

Play Communications S.A.

Société anonyme

Siège social: 4/6, rue du Fort Bourbon, L - 1249 Luxembourg

R.C.S. Luxembourg: B 183.803

**RULES OF PROCEDURE
OF THE BOARD OF DIRECTORS
OF PLAY COMMUNICATIONS S.A.**

§ 1
GENERAL PROVISIONS

1. The board of directors of Play Communications S.A. (hereinafter, the **Company**) is vested with the broadest powers to take any actions necessary or useful to fulfill the Company's corporate objective, with the exception of the actions reserved by law or by the articles of association of the Company (the **Articles**) to the general meeting of shareholders, and shall act at all times in the corporate interest of the Company and serve all the shareholders by ensuring the long-term success of the Company. The Board exercises the supervision and control over the Company's operations and the operations of the Company's subsidiaries.
2. In such capacity, the board of directors of the Company (the **Board**) has approved the following rules of procedure of the Board (the **Rules**) in a meeting of the Board held on 12 July 2017, completing and supplementing the rules which are already reflected in the Articles and provided by law. Capitalized terms used but not defined in these Rules shall have the meaning set forth in the Articles.
3. The Rules define the organization and the working methods of the Board and apply directly to the directors who are members of the Board (the **Directors**).
4. In case of any discrepancies between the provisions of these Rules and the provisions of the Articles, the provisions of the Articles shall prevail. In case of conflict between any committee charters and the Articles, the Articles shall prevail. In case of conflict between these Rules and committee charters, these Rules shall prevail subject to mandatory legal provisions or requirements or any applicable stock exchange rules or regulations.

§ 2
APPOINTMENTS AND COMPOSITION OF THE BOARD

The composition of the Board shall be determined in accordance with the Articles and applicable law, in particular law of 10 August 1915 on commercial companies, as amended (the **Law**) and the present Rules.

1. Appointment of directors

- 1.1 Directors are elected by the general meeting of shareholders, which shall determine their remuneration and term of office. Directors cannot be appointed for a term of office of more than six (6) years but are eligible for re-appointment at the expiry of their term of office. The Directors are elected by a simple majority vote of the shares represented in a general meeting of shareholders.
- 1.2 Subject to the Articles, any director may be removed at any time without cause and prior notice by the general meeting of shareholders at a simple majority vote of the shares represented.
- 1.3 The Board shall be composed of a maximum of ten (10) Directors being:
 - (a) at all times no less than two (2) class A directors (each a **Class A Director**), two (2) of whom must satisfy the independence criteria for independent non-executive directors set out in the best practice guidelines of the Warsaw Stock Exchange (as amended from time to time);

