

Management Board Regulations

Regulations

of the Management Board of Mercator Medical Spółka Akcyjna

Adopted by the Resolution of the Company's Management Board No. XII/wew/01/2012 of 5 December 2012 and approved by the resolution of the Company's Supervisory Board of 7 December 2012.

Article 1.

1. These Regulations set forth the principles of operation of the Management Board of Mercator Medical Spółka Akcyjna.
2. In matters not governed by these Regulations, the provisions of generally applicable law and the provisions of the Articles of Association and other internal regulations of the Company which govern the operation of the Company and its bodies shall apply.

Article 2.

Whenever the following terms are used in these Regulations they shall have the following meaning:

1. Company – Mercator Medical Spółka Akcyjna, a joint-stock company based in Krakow at ul. H. Modrzejewskiej 30, 31-327 Krakow, entered into the Register of Entrepreneurs, National Court Register, kept by the District Court for Krakow-Śródmieście in Krakow, 11th Commercial Division for the National Court Register, under No. 0000036244;
2. Management Board – the Management Board of the Company;
3. Supervisory Board – the Supervisory Board of the Company;
4. General Meeting – the General Meeting of the Company;
5. Articles of Association – the Articles of Association of the Company;
6. Regulations – these Regulations.

Article 3.

1. The Management Board shall manage Company's affairs and represent the Company. The Management Board shall exercise all rights related to Company's management, excluding the rights reserved by law or the Articles of Association for other governing bodies of the Company.
2. In their relation to the Company members of the Management Board shall be subject to the limitations provided for in provisions of law, the Articles of Association, Regulations and resolutions of the Supervisory Board and General Meeting. However, the General Meeting and Supervisory Board cannot give the Management Board any binding instructions concerning management of the Company's matters.
3. The Management Board shall operate in accordance with applicable provisions of law, including the Commercial Companies Code, as well as in accordance with the Articles of Association and other internal regulations of the Company which govern the functioning of the Company and its bodies.
4. The Management Board shall manage Company's affairs with due care and diligence,

efficiently, in compliance with provisions of law and best practices and in the best interest of the Company.

5. When deciding on Company's affairs, members of the Management Board shall act within reasonable economic risk limits and shall take their decisions based on available information, analyses and reports which in the Management Board's opinion should be taken into account in the given situation to the Company's best interest. When establishing the Company's best interest, the reasonable, long-term best interest of Company's shareholders, creditors and employees should be taken into account.
6. When concluding, on behalf of the Company, any transactions with Company's shareholders or other persons whose interests affect the Company's interests, the Management Board should act with due care and diligence and in particular should make sure that such transactions are concluded on market terms.
7. Every member of the Management Board may, without prior resolution of the Management Board, manage the affairs which do not go beyond the scope of the Company's ordinary management. If, however, before handling a matter which does not go beyond the scope of ordinary management at least one of other members of the Management Board opposes to the managing of that matter or if the matter goes beyond the scope of Company's ordinary management (this applies, in particular, to the activities which pursuant to law or Articles of Association require a resolution of the General Meeting or Supervisory Board), a resolution of the Management Board is required.
8. The Company's organisational structure, determining in particular the organisational units subordinate to individual members of the Management Board and distribution of duties among members of the Management Board, shall be specified in a resolution of the Management Board.
9. As part of the distribution of duties members of the Management Board, subject to provisions of the Act, the Articles of Association and the Regulations, shall:
 - 1) manage the Company's organizational units subordinate to them,
 - 2) decide on the matters for which they are responsible and shall supervise handling of those matters by the Company's organisational units subordinate to them,
 - 3) issue dispositions and instructions with respect to the matters for which they are responsible,
 - 4) supervise observance of Company's internal regulations by the organisational unit subordinate to them,
 - 5) inform other Management Board members of important current matters and issues related to Company's operation.
10. Upon expiry of their term of office the retiring Management Board member shall hand over the Company's matters managed by them, together with all documents and other materials related to the Company which have been drawn up, collected, prepared or received by them during or in relation to their term of office in the position of a Management Board member. The matters, documents and materials referred to above shall be handed over to the Management Board member indicated in the resolution of the Management Board or, if there is no such resolution, to the President of the Management Board.

