

**BYLAWS**  
**OF THE MANAGEMENT BOARD**  
**of Konsorcjum Stali**  
**Spółka Akcyjna**  
**with its head office in Warsaw**

**§ 1**

**General Provisions**

1. The Management Board is a statutory body which, presided by its President, manages the Company's activities and acts on behalf of the Company. Towards the Company, the members of the Management Board are subject to restrictions resulting from the Commercial Companies Code, the Articles of Association, resolutions of the General Meeting of Shareholders and resolutions of the Supervisory Board.
2. The Company's Management Board is a permanent body responsible for managing the Company and representing the Company to third parties, in all matters which are not within the powers of the General Meeting of Shareholders and the Supervisory Board.
3. The entire Management Board is responsible for managing the Company, irrespective of the distribution of powers, which is referred to in § 3 section 3 of the present By-laws, the template of which constitutes Attachment no 1.
4. The Management Board is obliged to manage the Company's assets and to run the Company's activities as well as to perform the duties with care required for a business activity.

**§ 2**

**Composition of the Management Board and its term of office**

1. The number of the Management Board members, the procedure of their appointment and dismissal as well as the term of office shall be determined in detail by the Company's Articles of Association.
2. In the case of any changes to the composition of the Management Board, the withdrawing member of the Management Board is obliged to pass, on the basis of the protocol, all the issues which he runs along with the related documents and other materials concerning the Company and being in his possession, which he has drawn up, gathered, prepared or received while performing his duties in the Management Board or in connection with such performance.
3. It is the President of the Management Board or another member of the Management Board appointed by him who shall take over the issues, documents and materials, referred to in section 1.

### § 3

#### **The scope of powers and responsibilities of the Company's Management Board**

1. If the Management Board consists of more than one member, 2 (two) members of the Management Board acting jointly or 1 (one) member of the Management Board acting along with a proxy is authorised to submit declarations of will and to set signatures on behalf of the Company. If the appointed Management Board consists of one person, the Company shall be represented by the member of the Management Board individually.
2. The Management Board shall establish the organisational structure of the Company and appoint directors and managers of particular departments and other units.
3. A certain scope of responsibilities and entrusted issues connected with the Company's activity of particular members of the Management Board may be determined by the President of the Management Board. Internal distribution of powers between particular members of the Management Board may be carried out upon a motion of the President of the Management Board with a resolution of the Management Board.
4. In order to make internal decisions in the Company, every member of the Management Board has been assigned particular organisational units of the Company, which are compatible with his scope of responsibilities and entrusted problems concerning the Company's activity. It is possible to subordinate particular organisational units of the Company to the entire Management Board.
5. The Management Board shall perform the function of a supervisor of managers of particular organisational departments and units in the Company. If any doubts arise, it shall be assumed that the President of the Management Board shall be the head of the company, in the meaning of the Labour Code.
6. Another member of the Management Board (hereinafter referred to as the *Assistant*) may perform the duties of a member of the Management Board who is directly responsible for a given organisational unit, if this member is absent.
7. A directly responsible member of the Management Board is obliged to act with reasonable care to inform the Assistant, if it is possible and necessary, about important issues concerning organisational units. The directly responsible member of the Management Board shall discuss issues concerning the organisational unit with the Assistant and aim to reach a compromise. If it is impossible to reach a compromise, it is necessary to present the problem to the entire Management Board so that it can adopt a resolution on this issue.
8. Assigning organisational units to particular members of the Management Board does not violate the responsibility of members of the Management Board defined in the Company's Articles of Association, Commercial Companies Code and other provisions of law.

9. The Management Board may entrust particular members of the Management Board with the execution or supervision of activities being strictly within the scope of the Management Board's authority. The member of the Management Board who is responsible for entrusted issues shall submit a report on the execution of these issues to the Management Board.
10. In particular, the Management Board shall be responsible for:
  - a. convening the Ordinary General Meeting of Shareholders at least once a year; The Ordinary General Meeting of Shareholders shall take place every year by the end of June;
  - b. convening an Extraordinary General Meeting of Shareholders on own initiative, upon a motion of the Supervisory Board or Shareholders representing at least 1/10 (one tenth) of the Company's share capital;
  - c. submitting, to the Supervisory Board, a report on the Company's activity, motions on distribution of profits, sources and methods of covering potential losses and amounts of deductions to special-purpose funds;
  - d. submitting financial plans to the Supervisory Board;
  - e. drawing up and approving annual and quarterly business plans of the Company;
  - f. in the case of admitting the Company's shares to trading on the regulated market - passing information and periodical reports to Warsaw Stock Exchange (Giełda Papierów Wartościowych S.A.), the Polish Financial Supervision Authority and press agencies within the period of time and to the extent stipulated in the provisions of law;
  - g. obtaining prior consent of the Supervisory Board to undertake activities which require such consent.

#### **§ 4 Convening the meetings**

1. Meetings of the Management Board shall be convened as frequently as is needed, on dates set on a case-by-case basis, but not less often than once a month, based on a notice delivered by the President of the Management Board to other members of the Management Board, in due advance before the planned meeting but not later than 24 hours before the meeting. The notice of the meeting of the Management Board, which shall contain the date and place of the meeting, shall be:
  - 1) conveyed orally in the Company's head office, in the presence of the entire Management Board,
  - 2) sent by courier mail, faxed or e-mailed.Members of the Management Board shall sign a document confirming that they have been notified of the date of the planned meeting and write down the date of submitting such a statement.

