

Quercus TFI S.A.

Bylaws of the Management Board

version 3  
(binding as of the 22<sup>nd</sup> of December 2014)

## **General provisions**

1. These Bylaws determine the organization of work of the Quercus TFI S.A. Management Board and the mode of its operation.
2. Whenever these Bylaws stipulated about:
  - 1) Company – it stands for Quercus TFI S.A.,
  - 2) Company’s Articles of Association – its stands for the Articles of Association of Quercus TFI S.A.,
  - 3) Management Board – it stands for the whole Management Board of Quercus TFI S.A.,
  - 4) Member of the Management Board – it stands for each member of the Management Board, including the person holding the function of the President or Vice-President of the Management Board, unless the content of the documents stipulates that it concerns only the Member of the Management Board,
  - 5) Supervisory Board – it stands for the Supervisory Board of Quercus TFI S.A.,
  - 6) General Meeting – it stands for the General Meeting of Quercus TFI S.A.,
  - 7) Bylaws – it stands for these Bylaws.

## **Organization and competences of the Management Board**

3. The Management Board of the Company acts on the grounds of the regulations of the Commercial Companies Code, other relevant legal regulations, Articles of the Association of the Company and these Bylaws.
4. The Members of the Management Board are appointed, dismissed and suspended in their operations on the grounds stipulated in the Commercial Companies Code and the Articles of Association of the Company.
5. The Management Board represents the Company against third persons on the grounds stipulated in the Commercial Companies Code and the Articles of Association of the Company.
6. The Management Board manages the business of the Company and represents the Company outside.
7. Any business not restricted to the competences of other organs of the Company belong to the competences of the Management Board.
8. All members of the Management Board are obliged and entitled to joint management of the Company’s business, unless the Articles of Association of the Company stipulates otherwise.
- 8a. In case of the conflict of interest or the possibility of its occurrence, the member of the Management Board should inform the Management Board about it and abstain from taking part in discussions and from voting on the resolution concerning the case in which the conflict of interest occurred or may occur.

## **President of the Management Board**

9. The President of the Management Board manages the operations of the Management Board, organizes its work and chairs the meetings of the Management Board, in compliance with the rules stipulated in these Bylaws.
10. The duties and rights of the President of the Management Board include:
  - 1) Convening the meetings of the Management Board,
  - 2) Suggesting the agenda of the meetings of the Management Board,
  - 3) Chairing the meetings of the Management Board,
  - 4) Ordering breaks in the meetings of the Management Board,
  - 5) Inviting guests to the meetings of the Management Board,
  - 6) Representing the Management Board against the Supervisory Board and the General Meeting,
  - 7) Coordinating the works of other Members of the Management Board.
11. If the President of the Management Board is absent or cannot perform his duties, then, First Vice-President of the Management Board is temporarily responsible for performing the duties of the President of the Management Board, or, in case when he is also not present or cannot perform his duties, other Member of the Management Board appointed by the President of the Management

Board, and if he was not appointed – the eldest Member of the Management Board. The above mentioned rules concern particularly all rights and duties stipulated in these Bylaws within the scope of convening the meetings of the Management Board and chairing the meetings of the Management Board.

### **Meetings**

12. Meetings of the Management Board take place every Monday, from 9:00, without the necessity of additional convening. Additional Meetings of the Management Board take place when needed.
13. Additional Meetings of the Management Board are convened by the President of the Management Board, on its own initiative or upon the request of other Member of the Management Board. Additional meetings of the Management Board can take place on the grounds of a decision of the Management Board made on previous meeting, without the necessity of additional convening. Meetings are convened personally, via phone or via electronic mail.
14. Meeting of the Management Board can take place without official convening, if all Members of the Management Board are present and none of them expressed his objection to the meeting and proposed agenda.
15. Meetings of the Management Board take place at the seat of the Management Board or other place chosen by the Management Board.
16. Meetings of the Management Board are chaired by the President of the Management Board. The duties of the President of the Management Board chairing the meeting include:
  - 1) Opening and closing the meetings and ordering breaks,
  - 2) Ensuring the effective and proper course of the meetings,
  - 3) Ordering voting and confirming its result.

