

# **RULES OF PROCEDURE OF THE MANAGEMENT BOARD of Mining Tools and Equipment Factories Capital Group Fasing Plc.**

*Adopted by the Management Board of the company named: Mining Tools and Equipment Factories Capital Group Fasing Plc. on March 8, 2021*

## **I . GENERAL PROVISIONS**

### **§ 1. Definitions**

Whenever these Regulations refer to:

1. Management Board - shall mean the Management Board of the Company;
2. President – shall mean the President of the Management Board;
3. Member of the Management Board – shall mean any Member of the Management Board (including the President, Vice-President(s), and other Members of the Management Board), unless from the context in which the term is used it clearly excludes the President of the Management Board;
4. Secretary – shall mean an employee of the Company appointed to handle organizational matters and clerical support of the Management Board;
5. Meeting – shall mean a meeting of the Management Board;;
6. Supervisory Board – shall mean the Supervisory Board of the Company;
7. Articles of Association – shall mean the Articles of Association of the Company as adopted by the resolution of the Extraordinary General Meeting dated September 28, 1995, as amended.

### **§ 2. General Provisions**

1. The Management Board operates on the basis of:
  - (a) generally applicable laws, in particular the Act of September 15, 2000, Commercial Companies Code (Journal of Laws No. 94, item 1037, as amended)
  - (b) provisions of the Company's Articles of Association;;
  - (c) the Company's organizational regulations;
  - (d) resolutions of the General Meeting;
  - (e) resolutions of the Supervisory Board;
  - (f) these Rules of Procedure

2. The Management Board shall consist of one to five members. The term of office of the Management Board shall be three years and shall be joint for all members of the Management Board.-
3. The Supervisory Board appoints the President of the Management Board and, at the request of the President, the other Members of the Management Board, including those serving as Vice Presidents of the Management Board. The Supervisory Board determines the number of Members of the Management Board and the principles of their remuneration.
4. The Supervisory Board may dismiss the President of the Management Board, a Member of the Management Board (including Vice Presidents of the Management Board), or all Members of the Management Board (including the President and Vice Presidents) before the end of their term of office.
5. Members of the Management Board may be employed by the Company under an employment contract or may enter into agreements with the Company other than employment contracts, concerning the services they provide. In each case, the employment or service relationship shall be based on a resolution of the Supervisory Board, which also determines the remuneration of the respective Member of the Management Board, taking into account the Remuneration Policy for Members of the Management Board and the Supervisory Board of Fabryki Sprzętu i Narzędzi Górniczych Grupa Kapitałowa FASING Spółka Akcyjna. Members of the Supervisory Board designated by the Supervisory Board shall sign agreements with each Member of the Management Board on behalf of the Company.
6. The provisions of these Rules of Procedure shall in no way infringe upon the generally applicable laws, in particular the Commercial Companies Code, as well as the provisions of the Company's Articles of Association, resolutions of the General Meeting, and resolutions of the Supervisory Board.

### § 3. Basic competencies of the Management Board

1. The Management Board shall be responsible for managing all matters of the Company, except for those reserved by the provisions of the Commercial Companies Code and the Articles of Association of the Company to the competence of the General Meeting and the Supervisory Board.-
2. Declarations of intent on behalf of the Company in matters of proprietary and non-proprietary rights and obligations, as well as the signing of documents on behalf of the Company, shall require the joint action of two Members of the Management Board, or one Member of the Management Board acting jointly with a commercial proxy.
3. Within the meaning of labor law, the Management Board is the body representing the Company as the employer, subject to the provisions of § 2 section 5.-
4. The rights and responsibilities of the Management Board shall in particular include:
  - a) setting the date, agenda, and convening the General Meetings; submitting motions to the General Meeting, together with the opinion of the Supervisory Board, on matters covered by the agenda;
  - b) presenting to the supervisory bodies the financial statements and a written report of the Management Board on the Company's operations during the accounting period, as well as a motion concerning the distribution of profit or coverage of losses;
  - c) adopting the Company's Organizational Regulations and other internal acts governing the operation of the Company's enterprise;
  - d) preparing and adopting the Company's annual, multi-year, and strategic plans;
  - e) granting powers of attorney and powers of procuration;
  - f) submitting motions to the Supervisory Board to convene its meetings;
  - g) submitting motions to the Supervisory Board for approval of: the Rules of Procedure of the Management Board, annual, multi-year, and strategic plans of the Company;
  - h) submitting motions to the Supervisory Board for consent to execute transactions not covered by the approved annual plans, involving the disposal, acquisition, encumbrance, or lease of assets,

and also transactions exceeding the approved plans, if the value of a given transaction exceeds 15% of the Company's net assets, as shown in the most recent balance sheet;

- i) participating in the General Meeting, or in the absence thereof, submitting a written justification for non-attendance;
- j) submitting motions to the Supervisory Board for consent to enter into a material transaction by the Company as referred to in Article 4b of the Act of 29 July 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and on Public Companies.