2. Every member of the Management Board may submit the Company's issues to the meetings of the Management Board.
3. The President of the Management Board shall convene the meeting of the Management Board upon a motion of a member of the Management Board, which shall contain the issues to be reviewed. If the President of the Management Board is absent, the member of the Management Board authorised by the President of the Management Board shall perform his duties with this respect.
4. If the President of the Management Board does not convene the meeting within the period of time and within the scope indicated by the member of the Management Board, it is the member of the Management Board submitting the motion who shall be entitled to convene the meeting.
5. The Company's everyday operations shall be discussed at meetings of the Management Board. In addition, the Management Board shall particularly bring up, at its meetings, these affairs which shall be resolved by a resolution of the Management Board.
6. The members of the Management Board are obliged to participate in the meeting and their absence shall be properly justified.

## **§ 5**

### **Capability to adopt binding resolutions**

1. The Management Board is capable of adopting binding resolutions if the majority of members of the Management Board attends the meeting.
2. If a resolution concerns a certain department of the Company, it is necessary, in principle, for the member of the Management Board responsible for this department to attend the meeting. If the member of the Management Board who is responsible for this department is not present at the meeting, the item of the agenda concerning his powers shall be postponed and included in the agenda of the next meeting of the Management Board. If the member of the Management Board who is responsible for this department does not attend the meeting for the second consecutive time, then the members of the Management Board may adopt a resolution if he is not present.
3. The President of the Management Board shall draw up a schedule of holidays and longer business trips for the members of the Management Board or a schedule of meetings in such a way that the Management Board shall always be capable of adopting binding resolutions.

## **§ 6**

### **Meetings of the Management Board**

1. Meetings of the Management Board shall be chaired by the President of the Management Board. In case of his absence, the member of the Management Board author-

ised by the President of the Management Board shall perform his duties with this respect. If there is no power of attorney given by the President of the Management Board, the meetings shall be chaired by the member of the Management Board who has convened the meeting.

2. Meetings of the Management Board may be attended by the members of the Supervisory Board invited by the Management Board and other invited third parties (e.g. experts and consultants). These people shall have no voting rights to adopt resolutions.
3. Minutes shall be made from each meeting of the Management Board and adopted resolutions. The minutes shall be signed by the participants at the meeting. The minutes shall contain the agenda, names and surnames of participants attending the meeting, the number of votes cast for particular resolutions. The minutes shall be drawn up within 7 days following the meeting and submitted for signature to all members of the Management Board.
4. Members of the Management Board who vote against a resolution may request that their dissenting opinion shall be included in the minutes.
5. Resolutions of the Management Board shall be adopted by an absolute majority of votes; if the number of votes "for" and "against" is equal, the vote of the President of the Board shall prevail.
6. Resolutions of the Management Board shall be adopted in open voting.
7. The minutes shall be approved at the next meeting of the Management Board.
8. The minutes and adopted resolutions shall be kept in the minute book of the Management Board.

## **§ 7**

### **Internal decisions in the Company**

1. Every member of the Management Board is entitled to give guidelines within the Company's organisational unit he was assigned with, excluding urgent cases in which every member of the Management Board may give guidelines. It is necessary to immediately inform the member of the Management Board, who runs a given organisational unit of the Company about guidelines given in these urgent cases.
2. If handling and resolving the case assigned to one of the Company's' organisational units may also refer to the scope of powers of another member of the Management Board or if it refers to personnel or tangible tasks of another member of the Management Board, then both members of the Management Board are obliged to resolve the issue. If it is not possible, the entire Management Board shall make a decision by means of a resolution.

3. At meetings of the Management Board, each member of the Management Board shall present important issues concerning the organisational units assigned to him and submit them for joint discussion and resolutions.
4. At the request of a member of the Management Board, the entire Management Board shall also review important issues concerning the operation of other organisational units. In particular, the President of the Management Board may order the presentation of issues being within the scope of each organisational unit so that the entire Management Board can adopt a resolution.

## **§ 8**

### **Loyalty towards the Company. Proceedings in the case of a conflict of interest**

1. A member of the Management Board shall refrain from activities which could be disloyal towards the Company and aimed only at satisfying his own interests. The member of the Management Board shall immediately inform the Management Board if he obtains information about a possibility to make an investment or any other profitable transaction concerning the object of the Company's activity so that the Company can consider taking advantage of it. The member of the Management Board may use this information or pass it to a third party following the Management Board's consent and only if it does not violate the Company's interest.
2. In the case of a conflict of interest between the Company and a member of the Management Board, his spouse, relatives and kinsmen up to the second generation, as well as people he is personally connected (conflict of interest), the member of the Management Board shall refrain from resolving such issues and may request that it is noted in the minutes.
3. Members of the Management Board shall notify the Supervisory Board of each conflict of interest with the position held and of possibility of its arising.

## **§ 9**

### **The obligation of submitting statements**

1. Not later than 3 months after the accounting reference day, the Management Board is obliged to submit an annual financial statement to the Supervisory Board.
2. The Management Board is obliged to submit the annual financial statement to the Management Board, along with an auditor's opinion and a draft distribution of profits and coverage of losses as well as a report on the Company's activity, within 6 months from the accounting reference day.

## **§ 10**

### **Final provisions**

1. The present Bylaws shall exclusively constitute an internal regulation, the content of which may not breach the provisions of the Commercial Companies Code or the Articles of the Association. The Bylaws shall be interpreted in accordance with the provisions of the Commercial Companies Code and the stipulations of the Company's Articles of Associations.
2. Invalidity or ineffectiveness of a stipulation of the present Bylaws shall not cause the invalidity or ineffectiveness of other provisions of the Bylaws.
3. Amending the present Bylaws requires the adoption of a resolution by the Management Board and its approval by the Supervisory Board. It also refers to attachments of the Bylaws.
4. The present Bylaws shall come into force on the day of their adoption by the Supervisory Board.