

**The Rules of the Supervisory Board
OF AWBUD SPÓŁKA AKCYJNA IN FUGASÓWKA**
(consolidated text adopted on the basis of Resolution No 12/2011 of the Supervisory Board of AWBUD Spółka Akcyjna in Fugasówka of 11 May 2011 and approved on the basis of Resolution No 44/2011 of the Annual Meeting of Shareholders of AWBUD Spółka Akcyjna in Fugasówka of 2 June 2011, including amendments to the Rules of the Supervisory Board of AWBUD Spółka Akcyjna in Fugasówka stemming from Resolution No 1/2017 of the Supervisory Board of AWBUD Spółka Akcyjna in Fugasówka of 9 October 2017 and approved on the basis of Resolution No 9/2017 of the Extraordinary Meeting of Shareholders of AWBUD Spółka Akcyjna in Fugasówka of 12 October 2017)

**§ 1
Purpose of the Rules**

These Rules provide for the organisation of work of the Supervisory Board of AWBUD Spółka Akcyjna in Fugasówka and the performance of duties by the Supervisory Board.

**§ 2
Definitions**

For the purpose of these Rules, the following terms shall have the following meaning:

- 1) Company means AWBUD Spółka Akcyjna in Fugasówka, recorded in the National Court Register by the District Court in Częstochowa under the number 0000023958.
- 2) Meeting of Shareholders means the Meeting of Shareholders of the Company.
- 3) Supervisory Board means the Supervisory Board of the Company.
- 4) Board of Directors (Directors) means the Board of Directors of the Company.
- 5) Shareholder/Shareholders mean a shareholder/shareholders of the Company.
- 6) Company's Articles of Association mean the Articles of Association of the Company adopted on 20 January 2011 and incorporated in the notarial deed of 20 January 2011 prepared by Barbara Miączewska, Notary Public, Notary Public's Office in Lublin, ul. Żwirki i Wigury 4/3, Register A No 216/2011, corrected by the notarial deed of 21 February 2011 prepared by Barbara Miączewska, Notary Public, Notary Public's Office in Lublin, ul. Żwirki i Wigury 4/3, Register A No 657/2011, as amended;
- 7) Member of the Supervisory Board means a person that has been duly appointed to the Supervisory Board of the Company in accordance with the Company's Articles of Association and the Code of Commercial Companies.
- 8) Director means a person that has been duly appointed to the Board of Directors of the Company in accordance with the Company's Articles of Association and the Code of Commercial Companies.
- 9) Rules means these Rules of the Supervisory Board.

**§ 3
Supervisory Board**

1. The Supervisory Board is a collegial supervisory body of the Company.
2. The Supervisory Board shall act on the basis of and in accordance with:
 - 1) applicable legal regulations, including the Code of Commercial Companies;
 - 2) the Company's Articles of Association; and
 - 3) these Rules.

§ 4

Members of the Supervisory Board

1. The Supervisory Board is composed of 5 (five) to 7 (seven) members to be appointed and dismissed by the Meeting of Shareholders. The number of members of the Supervisory Board shall be defined by the Meeting of Shareholders.
2. Members of the Supervisory Board shall be appointed for a joint term.
3. The term of members of the Supervisory Board shall be 3 (three) years.
4. The term of members of the Supervisory Board shall expire as of the Meeting of Shareholders where financial statements for the last financial year during which the member has performed the function in the Supervisory Board are approved.
5. Before the end of the term, the mandate of the member of the Supervisory Board may expire as a result of resignation, dismissal or death of that member of the Supervisory Board.
6. The term of members of the Supervisory Board appointed to supplement the Supervisory Board shall end as of the end of the term of the Supervisory Board to which they have been appointed.
7. Members of the Supervisory Board shall appoint the Chairman of the Supervisory Board, Vice-chairman of the Supervisory Board and Secretary of the Supervisory Board from among themselves and shall have the right to dismiss those persons, as well. Voting on the above matters shall be held by secret ballot.

§ 5

Chairman of the the Supervisory Board

1. The work of the Supervisory Board shall be managed by the Chairman of the Supervisory Board or, if absent, Vice-chairman of the Supervisory Board.
2. Duties of the Chairman of the the Supervisory Board shall comprise in particular:
 - 1) representing the Supervisory Board before other bodies of the Company and third parties;
 - 2) signing documents and correspondence on behalf of the Supervisory Board;
 - 3) monitoring the work of administration and office staff delegated to operate the Supervisory Board;
 - 4) calling and chairing the meetings of the Supervisory Board;
 - 5) other matters restricted on the basis of the Articles of Association or these Rules to the Chairman of the Supervisory Board.