#### **§ 4. Dates, Venue, and Procedure for Convening Meetings of the Management Board**

1. Meetings of the Management Board shall be held as needed, depending on current business requirements. Meetings shall take place at the Company's registered office. For valid reasons, the person convening the meeting may decide to hold it in another location within the country.
2. A meeting of the Management Board shall be convened by the President of the Management Board or by a Member of the Management Board acting in their place, either on their own initiative or upon a written request by at least one Member of the Management Board or the Chairperson of the Supervisory Board.
3. Notice of a meeting may be given in writing, in person, or by fax, at least two days prior to the date of the meeting. In urgent situations, notice may be given by any means that ensures effective communication of the date and agenda of the planned meeting. The notice should be accompanied by relevant documents and materials on the basis of which the matters listed in the agenda will be considered.
4. The notice of the meeting must specify:
  - a) the date and starting time of the meeting,
  - b) the proposed agenda, indicating:
    - what matters will be discussed and in what order,
    - the title of the attached documents and materials; if no title is available, the documents should be described in another appropriate manner.
5. When setting the agenda, the President or the acting Member of the Management Board shall include matters recorded in the minutes of the previous meeting as well as those submitted in written requests by Members of the Management Board or the Chairperson of the Supervisory Board, provided such requests have already been received.
6. A meeting may validly be held without formal notice:
  - a) if its date and agenda were agreed upon during a previous meeting, provided that Members of the Management Board who were absent from the previous meeting are duly notified;
  - b) if all Members of the Management Board are present and none objects to holding the meeting, the proposed agenda, or voting on resolutions.

#### **§ 5. Supplementing the Meeting Agenda**

1. Upon a written request submitted by a Member of the Management Board or the Chairperson of the Supervisory Board, the agenda of the meeting shall be supplemented with the matters indicated in such request.
2. A request referred to in paragraph 1 shall be deemed effectively submitted if it is delivered in writing to the President or the acting Member of the Management Board no later than one day before the date of the respective meeting.
3. At the request of a Member of the Management Board, the agenda may also be supplemented without meeting the conditions specified in paragraphs 1 and 2, but this requires a resolution of the Management Board.

## **§ 6. Inviting Other Persons to Management Board Meetings**

Persons whose professional opinion or information may be useful for the proper consideration of matters included in the agenda, or for resolving issues that may raise doubts during the meeting, may be invited to participate in meetings of the Management Board. Such persons shall be invited by the President of the Management Board or by a Member of the Management Board currently acting in their place, either on their own initiative or at the request of any Member of the Management Board, submitted within the time and in the manner specified in § 5(2).

## **§ 7. Duties of the Secretary**

The President of the Management Board, based on a resolution of the Management Board, may authorize a designated employee of the Company to handle tasks related to the preparation of Management Board meetings and to record minutes of such meetings. The authorization shall be granted in writing and must specify the scope of the assigned duties.

## **§ 8. Participation in Meetings**

1. Meetings shall be attended by Members of the Management Board and the Secretary. Members of the Supervisory Board have the right to participate in any meeting in an advisory capacity.
2. Other persons may attend the meeting only if they have been invited by the President of the Management Board or by a Member of the Management Board currently acting in their place.
3. Members of the Management Board may participate in meetings either by being physically present or, in exceptional circumstances, via means of remote communication. A meeting in which more than one Member of the Management Board intends to participate by means of remote communication may only be held in accordance with the procedure set out in § 12.

## **§ 9. Course of the Meeting**

1. The meeting shall proceed according to the agenda indicated in the meeting notices, supplemented by matters included in the requests referred to in § 4.
2. The meeting shall be chaired by the President of the Management Board or another Member of the Management Board currently acting in their place, who shall then have all the powers of the President related to chairing the Management Board meeting.
3. The powers of the President of the Management Board, as the chairperson of the meeting, shall include in particular:
  - a) opening and closing the meeting, as well as ordering breaks during the meeting;
  - b) determining whether the Management Board is competent to adopt resolutions;
  - c) granting the floor to participants of the meeting and withdrawing the floor if it is being abused contrary to the customary rules applied in this respect;
  - d) ensuring the proper and efficient conduct of the meeting,
  - e) managing votes and confirming their results.

4. Matters on the agenda shall be presented by Members of the Management Board or by Company employees designated in the notice (presenters). If no such person is designated, the presenter shall be appointed by the Chairperson.
5. A Member of the Management Board submitting a motion for a vote is obliged to present it in the form of a draft resolution. When putting motions to a vote, the President of the Management Board should start with the motions with the broadest scope. Formal motions should be voted on first, followed by substantive motions.

