

Bylaws of the Board of Directors  
BYLAWS OF THE BOARD OF DIRECTORS OF KRAKCHEMIA SA WITH ITS  
REGISTERED OFFICE IN KRAKOW

1. General provisions:

1.1. The Board of Directors of KRAKCHEMIA SA (the "**Company**") with its registered office in Krakow, hereinafter referred to as the "**Board**" acts pursuant to the provisions of the Commercial Companies Code and of the Company's Statute which stipulate, in particular, its composition and responsibilities, and according to these bylaws, which stipulate the rules and the mode of work and allocation of responsibilities (the "**Bylaws**"). 1.2. For their validity, all amendments to these Bylaws require a resolution of the Board and the approval by the Supervisory Board of the Company.

2. Responsibilities of the Board:

2.1. The Board manages the affairs of the Company and represents the Company. The Board takes care of transparency and effectiveness of the management system of the Company and of managing its affairs pursuant to the legal regulations in force and to good practice principles.

2.2. All matters related to managing the affairs of the Company not restricted by the act of law or by the Company's statute as responsibilities of the General Meeting or the Supervisory Board, constitute the responsibilities of the Board.

2.3. The consent of the Company's General Meeting is, inter alia. required for:

- a) the sale or lease of an enterprise or its organized part and for the establishment on them of a limited rights in property;
- b) issuing convertible bonds or bonds with priority rights;
- c) the purchase of the Company's own shares in the event provided for in art. 362 § 1 ss. 2 of Commercial Companies Code;
- d) concluding credit, loan or guarantee agreements or any other agreements with a Member of the Board, a Member of the Supervisory Board, a proxy, a liquidator or to the benefit of any of these persons.

2.4. The consent of the Supervisory Board is required for:

- a) the purchase or sale of a properties or shares in properties, sale and transfer of rights of usufruct to a property;
- b) Charges over a property, establishment of limited real estate security rights on the Company's assets for the amount exceeding 500 000 PLN;
- c) Providing suretyships or guarantees for the total amount exceeding 100 000 PLN;
- d) Establishment of lien or other securities other than lien and securities related to the business activity;
- e) Entering into, terminating or amending lease agreements and other agreements of this kind, if they are entered into for a period longer than 3 years and if the annual lease rent paid by the Company is higher than 100 000 PLN;
- f) Giving loans other than in the turnover of goods for the total amount exceeding 100 000 PLN.

2.5. The Board acting in the best interest of the Company, determines the strategy and the main targets of the Company's business and it presents them to the Supervisory Board. The Board is responsible for the implementation and execution of the strategy and of the main targets of the Company's business presented to the Supervisory Board.

2.6. The Members of the Board should be present at the General Meeting. The Members of the Board, within the scope of their powers and within the scope necessary to resolve the issues discussed by the General Meeting, should provide explanation and information concerning the Company. The answers of the Board to the questions asked by the General Meeting should be provided in consideration of the fact that the obligations as to information by a public company are performed in accordance with the provisions of the law of 29 July

2005 on the public offer and conditions of introducing financial instruments into an organized turnover system and on public companies, and provision of certain information must not be performed in a manner other than those provided for in these provisions.

2.7. Absence of a Member of the Board at the General Meeting requires explanation, which should be presented at the General Meeting. Each Member of the Board, in the case of a foreseen absence from the General Meeting, should deliver to any of the other Members of the Board the explanation of the reasons for his absence, and in the event when such absence is unforeseen, the Member of the Board should notify the Company by phone in such a way, that the explanations given by the Member of the Board should reach the Company prior to the commencement of the General Meeting. In emergency situations, this obligation may also be fulfilled by a close relative of the Member of the Board absent from the General Meeting.

### 3. Composition of the Board, Competition Ban, Rights and Obligations:

3.1. The Board consists of one to five members, appointed for a common tenure. The Supervisory Board passes a resolution as to the number of board of directors members, appoints the President and other members.

3.2. The tenure of office of the Board is 3 (three) years.

3.3. The mandate of the Members of the Board expires on the date, when the General Meeting approving the financial statement for the last financial year is of the Board's tenure and in other cases provided for in the Commercial Companies Code.

3.4. A Member of the Board must not, without the Company's consent, do any competitive business or participate in a competitive company as a partner in a civil company, a private company or as a member of body of an association of capital or participate in any other competitive legal person as a member of a body. This ban also includes a share in a competitive association of capital in the case of possession in it by a Member of the Board of at least 10% of shares or stock, or the right to appoint at least one Member of the Board. The consent is granted by the General Meeting.

3.5. A Member of the Board should be entirely loyal to the Company and avoid any activities that might lead exclusively to the accomplishment of his/her own material benefits. In the case of acquiring information on the possibility of investment or of any other profitable transaction related to the Company's object of business, the Member of the Board should present this information forthwith to the Board so that it can consider a possibility of its being used by the Company. The use of such information by the Member of the Board or providing it to a third party may only take place with the consent of Board and only when it does not interfere with the Company's interests.

3.6. A Member of the Board holding the Company's shares and shares of its holding companies or subsidiaries, should treat them as long-term investment.

3.7. A Member of the Board is obliged in particular to observe the confidentiality obligation in under the regulations of the laws of the act on the Law of public financial instrument trade.

### 4. Representation of the Company in the Agreements with the Members of the Board:

4.1. All agreements between the Members of the Board members and the Company are entered into by the Chairman of the supervisory board on behalf of the Company. Terms of any agreements are stipulated in supervisory board resolutions.