§ 6

Authorities of the Supervisory Board

1. The Supervisory Board shall supervise the activity of the Company, exercise their rights and fulfil their obligations to the extent set out by the Code of Commercial Companies, Articles of Association of the Company, and these Rules.
2. The Supervisory Board shall be competent to handle issues set out by the Code of Commercial Companies and Articles of Association of the Company.
3. The Supervisory Board shall supervise the Company's activities in all fields on a permanent basis. Special authorities of the Supervisory Board shall comprise:
 - 1) assessing the Directors' reports on the Company's activities and financial statements for a previous financial year in terms of their compliance with books, documents, and actual circumstances, as well as assessing the Directors' requests for profit

- distribution or loss coverage, and submitting an annual written report on the outcome of those assessment to the Meeting of Shareholders;
- 2) suspending, for serious reasons, individual or all Directors;
 - 3) delegating members of the Supervisory Board to temporarily perform duties of those Directors that are not able to fulfil their duties;
 - 4) appointing and dismissing Directors;
 - 5) defining terms of employment and remuneration for Directors;
 - 6) giving a consent to invalidating the non-competition clause applicable to a Director;
 - 7) giving a consent to granting an independent power of attorney;
 - 8) giving a consent to joining new companies or other entities, as well as the Company buying, selling and burdening shares in other companies or other titles of other entities;
 - 9) giving a consent to establishing branches, subsidiaries or agencies in Poland and abroad, as well as R&D centres, production plants, commercial and service facilities;
 - 10) approving the Company's business activity plans (budgets), strategic plans and other types of annual or long-term itemised or financial plans, as prepared by the Directors;
 - 11) giving a consent to buy and sell real properties, perpetual usufruct or a share in real property;
 - 12) giving a consent to making commitments or exercising rights whose value exceeds, on a single basis or in a series of similar activities within subsequent 6 (six) months starting from the first activity, PLN 10,000,000.00 (ten million zloty), provided that those activities are not explicitly stipulated in the Company's annual budget or strategic plan; the consent is not necessary for offers or agreements concerning the performance of supplies/construction or construction and assembly works/services or another similar agreement which does not exceed the Company's core activity, and for issuing bills of exchange, granting guarantees or ordering to grant guarantees, provided that this is connected with the execution of an agreement concerning the performance of supplies/construction or construction and assembly works/services or another similar agreement which does not exceed the Company's core activity;
 - 13) approving material changes in accounting principles, provided that they do not arise from changes in applicable legal regulations;
 - 14) approving the Rules of the Board of Directors;
 - 15) appointing an entity authorised to audit financial statements for the purpose of the audit or review of the Company's financial statements;
 - 16) reviewing and commenting on issues that are subject to resolutions of the Meeting of Shareholders;
 - 17) appointing members of the Audit Committee, including appointing and dismissing the Chairman of the Audit Committee.
4. The Supervisory Board shall represent the Company in agreements and disputes with the Directors, provided that the Supervisory Board is represented by the Chairman of the Supervisory Board or Vice-chairman of the Supervisory Board or another member of the Supervisory Board, as specified in the resolution of the Supervisory Board, on the basis of a specific authorisation to be granted in the form of a resolution.

