

DATED 24 MAY 2023

EXPLANATORY GUIDANCE NOTE

RELATING TO THE

BOARD OF DIRECTORS

OF

ASTARTA HOLDING PLC

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**EXPLANATORY GUIDANCE NOTE
RELATING TO THE
THE BOARD OF DIRECTORS OF
ASTARTA HOLDING PLC**

This Explanatory Guidance Note relating to the Board of Directors (the "**Board of Directors**") (the /this "**Note**") is approved by the general meeting of shareholders (the "**General Meeting**") of ASTARTA Holding PLC (the "**Company**") on, and are effective as of, 24 May 2023, to replace the set of rules that were previously in place, following the Company's redomiciliation from the Netherlands to Cyprus.

1. Status and contents of the Rules

- 1.1 This Note is adopted in accordance with the Company's Articles of Association (the "**Articles**") the Cyprus Companies Law, Cap. 113 (as amended) (the "**Companies Law**"), best practice of the Warsaw Stock Exchange Corporate Governance Rules of Poland as amended (the "**WSE Code**") and shall be applied and interpreted with reference to the WSE Code.
- 1.2 The Articles constitute the document which under Cyprus law regulates all matters relating to the Board of Directors of the Company. Nevertheless, this Note provides further explanations on the Board's decision-making process, working method, allocation of powers and general functioning. The present supersedes any previous rules adopted by the Board of Directors in relation to the matters dealt with in this Note, subject to paragraph 1.4 below.
- 1.3 The following annexes are attached to, and form an integral part of, this Note:
- | | |
|-----------|--------------------------------------------------------------------|
| Annex 1 | Code of Conduct |
| Annex 2 | Profile of the Board of Directors |
| Annex 3 | Profile and Tasks of the Compliance Officer |
| Annex 4.A | Rules of the Audit Committee |
| Annex 4.B | Rules of the Remuneration Committee |
| Annex 4.C | Rules of the Sustainability and Corporate Responsibility Committee |
| Annex 5 | Resignation schedule for members of the Board of Directors |
| Annex 6 | Securities Rules for the Board of Directors |
| Annex 7 | Whistleblower Rules |
- 1.4 Where this Note is inconsistent with the Companies Law and Cyprus law in general, Cyprus law shall prevail. Where this Note is inconsistent with the Articles, the Articles shall prevail to the extent the Articles are not inconsistent with Cyprus law.
- If one or more provisions of this Note are or become invalid, this shall not affect the validity of the remaining provisions. The Board of Directors shall replace the invalid provisions with ones that are valid and the effect of which, given the contents and purpose of this Note is, to the greatest extent possible, similar to that of the invalid provisions.
- 1.5 This Note shall be published on the Company's website: www.astartaholding.com.

- 1.6 The Board of Directors and each of its members (each, a "**Director**") shall observe and comply with this Note and shall take all appropriate measures and actions to ensure that the Company's group companies shall observe and comply with this Note to the extent that the Rules relate to matters affecting the Company's group in general and/or any of the Company's group companies.

2. Composition and responsibilities of the Board of Directors & Division of duties

- 2.1 Since the Company has a one-tier Board system, managing duties and supervising duties are joined in the Board of Directors. The Board of Directors consists of executive directors, performing the managing duties (the "**Executive Directors**") and of non-executive directors, performing the supervising duties (the "**Non-Executive Directors**"). The Board of Directors shall consist of six members, as determined in the Company's Articles of Association, unless otherwise required by law or unless otherwise determined in accordance with the Articles. The Board of Directors is responsible for the quality of its own performance and is accountable for its responsibilities to the General Meeting.
- 2.2 The Board of Directors shall consist of three Executive Directors and three Non-Executive Directors. At least two of the non-executive directors shall be independent within the meaning of Annex II of the European Commission Recommendation no 2005/162/WE of 15 February 2005 on the role of non-executive or supervisory directors of listed companies and on the committees of the (supervisory) board.
- 2.1 The following titles may, among others, be distinguished:
- a) a chief executive officer of the Company;
 - b) a chief operating and financial officer of the Company; and/or
 - c) a chief corporate officer.

The Board of Directors shall appoint a chief executive officer out of the Executive Directors.

- 2.2 The Board of Directors shall exercise all such powers of the Company as are not, by the Companies Law or by the Articles, required to be exercised by the Company in general meeting, subject, nevertheless, to any of the Regulations of the Articles, to the provisions of the Companies Law and to the provisions of any regulations, not being inconsistent with the Articles or the provisions of the Companies Law, as may be prescribed by the Company in general meeting. The Board of Directors shall be in particular responsible for:
- a) preparing and approving the General Meeting agenda;
 - b) appointing members of the Board of Directors' committees;
 - c) appointing the Company's first external auditor (at any time before the first annual general meeting of the Company in accordance with section 153(5) of the Companies Law);
 - d) appointing or re-appointing the Company's external auditor, (i) if the same has not been appointed at the annual general meeting, in accordance with section 153(3) of the Companies Law or (ii) to fill a casual vacancy in the office of the auditor in accordance with section 153(6) of the Companies Law;
 - e) fixing the auditor's remuneration in the event that the auditor has been appointed by the

Board of Directors;

- f) preparing reports of the Board of Directors and accounts/ financial statements of the Company and its group companies on time and in accordance with all applicable laws;
- g) annually approving (i) the climate strategy of the Company, (ii) the climate performance objectives of the Company, (iii) the climate performance targets for the Executive Directors, (iv) the Company's budget associated with the climate-related issues;
- h) reviewing the material climate-related risks once per year as reported to the Board of Directors by the sustainability and corporate responsibility committee;
- i) disclosing, complying with and enforcing the Company's climate, environmental and social governance;
- j) any other matters as prescribed under Cyprus law or applicable regulations, the Articles or in this Note.