- (b) three (3) class B directors (each a **Class B Director**) appointed from a list of nominees submitted to the general meeting of shareholders by Tollerton Investments Limited (a company incorporated and existing under the laws of the Cyprus, with its registered office at Arch. Makariou III & Nikolaou Gyzi, 2, Kyprianou Business Center, 3rd Floor, Flat/Office 302, 3060 Limassol, Cyprus, and registered under number HE 175495), or its Affiliates (**Tollerton**), for as long as Tollerton holds more than or equal to twenty per cent (20%) of the shares in the Company.
- (c) Tollerton's right to propose three (3) Class B Directors candidates for appointment by the general meeting of shareholders shall be reduced by one (1) when Tollerton holds more than or equal to twelve per cent (12%) of the share capital of the Company but less than twenty per cent (20%) of the share capital of the Company, in which case Tollerton will be entitled to propose only two (2) Class B Directors candidates for appointment by the general meeting of shareholders.
- (d) Tollerton's right to propose three (3) Class B Directors candidates for appointment by the general meeting of shareholders shall be reduced by two (2) when Tollerton holds more than or equal to five per cent (5%) of the share capital of the Company but less than twelve per cent (12%) of the share capital of the Company, in which case Tollerton will be entitled to propose only one (1) Class B Director candidate for appointment by the general meeting of shareholders.
- (e) Tollerton's right to propose any Class B Director candidate for appointment by the general meeting of shareholders shall definitely and permanently cease when Tollerton holds less than five per cent (5%) of the share capital of the Company.
- (f) three (3) class C directors (each a **Class C Director**) appointed from a list of nominees submitted to the general meeting of shareholders by Telco Holdings S.à r.l. (a company incorporated and existing under the laws of the Grand Duchy of Luxembourg, with its registered office at 16 Avenue de la Gare, 1610 Luxembourg, and registered with the Luxembourg Register of Commerce under number B191962), or its Affiliates, (**Telco**), for as long as Telco holds more than or equal to twenty per cent (20%) of the shares in the Company.
- (g) Telco's right to propose three (3) Class C Directors candidates for appointment by the general meeting of shareholders shall be reduced by one (1) when Telco holds more than or equal to twelve per cent (12%) of the share capital of the Company but less than twenty per cent (20%) of the share capital of the Company, in which case Telco will be entitled to propose only two (2) Class C Directors candidates for appointment by the general meeting of shareholders.
- (h) Telco's right to propose three (3) Class C Directors candidates for appointment by the general meeting of shareholders shall be reduced by two (2) when Telco holds more than or equal to five per cent (5%) of the share capital of the Company but less than twelve per cent (12%) of the share capital of the Company, in which case Telco will be entitled to propose only one (1) Class C Director candidate for appointment by the general meeting of shareholders.
- (i) Telco's right to propose any Class C Director candidate for appointment by the general meeting of shareholders shall definitely and permanently cease when Telco holds less than five per cent (5%) of the share capital of the Company.

1.4 In the event of a vacancy in the office of a Director because of death, legal incapacity, bankruptcy, retirement, dismissal or otherwise occurs, such vacancy shall be filled on a temporary basis by a person designated by the remaining Directors. The vacancy shall be filled, mutatis mutandis, in accordance with article 11 of the Articles, until the next general meeting of shareholders, which shall resolve on a permanent appointment.

2. **Daily managers, management committee and executive director**

- 2.1 The Board may delegate the Company's daily management and the Company's representation in connection with such daily management to one or several Directors or to any other person(s) appointed by the Board, acting alone or jointly. Their appointment, revocation and powers shall be determined by a resolution of the Board.
- 2.2 The Board may delegate/transfer some of its management powers, and the power to represent the Company with respect thereto, to a management committee / an executive committee (the **Committee**) or to an executive director, save for (i) the transfer of any powers relating to the general policy of the Company or to any acts reserved to the Board on the grounds of any other provisions of the Law and (ii) the Reserved Matters (as defined below). The members of the Committee or the executive director may but do not have to be Directors. The Board is in charge of supervising the Committee or the executive director. If a member of the Committee or the executive director is a legal person, it must appoint a permanent representative who represents it in its function as member of the Committee or executive director and who is subject to the same liability as described under article 12.3 of the Articles.

3. **Chairman, vice-chairman and secretary**

- 3.1 The Board must choose from among its members a chairman of the Board (the **Chairman**). The Chairman shall not have a casting vote. It may also choose a vice-chairman from among its members, and it may choose a secretary, who does not need to be a shareholder or a member of the Board and who may be instructed to keep the minutes of the Board as well as to carry out such administrative and other duties as directed from time to time by the Board.
- 3.2 The Chairman shall chair all meetings of the Board, but in his absence, the Board may appoint another Director as chairman pro tempore by vote of the majority of Directors present at any such meeting.
- 3.3 The Chairman shall be in charge of the convening, organization and proper conduct of the meetings of the Board. The Board shall meet upon call by the Chairman or by any Director at the location indicated in the notice of the meeting, which in principle shall be in Luxembourg.