§ 7

Rights and obligations of members of the Supervisory Board

1. Members of the Supervisory Board shall exercise their rights and perform their obligations in person.
2. The Supervisory Board may delegate its members to perform specific supervisory duties on their own.
3. Members of the Supervisory Board that are delegated to perform supervisory duties on their own shall be subject to a non-competition clause to the same extent like the Directors.
4. In the event a member of the Supervisory Board is delegated to temporarily perform duties of the Directors, that member's mandate in the Supervisory Board and right to remuneration for the performance of functions of the member of the Supervisory Board shall be suspended.
5. In consideration for the performance of the function of a Director, the delegated member of the Supervisory Board shall be entitled to separate remuneration, as resolved by the Supervisory Board, however no higher than the present remuneration of the President of the Board of Directors for the performance of functions in the Board of Directors.
6. The Supervisory Board shall submit a report on their activities in the previous financial year and present their assessment of the Company's standing, including the assessment of an internal control system and the Company's material risk management system, to the Annual Meeting of Shareholders.
7. Immediately upon taking over the function of the member of the Supervisory Board, however no later than at the first meeting of the Supervisory Board, each member of the Supervisory Board shall submit his/her address data (address for delivery, e-mail or fax) in writing to the Chairman of the Supervisory Board for contact purposes, including the submission of a notice on meetings of the Supervisory Board. The Chairman of the Supervisory Board shall submit addresses for delivery, e-mails and fax numbers of members of the Supervisory Board to the Directors of the Company. The member of the Supervisory Board shall immediately notify the Chairman of the Supervisory Board in writing of any change in the address and the Chairman of the the Supervisory Board shall notify the Directors of that change.
8. All statements addressed to the Supervisory Board between meetings shall be delivered to the Chairman of the Supervisory Board or, if absent, Vice-chairman of the Supervisory Board.
9. Terms and amounts of remuneration for members of the Supervisory Board shall be defined by the Meeting of Shareholders.
10. The Company established the Audit Committee, whose composition, duties and authorities are set out by applicable legal regulations on establishing the audit committee and on the audit committee's operation. Members of the Audit Committee, including the Chairman of the Audit Committee, are appointed by the Supervisory Board from among members of the Supervisory Board. The term of a member of the Audit Committee shall expire as of the expiry of the term of a member of the Supervisory Board appointed as the member of the Audit Committee. The Supervisory Board shall also have the right to dismiss individual members of the Audit Committee, as well as the Chairman of the Audit Committee any time. Members of the Audit Committee shall fulfil the requirements, including requirements for their knowledge, skills and independence, set out by applicable legal regulations on establishing the audit committee and the audit committee's operations. The Supervisory Board may adopt the Rules of the Audit Committee.

§ 8

Meetings of the Supervisory Board

1. The meetings of the Supervisory Board shall be called at least 1 (once) a quarter by the Chairman of the Supervisory Board at own initiative, at a request of the Board of Directors or a member of the Supervisory Board. The request for calling the meeting of the Supervisory Board shall contain a suggested agenda. If the Chairman of the Supervisory Board fails to call the meeting within 2 (two) weeks of the receipt of the request, the requesting person may call the meeting of the Supervisory Board on their own by specifying the date, place and suggested agenda.
2. The first meeting of the Supervisory Board shall be called by the Directors within 14 (fourteen) days of the appointment of the Supervisory Board.
3. The invitation to the meeting shall be deemed to be effective provided that it is sent to an address for delivery or electronically to an e-mail address and the member of the Supervisory Authority shall specify those addresses to the Company and the Chairman of the Supervisory Board immediately upon the member's appointment. The record of addresses for delivery and e-mails of members of the Supervisory Board shall be kept by the Directors. The Directors shall make the record available to any member of the Supervisory Board for the purpose of calling the meeting of the Supervisory Board.
4. The invitation to the meeting of the Supervisory Board shall be sent at least 3 (three) days before the suggested meeting date and shall contain the date, place and suggested agenda. Materials related to issues of the agenda shall be sent together with the invitation to the meeting of the Supervisory Board.
5. The meetings of the Supervisory Board shall be held at the Company's offices, in Katowice, Bielsko-Biała, Kraków, Warsaw or another place to be agreed by all members of the Supervisory Board.
6. The Supervisory Board may pass resolutions in writing or by the use of remote direct communication media (including the use of technical means enabling a direct contact in the form of a teleconference) or by electronic mail. The Supervisory Board shall be requested to pass a resolution in writing or by the use of remote communication media by the Chairman of the Supervisory Board at own own initiative or at a request filed at least 2 (two) members of the Supervisory Board to pass a resolution in writing or by the use of remote direct communication media (hereinafter referred to as the "Request"). The Chairman shall review the Request within the period set out therein. If the Request is not reviewed by the Chairman of the Supervisory Board within the period set out in the previous sentence, the Vice-chairman of the Supervisory Board may order that the resolution of the Supervisory Board is adopted in one of the aforementioned ways (the second and third sentence shall apply accordingly). The resolution shall be deemed to be valid provided that all members of the Supervisory Board have been notified of the content of the draft thereof.
7. Members of the Supervisory Board may take part in passing the resolutions of the Supervisory Board by casting their vote in writing via another member of the Supervisory Board. Votes may not be cast in writing in relation to issues that have been incorporated into the agenda during the meeting of the Supervisory Board.
8. Resolutions of the Supervisory Board may be passed in the way set out in Sections 5 and 6 above, unless voting on the issues has been excluded by virtue of the Code of Commercial Companies. Those resolution shall be deemed to be valid provided that all members of the Supervisory Board have been notified of the content of the draft thereof.

9. Minutes from each meeting of the Supervisory Board shall be drawn up in writing. Minutes shall contain an agenda, full names of members of the Supervisory Board that were present at the meeting, as well as full names of other persons present at the meeting, a number of votes cast for particular resolutions and dissenting opinions. Minutes shall be signed by members of the Supervisory Board that were present at the meeting.