2.3 The Executive Directors shall be responsible for managing the Company and its affiliated business. In discharging their duties, the Directors shall be guided by the interests of the Company and its business; they shall take into account the relevant interests of all those involved in the Company (including the Company's shareholders) and the objective of creating shareholder value in the long run.

Their responsibilities shall - inter alia - include:

- a) managing the Company: (i) the determination and achievement of the Company's objectives, (ii) the determination of the Company's strategy, the policies designed to achieve the objectives and risks inherent to its business activities, (iii) the risk management and internal control systems, (iv) maintaining and preparing the financial reporting process, (v) the compliance with all relevant legislation and regulations (both statutory and internal), and (vi) the Company's performance;
- b) financing of the Company;
- c) signing and executing, by two Executive Directors jointly, all agreements, documents and transactions to be entered into by the Company, in accordance with Regulation 91A. of the Articles;
- d) preparing, disclosing and complying with the internal procedures regarding the preparation and publication of the management report, the annual financial statements, the quarterly and/or half-yearly figures and ad hoc financial information, including any price-sensitive (inside) information;
- e) establishing and maintaining the internal procedures which ensure that all major financial information is known to the Board of Directors and in particular the Non-Executive Directors;
- f) drawing up the Company's annual budgets and major capital expenditures;
- g) selecting, and recommending the appointment of, the Company's external auditor, to be appointed by the Board of Directors under paragraph 2.4 d) above; and
- h) submitting the operational and financial objectives of the Company, the strategy designed to achieve these objectives and the parameters applied in relation to this strategy for approval to the Non-Executive Directors.

2.4 The Executive Directors shall also be responsible for all corporate affairs, in particular the

compliance of the Company with Cyprus law and regulations as well as with the Code. In discharging these duties, the Executive Directors shall be assisted by the compliance officer mentioned in paragraph 4.5 of this Note.

The responsibilities of Executive Directors in connection with the above shall - inter alia - include:

- a) disclosing, complying with and enforcing the Company's corporate governance structure;
- b) disclosing, complying with and enforcing the Company's compliance with Cyprus laws and regulations;
- c) acting as contact person towards the Company's external advisers in respect to the subjects mentioned under a) and b).

2.5 The Non-Executive Directors are charged with supervising the policy, strategy and the fulfillment of duties of the Executive Directors, and the general affairs of the Company.

Their responsibilities shall - inter alia - include:

- a) to advise and support the Executive Directors;
- b) to supervise the Executive Directors on: (i) the achievement of the Company's objectives; (ii) the corporate strategy and the risks inherent in the business activities;
- c) the structure and operation of the internal risk management and control systems;
- d) the financial reporting process and (v) compliance with legislation and regulations;
- e) disclosing, complying with and enforcing the Company's corporate governance structure;
- f) checking the management report, the annual financial statements, the quarterly and/or half-yearly figures and ad hoc financial information, including any price-sensitive (inside) information and checking the financial reporting process, including the compliance with the internal procedures regarding the preparation and publication of these documents;
- g) evaluating and assessing the functioning of the Board of Directors and its individual members (including the evaluation of the Board of Directors' profile and the induction, education and training programs);
- h) handling and reporting to the General Meeting of, reported potential conflicts of interest between the Company on the one side and members of the Board of Directors or the external auditor on the other side;
- i) handling, and deciding on, reported alleged irregularities that relate to the functioning of the Board of Directors;
- j) supervising the policy and the fulfillment of duties of the Executive Directors; and
- k) approving any significant agreement or transaction of the Company with a member who holds at least 5% of the total vote in the Company or with a related party in accordance with Regulation 91 of the Articles.

2.6 If a Director is absent or unable to act, he or she shall immediately inform the chairman of the Board of Directors of his or her incapability of performance of his or her duties. In such a case the remaining Director(s) shall be temporarily charged with the entire management of the Company.

2.7 Upon the chairman of the Board of Directors' motion, the Board of Directors may temporarily entrust any of the remaining Directors with duties of a Director that is absent or unable to act, irrespective of the split of responsibilities mentioned in this paragraph 2 of this Note and provided that Executive Directors shall not be charged with the duties of Non-Executive Directors and the Non-Executive Directors shall not be charged with duties of the Executive Directors. A Non-Executive Director who temporarily needs to take on the duties of Executive Directors, where the Executive Directors are absent or unable to fulfill their duties, shall resign as Non-Executive Director.

If all Directors are absent or unable to act, the General Meeting shall appoint new directors.

2.8 Each Director shall report on a regular basis, in such a manner as to give the entire Board of Directors a proper insight into the performance of his or her duties. Each Director shall have the right to receive from other Directors and from the Company's employees and/or advisers any information about matters that he/she may deem useful or appropriate in connection with his/her fulfilment of his/her duties. He/she must consult with the other Directors if the performance of his/her duties affects the performance of duties of the other Directors or if the significance of a matter in question requires consultation with the other Directors. In particular, the Non-Executive Directors shall be provided timely with all information required for the exercise of their duties.

2.9 The Company shall in any event employ as instruments of the internal risk management and control systems:

- a) risk analyses of the operational and financial objectives of the Company;
- b) a code of conduct which should be published on the Company's website:
www.astartaholding.com;
- c) a system of monitoring and reporting

The Code of Conduct referred to above is attached as **Annex 1** hereto. The Board of Directors shall implement this Code of Conduct in the Company and all group companies.