§ 3

MEETINGS OF THE BOARD

1. The meetings shall be convened by the Chairman or any Director. Written notice of any Board meeting shall be given to all Directors at least seven (7) days' notice in advance, except in the case of an emergency, in which case the nature and circumstances of such shall be set out in the notice. No notice is required if all Directors are present or represented and each of them states that they have full knowledge of the agenda for the meeting. A Director may also waive notice of a meeting, either before or after the meeting. Separate written notices are not required for meetings which are held at times and places indicated in a schedule previously adopted by the Board.
2. The Board may fix the time or times and the place or places of the meetings of the Board. The meetings shall take place at least four (4) times per year and whenever required at the place indicated in the convening notice, which in principle shall be in Luxembourg.
3. Written notification of a meeting of the Board shall state the date, time, venue and agenda of the meeting, and the same shall be sent to each Director. For the purpose of convening a meeting, email notification shall constitute a valid form of written notice.
4. The Board meeting shall not require to be convened formally as long as all Board members consent to the holding of the meeting and accept the proposed agenda of the meeting. The agenda of meetings shall be set by the person who convened the meeting. The agenda may be

supplemented or limited in the course of the meeting, provided that the consent of all Directors is obtained.

5. In addition to the members of the Board, other persons invited by the Board may participate in meetings, but they do not have any voting right.
6. Each Director is required to notify the Chairman or a person appointed by him if he cannot attend a meeting.
7. During meetings of the Board, the Company shall ensure the availability of appropriate legal counsel, who shall advise on legal matters and assist in technical aspects of the Board meetings, in particular in connection with drafting the minutes, delivering notifications, invitations, documents and other materials related to the Board's operations.
8. The Chairman of the Board shall:
 - (a) prepare the agenda for each meeting;
 - (b) preside over Board meetings;
 - (c) manage the operations of the Board;
 - (d) present initiatives and motions at the Board's meetings;
 - (e) determine the role of the employees charged with assisting the Board and supervise the discharge of the obligations by them; and
 - (f) take actions resulting from the Rules;
 - (g) carry out such administrative and other duties as directed from time to time by the Board.
9. The Chairman may appoint the Vice-Chairman, the Secretary or any other Director to preside over Board meetings.
10. A Director may grant to another Director a power of attorney in order to be represented at any Board meeting. A Director may represent one or more but not all of the Directors.
11. Any director may participate in any meeting of the Board by telephone or video conference, or by any other means of communication which allows all those taking part in the meeting to identify, hear and speak to each other. Participation by such means is deemed equivalent to participation in person at a duly convened and held meeting.
12. The Board may only validly deliberate and act if a majority of its members is present or represented.
13. Board resolutions shall be recorded in minutes signed by the Chairman, by all the Directors present or represented at the meeting, or by the secretary (if any).

§ 4

MAJORITY REQUIREMENTS

1. Board Resolutions shall be validly adopted by a majority of the votes of the Directors present or represented.
2. Each member of the Board shall have one vote. For the avoidance of doubt, the Chairman, the vice-chairman, if any, and the secretary, if any, shall not have a casting vote.

3. Resolutions may not be passed on items which are not included on the agenda of a Board meeting, unless all members of the Board are in attendance and no objection is voiced against the adoption of such a resolution.
4. Voting shall be conducted on a show of hands, with the exceptions provided for in the Articles or the Law.
5. The Chairman may order a secret ballot, on his/her own initiative or at the request of another Director.
6. The Chairman is responsible for announcing the voting results.
7. Directors may participate in the adoption of resolutions through the intermediation of another Director by recording their vote in writing.
8. The Board may pass resolutions by circular means when expressing its approval in writing, by facsimile, electronic mail or any other similar means of communication, provided that each of the directors participates in such resolution by circular means. The directors may express their consent separately on one or several documents. The date of such resolutions shall be the date of the last signature and they are deemed to be taken at the location of the registered office of the Company.
9. Draft resolutions shall be sent by the Chairman, the vice-chairman or the secretary or by the person authorized by the Chairman on his/her behalf to all Directors.
10. Voting in writing or using the means of direct remote communications shall be deemed completed when all the Board members have cast their votes. The Chairman or the Secretary shall record the results of the written voting.

