



**REGULATIONS  
OF THE SUPERVISORY BOARD  
OF BORYSZEW SPÓŁKA AKCYJNA**

(Consolidated text taking into account the changes of 15 May 2017)

## § 1

1. The Supervisory Board exercises permanent supervision over the Company in all areas of its activity.
2. The extent of duties and authorizations of the Supervisory Board is set out in the Commercial Companies Code and the Company's Statute.
3. Supervisory Board members act individually and jointly.
4. Supervisory Board members, in the office they hold, should above all have regard to the Company's interests.
5. In carrying out its duties the Supervisory Board may:
  - a. assign Supervisory Board members to carry out specific supervisory tasks individually,
  - b. appoint permanent or ad hoc teams from the Supervisory Board members to examine strictly defined matters,
  - c. use the services of experts and chartered accountants paid by the Company.
6. A Supervisory Board member assigned by a group of shareholders to exercise permanent supervision is under a duty to submit detailed reports of the function carried out to the Supervisory Board.

### § 1a

1. The structure of the Supervisory Board includes the Audit Committee and Remuneration Committee.
2. The task of the Audit Committee is to recommend a chartered accountant to analyze financial reports and Management Board reports on the activity of the Company and the Capital Group Boryszew and advise the Supervisory Board on issues regarding competent implementation of the rules on budgetary and financial reporting and internal control of the Company and Boryszew Capital Group (within the meaning of the Accountancy Act) and cooperation with the Company's chartered accountants.
3. The Audit Committee comprises two independent members and one member who is conversant with and has qualifications in accountancy and finances.
4. The Remuneration Committee's task is to put forward opinions and proposals to the Supervisory Board regarding development of the management structure, including issues of organizational solutions, remuneration system and selection of personnel with the appropriate qualifications to execute the Company strategy.
5. The committees indicated in section 1 submit annual reports of their activity to the Supervisory Board. These reports are made available to the Company shareholders.
6. Each Committee is appointed by the Supervisory Board from its members.
7. The first Committee meeting is convened by the Chairman of the Supervisory Board or other Supervisory Board member indicated by him.

8. The Committee selects a Chairman of the Committee from amongst its members.
9. The Committee Chairman directs the work of the Committee. He also supervises the preparation of the agenda, the organization of the distribution of documents and drawing up of Minutes of Committee meetings, making use of the services of the Management Board Office in this.
10. Committee meetings are convened by the Committee Chairman, and in his absence, the Supervisory Board Chairman or other Supervisory Board member indicated by him, who invites Committee members to the meeting and notifies all other Supervisory Board members of the Meeting. All Supervisory Board members have the right to take part in the Committee meetings.
11. The Committee members and other Supervisory Board members must be notified that a meeting is being convened at the latest 5 days before the Committee meeting, and in urgent matters at the latest 1 day before the meeting.
12. The Committee Chairman may invite Management Board members, Company employees and other persons, whose presence at the meeting is indispensable to execute the Committee's task, to the Committee meeting.
13. Resolutions of the Committee are adopted by an ordinary majority of votes cast. If there is a tie "for" and "against" in the voting, the Committee Chairman has the casting vote.
14. Committee members may vote on the adoption of a resolution personally, by taking part in a Committee meeting or through direct distance communication.
15. Minutes are prepared from the Committee meeting, which should be signed by the Supervisory Board members present at the Committee Meeting.
16. The Committee Chairman or person indicated by him submits the resolutions, proposals and reports to the Supervisory Board.

## **§ 2**

1. The first Supervisory Board meeting of a new term of office takes place at the latest on the seventh day after the General Meeting appoints the Supervisory Board.
2. During the Meeting the Supervisory Board members select a Chairman, Vice Chairman and Secretary from amongst their members.
3. The first Supervisory Board meeting in the new term of office is convened by the most senior member in age and chaired the meeting until a Chairman of the Supervisory Board is appointed.

## **§ 3**

1. The Supervisory Board meeting takes place as and when necessary, however at least once a quarter.

2. Supervisory Board meetings are convened by the Chairman, and in his absence, the Vice President of the Supervisory Board. Supervisory Board meetings should also be convened on the written proposal of a Management Board or Supervisory Board member, containing the proposed agenda; in these circumstances the meeting should take place at the latest within two days from receipt of the written proposal.

