

**REGULATIONS FOR THE SUPERVISORY BOARD OF “WORK SERVICE” S.A.**  
**- consolidated text after amendments adopted by Ordinary General Meeting of October 15,**  
**2020**

**Definitions**

For the purpose of these Regulations, the following expressions shall have the following meaning:

- a) Supervisory Board – means the Company’s Supervisory Board;
- b) Chairman – means the Chairman of the Supervisory Board;
- c) Member of the Supervisory Board – means each and every member of the Supervisory Board unless the context where the term has been used stipulates that it does not refer to the Chairman;
- d) Secretary – means a person appointed by the Company or the Supervisory Board to deal with organizational and office matters of the Supervisory Board;
- e) Meeting – means the meeting of the Supervisory Board;
- f) General Assembly – means the General Assembly of Shareholders of the Company;
- g) Management Board – means the Company’s Management Board;
- h) Articles of Association – means the Company’s Articles of Association;
- i) Company – means „WORK SERVICE” S.A. with its registered seat in Wrocław;
- j) Business Plan – means the Company’s business plan for years 2013 – 2017 which has been approved by way of a resolution no. 1 of the Supervisory Board of 6 February 2013.

**I. GENERAL PROVISIONS**

**§ 1**

The Supervisory Board is a collective body exercising permanent supervision and control over all areas of the activities of the Company.

**§ 2**

1. The Supervisory Board performs the activities foreseen in the Commercial Companies Code, other valid laws, the Articles of Association and these Regulations.

2. Members of the Supervisory Board shall exercise due care so that their activities as well as the activities of the members of the Management Board meet the requirements of the principles of corporate order, especially good practice of companies listed in the Warsaw Stock Exchange.
3. All and any letters and declarations to the Supervisory Board shall be sent to the Company's address.

## **II. COMPOSITION AND ELECTION OF THE MEMBERS OF THE SUPERVISORY BOARD**

### **§ 3**

1. Members of the Supervisory Board are appointed for a joint three-year term of office. Re-election as a member of the Supervisory Board for the next term of office of the same persons is acceptable.
2. The Supervisory Board consists of 5 to 10 members, including the Chairman and the Deputy Chairman. The number of members of the Supervisory Board of a given term of office shall be established by the General Meeting. Until the Company's shares are admitted to trading in the regulated market in the territory of the Republic of Poland, at least two members of the Supervisory Board shall meet the criteria of independence of the Company and entities being materially related to the Company resulting from the rules of corporate order applicable in the regulated market in the territory of the Republic of Poland in which the Company's share are or are to be listed („Independent Member of the Supervisory Board”).
3. In the case of resignation prior to the lapse of the term of office or in the case of death of a member of the Supervisory Board, the remaining members of the Supervisory Board, irrespective of their number, shall have the right to co-opt a new member in the place of the resigning or deceased member of the Supervisory Board. The number of members of the Supervisory Board co-opted and not approved by the General Meeting of the Shareholders shall not exceed one-fourth of the number of the members of the Supervisory Board of a given term of office. The co-opted members of the Supervisory Board shall be approved by the next General Meeting of the Shareholders and their term of office expires along with the lapse of the term of office of the Supervisory Board. If the General Meeting of the Shareholders has not approved the co-opted members of the

Supervisory Board, their term of office expires along with the closing of the session of the General Meeting of the Shareholders referred to above.

4. Members of the Supervisory Board shall be appointed by the General Meeting.
5. Each candidate for a member of the Supervisory Board submits a written statement with his consent to running and assures that he or she is not aware of any circumstances causing that his or her election to the position of a member of the Supervisory Board would infringe the law or the Articles of Association. The statement shall be submitted through the agency of a member of the Supervisory Board announcing such candidacy. Besides, the candidate for an Independent Member of the Supervisory Board submits a written declaration on fulfilling the independence criteria referred to in par. 2.
6. The Independent Member of the Supervisory Board should meet the independence criteria referred to in par. 2 above during the whole term of office. If during the term of office the Independent Member of the Supervisory Board has ceased to meet any of the criteria referred to in the preceding sentence, he shall immediately notify the Management Board of the Company of such in writing, however no later than within 3 (three) days of the event causing that the said criteria are no longer met or being provided with such information.
7. Failure to meet the independence criteria referred to in par. 2 above by any member of the Supervisory Board or loss of the status of the Independent Member of the Supervisory Board during the term of office shall not result in the expiry of his mandate, nor shall it affect the capacity of the Supervisory Board to perform competence provided for in the Commercial Companies Code and the Articles of Association.