## § 10. Minutes of the Meeting

1. Minutes shall be prepared from the course of the meeting. With the consent of the Members of the Management Board attending the meeting, the course of the meeting may be recorded using sound recording devices; in such case, the minutes may be prepared based on the sound recording.
2. The minutes shall be prepared by the Secretary referred to in § 7, and in his absence – by a person appointed by the President or the Member of the Management Board substituting him.
3. The minutes should reflect the course of the meeting. The minutes shall include in particular:
  - (a) a note about recording the meeting using sound recording devices,
  - (b) a note on the time of opening and closing the meeting, as well as any breaks ordered,
  - (c) the content of the statement by the Chairperson referred to in § 9 section 3 point c),
  - (d) the agenda adopted by the Management Board,
  - (e) the opinion of a Member of the Management Board if they request it to be included in the minutes; the Member has the right to dictate the content of their opinion for the minutes or reserve the right to submit it in writing before the meeting ends,
  - (f) the opinion of any other person participating in the meeting if any Member of the Management Board requests its inclusion in the minutes,
  - (g) the content of legal opinions expressed at the meeting concerning the meeting procedure,
  - (h) a note on a Member of the Management Board abstaining from participating in decisions where a conflict of interest exists between the Company and the personal interests of that Member, their spouse, relatives, and in-laws up to the second degree,
  - (i) a note on a document presented at the meeting if requested by any Member of the Management Board, unless the document is attached to the minutes,
  - (j) the content of resolutions adopted and the number of votes cast for each resolution – provided that detailed texts of adopted resolutions attached as annexes to the minutes must be signed by all Members of the Management Board present at the meeting,
  - (k) an announcement by a Member of the Management Board of a dissenting opinion regarding an adopted resolution.
4. The following shall be attached to the minutes as integral parts:
  - (a) copies of documents presented at the meeting, which were requested by a Member of the Management Board to be attached,
  - (b) written votes of the Members of the Management Board referred to in section 3 point (e),
  - (c) dissenting opinions of the Members of the Management Board regarding adopted resolutions,
  - (d) written comments of the Members of the Management Board on the content of the minutes referred to in section 5.
5. The minutes shall be prepared and signed by all Members of the Management Board participating in the meeting no later than three days from the date of the meeting. Objections of the Members of the Management Board to the content of the minutes, which were not included during its preparation, shall be attached to the minutes as annexes. In case the minutes are prepared based on a sound recording, a Member of the Management Board may request access to the original sound recording before signing the minutes. After the minutes are signed by all participating Members of the Management Board, the sound recording shall not be archived.

6. Members of the Management Board absent from the meeting are obliged to promptly familiarize themselves with the minutes, particularly the resolutions adopted, and confirm this by signing the minutes with the note "I have familiarized myself" along with the date.
7. The Secretary shall supervise the minutes.

## **§ 11. Resolutions of the Management Board**

1. The following matters, in particular, require resolutions of the Management Board:
  - a) adoption of the Company's annual, long-term and strategic plans, and their recommendation to the Supervisory Board;
  - b) recommending to other governing bodies of the Company proposals to change the Company's capital structure;
  - c) contracting and granting loans and credits, encumbering the Company's assets, and providing guarantees and sureties;
  - d) issuance of bonds by the Company;
  - e) all matters submitted by the Management Board to meetings of the Supervisory Board or the General Meeting;
  - f) the Company's accession to another company or foundation;
  - g) establishment or liquidation of departments, divisions, and other organizational units of the Company's enterprise;
  - h) decisions regarding acquisition, disposal, liquidation or leasing of fixed assets of the Company's enterprise – except in cases that fall within the exclusive competence of the General Meeting or the Supervisory Board;
  - i) making donations for social or charitable purposes;
  - j) adoption of the Company's Organizational Rules and any amendments thereto;
  - k) adoption of the Work Regulations in the Company's enterprise and any amendments thereto;
  - l) adoption of the Collective Bargaining Agreement in the Company's enterprise and any additional protocols thereto;
  - m) decisions to initiate collective redundancies;
  - n) granting of powers of procuration and other powers of attorney;
  - o) all other matters exceeding the scope of ordinary business activities, which for the purposes of these Rules shall mean matters that may result in the incurrence of obligations or disposal of property rights exceeding PLN 25,000 in a single transaction, excluding contracts for the purchase of production materials and the sale of products and services;
  - p) matters not exceeding the scope of ordinary business, which any Member of the Management Board has requested to be decided collegially by the Management Board in the form of a resolution;
  - r) conclusion of a material transaction as referred to in Chapter 4b of the Act of 29 July 2005 on Public Offerings and the Conditions for Introducing Financial Instruments to an Organized Trading System and on Public Companies.
2. Subject to section 5, resolutions of the Management Board shall be adopted at meetings of the Management Board.
3. The Management Board is authorized to adopt resolutions if all Members of the Management Board have been invited to the meeting in accordance with § 4 and at least half of them are present.
4. The Management Board may validly adopt resolutions without meeting the invitation requirement described above if all Members are present at the meeting and none objects to holding the vote.
5. The Management Board may adopt resolutions in writing or by means of direct remote communication.