#### **§ 4**

1. Supervisory Board members are sent notifications of a meeting which is being convened by registered post, email with confirmation of receipt and fax, at least five days before the date of the meeting, unless there are extraordinary circumstances justifying a shorter period. The notification should contain the proposed agenda, the venue and date of the meeting, and also the necessary analytical materials for the agenda and the draft resolutions and proposed Minutes from the previous meeting.
2. In urgent cases the Chairman of the Supervisory Board may order another method of notifying Supervisory Board members of the date of the meeting.

#### **§ 5**

Apart from matters to be resolved or to be discussed for which the meeting was convened, the agenda should include the approval of the Minutes of the previous Supervisory Board meeting.

#### **§ 6**

The Agenda of the Supervisory Board should not be amended or supplemented during the meeting to which it relates. This requirement does not apply when all Supervisory Board members are present and consent to the amendment or supplementation of the agenda, and also if it is necessary for the Supervisory Board to take specific steps to protect the Company from damage and in the case of a resolution to establish whether there is a conflict of interests between a Supervisory Board member and the Company.

#### **§ 7**

1. The Chairman chairs the Supervisory Board meeting and in his absence the Vice Chairman.
2. In matters falling within the area of its competence the Supervisory Board expresses its stance by adopting the appropriate resolution.
3. A resolution of the Supervisory Board is valid providing at least half of its members are present, and all Supervisory Board members were invited to the meeting. Supervisory Board resolutions are adopted by an absolute majority of votes. In the event of a tie the Chairman has the casting vote.

#### **§ 8**

1. A Supervisory Board resolution may also be adopted without a meeting being convened by written voting or by direct distance communication, providing all Supervisory Board members consent to this. The resolution is valid when all Supervisory Board members

have been informed of the content of the draft resolution. A resolution of the Supervisory Board may be adopted if an absent Supervisory Board member casts his vote in writing through another Supervisory Board member who is present at the meeting, providing all the Supervisory Board Regulations of the Supervisory Board Boryszew SA members have been notified of the content of the draft resolution. A vote may be cast in writing when matters are added to the agenda at the Supervisory Board's meeting.

2. Resolutions on the selection of the Chairman and Vice Chairman, appointment of a Management Board member and suspension of these persons in office, cannot be adopted in the manner defined in section 1 of this § .
3. A resolution adopted in the manner defined in section 1 is entered into the Minutes at the next Supervisory Board's meeting. § 9 Each Supervisory Board member is under a duty to inform the other Supervisory Board members when a conflict of interests arises, and furthermore to refrain from participating in the discussion and from voting on the adoption of a resolution in the matter to which the conflict of interests relates.

#### **§ 10**

1. Minutes are drawn up of the Supervisory Board meetings and allotted consecutive numbers containing: names and surnames of the Supervisory Board members present at the meeting, the agenda, synthetic description of the course of the meeting, the next sequence number and the precise wording of resolutions adopted, results of voting and the contents of reservations raised and differing opinions of the individual Supervisory Board members. The Minutes are signed by Supervisory Board members present at the meeting.
2. Minutes of the Supervisory Board meetings are stored in the Organization and Management Department. The Management Board appoints a recorder in agreement with the Supervisory Board Secretary.

#### **§ 11**

1. Management Board meetings are open and accessible to the President and other Company Management Board members, with the exception of those meetings or part of meetings, where the subject matter relates directly to the Management Board or its members, and in particular their recall from office, liability, and determination of the remuneration of Management Board members.
2. The Chairman of the Supervisory Board may invite the President of the Management Board to the meeting and other Management Board members and also the Company employees and third parties who have competence in the subject matter discussed.
3. The Chairman of the Supervisory Board may, on his own initiative or on the proposal of a Supervisory Board member, order closed discussions, in the statutory composition. Minutes of these meetings are drawn up by the Secretary of the Supervisory Board.

**§ 12**

The Secretary of the Supervisory Board whose term of office has ended, at the end of the term of office hands over information to the newly appointed Supervisory Board within seven days after it is established. A hand-over and acceptance report is drawn up of the documentation supplied to the Supervisory Board.

**§ 13**

The Management Board provides administrative and secretarial support and organizational services to the Supervisory Board.