#### § 4

1. The Supervisory Board shall elect at its first meeting a Chairman of the Supervisory Board and a Deputy Chairman of the Supervisory Board from among themselves unless such persons have been elected by the General Assembly to perform specific functions in the Supervisory Board.
2. The Supervisory Board may dismiss the Chairman and the Deputy Chairman and appoint other persons from among the members of the Supervisory Board to perform such functions. The Supervisory Board shall not be entitled to do so if the Chairman and the Deputy Chairman have been appointed by the General Assembly to perform their functions (of the Chairman or the Deputy Chairman, accordingly) in the Supervisory Board.

3. If a new person has been co-opted to the Supervisory Board as a Chairman or a Deputy Chairman of the Supervisory Board, it is necessary that a meeting of the Supervisory Board be convened forthwith for the purpose of electing the Chairman or the Deputy Chairman. If members of the Supervisory Board have been co-opted simultaneously to perform the function of the Chairman and his Deputy, the first meeting may be convened by each member of the Supervisory Board.

## § 5

1. Each member of the Supervisory Board shall be entitled and obliged to take part in the meetings of the Supervisory Board.
2. Members of the Supervisory Board perform their rights and duties in person, whereas they are obliged to treat business secret confidential.

## § 6

1. Mandates of the members of the Supervisory Board expire on the date of holding the General Assembly confirming the financial statements for the last year of their term of office.
2. The mandate of the member of the Supervisory Board shall also expire as a result of:
  - a) his dismissal,
  - b) his resignation,
  - c) death of the member of the Supervisory Board,
  - d) having been sentenced under a final and non-appealable sentence for the offence set out in Art. 18 § 2 of the Commercial Companies Code,
  - e) a final and non-appealable ruling prohibiting the performance of functions in supervisory boards pursuant to the provisions of the Bankruptcy and recovery law,
  - f) assuming the function or being employed by the Company at the positions set out in Art. 387 of the Commercial Companies Code.
3. A member of the Supervisory Board shall not resign his function if it could negatively affect the activity of the Supervisory Board, including the passing of resolutions by it.

### **III. THE PROCEDURE FOR CONVENING AND HOLDING MEETINGS**

## § 7

1. The Supervisory Board shall be convened as the need arise, not less frequently, however, than once in the calendar quarter.
2. Meetings of the Supervisory Board are held in or outside the Company's seat.

## § 8

1. Sessions of the Supervisory Board shall be convened by the Chairman at their own initiative or within 3 days of receipt of a request of a member of the Supervisory Board or the Management Board. The request referred to in the preceding sentence shall be submitted in writing or via electronic mail and it shall contain the proposed agenda. If the Chairman is not able to convene the session or to arrive at the session of the Board, the Chairman shall be replaced in this scope by the Deputy Chairman. The Chairman of the Supervisory Board of the previous term of office convenes and opens the first session of the new Supervisory Board and chairs it until the new Chairman has been appointed.
2. If within two weeks of notifying the Chairman of the Supervisory Board of the previous term of office by the Company's Management Board of the appointment of the members of the Supervisory Board of the next term of office by the General Assembly, the Chairman fails to convene the first meeting of such Supervisory Board, the meeting of the Supervisory Board shall be convened by the President of the Company's Management Board. During the absence of the Chairman of the Supervisory Board of the previous term of office the meeting shall be opened by the President of the Management Board.
3. The agenda of the meeting of the Supervisory Board shall be proposed by the Chairman on his own initiative or taking into account demands of individual members of the Supervisory Board, and if it is impossible for him to convene such meeting, the Deputy Chairman or other person appointed by the Chairman, and it shall be approved by the Supervisory Board.

## § 9

1. Notification of the session of the Supervisory Board shall be made in writing or via electronic mail, specifying the venue and the proposed agenda. The notification shall be accompanied by draft resolutions and other materials concerning issues submitted to the agenda of the session of the Supervisory Board.