### **Agenda**

17. Agenda of the meetings of the Management Board are proposed by the President of the Management Board and approved by the Management Board. Proposed agenda of the meeting of the Management Board convened by the President of the Management Board can be changed if all Members of the Management Board are present and none of the present persons expressed his objections to the change of the agenda of the meeting.

### **Inviting guests**

18. The President of the Management Board has a right, on his own initiative or upon request of other Member of the Management Board to invite other persons to the meetings of the Management Board. Each Member of the Management Board has a right to express his objection to participation of persons from outside the Management Board in the meeting and then this case is decided by the Management Board by an absolute majority of votes.

### **Protocols**

19. From each meeting of the Management Board a protocol is made. From the meetings of the Management Board additional minutes, including information that does not have to be protocolled, can be prepared, for the exclusive use of the Members of the Management Board.
20. Resolutions of the Management Board are protocolled. Passed resolutions are attached to the protocol from the meeting of the Management Board.
21. Protocols must include date, agenda, names and surnames of the Members of the Management Board present, names and surnames of invited guests, confirmation of passing resolutions, number of votes on individual resolutions (number of votes “for”, “against”, “abstention”) and dissenting opinions, as well as indication of the place of the meeting, if the meeting took place outside the premise of the Company. Protocols can also include other information, particularly information presented at the meeting of the Management Board. If no resolutions were passed at the meeting, the protocol must include such information.

22. Protocol is signed by all Members of the Management Board present at the meeting.
23. Protocols from the meetings of the Management Board are kept at the Company's premise.
24. Members of the Management Board not present at the meeting of the Management Board have a right to speak at the next meeting on the issues discussed at the meeting during their absence.

### **Passing resolutions**

25. Resolutions of the Management Board are passed by an absolute majority of votes.
26. In case of equal number of votes, the vote of the President of the Management Board prevails.
27. Resolutions of the Management Board can be validly passed, irrespective of the number of the members of the Management Board present, if all members were properly informed about the meeting of the Management Board.
28. The Management Board passes resolutions in open voting. Secret voting can be ordered at the request of each Member of the Management Board.
29. Member of the Management Board voting against the resolution can express a dissenting opinion and request it to be protocoled.

### **Issues requiring passing resolutions**

30. Any issues exceeding the scope of ordinary management require the resolution of the Management Board, except that the consent of the Management Board is not required to perform action constituting an integral part of other action to perform which the Management Board already consented, unless the resolution of the Management Board stipulates otherwise.
31. The issues requiring the resolution of the Management Board:
  - 1) Adopting and presenting, to the General Meeting to approve, the financial statement of the Company and Management Board's report on the activity of the Company and the motion concerning the division of profit or coverage of loss, and presenting, to the Supervisory Board for an opinion, the financial statement of the Company and Management Board's report on the activity of the Company,
  - 2) motions directed to the Supervisory Board and/or the General Meeting,
  - 3) adopting the financial statement of the investment fund managed by the Company,
  - 4) convening the General Meeting, accepting the agenda and adopting the drafts of the resolutions,
  - 5) adopting annual and multiannual financial plans (budgets) and a strategy of the Company's development,
  - 6) investing funds of the Company and taking loans and credits, apart from investments stipulated in a separate internal regulation,
  - 7) approving costs (incurring liabilities, disposing the property rights, and any other form of encumbering assets of the Company) above the amount of 10 thousand PLN (in case of periodic payments the sum of payments for the period of 1 year is considered), excluding compulsory expenditure, expenses resulting from the approved agreements, expenses resulting from other resolutions of the Management Board, expenses stipulated in the financial plans (budgets),
  - 8) determining the amount of remuneration of the member of the Management Board,
  - 9) the arrangement concerning the organization of the Company, particularly adopting for application and approving the regulations, procedures and other important internal normative acts, including the Operational Regulations and Bylaws of the Management Board, excluding technical procedures used within a given department,
  - 10) concluding an agreement with a distributor, transfer agent, depositary or other entity servicing the investment funds managed by the Company, excluding agreements with brokerage houses and banks,
  - 11) other issues – within the scope stipulated in the procedures and other internal regulations, or upon the request of the Member of the Management Board,