2.10 The Board of Directors shall be responsible for assessing the adequacy and effectiveness of the internal risk management and control systems of the Company and make a relevant, substantiated statement in the management report. The Board of Directors shall report in the management report on the operation of said systems during the financial year under review and describe any significant changes that have been made and any major improvements that are planned.

2.11 The Board of Directors shall be responsible for setting up and maintaining internal procedures ensuring that the Board of Directors is aware of all important information, in order to ensure timely, complete and accurate external financing reporting. To that effect, the Board of Directors shall ensure that the financial information from group companies is reported directly to it and that the integrity of the information is not affected.

2.12 The Board of Directors shall prepare and attach to the annual financial statements a management

report on its functioning and activities undertaken during the preceding financial year. The report shall at least include the information as required under the Code and other applicable regulations and each Director shall provide all necessary details in relation to him or herself as required in connection therewith.

3. Expertise and independence of members of the Board of Directors

- 3.1 In accordance with the Articles, at least two of the six Directors shall be independent within the meaning of Annex II of the European Commission Recommendation no 2005/162/WE of 15 February 2005 on the role of non-executive or supervisory directors of listed companies and on the committees of the (supervisory) board.
- 3.2 Non-Executive Directors must be natural persons.
- 3.3 The Board of Directors shall prepare a profile of its scope and composition, taking into account the nature of the business, its activities, and the desired expertise, experience and independence of its members. The Board of Directors shall evaluate the profile annually. The profile shall be made generally available and shall, in any event, be posted on the Company's website. The present profile of the Board of Directors is attached as **Annex 2**.
- 3.4 The composition of the Board of Directors shall be such that the combined experience, expertise and independence of its members meet the profile attached as **Annex 2** and enables the Board of Directors to best carry out the variety of its responsibilities and duties to the Company and all others involved in the Company (including its shareholders), consistent with applicable law and regulations (including the rules of any exchange on which the Company's shares (or depositary receipts thereof) may be listed).
- 3.5 Subject to what is stated in section 11 of this Note relating to the conflict of interest of Directors, a member of the Board of Directors shall not:
- a) enter into competition with the Company;
 - b) demand or accept gifts from persons or entities having actual or potential relationships with the Company or offered because of the director's status of a member of the Board of Directors (unless of a type or amount approved under the Company's Code of Conduct) for himself/herself or for his/her spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree;
 - c) provide unjustified advantages to third parties to the detriment of the Company; and/or
 - d) take advantage of business opportunities to which the Company is entitled for himself/herself or for his/her spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree.
- 3.6 A Director of the Company may be or become a director or other officer of, or otherwise interested in any company promoted by the Company or in which the Company is interested as a shareholder or otherwise, and no such Director shall be accountable to the Company for any remuneration or other benefits received by him as a director or officer of, or from his interest in, such other company unless the Company otherwise directs.

3.6.1 None of the Non-Executive Directors may maintain more than five memberships in supervisory boards.

3.6.2 An Executive Director may not be chairman of a supervisory board.

3.6.3 Important additional memberships and positions shall be reported by each Director to the Board of Directors.

3.7 The Directors shall inform the Board of Directors of all personal, factual and/or organizational relations with a given shareholder of the Company, including, in particular, the Company's major shareholder(s), provided that a Director is, or if having exercised due care could have been, aware of such shareholder's holding in the Company. The information shall be made available on the internet at the Company's website: www.astartaholding.com.

4. Chairman of the Board of Directors, Secretary, Compliance officer

4.1 The Board of Directors shall appoint one of its Non-Executive Directors as Chairman of the Board of Directors and determine the period for which he is to hold the relevant office. In the event that the Board of Directors consists of one Non-Executive Director, such Non-Executive Director shall be the Chairman of the Board of Directors. The Chairman of the Board of Directors shall not be a former Executive Director.

4.2 The Chairman of the Board of Directors determines the agenda for the Board of Directors' meetings, chairs the meetings of the Board of Directors, monitors the proper functioning of the Board of Directors and its committees, arranges for the adequate submission of information to the members of the Board of Directors, ensures that there is sufficient time for decision-making, arranges for the induction and training program for members of the Board of Directors, initiates the evaluation of the functioning of the Board of Directors, and as chairman ensures the orderly and efficient conduct of the General Meeting.

The Chairman of the Board of Directors ensures:

- a) appropriate contacts between the Executive Directors and the Non-Executive Directors, and between the Board of Directors and the General Meeting;
- b) that there is sufficient time for deliberation and decision-making by the Board;
- c) that Directors timely receive all information required for the performance of their duties;
- d) the proper functioning of the Board of Directors and its committees;
- e) that the functioning of individual Directors is evaluated at least annually;
- f) that Directors follow induction and training programs;
- g) that the Executive Directors carry out appropriate activities in respect of the Company's corporate culture;
- h) that the Non-Executive Directors can receive appropriate information about the Company's business and that (suspected) irregularities are immediately reported to the Non-Executive Directors;

- i) that shareholder meetings take place in an efficient and orderly manner;
 - j) that effective communication with shareholders takes place; and
 - k) that Non-Executive Directors are timely and closely involved in any relevant mergers and acquisition process.
- 4.3 The Board of Directors shall appoint the secretary of the Company to carry out the duties and role of the secretary as described by the Articles and the Companies Law. The secretary shall be appointed by the Board of Directors for such term, at such remuneration and upon such conditions as they may think fit. The Directors may, if they so wish, appoint one or more persons to act as assistant secretary. Any secretary or assistant secretary so appointed may be removed by the Directors.
- 4.4 The Board of Directors shall appoint one person as the Company's compliance officer to assist the Board of Directors in performing its functions relating to disclosing, complying with and enforcing the Company's corporate governance structure and insider trading rules. The Company's compliance officer shall be responsible for making all the official notifications and filings required by the applicable regulations, save where these are made by the secretary under the Companies Law. The scope of duties as well as terms and conditions for the cooperation with the Board of Directors and its committees are described in the profile of the compliance officer, which profile shall be placed on the Company's website and is attached as Annex 3 hereto.
- 4.5 Towards the better execution of his/her duties, the Compliance Officer will liaise and cooperate with the external advisors of the Company, including but not limited to the external advisors who advise the Company regarding compliance with obligations of listed companies pursuant to Cypriot law.
- 4.6 The Company's Compliance Officer may be at any time dismissed by the Board of Directors.