2. The notification shall be handed over to all the members of the Board within at least 3 days prior to the planned session.
3. The notification of the session shall be served to the place of residence of the members of the Board or to other address for deliveries indicated by the member of the Board, including e-mail address, which shall not exclude the possibility of collecting the notification personally in the Company's registered office. The member of the Board shall be obliged to notify the Board of each change of the address, otherwise the notification served to the previously indicated address shall be deemed to have been effective.
4. The date and venue of the meeting of the next meeting of the Supervisory Board may also be established during a current meeting with effect towards the members of the Supervisory Board present at such meeting. In such event notifications shall be only sent to those members of the Supervisory Board who have not been present at the meeting.
5. In special circumstances the Board can hold the session without the session being formally convened if all the members of the Board express their consent thereto on the date of the session at the latest or if they sign the attendance list.
6. The agenda for the meeting of the Supervisory Board may be supplemented or abridged if all the members of the Supervisory Board are present and no one has objected to the aforementioned amendment.

## § 10

1. Only the members of the Supervisory Board shall have the voting right at the meetings of the Supervisory Board. Subject to § 11 par. 4, the right to vote shall not be transferred to other persons.
2. Meetings of the Supervisory Board are held without the participation of the Management Board. Should the need arise, members of the Management Board, employees of the Company and other persons may be invited to the meetings of the Supervisory Board, without a right to participate in the voting, for the purpose of providing explanations or information.
3. The chairman of the meeting shall be obliged to:
  - a) present the agenda for the meeting and supplementations, if any,
  - b) give the floor to individual members of the Supervisory Board,
  - c) formulate draft proposals and arrangements to individual issues on the agenda,
  - d) order a vote on draft resolutions.

## § 11

1. Resolutions of the Supervisory Board can be passed if at least half of its members are present at the session and all its members have been invited at least 3 days prior to the planned session. Resolutions of the Supervisory Board shall also be valid when its member notified within the shorter period of time than the period of time referred to in the preceding sentence declares in writing that they give consent to the content of the resolution of the Supervisory Board or arrive at the session of the Supervisory Board.
2. Members of the Supervisory Board may participate in the adoption of resolutions of the Supervisory Board by way of giving their vote in writing through another member of the Supervisory Board. The casting of the vote in writing may not concern matters put on the agenda during the meeting of the Supervisory Board.
3. The session of the Supervisory Board can be attended personally or with the use of means of distance communication. The Supervisory Board can pass resolutions at the session or in lieu of the session in writing or with the use of means of distance communication. A resolution of the Supervisory Board passed in lieu of the session is valid on condition that all its members have been notified of the content of the draft resolution and at least half of its members took part in passing the resolution. Voting in lieu of the session of the Supervisory Board can be ordered by the Chairman or Deputy-Chairman of the Supervisory Board upon their own initiative or upon a request of a member of the Supervisory Board or of the Management Board.
4. Resolutions of the Supervisory Board shall be adopted with the ordinary majority of votes cast.
5. In the event of an equal number of votes while the ordinary majority of votes is required, the person chairing the meeting shall have a casting vote.
6. If the specific resolution in the form and of the content presented in the invitation to the session of the Supervisory Board has not been adopted, then such resolution can be put to the vote again at the next session of the Supervisory Board which shall be held no sooner than after the lapse of forty two (42) and not later than after the lapse of forty five (45) days of the date of the session of the Supervisory Board that has not adopted such resolution.
7. Resolutions are passed in open voting, with the exception of casting a vote in the following matters:

- a) the appointment and dismissal of the Chairman of the Supervisory Board or the Deputy Chairman,
  - b) in other matters upon the application of at least one member of the Supervisory Board present at the meeting.
8. Resolutions of the Supervisory Board shall include:
- a) the number,
  - b) the date,
  - c) the content of the resolution,
  - d) the date for the resolution to become effective,
  - e) the manner and result of the voting,
  - f) a signature of the Chairman of the Supervisory Board or the Deputy Chairman (acting during the absence of the Chairman).
9. It is impossible for the resolutions to be passed in matters not covered by the agenda for the meeting provided that all the members of the Supervisory Board are present and no one raised an objection thereto.
10. In the event of an existing or a possible conflict of interest, a member of the Supervisory Board shall notify the other members of the Supervisory Board and refrain from taking part in a discussion and from voting for the adoption of the resolution, which gave rise to the conflict of interest.