6. Members of the Management Board may participate in adopting resolutions by casting their vote in writing through another Member of the Management Board.
7. Voting is open. A secret vote shall be held:
  - a) in personal matters concerning Members of the Management Board,
  - b) on motions to the Supervisory Board regarding dismissal or suspension of a Member of the Management Board;
  - c) in any other matter – upon the request of a single Member of the Management Board.
8. Resolutions of the Management Board shall be adopted by a simple majority of votes cast by the Members of the Management Board present at the meeting. Each Member of the Management Board shall have one vote; however, in the event of a tie, the President shall have the casting vote. In the President's absence, the casting vote shall be held by the Member of the Management Board acting in the President's stead.
9. In the event of a conflict of interest between the Company and the personal interests of a Member of the Management Board, their spouse, or relatives by blood or marriage up to the second degree, the Member shall refrain from participating in the resolution of the matter and shall request that this be recorded in the minutes.

## 12. Meetings Held Using Means of Direct Remote Communication

Detailed rules for participating in meetings using means of direct remote communication shall be specified in a separate set of regulations.

## 13. Fundamental Rights and Duties of Members of the Management Board

1. Each Member of the Management Board has the right and obligation to manage matters that fall within the scope of the Company's ordinary course of business and within the limits of the authority granted to that Member, without a prior resolution of the Management Board. However, such a matter shall require a collective decision in the form of a Management Board resolution if even one Member of the Management Board objects to its handling by another Member.
2. The detailed scope of the powers and responsibilities of the Members of the Management Board is defined in the Company's Organizational Regulations.
3. The Members of the Management Board also simultaneously hold the positions of division directors within the Company's enterprise. The President of the Management Board holds the position of Chief Executive Officer of the Company's enterprise.
4. The President of the Management Board coordinates the work of the other Members of the Management Board.
5. The scope of duties and responsibilities of persons holding managerial positions within the Company's enterprise, including those mentioned above, is specified in the Organizational Regulations.
6. If a position on the Management Board remains vacant, the President of the Management Board shall perform the tasks and duties assigned to that position or delegate them to another Member of the Management Board.

## § 14. Prohibition on Engaging in Competitive Activities

Without the prior written consent of the Supervisory Board granted in the form of a resolution, Members of the Management Board shall not engage in any activity competitive with the Company,



nor may they participate in a competing company as a general partner or as a member of its governing bodies.

## **§ 15. General Principles of Liability of Management Board Members**

### **Towards the Company**

1. The Members of the Management Board shall bear joint and several liability towards the Company, in particular for:
  - a) improper maintenance of financial and accounting documentation;
  - b) damage caused by failure to exercise the due diligence of a prudent merchant in the performance of their duties;
  - c) damage caused by conduct contrary to generally applicable laws, the provisions of the Company's Articles of Association, resolutions of the General Meeting and the Supervisory Board, as well as any internal regulations in force within the Company's enterprise.
2. Each Member of the Management Board shall be individually responsible for the performance of the duties assigned to them within the scope of their entrusted competencies. Failure to perform or improper performance of such duties may, in particular, constitute grounds for removal from the Management Board at any time, as well as for termination of the employment relationship, if such a relationship has been established between the Company and the respective Member of the Management Board.

## **§16. Procedure in the Event of a Change in the Management Board or Its Individual Members**

1. The transfer of duties and matters handled by the outgoing Management Board or Member of the Management Board to the new Management Board or Member of the Management Board shall be carried out by means of a handover protocol, in the presence of a representative of the Supervisory Board.
2. The handover protocol should, in particular, include a list of pending matters, indicating their level of advancement and urgency, as well as a list of documents and materials related to the Company that are being handed over.
3. Copies of the handover protocol, signed by all participants in the handover procedure, shall be provided to:
  - the outgoing party,
  - the incoming party,
  - the Company – for filing in the official records.

## **§ 17. Procedure for Resolving Disputes Between Members of the Management Board**

1. Negative jurisdictional disputes between Members of the Management Board shall be resolved by the President of the Management Board.
2. Other disputes arising between Members of the Management Board shall be resolved by the Chairperson of the Supervisory Board.



## II FINAL PROVISIONS

These Rules of Procedure shall enter into force upon their adoption by the Management Board and approval by the Supervisory Board.