5. Committees of the Board of Directors

- 5.1 The Directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit, provided that all committees shall consist of at least two members (one of which shall be independent) and (ii) where a committee has more than two members, the majority of the members shall consist of independent Directors. Any committee so formed shall in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Directors.
- 5.2 The Company shall have at least two standing committees at all times, i.e., the audit committee and the remuneration committee. In addition to the requirement for independent Directors under paragraph 5.1 above, the members of these two committees shall be appointed out of the Non-Executive Directors.
- 5.3 The Company may also have a sustainability and corporate responsibility committee.
- 5.4 A committee may elect a chairman of its meetings; if no such chairman is elected, or if at any meeting the chairman is not present within five minutes after the time appointed for holding the

same, the members present may choose one of their number to be chairman of the meeting.

- 5.5 The Board of Directors shall prepare rules governing the respective committee's practices and principles (responsibilities, composition, meetings, etc.). The rules of the audit committee, the rules of the remuneration committee and the rules of the sustainability and corporate responsibility committee shall be placed on the Company's website and are attached hereto as **Annex 4.A**, **Annex 4.B** and **Annex 4.C** respectively.
- 5.6 In its report, the Board of Directors shall report on how the duties of the committees have been carried out during the relevant year, and will at least state the composition of the committees, the number of committee meetings and the main items discussed therein.
- 5.7 The Board of Directors shall receive from each of the committees on an annual basis, or more often if so requested by the Board of Directors, a report of its deliberations and findings.

6. Appointment, Re-appointment, term, suspension, removal and resignation

- 6.1 The members of the Board of Directors shall be appointed in the manner provided in the Articles under Regulations 108 - 112. On reappointment, the manner in which the candidate fulfilled his/her duties as Director shall be taken into account.
- 6.2 No Non-Executive Director may continue to be appointed on the Board of Directors for a period longer than 12 years.
- 6.3 There will be no limitation on the period for which Executive Directors may be on the Board of Directors.
- 6.4 No person (including a Director retiring by rotation) shall be appointed (or reappointed) a Director at a General Meeting of the Company unless:
- (a) that individual is recommended by the Board of Directors or by a committee duly authorised by the Board of Directors for the purpose; or
 - (b) not less than 7 nor more than 42 days before the date appointed for holding the meeting, notice executed by a Qualified Member has been given to the Company of that member's intention to propose that individual for appointment (or reappointment) as Director (stating the particulars which would, if he were so appointed, be required to be included in the Company's register of directors) together with a notice executed by that individual stating that he is willing to act as Director.

For the purposes of this paragraph, a "Qualified Member" means a member or members together holding or representing shares which in aggregate constitute or represent at least 5% in number of the votes carried or conferred by the shares giving a right to vote at general meetings of the Company.

- 6.5 Not less than 3 nor more than 21 days before the date appointed for holding the meeting notice

shall be given to all the members entitled to receive notice of the meeting:

(a) of every individual who is recommended by the Board of Directors, or the committee; and

(b) of every individual in respect of whom notice has been duly given to the Company of the intention to be proposed,

for appointment (or reappointment) as a Director at the meeting. The notice shall give the particulars of that person which would, if he were so appointed, be required to be included in the Company's register of directors.

6.6 The General Meeting may:

(a) subject to paragraph 6.4 above and section 177(1) of the Companies Law, with the sanction of an ordinary resolution appoint any person (willing to act) to the office of Director either to fill a vacancy or as an additional Director (and to determine the period for which such person is to hold office) provided that no appointment shall cause the number of the Directors to exceed the maximum number permitted under or pursuant to the Articles; and

(b) subject to sections 136 and 178 of the Companies Law, with the sanction of an ordinary resolution remove any Director from office.

6.7 Notwithstanding paragraph 6.6 above, the Board of Directors may at any time appoint any person (willing to act) to the office of director either to fill a vacancy or as an additional Director provided that no appointment shall cause the number of the Directors to exceed the maximum number permitted under the Articles. Every director (other than an Executive Director) appointed under or pursuant to this paragraph shall hold office only until the next following annual general meeting and shall not be taken into account in determining the Directors who are to retire by rotation.

6.8 A director who retires at an annual general meeting of the Company (whether by rotation or otherwise) shall, unless he is re-appointed under or pursuant to paragraph 6.7 above, remain in office until the meeting appoints another in his place, or if the meeting does not do so, until the conclusion of the meeting.

6.9 The resignation schedule of the Board of Directors shall be as stated in **Annex 5**. Subject to the Articles and any provisions in this Note, members of the Board of Directors shall resign in accordance with the resignation schedule.

6.10 Directors shall retire early in the event of inadequate performance, structural incompatibilities of interests, and other instances where retirement is deemed necessary at the discretion of the Board of Directors.