## § 12

1. Minutes of meetings of the Supervisory Board are drawn up by a Secretary.
2. The minutes shall include:
  - a) the number,
  - b) the date and venue of the meeting,
  - c) names and surnames of the members of the Supervisory Board present at the meeting and other persons invited to the meeting,
  - d) the agenda of the meeting,
  - e) the surname of the person chairing the meeting,
  - f) the content of resolutions passed,
  - g) the number of votes cast in favour of individual resolutions,
  - h) different judgements submitted by the members of the Supervisory Board,
  - i) the method of voting,



- j) signatures of the members of the Supervisory Board present at the meeting.
- 3. Each minutes of the meeting shall include an annotation on the existence or lack of reservations as to the manner of convening the meeting, added prior to such meeting.
- 4. The minutes shall be signed each time by the Chairman of the Supervisory Board or a person acting on his behalf and by the Secretary.
- 5. Original minutes as well as all and any attachments thereto which are the subject of the meeting shall be kept in the Minutes Book in the Company's seat. Members of the Supervisory Board who are not present at the meeting of which the minutes has been taken shall obtain its copy for their attention.
- 6. Unless the Supervisory Board resolves otherwise, the Company's Management Board shall be provided by the Chairman, the Deputy Chairman or other member of the Supervisory Board with the content of resolutions passed. The Management Board shall confirm in writing its having read the content of the adopted resolutions.
- 7. The Supervisory Board shall appoint a person responsible for keeping the minutes book of the Supervisory Board, making copies of resolution and providing them to authorized persons as well as for preparing materials for the meetings of the Supervisory Board.

### § 13

- 1. Provisions of preceding articles shall be applied accordingly to pass resolutions through means of instantaneous communications with amendments resulting from the provisions provided hereinbelow.
- 2. The adoption of resolutions through means of instantaneous communications may be effected on condition that all the members of the Supervisory Board have been notified of the content of a draft resolution.
- 3. Notifications referred to above shall specify at least:
  - a) what members of the Management Board and with the use of what means of instantaneous communications are available for the purpose of providing explanations,
  - b) a method of providing votes of the members of the Supervisory Board.
- 4. A member of the Supervisory Board who organizes voting in line with the procedure referred to in § 13 par. 2 shall assure that the content of the adopted resolutions be recorded to enable to play back the course of voting and shall prepare a minutes containing:
  - a) the number,

- b) the date,
  - c) names and surnames of the members of the Supervisory Board taking part in voting and participating in the meeting,
  - d) the agenda,
  - e) the surname of the person chairing the meeting,
  - f) the content of the adopted resolutions,
  - g) the number of votes cast in favour of individual resolutions,
  - h) different opinions submitted by the members of the Supervisory Board,
  - i) the method of voting.
5. Resolutions passed through means of instantaneous communications shall become effective on the date they are passed.
6. Provisions of par. 1 - 5 shall be applied accordingly to the parts of the meeting of the Supervisory Board which – with the consent of all the members of the Supervisory Board present in person at such meeting – have been discontinued and the decision has been made to finish them through means of instantaneous communications.
7. The Supervisory Board may pass resolutions by circulation (in writing) if all its members give consent thereto and cast their vote.

#### **IV. TASKS AND COMPETENCES OF THE SUPERVISORY BOARD**

##### **§ 14**

1. The Supervisory Board exercises permanent supervision and control over the Company's activities.
2. The competence of the Supervisory Board shall include in particular:
  - a) reviewing the Company's financial reports and the Management Board's report as well as the Management Board's motions on the allocation of profit or coverage of losses and submitting yearly written reports to the General Assembly of Shareholders on the results of such review, of the review of its work as well as a concise review of the Company's situation taking into account the review of the internal audit and the system of managing risk significant for the Company;
  - b) appointment and dismissal of the members of the Management Board, subject to § 17 par. 3 and 4 of the Company's Articles of Association and representation of the Company in contracts and disputes with the members of the Management Board,

unless proxy has been appointed to this effect by way of a resolution of the General Meeting;

- c) suspending the activities of individual members of the Management Board for important reasons, as well as delegating members of the Supervisory Board to temporarily perform the activities of members of the Management Board who are not able to exercise their functions;
- d) approving the Management Board's by-laws;
- e) giving consent to all and any benefits by the Company and its related entities for the members of the Management Board;
- f) giving consent to the conclusion of transactions by the Company and: (i) its shareholders authorized to exercise more than 5% votes at the General Assembly of the Company, (ii) any related persons of such shareholders, including persons controlling such shareholders, (iii) members of the Company's bodies, their relatives and subsidiaries of the members of the Company's bodies. For the purpose of this article a related entity shall be interpreted in accordance with valid regulations on current and periodic information submitted by issuers of securities;
- g) giving consent to the payment of an advance on the dividends;
- h) choice and change of an entity authorized to review financial reports, including a consolidated financial report of the Company or its capital group;
- i) choice of an independent external auditor of the Company;
- j) approval of yearly and periodic financial plans (budgets) submitted by the Company's Management Board and crucial amendments to such plans;
- k) employing and establishing employment conditions (including remuneration, rewards and bonuses) for the members of the Company's Management Board;
- l) giving consent to the issue of ordinary bonds by the Company;
- m) giving consent to the merger, transformation or liquidation of the Company or its subsidiaries;
- n) giving consent to the acquisition and sale by the Company of real estate, perpetual usufruct or share in the real estate;
- o) giving consent to the following activities to be performed by the Company: lease, establishment of the right of perpetual usufruct, rental, ledge, mortgage charge, establishment of other collaterals, pre-emption right, or granting other rights to any part of the Company's enterprise or assets, excluding, however, the granting of the same to direct or indirect subsidiaries of the Company and with the exception of

