

MANAGEMENT BOARD RULES
CPD S.A.
with its registered office in Warsaw

text incorporating amendments introduced by the Management Board of CPD S.A. by resolution No. 1/IV/2019 of 10 April 2019 and approved by the Supervisory Board of CPD S.A. by resolution No. 7/IV/2019 of 16 April 2019

I. GENERAL PROVISIONS

§ 1

These Rules set out in detail the principles and procedures for convening and conducting work by the Management Board of CPD S.A. with its registered office in Warsaw.

§ 2

Terms used in these Rules shall have the following meanings:

1. Management Board Member – a member of the management board of CPD S.A., including the president of the management board of CPD S.A.;
2. Capital Group – CPD S.A. and its subsidiaries;
3. Code of Commercial Companies – the Act of 15 September 2000 – Code of Commercial Companies (Journal of Laws No. 94, item 1037, as amended);
4. Committee – a committee established within the supervisory board of CPD S.A.;
5. Audit Committee – the audit committee within the meaning of the Act on Statutory Auditors, established within the Supervisory Board of the Company.
6. President of the Management Board – the president of the management board of CPD S.A.;
7. Chairman of the Supervisory Board – the chairman of the supervisory board of CPD S.A.;
8. Supervisory Board, Board – the supervisory board of CPD S.A.;
9. Rules – these management board rules of CPD S.A., approved by the supervisory board of CPD S.A.;
10. General Meeting Rules – the rules of the General Meeting of CPD S.A.;
11. Company – CPD S.A.;
12. Articles of Association – the articles of association of CPD S.A.;
13. General Meeting – the general meeting of CPD S.A.;
14. Vice-President of the Management Board – Chief Financial Officer – the vice-president of the management board of CPD S.A., simultaneously serving as chief financial officer;
15. Management Board – the management board of CPD S.A.

§ 3

1. The Management Board operates on the basis of:
 - 1) generally applicable provisions of law, in particular the Code of Commercial Companies;
 - 2) the Articles of Association of the Company;
 - 3) resolutions of the General Meeting of the Company;
 - 4) resolutions of the Supervisory Board;
 - 5) the General Meeting Rules;
 - 6) the Audit Committee Rules;
 - 7) these Rules.
2. In the absence of provisions in these Rules or the Articles of Association, the Management Board shall apply the provisions referred to in section 1 item 1 above.
3. The scope of the Management Board's activities shall include all matters relating to the management of the Company's affairs that are not reserved by statute or the Company's Articles of Association for the competence of the General Meeting or the Supervisory Board.

II. COMPOSITION, APPOINTMENT AND TERM OF OFFICE OF THE MANAGEMENT BOARD

§ 4

1. The personal composition of the Management Board, the manner of its appointment and dismissal, and the term of office shall be determined by § 13 of the Company's Articles of Association and relevant resolutions of the Supervisory Board issued on that basis.
2. A Management Board Member may be dismissed at any time by the Supervisory Board.
3. A Management Board Member may at any time, for good cause, be suspended from performing duties by the Supervisory Board.

III. PRINCIPLES OF OPERATION, BASIC COMPETENCES OF THE MANAGEMENT BOARD

§ 5

1. The Management Board is the management and executive body of the Company and, as such, manages the Company's affairs and directs the entirety of its activities, manages the enterprise operated by the Company, and represents the Company externally.
2. The Management Board operates under the chairmanship of the President.
3. All Management Board Members are obligated and entitled to manage the affairs of the Company.
4. The Management Board, by its resolution, may entrust a specific Management Board Member with permanent or ad hoc supervision over the Company's activities within a defined scope.

5. If a Management Board Member simultaneously performs a function defined by the Company's Organisational Rules, their competences and responsibilities shall be determined by the job description provided to them for that position.

6. In matters not exceeding the scope of ordinary activities of the Company, each Management Board Member acts independently within the limits of their competences. In matters exceeding the scope of ordinary activities of the Company relating to the operation of its enterprise, the Management Board shall make decisions in the form of resolutions. A matter requires collective resolution in the form of a Management Board resolution if at least one other Management Board Member objects to it being handled by a single Member.

7. A Management Board Member may not, without the consent of the Supervisory Board of the Company, engage in competitive business or participate in a competitive company as a general partner or member of its governing bodies.

