

**Resolution**  
**of the Management Board of Sanok Rubber Company Spółka Akcyjna based in Sanok**  
**dated 17 October 2018**  
on adopting the Bylaws of the Management Board

1. Pursuant to § 27(7) of the Company's Articles of Association, the Management Board of Sanok Rubber Company Spółka Akcyjna hereby repeals the Bylaws of the Management Board adopted by the Management Board on 12 May 2016 and adopts the Bylaws of the Management Board of the wording as in the annex hereto.
2. This Resolution shall be effective upon its approval by the Supervisory Board.

The Management Board of Sanok Rubber Company Spółka Akcyjna:

Piotr Szamburski – President of the Management Board .....

Marcin Saramak – Member of the Management Board .....

Rafał Grzybowski – Member of the Management Board .....

Piotr Dołęga – Member of the Management Board .....

## BYLAWS OF THE MANAGEMENT BOARD OF SANOK RUBBER COMPANY SPÓŁKA AKCYJNA

### Bylaws of the Management Board of Sanok Rubber Company Spółka Akcyjna based in Sanok Annex to the Resolution of the Management Board dated 17 October 2018

#### Chapter I. General Provisions.

##### § 1

The terms used in these Bylaws shall bear the following meanings:

1. Management Board – Management Board of Sanok Rubber Company Spółka Akcyjna based in Sanok.
2. Company – Sanok Rubber Company Spółka Akcyjna based in Sanok.
3. Articles of Association – Articles of Association of Sanok Rubber Company Spółka Akcyjna based in Sanok.
4. Bylaws – Bylaws of the Management Board of Sanok Rubber Company Spółka Akcyjna based in Sanok.
5. Shareholder – the Company's Shareholder.
6. Supervisory Board – the Company's Supervisory Board.
7. General Meeting – the Company's General Meeting.
8. Affiliates – subsidiaries (according to the definition arising from the Code of Commercial Companies) of Sanok Rubber Company Spółka Akcyjna and those business entities whose financial statements are covered by consolidation by Sanok Rubber Company Spółka Akcyjna and which are controlled by Sanok Rubber Company Spółka Akcyjna.

The above terms are interchangeable.

##### § 2

The Management Board is a body operating under the Code of Commercial Companies, the Company's Articles of Association and these Bylaws.

##### § 3

1. The Management Board is an executive and managing body of the Company which manages the Company's affairs and represents the Company.
2. Within its authority, insofar as defined in § 3(1), the Management Board and individual Management Board members shall, in their decision-making, take into account the rules arising from the Resolutions of the Supervisory Board and the Management Board of the Stock Exchange on adopting corporate governance on the official market and on the non-official market.

##### § 4

While managing the Company's affairs, the Management Board shall make decisions with the Company's interest in mind, define the Company's strategy and primary objectives, and submit them for approval to the Supervisory Board.

##### § 5

Members of the Management Board should participate in the General Meeting of Shareholders.

##### § 6

In order to serve on management boards or supervisory boards of companies from outside the Company's corporate group, a Management Board member requires permission of the Supervisory Board.

##### § 7

A Management Board member shall inform the Management Board about any conflict of interest or a possibility thereof and shall not vote on any resolution regarding a matter where a conflict of interest may arise in respect of such a Management Board member.

##### § 8

A Management Board member should avoid any professional or non-professional activities which could lead to a conflict of interest or adversely affect their reputation as the Company's Management Board member, and if a conflict of interest arises, the Management Board member should disclose it immediately.

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### § 9

A Management Board member cannot accept any benefits which could impact their impartiality and objectivism in decision-making or adversely affect the independence of their opinions and judgment.

### § 10

If a Management Board member believes that a decision of the Management Board's is in conflict with the Company's interest, they may require that their opinion in this respect be included in the minutes of the Management Board meeting.

