Board Members or chosen clerk to prepare the protocol.
4. Protocol is signed by the Chairman of the Meeting - a Board Member together with a clerk. Followingly, the protocol is sent to all of the Board Members until 48 hours from the moment of its signature.
5. Attached to the protocol are all application, reports and other materials being a subject of a Meeting, as well as opposing opinions with justifications put in paper.
6. Board Members who are absent at the Meeting of a Management Board shall acquaint themselves with the content of the protocol.

§ 14

1. The entirety of the works connected with the functioning of the Management Board, collecting resolutions and protocols is a task of a Company's organizational body chosen by the Management Board.
2. The right to inspect the protocols from the Meetings of the Board and adopted resolution possess:
 - a) Board Members and persons authorized by them,
 - b) Members of the Supervisory Board,
 - c) Management Board Office of the Company,
 - d) Legal Department of the Company,

- e) Persons conducting controls in the Company and authorized to inspect documents of the company basing on separate regulations.

§ 15

V. Cooperation with the Supervisory Board

1. The Supervisory Board receives from the Management Board and with its intermediary from the employees of the Company, detailed information about important issues in respect of the business of the Company and the Group and about the risk related to the business in operation and ways of managing such risk.
2. Upon demand of the Supervisory Board, the Management Board presents all reports and explanations, provides the access to the books and documents and to direct check of the financial conditions of the Company, as well as and if the situation requires, appoints the employees responsible for provision of the requires information.
3. In particular the Management Board shares all required information immediately upon the request of the Audit Committee.
4. In case the Management Board receives from the Supervisory Boar a recommendation in respect of the particular fields of operations of the Company or the Group, the Management Board is obliged within 14 days to give answers in respect of the given recommendations. In case the recommendations were not accepted by the Management Board, it shall present the justification of its decision.

§ 16

VI. Obligations of the Board Members

1. In case of conflict of Company's interest and interest of the Board Member, their civil partner, relatives to the second degree and people, with whom they are personally connected, the Board Member shall refrain from participation in solving such cases and might demand to have it notified in the protocol.
2. The information about appearing or possible conflict of interest shall be given by the Board Member to the Management Board or Supervisory Board.

§ 17

1. The Board Member cannot without Company's consent deal with competitive interests and participate in a competitive Company as a partner of civil company, commercial partnership, as a member of organ of capital company or participate in any other competitive legal person as a member of a body. This prohibition includes also possession of at least 10% of shares or actions in a competitive capital company or a right to appoint at least one of the members of the management board of this company.
2. Consent, which is mentioned in point 1 above, is given to the Board Member by body authorized to appoint members of the Management Board.

§ 18

Vacation leave and Business Trip of Board Members

1. Unless specified differently in agreement between Board Member and a Company, vacation leave of the Board Member are accepted by the Chairman of the Management Board, or in case of vacation leave of the Chairman - any Vice Chairman of the Management Board.
2. Board Members are obliged to inform the Management Board Office about their vacation leave plans being longer than 3 work days, at least 3 weeks prior to planned absence.
3. Arranging vacation leave plans shall happen with regard to earlier requested absences of other Board Members, for the continuity of representation of the Company.
4. Board Members discuss the calendar of business trips with the Chairman of the Management Board or with indicated by him Board Member.

5. At least once a quarter of the year, at a Meeting of the Management Board, Board Member for Finance submits general summary of business costs of Board Members.
6. The way of acceptance of the business costs of Board Member is regulated in a separate procedure.

§ 19

VII. Final provisions

Present Regulation enters into force on the day of its confirmation by the Supervisory Board.

§ 20

All changes and supplements to present Regulation demand a resolution of the Management Board and their confirmation by the Supervisory Board in a form of resolution.

§ 21

1. This Regulation shall not be in contradiction with the Statute of the Company and the laws in operation, including without limitation with the Commercial Companies Code.
2. To all the issues not regulated in present Regulation, regulations of the Statute of the Company and binding laws are applicable.