§ 6

1. Representing the Company vis-à-vis third parties means performing legal acts on behalf of and for the benefit of the Company. The Management Board's right of representation extends to all judicial and extrajudicial acts, with the exception of those which, by virtue of specific provisions, are reserved for the exclusive competence of other corporate bodies.

2. The rules of representation – making declarations of intent – are determined by the relevant provisions of the Company's Articles of Association.

3. Within the meaning of labour law provisions, the Management Board of the Company is the body acting on behalf of the Company as an employer, subject to § 24(2) of these Rules.

§ 7

The rights and obligations of the Management Board shall include in particular:

- 1) setting the date, agenda and convening General Meetings;
- 2) submitting motions to the General Meeting, together with the opinion of the Supervisory Board, on matters covered by the agenda;
- 3) presenting to the Supervisory Board the financial statements and written management board report on activities during the financial period, as well as the proposal for distribution of profit or coverage of losses, which documents are subject to consideration at the Annual General Meeting;
- 4) adopting the Organisational Rules of the Company and other internal acts of the Company regulating the course of work of the Company's enterprise;
- 5) developing and adopting annual, multi-year and strategic plans of the Company;
- 6) establishing commercial proxy and granting powers of attorney;
- 7) applying to the Supervisory Board with a request to convene its meeting;
- 8) applying to the Supervisory Board with requests for approval of the Management Board Rules, the Organisational Rules of the Company, annual budgets and development plans of the Company.

§ 8

The Management Board maintains the Company's corporate website and publishes thereon, in addition to information required by law:

- a) basic corporate documents, in particular the articles of association and rules of corporate bodies;
- b) professional CVs of members of the Company's governing bodies;
- c) current and periodic reports;
- d) where members of a corporate body are elected by the General Meeting – the justifications of candidacies submitted to the Management Board and the Supervisory Board, together with professional CVs, made available to the Company within a timeframe enabling review and adoption of a resolution with due understanding;
- e) annual reports on the activities of the Supervisory Board, including the work of its Committees, together with the assessment of the Supervisory Board's work and the internal control system and risk management system material to the Company, transmitted by the Supervisory Board;
- f) the proxy form for participation in the General Meeting granted in electronic form, as referred to in the General Meeting Rules;
- g) questions from shareholders on matters covered by the agenda, asked before and during the General Meeting, together with answers to those questions;
- h) information on the reasons for cancelling the General Meeting, changes to the date or agenda, together with justification;
- i) information on a recess in the proceedings of the General Meeting and the reasons for ordering a recess;
- j) information on corporate events, such as dividend payments, and other events resulting in the acquisition or restriction of rights on the part of shareholders, including dates and rules for carrying out such operations. This information should be published within a timeframe enabling investors to make investment decisions;
- k) information received by the Management Board, based on a declaration by a Supervisory Board member, on connections of the Supervisory Board member with a shareholder holding shares representing at least 5% of the total number of votes at the General Meeting of the Company;
- l) where the Company has introduced an incentive programme based on shares or similar instruments – information on the projected costs to be borne by the Company in connection with its introduction;
- m) the statement on compliance with corporate governance principles, included in the most recently published annual report, as well as the report on the application of corporate governance principles in the company referred to in § 29(5) of the Exchange Rules – if published;
- n) information on the content of the rule in force in the Company on changing the entity authorised to audit financial statements, or information on the absence of such a rule.

§ 9

Management Board Members are obliged to attend the General Meeting in a composition enabling a substantive answer to questions asked during the General Meeting.

IV. PROCEDURE FOR MANAGEMENT BOARD OPERATIONS

§ 10

(Dates and venue for convening Management Board meetings)

1. Management Board meetings are held as required, but not less than once a month.
2. Meetings are held at the Company's registered office. For good cause, the person convening a given meeting may order it to be held at another location within the Republic of Poland.
3. The date, venue and agenda shall be determined by the convening person.