## Chapter II. Organisation of the Management Board and internal relations.

### § 11

1. The Company's Management Board is composed of the President of the Management Board and two to six Management Board members.
2. The Management Board is appointed for a three-year joint term of office.
3. The Supervisory Board shall appoint the President of the Management Board and, at the request of the President of the Management Board, the other Members of the Management Board.
4. The President of the Management Board, a Management Board member or the whole Management Board may be dismissed by the Supervisory Board before their term expires.

### § 12

1. The Management Board shall exercise any and all rights in terms of managing the Company, except for the rights reserved for the other governing bodies of the Company under statutory regulations or the Articles of Association. The President of the Management Board shall manage the work of the Management Board. The responsibilities of the particular Members of the Management Board shall be specified by the President of the Management Board.

### § 13

1. Two Members of the Management Board acting jointly or one Management Board member acting jointly with a commercial proxy shall have the right to make declarations of will and put signatures on the behalf of the Company.
2. Attorneys-in-fact may be appointed to carry out, independently or jointly, particular type of or specific activities, to the extent of their power of attorney.

### § 14

1. The President of the Management Board appoints one Management Board member to replace them in their absence.
2. Whenever these Bylaws refer to the President of the Management Board, this shall also mean, in the President's absence, the Management Board member designated to replace to President.
3. Management Board members are directly responsible for performance of the Company's specific areas.

## Chapter III. Responsibilities and powers of the Management Board members.

### § 15

The Company's Management Board consists of:

President of the Management Board	- Managing Director,
Management Board member	- Financial Director,
Management Board member	- Business Development and IT Systems Director,
Management Board member	- Automotive Business Director.

### § 16

1. The **President of the Management Board** manages the works of the Management Board and chairs the Management Board meetings.
2. The President of the Management Board is authorised to delegate particular types of or specific cases to individual Management Board members.

## BYLAWS OF THE MANAGEMENT BOARD OF SANOK RUBBER COMPANY SPÓŁKA AKCYJNA

3. The competences of the **President of the Management Board** shall include in particular:
- formulating of strategic goals of the Company and motivating the management team to implement them,
  - supervising of implementation of strategic goals of the Building Division, the Industry Division, direct and/or indirect supervising over distribution activity of the Company and the development of sales to the eastern markets; supervising over activity of distribution companies,
  - relations with investors / shareholders,
  - continuous improvement of processes and organization,
  - formulating of strategies for innovations and resource improvement,
  - shaping of human resources management policy within the company and the Group,
  - creating of organizational culture conducive to innovative solutions, creative thinking of employees, and consistent implementation of innovative solutions,
  - implementing of modern standards in the field of human resources management,
  - seeking and implementing of more effective methods of managing processes, projects, knowledge and technology,
  - developing of internal and external communication process in the Company,
  - harmonizing of resources and labor consumption of projects implemented in the sphere of management at a given time,
  - developing of contacts with scientific and research institutions in the country and abroad,
  - acquiring of aid funds - initiating and coordinating of projects, submitting applications and handling them,
  - preparation and implementation of initiatives optimizing the costs of auxiliary and administrative activities in the Company,
  - supervising over PST "Stomil" Sp. z o.o. in Rymanów Zdrój,
  - ensuring of legal services in the Company.

### § 17

**Member of the Management Board – Financial Director** shall be responsible in particular for:

- managing of cash and risk and ensuring of financial liquidity of the Capital Group,
- preparation and implementation of business financing strategy,
- coordinating and supervising over budgeting and controlling process within the Capital Group,
- developing of management accounting system within the Capital Group,
- analysing of production costs in various cross-sections, unit costs of products, costs of launching of new products, efficiency and return periods on planned and completed investments,
- continuous assessing of effectiveness of capital investments and investment projects undertaken within the Capital Group,
- collecting, processing and sharing with financial data for organizational units of SANOK RC S.A.,
- insurance policy within the Capital Group,
- formulating the accounting policy for the Capital Group, including SANOK RC S.A. also taking into account the needs of management accounting and supervision over its functioning,
- preparation and implementation of procedures in the area of finance within the Capital Group,
- developing and implementing of effective uniform accounting and management accounting standards within the Capital Group,
- all taxation issues in the Company, in particular ensuring of compliance of the financial processes with applicable tax regulations,