- 12) any other activities exceeding the scope of ordinary management of the Company, including issues of utmost importance, as well as issues and transactions which, in the justified opinion of the Member of the Management Board, can constitute essential risk for the Company,
- 13) introducing new product (e.g. fund, sub fund, investment program),
- 14) establishing and changing the articles of association of the investment fund managed by the Company as well as preparing and changing the information prospectus, summary of information prospectus and conditions of issuance,
- 15) employing the employees determined in the Organizational Regulations – at the request of the member of the Management Board, and employing the employees not determined in the Organizational Regulations,
- 16) determining the amount of the remuneration not stipulated in the financial plan (budget),
- 17) approving published quarterly/half-year/annual financial statements and reports.
32. In cases not requiring passing resolutions, the Management Board can make decisions entered to the protocol.
33. Motions concerning the acceptance of costs must include, if it is possible, justification of incurred costs, justification of the selection of business partner and the analysis of the offers.
34. The Management Board must be informed about relevant or non-standard costs not requiring passing a resolution.
35. Relevant or non-standard costs not requiring passing a resolution are approved by a relevant member of the Management Board.
36. The Management Board may not pass a resolution on approving a given document (particularly monthly/quarterly/half-year/annual financial statements and reports as well as information prospectus, summary of information prospectus and conditions of issuance), if this document is signed by all members of the Management Board.

#### **Written mode and teleconferences**

37. If necessary, the Management Board can pass a resolution in a written mode (by circulation). The resolution passed in that mode is valid if all Members of the Management Board were informed about the content of the resolution draft. The Members of the Management Board vote by putting their signatures on one document handed sequentially to Members of the Management Board or on a few documents, signed separately by particular Members of the Management, including the content of the resolution.
38. If necessary, the Management Board can pass a resolution by means of remote communication (teleconference). Resolution passed in that mode is valid if all Members of the Management Board were informed about the content of the resolution draft. The resolution can be passed during a teleconference on condition that:
  - 1) Telecommunication devices provide simultaneous connection between all Members of the Management Board,
  - 2) The teleconference is recorded,
  - 3) Content of the resolution is made in a written form and read by the person conducting teleconference before voting.
39. Resolutions passed by circulation and during a teleconference are protocolled at the next meeting of the Management Board. The protocol includes: statement on passing the resolution, numbers of votes given on the resolution (numbers of votes “for”, “against” and “abstention”) and information confirming the validity of passing the resolution.
40. Member of the Management Board who cannot participate in the meeting, can submit his position and other information for the meeting of the Management Board in a written mode, through other Member of the Management Board or via electronic mail.

#### **Final provisions**

41. While conducting the affairs of the Company, both the Management Board acting collectively and the Members of the Management Board acting independently, make decisions within the limits of reasonable economic risk and after considering all information, analyses and opinions, which must

be, in the opinion of the Members of the Management Board, considered, in particular case, due to the Company's interest.

42. While determining the interest of the Company, the Members of the Management Board take into consideration interest of shareholders, creditors, employees of the Company and other entities and persons cooperating with the Company within the scope of its activity, justified in long term perspective.
43. The Members of the Management Board must participate in the General Meeting in the composition that enables giving substantial answers to questions asked during the General Meeting. The Management Board, before the General Meeting, is obliged to ask the Supervisory Board for participation of the members of the Supervisory Board in the General Meeting in the composition that enables giving substantial answers to questions asked during the General Meeting.

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