charges connected with bank credits or loans which do not require the consent of the Supervisory Board according to section r) below;

- p) giving consent to the conclusion by the Company of contracts concerning the establishment of significant strategic cooperation, e.g. in form of partnerships or joint venture companies, unless they have been approved in the Business Plan or the annual budget;
- q) giving consent to capital expenditure made by the Company of a total value exceeding EUR 1,000,000 (one million euro), unless such expenditure has been planned and approved in the Business Plan or the annual budget;
- r) giving consent to contracting loans and credits by the Company if the value of a single credit or loan exceeds the amount of EUR 2,500,000 (two million five hundred thousand euro) or the total amount of credits or loans contracted during any three following months exceeds the amount of EUR 2,500,000 (two million five hundred thousand euro), unless such credits or loans have been planned and approved in the Business Plan or the annual budget;
- s) giving consent to the granting by the Company of one or a bigger number of performance bonds by one or a bigger number of third parties with a total value exceeding EUR 100,000 (one hundred thousand euro), which is not connected with normal business activity and everyday operational activity but with the exception of direct or indirect performance bonds of the Company's subsidiaries;
- t) giving consent to the acquisition, subscription or sale by the Company of shares, funds units or other securities in other capital companies, partnerships or entities and to joining by the Company civil partnerships, excluding the acquisition and sale of governmental or bank securities for a period of up to 360 days as a form of managing the Company's cash position;
- u) giving consent to the establishment and liquidation of new companies or branches;
- v) giving consent to the implementation of motivation programmes in the Company, especially to the granting by the Company of the right to acquire or subscribe for shares as part of managerial options and to change such programmes;
- w) approval of all untypical matters not related to the Company's enterprise or being beyond its normal activities in other manner, with the value exceeding the amount of EUR 1,000,000 (one million euro), or transactions limiting the Company's activity (geographically or in other manner, especially containing clauses limiting the

- competition), unless they have been approved in the Business Plan or the annual budget;
- x) initiation by the Company or amicable settlement of court or arbitrary proceedings with the value of the dispute exceeding the amount of EUR 200,000 (two hundred thousand euro) or a few similar proceedings with a total value of the dispute exceeding the amount of EUR 500,000 (five hundred thousand euro);
  - y) giving consent to the conclusion by the Company of one or more contracts with the same entity or a natural person for the performance of work or services if the remuneration or expenses on account of such work or services exceed the amount of EUR 500,000 (five hundred thousand euro) within any period of three following months;
  - z) giving consent to making a donation by the Company, including the donation to charity, with the value exceeding in aggregate the amount of EUR 15,000 (fifteen thousand euro) within any year, or the donation to any political organizations;
  - aa) issue of capital shares in the Company or any subsidiary of the Company other than the issue of capital issued by the Company's subsidiary or on the basis of managerial motivation programmes;
  - bb) acquisition by the Company of assets with a total value exceeding the amount of EUR 500,000 (five hundred thousand euro), unless they have been approved in the Business Plan or the annual budget;
  - cc) giving consent to the amendments to the Business Plan;
  - dd) giving consent to the conclusion by the Company of any crucial contract resulting in the Company's obligations exceeding the amount of EUR 2,000,000 (two million euro), unless such contracts have been planned and approved in the Business Plan or the annual budget;
  - ee) giving consent to the granting by the Company of loans to third parties with the value exceeding the amount of EUR 500,000 (five hundred thousand euro), excluding loans granted to direct or indirect subsidiaries of the Company;
  - ff) authorizing the Chairman of the Supervisory Board to demand that the meeting of the Management Board be convened;
  - gg) demanding that the Management Board convene the General Assembly and put specific issues on its agenda;
  - hh) giving opinions on the matters on the agenda of the General Assembly if the Management Board asks for such opinion;