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- optimizing of management of financial resources and creating of taxation policy of SANOK RC S.A.,
- supervising over rational costs of energy media and their reliable deliveries within the Company,
- coordinating, evaluating of functioning and direct supervising over functioning of subordinate organizational units,
- indirect supervising over:
  - a) optimization of production planning processes and inventory,
  - b) purchasing processes, excluding raw materials.

### § 18

**Management Board member – Business Development and IT Systems Director** shall be responsible in particular for:

- defining of possible directions of the Company's development, taking into account their expected efficiency,
- managing of development projects at due diligence stage, organizing of new activities, including planning and implementing of necessary investments, and coordinating of works related to potential acquisitions,
- developing of the IT system within the Company and the Capital Group, including realization of integrated systems implementation projects,
- supervising over processes of purchase of investment goods and realization of investments within SANOK RC S.A. Group,
- shaping of policy of raw materials purchasing and supervising over processes of purchasing raw materials,
- supervising over development, optimization and implementation of new materials and new compounds as well as improvement of technological processes in this area resulting in increased competitiveness of the Company,
- supervising over process of testing raw materials and materials, semi-finished and finished products, manufacturing and reliable supplies of rubber compounds.

### § 19

**Member of the Management Board – Automotive Business Director** shall be responsible in particular for:

- developing and implementing of business development strategies in the automotive segment,
- supervising over marketing and implementation of operational and strategic objectives by:
  - SANOK RC S.A. Automotive Division,
  - Colmant Cuvelier RPS S.A.S.,
  - Draftex Automotive GmbH,
  - QMRP Co., Ltd.,
  - SQAP Ltd.
- improving of project management processes to develop and implement of new products,
- supervising over development, optimization, implementation and realization of Continuing Improvement Plans in supervised units,
- ensuring of the Company's operations to comply with health and safety regulations and introducing of solutions that improve the level of occupational safety in individual units,
- supervising over the operations of Stomet Sp. z o.o.

### § 20

1. Every Management Board member may, on their own, manage any affairs representing the Company's ordinary activities, within the scope of their tasks.
2. While performing their tasks, a Management Board member shall take into account the Company's interest, and take all steps to guarantee adequate protection of the Company's interest and reputation.

## **BYLAWS OF THE MANAGEMENT BOARD OF SANOK RUBBER COMPANY SPÓŁKA AKCYJNA**

3. Within their tasks, a Management Board member shall, while carrying out an activity which, due to its scope, is also within the responsibilities of another Management Board member, act in conjunction with that Management Board member and notify the President of the Management Board about such circumstances.
4. Every Management Board member shall immediately inform the President of the Management Board about any event the consequence of which may adversely affect the Company's interest or reputation.

### **Chapter IV. Meetings of the Management Board.**

#### **§ 21**

1. The President of the Management Board shall convene Management Board meetings any time a problem arises which must be resolved by the Management Board.
2. Every Management Board member may require that a Management Board meeting be convened.
3. At a joint request of two Management Board members, the President of the Management Board is obligated to convene a Management Board meeting.
4. Management Board members may be notified about a Management Board meeting by any method, using any available means of communication.
5. All Management Board members shall be notified about a Management Board meeting, and the notice shall be delivered to the workplace or address of residence.
6. A Management Board member shall inform the Management Board about any change of address, otherwise a notice delivered to the place of residence before the change shall be considered effective.
7. Management Board members should be notified about a Management Board meeting soon enough to be able to participate.
8. Notice about a Management Board meeting focusing on:
  - a motion of the Supervisory Board or a motion of shareholders for convening of the General Meeting,
  - a draft agenda of the General Meeting
  - draft amendments to the Company's Articles of Association
  - a draft Management Report and financial statements for the previous year
  - proposed distribution of profit or coverage of loss
  - proposed change of the Company's objects
  - proposed share capital increase or decrease
  - proposed consolidation or transformation of the Company
  - proposed bond issue,ought to be delivered at least 5 days before the date of the meeting.  
A draft resolution along with a statement of grounds ought to be enclosed with the notice. The notice must include the date and time of the meeting, as well as the agenda.
9. Management Board meetings take place in the Company's registered office.
10. Every member shall have the right and obligation to participate in a Management Board meeting.
11. Managers bearing operational responsibility for the processes discussed at a Management Board meeting can be invited to the meeting.