4.2. The principle defined in ss. 4.1. hereinabove applies also to other activities related to the execution of agreements between the Company and the Members of the Board.

4.3. The remuneration of the Members of the Board employed under employment contracts or other contracts is determined by the Supervisory Board of the Company.

### 5. Representation of the Company in External Relations:

To make statements on behalf of the Company and to make obligations, the following

persons are authorized:

- a) if the Board consists of one person – the Member of the Board individually;
- b) if the Board consists of more than one person – the President of the Board individually or two Members of the Board jointly, or one Member of the Board together with a proxy.

## 6. Managing the Company's affairs:

6.1. If the Company's Board consists of more than one person, all its Members are obliged and authorized to joint management of the Company's affairs. The Members of the Board, while making decisions concerning the Company's affairs, should act within the scope of justified economic risk, i.e. upon considering all information, analyses and opinions, which according to the reasonable assessment of the Board should be considered under particular circumstances withstanding the best interest of the Company. While assessing the best interest of the Company, the justified long-term interests of the shareholders, creditors, and employees of the Company as well as of other entities and persons co-operating with the Company within the scope of its business, and also the interests of local communities should be taken to account.

6.2. The meetings of the Board take place in the Company's registered office depending on the Company's needs, and they should be convened not less frequently than once in each calendar month.

6.3. The meetings of the Board of the Company are convened by the President of the Board, and in the case when the President cannot convene the meeting, it is convened by other Member of the Board. The President convenes the meeting of the Board out of his own initiative, on request of any other Member of the Board or on request of the Supervisory Board. The President of the Board convenes the meeting immediately upon the receipt of such a request. The meeting of the Board is convened by registered letters, by fax, by electronic mail or by phone.

6.4. The meetings are presided over by the President of the Board, and in the event of his absence from the meeting, by other Member of the Board appointed by those present at the meeting.

6.5. The meetings, apart from the Members of the Board, may be attended by the members of the Supervisory Board of the Company and by other persons invited, however without the right to vote.

6.6. The resolutions of the Board are passed by absolute majority of votes executed. In case of a tie, the President has the casting vote.

6.7. The establishment of a proxy requires the consent of all Members of the Board. The power of proxy may be cancelled by each and any Member of the Board.

6.8. The resolutions may be passed if all Members of the Board are properly notified about the meeting of the Board.

6.9. A Resolution of the Board is required for:

- a) the approval of the Bylaws of the Board;
- b) the decision as to the issuance of bonds or shares;
- c) convening an ordinary or extraordinary General Meeting;
- d) the presentation to the General Meeting of the motions concerning the division of the profit or the coverage of the loss and other issues related thereto;
- e) the approval of the report of the Board on the Company's business activity in the last financial year;
- f) granting subsidies, donations or other unpaid benefit; however, in the event when their value exceeds 1,000.- (one thousand) zloty, the Board shall ask the Supervisory Board of the Company for approval of the subsidy, donation or other unpaid benefit respectively;
- g) incurring commitments or disposal of the right whose value exceeds 50,000.- (fifty thousand) zloty;
- h) the purchase or sale of stock or shares in other companies.

6.10. Further, each Member of the Board may demand that a resolution of the Board is passed in respect of any issue being the responsibility of Board.

6.11. In the event of a conflicts of interests of the Company and of a Member of the Board, his/her spouse, kin and persons of in-law relation, to the second degree, and persons, with whom he/she is personally related, the Member of the Board should refrain from participation in the settlement of such matters and may require that a note is made about that fact in the minutes. Each conflict of interest in related to any performed function or a possibility of its occurrence, should be notified by the Members of the Board to the Supervisory Board pf the Company.

6.12. While concluding transactions with shareholders and other persons whose interests affect the interest of the Company, the Board should act with particularly diligence in order to make sure that such transactions are performed on market conditions.

6.13. The allocation of responsibilities to particular Members of the Board is provided for in the Company's Organization Rules which are approved by the Board in a resolution.

## 7. Minutes:

7.1. The resolutions of the Board should be recorded in the minutes. The minutes should include a reference number, the date of the meeting, the agenda of the meeting, surnames and names of the Members of the Board present at the meeting, the texts of the resolutions passed, the number of votes cast for particular resolutions and separate opinions. The minutes shall be signed by the Members of the Board members present at the meeting. The minutes are taken by a person appointed by the President of the Board.

7.2. On request of a Member of the Board present at the meeting, any other declarations made and circumstances of the particular meeting or individual opinions shall be recorded in the minutes.

7.3. The documents of the Board, and in particular the set of minutes of its meetings, should be properly secured and stored in the registered office of the Company for the period of time provided for by the law. The documents of the Board may be stored in a place other than the Company's premises only for important reasons.

7.4. Upon the termination of the Board's tenure of office, the President of the Board or other of its members is obliged to submit the entire documentation to the new Board of the Company.

## 8. Financial Statement:

The Board is obliged to prepare, after the end of each financial year, a financial statement and a consolidated report, pursuant to the provisions of the law on accountancy, and to present it to the Supervisory Board of the Company together with the report of the Board on the Company's business in the last financial year. These activities should be performed by the Board in advance, so that the ordinary General Meeting can be convened on time.

## 9. Final provisions:

9.1. These Bylaws shall be made available to the public.

9.2. These Bylaws enter into force on the date on which the Supervisory Board of the Company passes a resolution approving the Bylaws.