- ii) taking a stand in issues raised by the Management Board;
  - jj) specification of the elements of the remuneration policy of the members of the Management Board and the Supervisory Board if the Supervisory Board has been authorised to perform such actions by the General Meeting;
  - kk) deciding on temporary withdrawal from the application of the remuneration policy of the members of the Management Board and the Supervisory Board in cases and on the terms specified by the General Meeting in this document;
  - ll) preparation of the annual report on the remuneration of the members of the Management Board and the Supervisory Board.
3. At least one Independent Member of the Supervisory Board must vote for a resolution on giving consent to the matters listed in par. 2 sections e, f, h for such resolution to be valid if such person is a member of the Supervisory Board.
  4. The scope of activities performed by a delegated member of the Supervisory Board shall be specified each time by the Supervisory Board or the Chairman of the Supervisory Board on its behalf. A member of the Supervisory Board delegated to perform individual activities as well as a member of the Supervisory Board delegated by a group of shareholders to exercise permanent supervision in accordance with the provisions of the Commercial Companies Code shall provide the Supervisory Board with a detailed report of his function at the next meeting after taking such activities and at least once a year during the meeting of the Supervisory Board convened prior to the Ordinary General Assembly.
  5. The Chairman of the Supervisory Board has a right to participate in the meeting of the Management Board if it has been convened at the demand of the Supervisory Board. The Chairman shall immediately notify the other members of the Supervisory Board of arrangements made by the Management Board in the scope of issues recognized during the meeting he has attended.
  6. Members of the Supervisory Board shall participate in the meeting of the General Assembly in the composition which provides content-related reply to questions asked during the meeting.

## § 15

1. The Supervisory Board shall exercise its tasks and competence by performing supervisory and controlling activities such as:

- a) review of all the Company's documents,
  - b) the right to demand reports and explanations from the Management Board and employees,
  - c) the right to review the Company's property.
2. For the purpose of the proper performance of its tasks, the Supervisory Board may consult legal advisors or expert auditors of the Company or, when necessary, to appoint experts in order to have suitable opinions prepared. Such recommendations shall be effected at the request and cost of the Company.
  3. Members of the Supervisory Board shall take suitable activities in order to be provided by the Management Board with regular and exhaustive information on all crucial matters concerning the Company's activity and the risk connected with such activity as well as on the methods of managing such risk. In case of matters of the utmost urgency Members of the Supervisory Board shall be informed by the Management Board by circulation (in writing). In such case the Management Board shall submit written information to the hands of the Chairman of the Supervisory Board.
  4. Each Member of the Supervisory Board shall observe valid principles of protecting the information into the possession of which he has come in connection with his activity in the Supervisory Board, including the information constituting business secret or confidential information within the meaning of the law on the trading in financial instruments, especially he should neither reveal nor use such type of information contrary to the law, nor should he enable unauthorized persons to get access to the information possessed by him.
  5. Each member of the Supervisory Board shall have proper knowledge and experience and be able to dedicate a necessary period of time to perform his duties. A member of the Supervisory Board shall take suitable activities so that the Supervisory Board has been provided with the information on crucial matters concerning the Company.
  6. Each member of the Supervisory Board shall be guided by the Company's interest and independence of opinions and judgements, in particular he shall:
    - a) not accept unjustified profits that could question independence of his opinions and judgements;
    - b) expressly raise his objection and provide different opinion upon finding the Supervisory Board's decision standing in contradiction to the Company's interest.
  7. A member of the Supervisory Board may not take interest in a competitive company without the consent of the General Assembly as a shareholder of civil partnership and a

capital company or as a member of a body of the capital company, or take interest in other competitive legal person as a member of its body. The aforementioned prohibition shall not refer to functions or shares in companies belonging to the Company's capital group.

8. A member of the Supervisory Board shall provide the Management Board with the information on his relations with a shareholder holding shares representing no less than 5 % of the total number of votes at the General Assembly.