§ 5

RESERVED MATTERS

1. The following decisions shall require the prior consent and/or approval of the Board (the **Reserved Matters**):
 - 1.1 making any additional contributions to the capital, increasing, reducing or otherwise altering the share capital, merging or sub-dividing of any Company's subsidiaries (the **Subsidiaries**);
 - 1.2 amending the articles of association of any Subsidiary;
 - 1.3 changing rights attached to shares or any other securities issued by any Subsidiary;
 - 1.4 encumbering, in whole or in part, the assets or property of the Company or of any Subsidiary, except for encumbrances established in order to obtain trade credits or to the benefit of other lenders (or borrowers) of the Company or of any Subsidiary and related to the debt provided for in the business plan or annual budget of the group of companies to which the Company belongs (the **Group**);
 - 1.5 selling or otherwise disposing of the whole or part of the undertaking or assets or business of the Company or of the Subsidiaries as well as of any other material assets of the Company or of the Subsidiaries (including, without limitation, any frequency licences held by any Subsidiary) if the aggregate value of such assets or business or undertaking exceeds two million five hundred thousand Euro (EUR 2,500,000) (or its equivalent in other currencies) in any twelve (12) month period;
 - 1.6 disposing of shares or granting options to take up shares or securities of the Company or of any Subsidiary or establishing any encumbrance thereon;

- 1.7 the Company or any Subsidiary acquiring any company or business of any person where the total cost of the acquisition exceeds two million five hundred thousand Euro (EUR 2,500,000) (or its equivalent in other currencies) in any twelve (12) month period;
- 1.8 the Company or any Subsidiary executing or undertaking to execute a lease contract, whereunder the Company or any Subsidiary shall pay or shall be authorised to receive a total amount in excess of five hundred thousand Euro (EUR 500,000) throughout a year, unless it has been provided for in the business plan or annual budget of the Group;
- 1.9 changing or expanding the objects of business of the Company or of any Subsidiary or entering any market other than the Polish market by such company;
- 1.10 approving or amending the Group's business plan and annual budget;
- 1.11 the Company or any Subsidiary executing, amending, terminating or performing any transaction, contract or agreement between the Company or any Subsidiary and any, direct or indirect, shareholder of the Company or any Affiliate of such shareholder or any related party (subject to prior evaluation of the Board of the impact of the transaction, contract or agreement on the interests of the Company of such transaction, contract or agreement);
- 1.12 approving or – in relation to any Subsidiary – consent for the approval of the audited annual financial statements of the Company or of any Subsidiary;
- 1.13 appointing or dismissing the auditors of any Subsidiary;
- 1.14 the Company or any Subsidiary incurring any debt in excess of five hundred thousand Euro (EUR 500,000) per annum, unless such debt is incurred in accordance with the Group's business plan or annual budget,
- 1.15 the Company or any Subsidiary incurring any expenses in excess of one million Polish zloty (PLN 1,000,000) per annum, unless such expenses have been provided for in the Group's annual budget;
- 1.16 adopting a resolution on payment of an interim dividend or on any disbursement from profits, assets or reserves of the Company or of any Subsidiary (whether in cash or in specie);
- 1.17 adopting a resolution on payment of a final dividend of any Subsidiary (whether in cash or in specie);
- 1.18 permitting the Company or any Subsidiary to enter into any composition or scheme of arrangement with the creditors of any company being a member of the Group;
- 1.19 permitting to take any actions aimed at voluntary dissolution or liquidation of the Company or any Subsidiary or at any part of the enterprise of any company being a member of the Group being placed in administration;
- 1.20 granting approval to execution by the Company or by any Subsidiary of any agreement with an employee, consultant or member of the management and/or supervisory board of the Company or of any Subsidiary, if such agreement provides for remuneration or other consideration due to such person, whose value is contingent upon the Group's value, to the extent that such types of remuneration or consideration exceed in total 1% of such value (in addition to those contracts in place with such persons as at 31 January 2007);
- 1.21 appointing, suspending or dismissing or – in relation to any Subsidiary – consent for the appointment, suspending or dismissing members of the management and/or supervisory board of the Company or any Subsidiary;
- 1.22 fixing the remuneration of members of the management board of any Subsidiary;