11. The work of the Management Board is managed by the President of the Management Board. The powers of the President of the Management Board include, in particular:
 - 1) preparing and holding of Management Board meetings,
 - 2) coordinating the work of other members of the Management Board,
 - 3) resolving competence dispute between Management Board members,
 - 4) taking decisions in urgent matters which fall within the scope of responsibility of other members of the Management Board,
 - 5) supervising the operation of the Company's organisational units directly subordinate to the President of the Management Board.

Article 4

1. Not later than one month before the end of an accounting year the Management Board should submit to the Supervisory Board, for approval, the financial forecasts and budgets of the Company and Mercator Medical Group of Companies for the next accounting year.
2. Not less frequently than after the end of every quarter of an accounting year the Management Board should submit to the Supervisory Board a report on implementation of financial forecasts and budgets.
3. Taking into account the distribution of duties the Management Board and its members should respond, without delay, to the motions or requests filed with the Management Board or its individual members by the Supervisory Board or its members delegated to perform certain supervisory tasks independently or to perform supervisory tasks permanently and individually. The Management Board and its members shall, taking into account the distribution of duties, allow the Supervisory Board and its members delegated to perform certain supervisory tasks independently or to perform supervisory tasks permanently and individually to perform their supervisory duties and, in particular, to provide Company's documents to them, submit reports and give explanations.
4. The Management Board should immediately inform the Supervisory Board of conclusion of an employment contract, managerial contract, contract for mandate or any other contract on provision of services with a person who has been appointed to a managerial function, providing for a monthly remuneration higher than PLN 10,000 (ten thousand).
5. General Meetings should be attended by the members of the Management Board who can answer questions submitted at the General Meeting.
6. Supervisory Board meetings should be attended, at the invitation of the Supervisory Board, by the Management Board members who can answer the questions asked by members of the Supervisory Board.
7. In the cases provided for by provisions of law or Articles of Association the Management Board should without delay take any steps necessary for prompt convention of the General Meeting.

Article 5.

1. If the Management Board is composed of more than one person, the persons authorised to submit statements on behalf of the Company are the following:
 - 1) President of the Management Board acting independently,
 - 2) Vice President of the Management Board acting independently,

- 3) two members of the Management Board acting jointly or
- 4) one member of the Management Board acting jointly with a commercial representative, - subject to the fact that making the statements pertaining to assets the value of which exceeds PLN 1,000,000 (one million), and in particular carrying out an increment, disposal of a right or incurring a liability the value of which exceeds PLN 1,000,000 shall require:
 - 1) President of the Management Board acting jointly with a member of the Management Board or a commercial representative,
 - 2) Vice President of the Management Board acting jointly with a member of the Management Board or a commercial representative,
 - 3) President of the Management Board acting jointly with a Vice President of the Management Board or
 - 4) two members of the Management Board acting jointly with a commercial representative.
2. The Management Board shall appoint a commercial representative based on a unanimous decision.
3. A Management Board member's right to represent the Company applies to all court and out-of-court acts.

Article 6.

1. A member of the Management Board shall not, without the Supervisory Board's consent, be involved in a competitive business or a competitive company as a partner to a partnership, private partnership, as a member of a body of a joint-stock company or a limited liability company or participate in any other competitive legal person as a member of its body. The prohibition includes also participation in a competitive joint-stock company or limited liability company if the member of the Management Board holds at least 10% of shares or interest in such a company or has a right to appoint at least one management board member.
2. In the case of conflict between the Company's interests and personal interests of a member of the Management Board, their spouse or relatives up to the second degree of consanguinity or affinity, or persons directly related to them, such member of the Management Board should abstain from settlement of such issues and request a relevant note in the minutes of the meeting.

Article 7.

1. Management Board meetings shall be held on dates set by the Management Board, in the Company's registered office or in another place indicated by the person who convened the meeting.
2. The Management Board meeting shall be convened by the President of the Management Board on their own initiative or at the request of another member of the Management Board. The President of the Management Board may authorise another member of the Management Board to convene the Management Board meeting. Management Board meetings shall be convened by phone, e-mail, registered letter or personally.
3. Every member of the Management Board should be informed of the meeting not later than

24 (twenty four) hours before the planned time and date of the meeting. Where necessary, the meeting of the Management Board may be convened with a shorter notification period than that specified above.