§ 9 Meeting procedures

1. The Chairman of the the Supervisory Board shall open, chair and take care of the meeting.
2. The Chairman of the the Supervisory Board shall have the right and obligation in particular to:
 - 1) open the meeting, confirm that the meeting has be called correctly, and suggest the agenda of the meeting;
 - 2) chair and close discussions on individual items of the agenda;
 - 3) give the floor to persons attending the meeting;
 - 4) submit resolutions for vote and call for vote;
 - 5) appoint a person that will prepare minutes from the meeting and resolutions of the Supervisory Board, unless those activities are carried out by the Secretary of the Supervisory Board;
 - 6) close the meeting.
3. In the event the Chairman of the Supervisory Board is absent, the rights and obligations set out in Sections 1 and 2 above shall be taken over by the Vice-chairman of the Supervisory Board. If the Vice-chairman of the Supervisory Board is also absent, those rights and obligations shall be taken over by one of members of the Supervisory Board indicated by the Chairman of the Supervisory Board.

§ 10 Attendance of persons not being members of the Supervisory Board at meetings of the Supervisory Board

The meetings of the Supervisory Board may be attended by Directors and other persons invited by the Chairman of the Supervisory Board.

§ 11 Resolutions of the Supervisory Board

1. The Supervisory Board shall make decisions in the form of resolutions.
2. The Supervisory Board may pass resolutions provided that all members have been correctly invited to the meeting and at least a half of members of the Supervisory Board, including the Chairman or Vice-chairman of the Supervisory Board, attend the meeting.
3. The resolutions of the Supervisory Board may be passed only on matters incorporated into the agenda. This shall not apply if all members of the Supervisory Board are present at the meeting and none of them objects to passing a resolution on a matter that is not incorporated into the agenda.
4. The Supervisory Board shall pass resolutions in an open vote.
5. Secret ballot shall be ordered for the election of the Chairman of the Supervisory Board, Vice-chairman of the Supervisory Board and Secretary of the Supervisory Board, as well as the dismissal of any those persons.
6. The Supervisory Board shall pass resolutions by absolute majority of votes cast.

7. In the event of a conflict of interest with a personal interest of the member of the Supervisory Board of that member's spouse, next of kin or in-law, the member of the Supervisory Board shall refrain from taking part in making decisions on those issues and shall request that fact to be recorded in the minutes from the meeting.
8. The resolutions passed at the meeting shall be signed at that meeting by all members of the Supervisory Board that attend the meeting.
9. The resolutions shall bear numbers within subsequent years.

§ 12 Minutes

1. Minutes from each meeting of the Supervisory Board shall be drawn up in writing. Minutes shall contain an agenda, full names of members of the Supervisory Board that were present at the meeting, as well as full names of other persons present at the meeting, a number of votes cast for particular resolutions and dissenting opinions.
2. Minutes shall be signed by all members of the Supervisory Board that were present at the meeting the minutes are related to. Minutes from the previous meeting shall be signed at the following meeting of the Supervisory Board.
3. The minutes and resolutions shall be drawn up by the Secretary of the Supervisory Board, if any, or a member of the Supervisory Board indicated by the Chairman of the Supervisory Board or a person being an employee of the Company.
4. The minutes shall be supplemented with resolutions passed at the meeting of the Supervisory Board.
5. The minutes from individual meetings, together with resolutions of the Supervisory Board shall be kept in the book of minutes and resolutions.
6. The book of minutes and resolutions shall be stored in the Company's registered office.
7. Each member of the Supervisory Board shall have the right to view the book of minutes and resolutions.

§ 13 True copies of resolutions

The Supervisory Board may issue true copies of their resolutions if necessary or recommended in connection with the Company's economic activity. True copies of resolutions shall be certified by the Chairman of the Supervisory Board and shall bear the date of adoption.

§ 14 Miscellaneous

1. Any and all information obtained by members of the Supervisory Board as a result of the performance of their duties connected with the Company's statutory activities shall be confidential and shall be kept secret by each member of the Supervisory Board.
2. The Directors shall ensure the operation of the Supervisory Board.
3. The Supervisory Board may use offices and office equipment of the Company, as well as may be supported by the Company's office staff.
4. The cost connected with the operation of the Supervisory Board shall be paid by the Company.
5. These Rules shall come into force as of their adoption by the Supervisory Board and approval by the Meeting of Shareholders. All amendments hereto shall be adopted by the Supervisory Board and approved by the Meeting of Shareholders.