6.11 Each member of the Board of Directors may be at any time suspended by the General Meeting. At the same time, the Board of Directors as a whole shall also have the power to suspend each

Executive Director. Any such suspension may be extended several times but the total term of the suspension may not exceed three months. The suspension shall expire on lapse of this period if no resolution of the General Meeting has been adopted either to lift the suspension or (with the sanction of an ordinary resolution as required under the Articles and the Companies Law) to remove the Director.

6.12 The office of Director shall be vacated if the Director:

(a) becomes bankrupt or makes any arrangement or composition with his creditors generally; or

(b) becomes prohibited by any law or by reason of any order made under section 180 of the Companies Law from being a director; or

(c) becomes of unsound mind; or

(d) resigns his office by notice in writing to the Company.

6.13 (A) Unless prohibited by law and subject to the rule on the number of Non-Executive and Independent Directors being complied with, each director shall have power at any time and from time to time by written notice signed by him, to appoint any person director or not of the Company to act instead of him and for any period as he may determine, as his alternate director and the alternate director while serving as an alternate director shall be entitled to attend and vote at any meeting of the Directors and to have and exercise all the rights, powers and duties of the director who appointed him, provided always that the appointing director may at any time by written notice revoke the appointment of an alternate director and in the event of the death or incapacity of the appointing director or in the event of the appointing director for any reason ceasing to be a director, the appointment by him of any alternate director is forthwith terminated and of no effect. The notice making or revoking such appointment shall take effect when lodged at the Company's registered office or otherwise notified to the Company in such manner as is approved by the Directors.

(B) If an alternate director is already a director of the Company, he shall have a separate vote as alternate director and he shall be counted separately for the purposes of constituting a quorum.

(C) Any person acting as alternate director shall be considered to be an officer of the Company and will be personally liable to the Company for his acts and omissions and his remuneration shall be paid out of the remuneration of the director who has appointed him and shall constitute any part of such remuneration as the appointing director and his alternate may agree.

7. Remuneration; Investment Regulations

7.1 The remuneration of Directors shall from time to time be determined by the Board of Directors upon recommendations of the Remuneration Committee of the Company and approved by the

General Meeting. The remuneration of each Director shall be determined and/or approved by the Board of Directors in accordance with the remuneration policy. Such remuneration shall be deemed to accrue from day to day. All the Directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or in connection with the business of the Company.

- 7.2 The notes to the annual financial statements shall in any event contain the information prescribed by law and other applicable regulations as to the size and structure of the remuneration of individual Directors and the entire Board of Directors.
- 7.3 The Board of Directors shall adopt, in accordance with the Companies Law and the Articles a set of rules governing the ownership interest of, and transactions in, securities (other than issued by the Company) by the Directors. Such rules shall be placed on the Company's website. A Director shall periodically, at least every quarter, notify the compliance officer of the Company, or if no such officer has been appointed, the chairman of the Board of Directors, of any changes in his or her ownership interest in securities in listed companies. Directors that invest solely in listed investment funds or in case of investment in other funds, only if they have entrusted an independent third party with the discretionary management of their securities portfolio pursuant to a written mandate agreement, are exempted from compliance with this latter provision. Such rules as currently in force are attached hereto as **Annex 6**.
- 7.4 None of the members of the Board of Directors may seek or accept personal loans, guarantees, etc., from the Company.
- 7.5 The Company shall incur the costs of the Board of Directors' functioning and activities.

8. Induction program and ongoing training and education

- 8.1 Once appointed, each Director shall follow an induction program, prepared and sponsored by the Company, addressing:
- a) general financial, social and legal affairs;
 - b) financial reporting by the Company;
 - c) specific aspects unique to the Company and its business activities;
 - d) the Company culture and the relationship with the employee participation body (if any);
and
 - e) responsibilities of Directors.
- 8.2 The Board of Directors shall evaluate the induction program annually to identify any other specific aspects in respect of which further training and education is required.

9. Meetings of the Board of Directors (agenda, teleconferencing, attendance, minutes)

- 9.1 The Directors may meet together for the dispatch of business, adjourn, and otherwise regulate their meetings, as they think fit. The Board of Directors shall hold at least two meetings each year and as often as a Director requests a meeting. Such request should be submitted by each Director to the secretary together with a list of the proposed matters to be discussed at such meeting.

- 9.2 The meetings of the Board of Directors shall be held:
- (a) where the Company's registered office is situated or in any other place in Cyprus,
 - (b) in Kyiv, Ukraine,
 - (c) in Warsaw, Poland,
 - (d) in London, the United Kingdom or
 - (e) in any other place as the majority of the directors may request in writing .
- 9.3 The Board of Directors may require that certain officers, employees and external advisers of the Company or its group companies attend its meetings.
- 9.4 The simultaneous connection through telephone or other means of communication of a number of Directors not fewer than the number necessary to constitute a quorum, even if one or more of these Directors are outside the Republic of Cyprus, shall be deemed to constitute a meeting of the Directors and all the provisions of the Articles and these Rules relating to meetings of the Directors shall apply to such meetings so long as the following conditions are complied with:
- (i) all the Directors who at the particular time are entitled to receive notice of the meeting of the Directors shall be entitled to receive notice of a meeting by means of a telephone or other means of communication and to be connected by telephone or other such means of communication for the purposes of such meeting. A notice for such meeting may be given by telephone or other means of communication;
 - (ii) each Director participating at the meeting must be able to hear each one of the other directors participating at the meeting;
- and the minutes of the proceedings at such a meeting shall constitute sufficient evidence of such proceedings and the observance of all necessary formalities, if certified as true minutes by the chairman of the meeting or the secretary.
- 9.5 A resolution in writing signed or approved by letter, email, text message, fax or by any other means of transmission of written documents by all the Directors or their alternates, shall be as valid and effectual as if it had been passed at a meeting of the Directors duly convened and held, and where a resolution is signed or approved in the above mentioned manner it may consist of several documents each signed, or approved as above by one or more of the persons aforesaid.
- 9.6 The provisions of paragraphs 9.4 and 9.5 above shall apply mutatis mutandis to committees of Directors.
- 9.7 The Directors may elect a chairman of their meetings and determine the period for which he is to hold the relevant office. The chairman, shall preside at all meetings of the Directors, but if no such chairman, or if at any meeting the chairman is not present within fifteen minutes after the time appointed for holding the same, the Directors present may choose one of their number to be chairman of the meeting.