## § 16

1. A member of the Supervisory Board shall be obliged to inform the Supervisory Board about any conflict of interest and refrain from having the floor in the discussion and from voting on the resolution concerning the matter which gave rise to the conflict of interest.
2. The conflict of interest shall be understood as circumstances that might result in a conflict between the interest of the Member of the Supervisory Board or his related entity and the interest of the Company or its Capital Group.
3. The conflict of interest may occur in particular when:
  - a) a member of the Supervisory Board or his related entity may gain profits or avoid losses as a result of suffering loss or a failure to gain profits by the Company or its Capital Group;
  - b) a member of the Supervisory Board or his related entity has an objective reason to prefer a concrete entity in his relations with the Company or an entity from its Capital Group;
  - c) material interest of the Member of the Supervisory Board diverges from the material interest of the Company or an entity from its Capital Group;
  - d) a Member of the Supervisory Board or his related entity conducts the same activity as the Company or its Capital Group;
  - e) a Member of the Supervisory Board or his related entity receives material profit from other entity which is or is to be the contracting party of the Company or an entity from its Capital Group in connection with services rendered for such other entity;
  - f) a Member of the Supervisory Board shall become involved in business activity or other type of activity outside the Company in a manner which hinders him from dedicating necessary period of time for the performance of his duties for the Company or its Capital Group.



## § 17

1. A Member of the Supervisory Board shall be obliged within 3 days of the acquisition or sale of the Company's shares or derivative instruments or other instruments connected with such instruments or the Company's shares or a parent or the Company's subsidiary company as well as of the conclusion with the Company or one of companies referred to above the transaction crucial for a material situation of the member of the Supervisory Board to provide the Management Board with written information on such event.
2. The information referred to in par.1 shall contain detailed data of the number, series and price of shares respectively, as well as the issuer and seller or buyer or concerning the other party of the transaction, its value and subject matter. Transactions which are crucial for the material situation of the member of the Supervisory Board shall not encompass transactions the value of which does not exceed the amount of PLN 50,000 on a one-off basis and in the period of the next twelve months.
3. A member of the Supervisory Board shall provide the Company's Management Board with the information on his relations to the shareholder holding shares representing no less than 5% of the total votes cast during the General Assembly. The obligation mentioned above shall refer to economic, family or other relations, which may influence the stand of the Supervisory Board's member on the matter resolved by the Supervisory Board.
4. In the event of reaching by any entity a given number of votes referred to above at the General Assembly, the Management Board shall inform about it in writing the Members of the Supervisory Board at the next meeting of the Supervisory Board - by sending the notification via registered letter. In such event the Members of the Supervisory Board shall be obliged within 3 (three) days of the date of the meeting to submit written information concerning relations.
5. In case of a change in relations referred to in par. 3 above, the Member of the Supervisory Board shall be obliged to update the information submitted before within 7 (seven) days of the date of changing relations.

## **V. COMMISSIONS AND COMMITTEES OF THE SUPERVISORY BOARD**

### § 18

1. The Supervisory Board may appoint by way of a resolution both permanent commissions or committees and the ones for accounting individual problems – specifying the organization, the method of operation and detailed competence of such commissions and committees – as long as matters dealt with by a given commission or committee lie within the scope of competence of the Supervisory Board, whereas as part of the Supervisory Board the following shall be appointed as permanent committees:
  - a) the Audit Committee the activity of which is regulated by the provisions of a relevant act – competent especially as far as the supervision over the Company’s financial reporting as well as the process of auditing the Company’s financial reports is concerned;
  - b) the Payroll Committee – competent especially in issues concerning the supervision over the method and form of remunerating the members of the Company’s Management Board and the implementation of motivation programmes in the Company.
2. Each permanent committee consists of 3 (three) members of the Supervisory Board, including a chairman of the permanent committee, appointed and dismissed by the Supervisory Board, whereas one of the members of the permanent committee must be an independent member referred to in § 3 par. 2 of these Regulations. The same member of the Supervisory Board may be a member of more than one permanent committee.
3. Work of the permanent committee is supervised by the chairman of the permanent committee.
4. The permanent committee adopts resolutions being within its competence. Resolutions of the permanent committee are passed with an ordinary majority of votes cast; in case of an equal number of votes cast, the chairman of the permanent committee shall have a casting vote. As far as issues not covered by these Regulations are concerned, the permanent committee may by way of a resolution establish a detailed organization and the method of its operation.

## § 19

1. The Audit Committee shall consist of at least 3 (three) members, including:
  - a) one member must have knowledge and skills in accounting or auditing;
  - b) the members of the committee have knowledge and skills for the scope of the industry in which the Company operates - the condition is fulfilled if at least one

member of the Audit Committee has knowledge and skills in the industry or individual members within the defined scope have knowledge and skills in the industry;

- c) the majority of the members of the Audit Committee, including the chairman, must meet the criterion of independence. The independent member referred to above must meet the criteria of independence provided for in Art. 129 sec. 3 of the Act of 11 May 2017 on statutory auditors, audit firms and public oversight (Journal of Laws 2017.06.06 of 2017.06.06).