### **Chapter V. Resolutions of the Management Board.**

#### **§ 22**

1. The Management Board shall make its decisions in the form of resolutions. Resolutions shall be adopted exclusively in the presence of the President of the Management Board or a person appointed to manage the work of the Management Board in the absence of the President of the Management Board.
2. Every Management Board member is obligated to present a case requiring a resolution to the Management Board.
3. Every Management Board member may demand that a resolution be adopted on a matter which, as they believe, requires such a resolution.

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4. Materials for the Management Board meetings shall be prepared and presented by those Management Board members with whose area of responsibility, as determined hereunder, the matter to be the subject of the resolution is connected.

### **§ 23**

1. For resolutions of the Management Board to be valid, all members must be notified about the meeting and at least a half of the Management Board members must take part.
2. Voting takes place by open ballot, and resolutions are adopted by ordinary majority of votes, with the President of the Management Board having the casting vote.
3. A resolution can also be adopted without a meeting being formally convened, as long as all Management Board members are present and none of them has objected to the matter being included in the agenda.
4. With the consent of the President of the Management Board, the Management Board may adopt resolutions under a written procedure. A resolution adopted under this procedure shall be valid if all of the Management Board members have received a draft resolution with the statement of grounds. A resolution shall be deemed adopted on the day of the absolute majority of votes being cast in favour of the resolution.
5. In the case referred to in § 24(4), the Management Board may also adopt resolutions in an electronic form using means of distance communication, including with the use of a secure electronic signature verified with a valid qualified certificate. In such case, the requirements specified in § 24(4) shall apply.
6. Meetings of the Management Board may take place using means of direct distance communication, and resolutions adopted following this procedure shall be valid if all Management Board members have been informed about the contents of the draft resolutions.
7. Resolutions shall be signed by the President of the Management Board or by all Management Board members.
8. The President of the Management Board shall order the resolution to be announced if it includes provisions of significance for work organisation at the Company. Resolutions are announced by being displayed in the Company's registered office or otherwise as customary at the Company.

## **Chapter VI. Minutes.**

### **§ 24**

1. Minutes shall be taken of each Management Board meeting, and they shall include:
  - date of the meeting,
  - agenda,
  - first and last names of the members present,
  - content of adopted resolutions,
  - number of votes cast in favour of each resolution,
  - dissenting opinions, if so requested by particular Management Board members.
2. The minutes shall be taken either by a Management Board member appointed by the President of the Management Board or by a different person.
3. The minutes are signed by all the attending Management Board members.
4. None of the Management Board members may refuse to sign the minutes, even if they voted against the resolution and notwithstanding whether they requested that the dissenting opinion be included in the report.
5. If any Management Board member refuses to sign the minutes, the President of the Management Board will mention this in the minutes.

## **Chapter VII. Miscellaneous.**

### **§ 25**

1. These Bylaws were adopted at the Management Board meeting on 17 October 2018.
2. The Bylaws require approval of the Supervisory Board and shall be effective as of the day determined by the Supervisory Board in the resolution approving the Bylaws.
3. As of the effective date hereof, the Bylaws set forth in the annex to the resolution of 12 May 2016 shall be invalid.