- 1.23 approving any disposal of any asset or assets of the Company or of any Subsidiary with an aggregate net book value, individually or jointly, in excess of five hundred thousand Euro (EUR 500,000) in any twelve (12) month period;
 - 1.24 approving the execution, amendment, termination or performance of any contract or agreement whereby the total value of performance to the benefit of or by the Company or by a Subsidiary exceeds three million Euro (EUR 3,000,000) as at the execution of such contract or agreement;
 - 1.25 granting approval to execution or amendment of an employment contract, a contract for provision of advisory services, contract of mandate or contract for specific work with an employee or a person providing services to the Company or to a Subsidiary, whereby the Company or a Subsidiary undertakes to pay remuneration of seven hundred thousand Polish zloty (PLN 700,000) per annum or more. For these purposes, "remuneration" shall include any amount due in the form of payments, salaries, bonuses, commissions, employee pension fund contributions, non-cash performances and any values received from or due from companies being members of the Group to the employee, service provider, his/her spouse or a third party, acting in his/her name or on his/her behalf;
 - 1.26 granting approval to initiation of court or arbitration proceedings, or execution of a settlement agreement whereby the total amounts payable or payable within one year by or to the benefit of the Company or any Subsidiary may exceed two million euro (EUR 2,000,000);
 - 1.27 save as required by law, adopting or modifying the accounting principles and bookkeeping policy applied by the Company or by any Subsidiary; and
 - 1.28 taking any actions aimed at admission of securities of the Company or of any Subsidiary to public trading on any stock exchange.
2. Where the prior consent and/or approval of the Board is required for any Reserved Matter concerning or relating to a Subsidiary, such consent may be obtained (i) by a majority of the votes of the Directors present or represented at a meeting of the Board or (ii) by a majority of the votes of the Directors expressed in writing, or by facsimile, electronic mail or any other similar means of communication.

§ 6

MINUTES OF THE MEETING

1. Board meetings will be recorded in the form of minutes to be kept along with other documents related to the Board meetings at the registered office of the Company.
2. The minutes shall include at the least:
 - (a) date and venue of the meeting;
 - (b) list of attendance;
 - (c) agenda;
 - (d) summary of issues addressed at the meeting and declarations filed on the record;
 - (e) statement confirming that the meeting was validly convened and is capable of adopting resolutions;
 - (f) statements recording the adoption of a resolution or the making of a decision and the full text of such resolution or decision, if it is not attached to the minutes, or a statement on a failure to make a decision with respect to the resolution;
 - (g) results of voting; and

- (h) dissenting opinions of the Board members.
- 3. Each Director present at a meeting is entitled to file an objection to be recorded on the minutes, particularly if the member is of the view that the Board's decisions are contrary to the Company's interests. For the avoidance of doubt, a Director who files an objection also signs the minutes.
- 4. The minutes of the meetings of the Board and other documents related to the Board meetings shall be kept at the registered office of the Company.