§ 11

(Convening meetings)

1. A Management Board meeting is convened by the President of the Management Board or the Management Board Member deputising for them, on their own initiative or at the written request of at least one Management Board Member or the Chairman of the Supervisory Board.
2. Meetings requested by a Management Board Member or the Chairman of the Supervisory Board are convened within 10 days from the date of submitting the request to the President of the Management Board. The request must be made in writing, specifying the subject of the meeting. In order to prevent sudden damage and to prevent irreversible consequences for the Company, the above deadline should be shortened.
3. Notice of convening a meeting may be given in writing, including by electronic mail, in person or by fax, at least two days before the date of the meeting, and in urgent situations also by any other means enabling effective notification of the date and agenda of the planned meeting.
4. Documents and substantive materials on the basis of which matters listed in the meeting agenda may be considered shall be attached to the notice.
5. The notice shall specify:
 - 1) the date of the meeting and the time of its commencement;
 - 2) the proposed agenda, from which it must be apparent:
 - a) which matters and in what order will be considered at the meeting;
 - b) the name, or failing that – other designation of the documents and substantive materials attached to the invitation.
6. When establishing the agenda, the President of the Management Board or the Management Board Member currently deputising for them shall include matters reported in

the minutes of the last meeting and those presented in written requests of Management Board Members or the Chairman of the Supervisory Board that have already been received.

7. A meeting may validly be held without formal convening:

- 1) if its date and agenda were established at the previous meeting, provided however that Management Board Members absent from the previous meeting are notified of the meeting;
- 2) if all Management Board Members are present and none of them objects to holding the meeting, the proposed agenda or voting on resolutions.

§ 12

(Supplementing the meeting agenda)

1. At the written request of a Management Board Member or the Chairman of the Supervisory Board, the meeting agenda shall be supplemented with matters submitted in that request.
2. A request referred to in section 1 shall be deemed effectively submitted if it was delivered to the President or the Management Board Member deputising for them in writing no later than one day before the date of the given meeting.
3. At the request of a Management Board Member or the Chairman of the Supervisory Board, the meeting agenda may be supplemented without complying with the conditions referred to in sections 1 and 2, however this requires the consent of at least 2/3 of those present at the meeting.

§ 13

(Inviting other persons to meetings)

1. Persons whose professional opinion or information may prove useful for the proper examination of a matter covered by the meeting agenda or the resolution of a problem that may raise doubts during the meeting shall be invited to participate in the Management Board meeting.
2. These persons are invited to the meeting by the President of the Management Board or the Management Board Member currently deputising for them, on their own initiative or at the request of at least one Management Board Member or the Chairman of the Supervisory Board submitted within the timeframe and in the manner specified in § 12.
3. The presence of other persons at the Management Board meeting requires prior consent of at least 2/3 of the Management Board Members.

§ 14

(Secretary's duties)

1. The President of the Management Board, on the basis of a Management Board resolution, may authorise a designated employee of the Company (Secretary) to deal with matters relating to the preparation of Management Board meetings and to prepare minutes thereof.

2. The authorisation shall be granted in writing and specify the scope of the entrusted activities.

§ 15

(Participation in meetings)

1. Management Board Members and the Secretary (if designated) participate in the meeting.
2. Supervisory Board Members have the right to participate in any meeting, with an advisory vote.
3. Other persons may participate in the meeting only in the manner specified in § 13 of these Rules.
4. Management Board Members may participate in the meeting both by personal attendance and by means of communication.
5. A meeting in which more than one Management Board Member is to participate by means of communication may only be held in the manner specified in § 19 of these Rules.

§ 16

(Conduct of meetings)

1. The meeting proceeds according to the agenda indicated in the meeting notices, supplemented by matters referred to in the requests referred to in § 12 of these Rules.
2. At the meeting, proceedings are chaired by the President of the Management Board, or another Management Board Member currently deputising for them, who shall then have all the powers of the President of the Management Board associated with chairing the Management Board's proceedings.
3. The competences of the President of the Management Board, as chair of the Management Board meeting, shall include in particular:
 - 1) ordering the opening and closing of the meeting, as well as recesses;
 - 2) ordering the signing of the attendance list;
 - 3) determining whether the Management Board has the authority to adopt resolutions;
 - 4) granting the floor to persons participating in the meeting and withdrawing it when it is taken in violation of customary rules applicable in that regard;
 - 5) ensuring the correct and smooth conduct of the meeting;
 - 6) ordering votes and confirming their results.
4. Matters covered by the meeting agenda are presented by Management Board Members, or by Company employees designated in the notice (rapporteurs). In the absence of such a person, the rapporteur for the matter is designated by the President of the Management Board.
5. A Management Board Member who submits a motion for a vote is obliged to present it in the form of a draft resolution.