- 9.8 Directors shall make all reasonable efforts to attend the meeting of the Board of Directors. Where they have been unable to attend the meeting and the minutes of that meeting require explanation, the chairman of the meeting shall inform them about the resolutions passed and discussions held at the meeting in question. Directors who are frequently absent during meetings of the Board of Directors shall be asked by the chairman of the Board of Directors to explain their absence. Frequent absences shall be reported in the management report of the Board of Directors.
- 9.9 Meetings of the Board of Directors shall be convened by any director or the secretary on behalf of the Director(s) requesting the meeting or in accordance with the Board of Directors meetings schedule. The chairman shall determine the agenda of each meeting. Other members of the Board of Directors may submit to the chairman of the Board of Directors items to be discussed in the meeting. The chairman may decide not to include on the agenda an item which has not been submitted on time or is not supported by sufficient documentation. At the request of any Director and with agreement of the majority of other Directors, urgent matters may be discussed immediately or at an additional meeting.
- 9.10 Where this is practically possible, notices convening a meeting and the agenda of items and documents to be considered and discussed therein shall be dispatched 8 working days before the meeting and sent to each Director by mail, via courier, by e-mail or by fax. A meeting shall be duly convened on shorter than 8 days' notice if all Directors consent.
- 9.11 At the beginning of a meeting, the Board of Directors shall designate one of the Directors or the secretary as the secretary of the meeting. Minutes of the meeting shall be prepared by the secretary of the meeting and once reviewed by the Directors present, shall be signed for adoption by the chairman and the secretary of the meeting and shall be dispatched to all Directors as soon as practically possible. The secretary may issue and sign extracts of the adopted minutes.
- 9.12 The minutes shall be in the form and content customary for the type and subject of the meeting and shall record the topics discussed, the inquiries made and the decisions taken with respect to each topic. Separate summaries of the decisions taken during the meeting, as well as a list of actions to be taken, shall be attached to the minutes.
- 9.13 The external auditor of the Company may attend at least one meeting of the Board of Directors, at which the examination, adoption and, if applicable, approval of the annual financial statements are discussed. The external auditor shall receive the financial information underlying the adoption of the quarterly or half-yearly accounts and other interim financial reports and shall be given the opportunity to respond to all information. The external auditor shall report his or her findings in relation to the audit of the annual financial statements to the audit committee of the Board of Directors, or to the Board of Directors.
- 9.14 The ongoing items to be considered and discussed at meetings of the Board of Directors include reviewing the Company's budget and financial results, approving major decisions requiring action by the Board of Directors, discussing and approving corporate strategy (and changes thereto) (e.g. long-term strategy, capital expenditures in excess of the Company's budget, long-term capital structures, new lines of business, major acquisitions and divestments), and receiving reports from the committees of the Board of Directors.

At least once a year, the Non-Executive Directors shall evaluate (without the Executive Directors being present) the functioning of each Executive Director and functioning of the Board of Directors as a whole, including various committees.

- 9.15 The Board of Directors will monitor the operation of the internal risk management and control systems and will carry out a systematic assessment of their design and effectiveness at least once a year. This monitoring will cover all material control measures relating to strategic, operational, compliance and reporting risks. Attention will be given to observed weaknesses, instances of misconduct and irregularities, indications from whistleblowers, lessons learned and findings from the internal audit function and the external auditor. Where necessary, improvements will be made to internal risk management and control systems.
- 9.16 In the event the Company is the subject of a rating process made by a reputable ranking institute, the report of such institute should be on the agenda for discussion during a meeting of the Board of Directors.

10. Decision-making by the Board of Directors (quorum and votes)

- 10.1 The quorum necessary for the dispatch of the business of the directors shall be three directors.
- 10.2 Each member of the Board of Directors shall have a single vote. In the event of an equality of votes, the Chairman shall have a second or casting vote.
- 10.3 A director who is also an alternate director or a proxy of another director shall be entitled, in the absence of the director whom he is representing, to a separate vote on behalf of such director in addition to his own vote.
- 10.4 Questions arising at any meeting shall be decided by a majority of votes.

11. Conflicts of interest

- 11.1 A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare the nature of his interest at a meeting of the Board of Directors in accordance with section 191 of the Companies Law.
- 11.2 No Director may vote in respect of any contract or arrangement in which he is interested and if he does so his vote shall not be counted and he shall not be counted in the quorum at the meeting, but none of these restrictions shall apply in relation to:
- (a) any arrangement for the provision to any director, of any security or guarantee in relation to money which he paid or obligations which he undertook in favour of the Company; or
 - (b) any arrangement for the provision by the Company of any security to third parties in relation to a liability or obligation of the Company for which the director himself assumed

responsibility whether wholly or in part pursuant to any guarantee or by the deposit of any security;
or

(c) any contract for the countersignature or subscription by any director in relation to shares or debentures of the Company; or

(d) any contract or arrangement with any other company in which he is interested only as officer of the Company or as holder of shares or other securities,

and these restrictions may at any time be suspended or varied to any extent, only by the Company in general meeting and subject to proper explanations being offered.