§ 7
COMMITTEES

- 1. The Board may (but shall not be obliged to unless required by law) create from time to time one or several committees, composed of Directors, which shall act as consultation and advisory collective bodies of the Board.
- 2. For each committee, the Board shall adopt a charter or other governing document setting forth powers and attributions of such committees. For the avoidance of doubt, any obligation of the Board to consult a committee does not limit the powers of the Board to take relevant decisions at its discretion. The role of the committees shall be as consultant only.
- 3. The Board has created an audit committee, an operational and strategic committee and a remuneration and nomination committee.
- 4. The Board may by way of a resolution grant to a committee a power to prepare detailed analyses on any matters indicated by the Board.
- 5. Permanent committees are composed of at least three (3) Directors. Each member of a committee has one vote. The Chairman shall nominate the chairman of the committee. Resolutions of these committees are passed by a simple majority of votes cast by members present at the meeting.
- 6. If the mandate of a Director who is also a member of a committee expires, the Board shall appoint a new member of the committee.
- 7. Notwithstanding the provisions of sec. 6 above, a member of a committee may be dismissed from the committee at any time pursuant to the relevant resolution of the Board.
- 8. Committees shall hold their meetings on the dates determined by the chairman of the Committee. However, the Committee may also perform its duties without holding formal meetings, in particular using means of direct remote communication or taking decisions in writing.
- 9. The performance of the activities referred to hereunder by the committees shall not substitute the statutory rights and duties of the Board. It shall not release the Directors from their duties *vis-a-vis* the Company.

§ 8
INFORMATION TO DIRECTORS

- 1. A Director shall have the broadest powers to obtain information regarding any aspect of the Company, to examine the books, records, documents and other background information on corporate operations, and to inspect all of its premises and facilities. The right to receive information also applies in respect of subsidiary companies, whether domestic or foreign and is subject to applicable privacy laws.
- 2. Directors will use the information they receive only for the purpose of exercising their duties and must preserve the confidentiality of such information in accordance with the law.

3. In order to be assisted in the performance of their duties, the Directors may address a request to the Board for the hiring of legal, accounting, financial or technological advisers, recruiting specialists or other experts, whose services shall be paid for by the Company. The assignment must deal with specific issues of special significance or complexity arising during the performance of their duties. The hiring decision lies with the Board, which may dismiss the request.

§ 9

CONFLICTS OF INTEREST

1. Any Director who, directly or indirectly, has an interest of a patrimonial nature in a decision or operation/transaction carried out by the Board other than in the ordinary course of business which conflicts with the interests of the Company (an **Opposed Interest**) must advise the Board accordingly and have the statement recorded in the minutes of the meeting. The Director concerned may not take part in the deliberations concerning that transaction and must refrain from voting on a resolution on the issue which may give rise to conflict of interest in its case. A special report on the relevant transaction shall be submitted to the shareholders at the next general meeting of shareholders, before any vote on any other resolution.
2. When, due to an Opposed Interest, the number of Board members required by the Articles for the deliberation and vote on a certain item is not reached, the Board may decide to defer the decision on that item to the general meeting of shareholders.
3. The day-to-day managers and the members of the Committee or the executive director, as the case may be, are bound by the provisions on Opposed Interest, which are applicable by analogy. When the executive director or, if there is only one day-to-day manager, the day-to-day manager is confronted with an Opposed Interest, the decision must be taken by the Board.
4. When, due to an Opposed Interest, the number of Committee members required for deliberating and voting on the item concerned is not reached, the Committee may decide to defer the decision on that item to the Board.

§ 10

DEALING WITH THIRD PARTIES

1. The Company shall be bound towards third parties in all circumstances by the joint signature of any two (2) Directors or by the joint or single signature(s) of any person(s) to whom such power may have been delegated by the Board.
2. Within the limits of the daily management, the Company shall be bound towards third parties by the signatures of any person to whom such power may have been delegated, acting individually or jointly and within the limits of such delegation.

§ 11

FINAL PROVISIONS

1. These Rules shall come into force upon the date of their approval by the Board.
2. The costs of the operation of the Board shall be borne by the Company.
3. Any matters not regulated hereunder shall be governed by the applicable provisions of law.