4. In urgent matters the Management Board meeting may also be convened in a manner other than that specified in this Article, provided that all members of the Management Board are informed of the date and place of the meeting.
5. There is no necessity for formal convention of the Management Board meeting if all members of the Management Board attend the meeting and also if the Management Board members absent at the meeting have agreed for the meeting to be held without their presence and for individual matters to be included in the agenda of the meeting.

Article 8

1. Management Board meetings shall be chaired by the President of the Management Board and in the case of the President's absence by a member of the Management Board elected by the Management Board members present in the meeting.
2. The Management Board shall have the right to amend the agenda of the meeting during the meeting. The foregoing shall not apply if the meeting has not been formally convened and not all Management Board members participate in the meeting, unless the absent members of the Management Board have given their consent for changing of the agenda of the meeting.
3. Management Board meetings may also be attended by the persons invited by the Management Board.

Article 9

1. The Management Board may adopt resolutions if at least half of its members are present in the meeting and all members have been informed of the meeting.
2. Resolutions of the Management Board shall be passed by an absolute majority of votes. If the number of opposing votes is equal, the vote of the President of the Management Board shall be decisive.
3. Votes are cast in an open voting. Voting shall be by secret ballot if at least one of the Management Board members present in the meeting so requests.
4. The President of the Management Board may, on their own initiative or at the request of another Management Board member, decide that a resolution will be adopted in writing without prior convention of the meeting of the Management Board. In such a case the President of the Management Board or a Management Board member appointed by them shall deliver to other members of the Management Board, personally, by facsimile, e-mail, registered letter or courier, the resolution which is to be adopted. After receiving the draft of the resolution every member of the Management Board shall sign it, indicating whether they vote for or against the resolution. Should a Management Board member fail to indicate what their vote is, it shall be deemed that by signing the resolution the Management Board member has agreed for adoption thereof. If, in the case of using electronic mail, a Management Board member sends an e-mail in which they declare their acceptance or rejection of the resolution, or attaches a scanned copy or a

photograph of the signed resolution to the e-mail, it shall be deemed that the resolution has been signed by the Supervisory Board member. Subsequently every member of the Management Board shall submit to the President of the Management Board, or to the Management Board member appointed by the President of the Management Board, in person or by facsimile, e-mail, registered letter or courier, a signed copy of the resolution draft. The resolution shall be deemed adopted if it has been accepted and signed by absolute majority of all members of the Management Board and the draft of such resolution had been delivered to all Management Board members.

Article 10

1. Meetings of the Management Board may also be held in a manner allowing simultaneous communication of Management Board members by means of real time communication equipment (e.g. teleconferences, video conferences).
2. To convention and holding of meetings in the manner specified in par. 1 the provisions applicable to standard meetings shall apply accordingly.

Article 11

1. Minutes shall be taken of Management Board meetings, including the meetings held in the form referred to in Article 10 Par.1.
2. The minutes shall be taken by the President of the Management Board or by a person presiding over the Management Board meeting or by another Management Board member present at the meeting and appointed by the President of the Management Board or the person presiding over the Management Board meeting.
3. The minutes should include the agenda, full names of the Management Board members present at the meeting, the number of votes cast on individual resolutions and dissenting opinions. The minutes shall be signed by all Management Board members present in the meeting.
4. The minutes may be signed by correspondence or at the next meeting of the Management Board.
5. The Management Board shall keep a minute book in which the minutes of all meetings shall be kept. The minutes should be made available to every member of the Management Board upon request. The minute book shall also include the resolutions adopted in writing. The manner of storing the minute book shall be specified in a resolution of the Management Board or, if there is no such resolution, by the President of the Management Board.

Article 12

Members of the Management Board shall keep confidential any information and materials related to Company's operation, howsoever acquired by or provided to them.

Article 13

1. These Regulations shall become effective as of the day of their approval by the Supervisory Board.
2. Should provisions of the Articles of Association or provisions of law be amended in a way

which affects the operation of the Management Board, the Management Board should submit to the Supervisory Board, without delay, its opinion on the consequences of such amendments. Furthermore, the Management Board should take steps necessary to adapt these Regulations to the valid Articles of Association or provisions of law, and in particular adopt a resolution on amendment of these Regulations and submit the said resolution, without delay, to the Supervisory Board for approval.