11.3 Provided always that he/she is able to allocate sufficient time to the Company to carry out his responsibilities effectively, any director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of director, for such period and on such terms (as to remuneration or otherwise) as the directors may determine and no director or intending director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise, nor shall any such contract, or any contract or arrangement entered into by or on behalf of the Company in which any director is in any way interested, be liable to be avoided, nor shall any director so contracting or being so interested be liable to account to the Company for this profit realised by any such contract or arrangement by reason of such director holding that office or of the fiduciary relation thereby established.

11.4 Provided always that he/she is able to allocate sufficient time to the Company to carry out his responsibilities effectively, any director may act by himself or his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a director; provided that nothing herein contained shall authorise a director or his firm to act as auditor to the Company.

11.5 A Director shall not:

- a) enter into competition with the Company;
- ii) demand or accept (substantial) gifts from the Company for himself or for his wife, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree;
- iii) provide unjustified advantages to third parties at the Company's expense;
- iv) take advantage of business opportunities to which the Company is entitled for himself or for his wife, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree.

11.6 Furthermore, a Director shall in any event have a conflict of interest with the Company if:

- a) he/she personally has a material personal financial interest in a legal entity with which the Company intends to enter into a transaction;
- b) he/she has a family law relationship with a person (i.e his/her spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree) who is a member of the management board or supervisory board of a legal entity with which the Company intends to enter into a transaction;
- c) under applicable law, including the rules of any exchange on which the Company's shares

(or depositary receipts thereof) are listed, such conflict of interest exists or is deemed to exist; or

d) the Board of Directors has ruled that such conflict of interest exists or is deemed to exist.

11.7 All transactions in which there are conflicts of interest with Directors shall be agreed on terms that are customary in the market. Decisions to enter into transactions in which there are conflicts of interests with such persons that are of material significance to the Company and/or to such persons require the approval of the Board of Directors, whereby the majority of the Non-Executive Directors vote in favour of the proposal in a meeting in which all Non-Executive Directors are participating. Such transactions shall be published in the management report, together with a statement of the conflict of interest and a declaration that the provisions of paragraphs of this section 11 have been complied with.

11.8 As required under Regulation 91 of the Articles before the Company concludes a significant agreement with a member who holds at least 5% of the total vote in the Company or with a related party, the Executive Directors shall request the Non-Executive Directors' approval of the transaction. Before giving their approval, the Directors should evaluate the impact of the transaction on the interest of the Company.

The foregoing does not apply to typical transactions and transactions at arm's-length made as part of the Company's operations between the Company and members of its group.

11.9 The transactions noted in paragraph 11.8 requiring the Non-Executive Directors' approval should be published in the management report, together with a declaration that this paragraph and Regulation 91 of the Articles has been complied with.

12. Complaints, whistleblowers

12.1 The Board of Directors shall ensure that employees have the opportunity, without jeopardizing their legal position, to report actual or suspected irregularities, within the Company and its affiliated companies to the chairman of the Board of Directors if such irregularities involve a Director, or to other designated persons in other cases.

12.2 Any signs of actual or suspected material misconduct or irregularities within the Company and its affiliated enterprise shall be reported to the chairman of the Board of Directors, if such irregularities involve a Director, or to other designated persons in other cases.

12.3 The Company's whistleblower rules as currently in force, attached as **Annex 7** shall be placed on the Company's website: www.astartaholding.com.

13. Information

13.1 The Board of Directors - and each Director individually – is responsible for obtaining all information from the Company's and group companies' internal audit function and the external auditor that the Board of Directors requires for the due performance of its duties. If the Board of Directors deems necessary, it may obtain information from officers and/or external advisors of the Company or group companies. The Company shall provide the necessary means to this

end. The Board of Directors may require that certain officers and/or external advisors attend its meetings.

- 13.2 Each year, without prejudice to the above, the Board of Directors shall provide the General Meeting with a budget for the following year, an up-to-date version of its long- term plans, the main features of the strategic policy, the general and financial risks, information on the management and control systems of the Company and information on the compliance by the Company and its group companies with all relevant laws and regulations.

14. Provisions regarding the Directors' relations with shareholders

- 14.1 Under Regulation 47 of the Articles, extraordinary General Meetings may be convened by the Board of Directors. If a General Meeting is convened, the Board of Directors shall ensure that it is held in due time and place, that the shareholders are informed by means of a shareholders circular and in all manners required under the Articles and all applicable laws of all facts and circumstances relevant to the item(s) on the agenda, that draft resolutions proposed to be adopted at the General Meeting are disclosed to the public and that the shareholders registration process for the purpose of the General Meeting and proxy voting procedure are complied with. The shareholders circular will be placed on the web site of the Company: www.astartaholding.com.
- 14.2 Directors shall participate in General Meetings, unless they are prevented from attending on serious grounds. In conformity with the Articles, the chairman of the Board of Directors shall preside as chairman of the General Meeting, or if there is no such chairman or if he/she is not present within fifteen minutes after the time appointed for the holding of the Meeting, the the directors present shall elect one of their number to be chairman of the General Meeting.
- 14.3 In the event of an equality of votes at a General Meeting, the chairman shall not have a second or casting vote.
- 14.4 The Board of Directors shall provide the General Meeting with any information it may require concerning an item on the agenda, unless important interests of the Company or any law, rule or regulation applicable to the Company prevents it from doing so. The Board of Directors shall specify the reasons for invoking such important interests.
- 14.5 The Board of Directors is responsible for the corporate governance structure of the Company and must give account to the annual General Meeting in relation to such structure. Each year the broad outline of the Company's corporate governance structure shall be set forth in a separate chapter of the management report. This chapter shall set forth whether the best practices of the WSE Code and other applicable corporate governance regulations were followed and if not, the reason for not doing so, and to what extent the Company deviates from these best practices.
- 14.6 Each significant change in the Company's corporate governance structure and compliance with the WSE Code and other applicable corporate governance regulations shall be addressed by the Directors in a separate item on the agenda for consideration by the annual General Meeting.