6. When putting motions to a vote, the President of the Management Board should start with the most far-reaching motions. First, motions on procedural matters should be put to a vote, and only subsequently – motions of a substantive nature.

§ 17

(Minutes of meetings)

1. Minutes shall be prepared from the course of the meeting. With the consent of all Management Board Members participating in the meeting, the course of the meeting may be recorded on a digital magnetic medium; in such case, the minutes of the meeting may be prepared on the basis of the recording from the medium.

2. The minutes are prepared by the Secretary referred to in § 14 of the Rules, and in their absence – by a person designated by the President of the Management Board or the Management Board Member deputising for them.

3. The minutes shall reflect the course of the meeting. The minutes shall contain in particular:

- 1) a note on the recording of the course of the meeting on a digital medium;
- 2) a note on the time of opening and closing of the meeting and any ordered recesses;
- 3) the content of the statement by the President of the Management Board referred to in § 16(3)(3) of the Rules;
- 4) the agenda adopted by the Management Board or a note that the meeting was held according to the agenda indicated in the meeting invitations;
- 5) a Management Board Member's statement, if they request its inclusion in the minutes; a Management Board Member has the right to dictate the content of their statement to the minutes or to reserve that they will submit it in writing before the end of the meeting;
- 6) the statement of any other person participating in the meeting, if any Management Board Member requests its inclusion in the minutes;
- 7) the content of legal opinions expressed at the meeting concerning the meeting procedure;
- 8) a note on a Management Board Member's abstention from participating in resolving matters in which there is a conflict between the Company's interests and the personal interests of that Management Board Member, their spouse, relatives and persons related by affinity up to the second degree;
- 9) a note on a document presented at the meeting, if any Management Board Member requests its inclusion, unless the document was attached to the minutes;
- 10) the content of resolutions adopted and the number of votes cast for individual resolutions – where the detailed texts of adopted resolutions have been attached to the minutes as annexes, they must be signed by all Management Board Members present at the given meeting;
- 11) an announcement of the submission by a Management Board Member of a dissenting opinion regarding an adopted resolution.

4. The following shall be attached to the minutes as integral parts thereof:

- 1) the attendance list of meeting participants;

- 2) copies of documents presented at the meeting, the attachment of which was requested by a Management Board Member;
 - 3) written statements of Management Board Members referred to in section 3(5) above;
 - 4) dissenting opinions of Management Board Members regarding adopted resolutions;
 - 5) written comments of Management Board Members on the content of the minutes, referred to in section 5 below.
5. The minutes shall be prepared and signed by all Management Board Members who participated in the given meeting, no later than five days from the date of the meeting. Comments of Management Board Members on the content of the minutes that were not taken into account when accepting the minutes shall be attached to the minutes as annexes.
6. Management Board Members absent from a given meeting are obliged to immediately familiarise themselves with the minutes of the meeting, and in particular with the resolutions adopted thereat, which they confirm by placing a dated and signed note reading "Acknowledged" on the minutes.
7. The Secretary shall be in custody of the minutes of meetings.

§ 18

(Management Board Resolutions)

1. Management Board resolutions are required in particular for:
 - 1) adoption of general and detailed annual budgets and development plans of the Company and their recommendation to the Supervisory Board;
 - 2) adoption of reports on the activities of the Management Board and the Company, submitted to other corporate bodies;
 - 3) adoption of requests to convene a meeting of the Supervisory Board;
 - 4) recommending to other authorities of the Company proposals for changes to the Company's capital structure;
 - 5) taking out and granting loans and credits, encumbering the Company's assets, early repayment of credits, and providing guarantees and sureties;
 - 6) issuance of bonds by the Company;
 - 7) acquisition or disposal of securities, shares or interests in other companies;
 - 8) the Company's accession to another company, legal entity or foundation;
 - 9) establishment and liquidation of divisions, departments and other separate organisational units of the Company's enterprise;
 - 10) acquisition and disposal of real property or interests in real property, the right of perpetual usufruct or interests in such right;
 - 11) decisions regarding investing, acquiring, disposing, liquidating and leasing components of fixed assets of the Company's enterprise – subject to cases reserved for the exclusive competence of the General Meeting or the Supervisory Board;
 - 12) making donations for social or charitable purposes;