2. The Audit Committee's competence shall comprise:

- a) monitoring the financial reporting process;
- b) monitoring the effectiveness of internal control, internal audit and risk management systems;
- c) monitoring the conduct of audits, in particular audits by the audit firm, taking into account any conclusions and findings of the Audit Oversight Commission resulting from audits carried out in the audit firm;
- d) controlling and monitoring the independence of the statutory auditor and the audit firm, in particular where the audit firm provides services other than audit services;
- e) informing the Supervisory Board about the results of the audit and explaining how this study contributed to the reliability of financial reporting in the Company, as well as the role of the Audit Committee in the audit process;
- f) advising the Supervisory Board on the proper supervision of the Company's financial reporting and the process of auditing the Company's financial statements and the implementation of the financial reporting and internal control rules in the Company, as well as cooperation with the audited entities to audit the Company's financial statements and operating in within these entities with certified auditors.

3. The tasks of the Audit Committee include in particular:

- a) evaluating the independence of the statutory auditor and the audit firm and agreeing to provide non-audit services to the Company;
- b) developing a policy to select an audit firm to conduct the audit and determine the procedure for selecting an audit firm by the Company;
- c) the development of a policy for the audit firm to carry out the audit by entities affiliated with that audit firm and by a member of the audit firm network, authorized non-audit services;

- d) recommending to the Supervisory Board the selection of the authorized entity (audit firm) to audit the Company's financial statements, including consolidated financial statements, in accordance with the principles defined in procedures and policies, developed in accordance with point (b) and (c) above;
  - e) submitting recommendations aimed at ensuring the reliability of the financial reporting process in the Company;
  - f) preparing draft resolutions of the Supervisory Board on financial matters of the Company;
  - g) consideration of quarterly, semi-annual and annual financial statements of the Company;
  - h) discuss any issues or reservations that may arise from the audit of the Company's financial statements;
  - i) cooperation with the Company's internal auditor;
  - j) analysis of the Company's internal auditors and the Management Board's responses to the comments and postulates contained in these reports;
  - k) analyzing and evaluating the relationships occurring within the Company, the Supervisory Board and the Management Board, with regard to the existence or possibility of a conflict of interest, and taking measures aimed at eliminating such phenomena;
  - l) consideration of any other issues related to the audit of the Company referred to by the Committee or the Supervisory Board.
4. The Audit Committee shall meet as appropriate, but not less frequently than twice a year.

## § 20

1. The Payroll Committee is composed of three members of the Supervisory Board.
2. Tasks of the Payroll Committee shall include in particular:
  - a) planning of the remuneration policy of the Members of the Management Board;
  - b) supervision over the method and form of remunerating the members of the Company's Management Board, providing the Supervisory Board with recommendations in this scope;
  - c) adjusting remunerations of the Members of the Management Board to the Company's long-term interest and financial results;

- d) issues connected with the implementation of motivation programmes in the Company addressed to the Management Board and the Company's employees as well as those that have already been implemented.
3. The Payroll Committee shall be held when necessary, not less frequently, however, than twice a year.

## **§ 21**

Audit and Payroll Committees as well as other committees or commissions created by the Supervisory Board shall provide the Supervisory Board with annual reports on their activities which are presented at the meeting of the Supervisory Board preceding the Ordinary General Assembly of the Company. Moreover, such committees or commissions shall provide the Supervisory Board, when necessary, with the information on decisions made in the scope of their competence.

## **V. FINAL PROVISIONS**

### **§ 22**

1. Costs of the operation of the Supervisory Board shall be borne by the Company.
2. Each member of the Supervisory Board may receive remuneration for the performance of his duties.
3. The amount of the remuneration of the Members of the Supervisory Board results from the resolution of the General Assembly.
4. The remuneration shall correspond to the scope of tasks and responsibilities resulting from the function performed by a given member, to the size of the Company and be reasonable in relation to its economic results.

### **§ 23**

1. All and any amendments and supplementations to these Regulations must be made by way of a resolution of the General Assembly.
2. Relevant laws or the Company's Articles of Association shall be applied in issues not governed by these Regulations.

3. Should the provisions of these Regulations be in breach with the law or the Company's Articles of Association, such law or statute regulations shall be binding accordingly.

## **§ 24**

These Regulations come into effect on the date they are passed.