- 14.7 If price-sensitive information has been provided during the General Meeting or the answering of any shareholder's question has resulted in the disclosure of price-sensitive information, this information shall be made public by the Directors without any delay.
- 14.8 Meetings with analysts, presentations to analysts, presentations to investors and press conferences shall be announced in advance on the Company's website and by means of press releases. The Board of Directors shall make all efforts to ensure that provision is made for all shareholders to follow these meetings and presentations in real time, for example by means of webcasting or telephone lines. After the meetings, the presentations shall be posted on the Company's website www.astartaholding.com.
- 14.9 Analysts' reports and valuations shall not be assessed, commented upon or corrected, other than factually, by the Company in advance before their publication. The Board of Directors may post analysts' reports and valuations concerning the Company, its securities and markets on which it operates on its website: www.astartaholding.com.
- 14.10 The Company shall not pay any fee(s) to parties for the carrying out of research for analysts' reports or for the production or publication of analysts' reports, with the exception of credit rating agencies.
- 14.11 Analysts' meetings and presentations to institutional or other investors shall not take place shortly before the publication of the regular financial information (quarterly, half-yearly or management reports) and during other closed periods if required by applicable regulations.
- 14.12 The Board of Directors shall provide the General Meeting with all requested information, unless this would be contrary to an overriding interest of the Company. If the Board of Directors invokes an overriding interest, it must give reasons.
- 14.13 The Company shall place and update all information which it is required to publish or deposit pursuant to the provisions of company law and other regulations applicable to it, on a separate part of the Company's website (i.e. separate from the commercial information of the Company) that is recognizable as such. It is sufficient for the Company to establish a hyperlink to the website of the institutions that publish the relevant information electronically pursuant to statutory provisions or the stock exchange regulations.
- 14.14 If any matter requires the approval of the General Meeting by law or under the Articles, the Board of Directors shall inform the General Meeting by means of a shareholders circular of all facts and circumstances relevant to the matter for which approval is required. The shareholders circular shall, in any event, be posted on the Company's website.
- 14.15 The Board of Directors shall outline all existing or potential anti-takeover measures in the management report and shall also indicate in what circumstances and by whom it is expected that these measures may be used.

15. Insurance and Indemnification

- 14.16 The Directors, Executive Directors, managers, agents, auditors, secretary and other officers or

employees for the time being of the Company and the trustees for the time being (if any) who act in relation to the business of the Company and each and every one of them and each and every one of their successors and executors, shall be indemnified and secured out of the assets and profits of the Company against all actions, expenses, charges, losses, indemnities and costs which he or any of them, their successors or executors or any of them have sustained or incurred or may sustain or incur by reason of any contract they entered into or any act they did or collaborated in the performance of, or omitted to do at or during the performance of their duties or alleged duties in their respective offices or trusts, other than those (if any) which they may sustain or incur as a consequence of their own willful act, neglect or omission respectively and none of them shall be accountable for the acts, receipt, neglects or omission of the other or others of them or because he collaborated in any receipt for the sake of compliance, or for any bankers or other persons to whom any money belonging to the Company will have been given or may be given or deposited for safe keeping, or for any bankers, financiers or other persons in whose hands, any money or other proprietary assets of the Company may come, or for any insufficiency or imperfection or any defect in the title of the Company in any security by which any money belonging to the Company will be invested or disposed of, or for any loss, misfortune or damage which results from any of the above causes, or which may occur in the performance of their respective offices or trusts, or in relation thereto, other than those which result from their own willful act or omission respectively.

- 14.17 The Board of Directors may, to the extent permitted by the Companies Law, purchase and maintain for, or for the benefit of, any person who holds or who has of any time held a relevant office insurance against any liability or expense incurred by him in relation to the Company or any of the Company's subsidiaries or any third party in respect of any act or omission in the actual or purported discharge of the duties of the relevant officer concerned or otherwise in connection with the holding of that relevant office.

16. Confidentiality

- 16.1 Directors shall treat all information and documentation acquired within the framework of their membership on the Board of Directors with the necessary discretion and, in the case of confidential information, with the appropriate secrecy. Confidential information shall not be disclosed outside the Board of Directors, made public or otherwise made available to third parties, even after resignation from the Board of Directors, unless it has been made public by the Company or it has been established that the information is already in the public domain or if and to the extent that the disclosure of such information is required and permitted under the applicable provisions of the law.

17. Non-compliance, Amendment

- 17.1 Without prejudice to the provisions of paragraph 14.4 of this Note, the Board of Directors may occasionally decide at its sole discretion not to comply with and adhere to this Note pursuant to a resolution by the Board of Directors to that effect, provided that such deviation is not prohibited by Dutch law or the Articles. Such resolutions shall be referred to in the Board of Directors' annual and/or quarterly report, as the case may be.

17.2 Without prejudice to the provisions of paragraph 14.4 of this Note, this Note, including any of the Annexes, may only be amended by a special resolution by the General Meeting to that effect. Any amendments of this Note, including any of the Annexes, shall be referred to in the Board of Directors' management report.

18. Governing law

18.1 These Rules shall be governed by and construed in accordance with the law of Cyprus.