- 13) adoption of the Management Board Rules and its amendments, before submitting them to the Supervisory Board for approval;
- 14) adoption of documents defining the organisational and legal structure of the Company, including the Organisational Rules;
- 15) adoption of the work rules in the enterprise operated by the Company;
- 16) adoption of a collective labour agreement in the enterprise operated by the Company;
- 17) decisions on the commencement of collective redundancies;
- 18) granting and revoking commercial proxy and powers of attorney;
- 19) all other matters exceeding the scope of ordinary activities of the Company, which for the purposes of these Rules shall mean matters that may result in the assumption of an obligation or the disposal of a property right of a value exceeding 5% of the net asset value of the Company as shown in the most recent balance sheet;
- 20) all matters submitted by the Management Board to a meeting of the Supervisory Board and the General Meeting;
- 21) matters not exceeding the scope of ordinary activities, the collective resolution of which in the form of a resolution of the Management Board has been requested by at least one Management Board Member.

2. Management Board resolutions, subject to section 5 below, are adopted at Management Board meetings.

3. The Management Board has the authority to adopt resolutions if all Management Board Members have been notified of the meeting in accordance with § 11 of the Rules, and at least half of the Management Board Members participate in the meeting.

4. In situations justified by special circumstances, when a delay in decision-making could expose the Company to loss, the Management Board may also adopt resolutions by circular procedure, if all its members express consent to adopting the resolution by this procedure and cast their vote. A Management Board Member's vote shall be cast in writing.

5. A separate set of minutes shall be prepared from voting by circular procedure.

6. Voting shall be open. Secret voting shall be ordered:

- 1) on personal matters of Management Board Members;
- 2) on a motion to the Supervisory Board to dismiss or suspend a Management Board Member from duties;
- 3) on any other matter – at the request of one Management Board Member.

7. Management Board resolutions are adopted by a simple majority of votes.

8. Each Management Board Member has one vote; however, in the event of a tie, the vote of the President of the Management Board shall be decisive.

9. In the event of a conflict between the Company's interests and the personal interests of a Management Board Member, their spouse, relatives and persons related by affinity up to the second degree, the Management Board Member should abstain from participating in resolving such matters and request that this be noted in the minutes.

10. Before the Company concludes a significant agreement with a related party, the Management Board shall refer to the Supervisory Board for approval of that transaction/agreement. This obligation does not apply to typical transactions concluded on market terms in the course of the Company's operating activities with a subsidiary in which the Company holds a majority capital interest.

§ 19

(Meetings by means of communication)

1. The provisions of the preceding paragraphs shall apply to meetings by means of communication, with the amendments resulting from the provisions below.
2. A meeting by means of communication may be held only with the consent of at least two thirds of the Management Board composition.
3. The notices to Management Board Members of a meeting by means of communication shall specify in particular:
 - 1) which Management Board Members will participate in it by means of communication;
 - 2) where they will be located during the meeting;
 - 3) by what means of communication they will be available.
4. At a meeting by means of communication, no resolutions may be adopted if the notices of the meeting did not specify the manner in which votes of Management Board Members cast in votes are to be transmitted, and if draft proposed resolutions are not presented.
5. Persons other than Management Board Members and Supervisory Board members may not participate in a meeting by means of communication, nor may documents not already in the possession of Management Board Members be presented thereat.
6. Adoption of minutes of a meeting by means of communication shall occur solely upon signing thereof by all Management Board Members who participated in that meeting.
7. Resolutions adopted at a meeting by means of communication shall become effective upon signing of the minutes by all Management Board Members who participated in that meeting.
8. The provisions of sections 1–7 above shall apply accordingly to that part of an (ordinary) Management Board meeting which – with the consent of all Management Board Members personally present at that meeting – was decided to be interrupted for a specified day and concluded in the manner of a meeting by means of communication.

V. SPECIAL RULES CONCERNING MANAGEMENT BOARD OPERATIONS

§ 20

(Procedure in the event of a change in the Management Board or individual members)

1. The transfer of activities and matters handled by the outgoing Management Board or Management Board Member to the new Management Board or Management Board Member

shall take place by means of a handover-takeover protocol, with the participation of a Supervisory Board representative.

2. The handover-takeover protocol shall contain in particular a list of pending matters being transferred, indicating their stage of advancement and urgency, and a compilation of documents and materials relating to the Company being transferred.

3. Copies of the handover-takeover protocol, signed by the persons participating in the handover activities, shall be received by:

- 1) the transferring party;
- 2) the receiving party;
- 3) the Company – for its files.

§ 21

(Procedure for resolving disputes between Management Board Members)

1. Negative jurisdictional disputes between Management Board Members shall be resolved by the President of the Management Board.

2. Other disputes arising between Management Board Members shall be resolved by the Chairman of the Supervisory Board.

3. An appeal against the decisions referred to in the preceding sections shall lie to the Supervisory Board.

VI. INFORMATION COMMUNICATED BY MANAGEMENT BOARD MEMBERS

§ 22

1. Immediately upon appointment of a Management Board Member, they are obliged to provide the Company with personal information, including: a CV, contact details (correspondence address, telephone number including mobile telephone number, fax number and e-mail address for correspondence). The Management Board Member is obliged to keep the above data current.

2. A Management Board Member should provide the Management Board with information on their connections with a shareholder of the Company holding shares representing at least 5% of the total number of votes at the General Meeting. This obligation concerns connections of an economic, family or other nature that may influence the position of the Management Board Member in a matter being resolved by the Management Board.

3. A Management Board Member is obliged to immediately notify the Management Board of transactions involving the acquisition or disposal of shares of the Company, the company dominant or subsidiary in relation to it, and of transactions with such companies, if they are material to their financial position. This obligation does not preclude information obligations of Supervisory Board members under applicable provisions of law, and in particular under Article 160 of the Act of 29 July 2005 on Trading in Financial Instruments (Journal of Laws 2005 No. 183, item 1538).

4. At any request of the President of the Management Board, a Management Board Member is also obliged to make a statement on the number of shares of the Company or a subsidiary belonging to the Capital Group held by them.
5. A Management Board Member should notify the Management Board of any conflict of interests that has arisen and should refrain from participating in discussion and voting on a resolution in the matter in which the conflict of interests arose.

VII. REMUNERATION OF MANAGEMENT BOARD MEMBERS

§ 23

1. Management Board Members shall be entitled to remuneration.
2. The principles and amount of remuneration for Management Board Members shall be determined by the Supervisory Board.
3. Management Board remuneration should result from the remuneration policy and the principles for its determination developed by the Supervisory Board. The remuneration policy should in particular specify the form, structure and level of remuneration of Management Board Members, and in determining this policy, the European Commission Recommendation of 14 December 2004 on fostering an appropriate regime for the remuneration of directors of listed companies (2004/913/EC), supplemented by the European Commission Recommendation of 30 April 2009 (2009/385/EC), should apply.
4. Management Board Members may be employed by the Company on the basis of a contract of employment or may conclude agreements other than contracts of employment with the Company regarding services provided by them. In each case, the content of the agreement shall be approved by a resolution of the Supervisory Board. Agreements with Management Board Members are signed by persons specified in the Supervisory Board Rules.

§ 24

1. Any agreement of specific content between the Company and a Management Board Member shall require the consent of the Supervisory Board.
2. The agreement shall be signed on behalf of the Company by the Chairman of the Supervisory Board or another Supervisory Board member authorised thereto by a Supervisory Board resolution – declarations of intent of the Company resulting from the performance or relating to the termination of such agreements shall be made in the same manner.

VIII. FINAL PROVISIONS

§ 25

1. Each Management Board Member is personally responsible for compliance with these Rules and is obliged to report all violations thereof to the Management Board.

2. In matters not regulated in these Rules, the relevant provisions of law shall apply, and in particular the Code of Commercial Companies and the Articles of Association.

§ 26

These Rules and any amendments thereto shall enter into force on the date of approval by a resolution of the Supervisory Board.

1 The company name POEN S.A. was changed to Celtic Property Developments S.A. pursuant to a Resolution of the General Meeting of 2 September 2010 (Rep A No. 11438/2010)

2 The company name Celtic Property Developments S.A. was changed to CPD S.A. pursuant to a Resolution of the General Meeting of 29 May 2014 (Rep. A No. A 6337/2014)