

**Annexe to the Orzeł Biały S.A. Supervisory Board Resolution
of 13.09.2017**

***RULES OF PROCEDURES
OF THE SUPERVISORY BOARD OF***

***Orzeł Biały Spółka Akcyjna
with its registered offices at Piekary Śląskie, Poland***

§ 1

- 1. The Supervisory Board, hereinafter referred to as [the] Supervisory Board, is a standing body to supervise and control the Company.*
- 2. The Supervisory Board shall act pursuant to these Rules of Procedures (“Regulamin”), the Company’s Articles of Association (“Statut Spółki”), General Shareholders Meeting resolutions, [Polish] Commercial Code Law (“Kodeks spółek handlowych”) provisions dated 15 September 2000 (Law Journal Dz.U. No 94, Item 1037 as amended), the Statutory Auditors, Audit Firms and Public Oversight Law, Regulation (EU) No 537/2014 of the European Parliament and of the Council on detailed requirements for statutory audits of public interest entities repealing Commission Decision 2005/909/EC, and charters or Standing Rules or Rules of Procedures of other statutory bodies of the Company inasmuch as such provisions relate to the role, function, operation of the Supervisory Board as well as pursuant to other internal regulations effective within the Company and provisions of the generally applicable Law.*

§ 2

- 1. The Supervisory Board shall perform its actions conjointly; it may, however, second or delegate its members to individually perform their specific supervisory activities, from which they shall draft reports in writing and submit them to the Supervisory Board at least once in a month.*
- 2. The Supervisory Board shall be composed of at least 5 and no more than 7 Members to be appointed and asked to step down in a manner set forth in the Articles of Association of the Company.*
- 3. The incumbency or office term of the Supervisory Board shall be three years. The Supervisory Board Member mandates shall elapse as at the day The General Shareholders Meeting is held to approve of the financial statements, balance sheet as well as the profit and loss account of the Company for the last year they perform the function. The Supervisory Board Member mandate shall elapse also upon the decease, resignation or recalling of such Member from the Supervisory Board composition.*
- 4. The Supervisory Board Member shall have suitable education, professional and life experience and expertise, represent high moral standards and be able to spend time necessary for him/her to duly perform his/her functions in the Supervisory Board.*

5. *The Supervisory Board Member shall in all respects consider the Company's best interest.*
6. *The Supervisory Board Member shall not resign from his/her function where it might adversely affect the operating possibility of the Supervisory Board including its ability to pass resolutions.*
7. *At least two Supervisory Board Members should meet the independence criteria referred to in Annexe II to Commission Recommendation 2005/162/EC of 15 February 2005 on the role of non-executive or supervisory directors of listed companies and of the supervisory board.*
8. *An independent member of the Supervisory Board shall delegate to the other members of the Supervisory Board and the Company's Management Board a statement that he/she meets the independence criteria, and the Supervisory Board shall assess whether there are any relationships or circumstances that may affect the fulfillment by the member of the Supervisory Board of independence criteria. The assessment of the fulfillment of independence criteria by members of the Supervisory Board shall presented by the Supervisory Board in its annual activity report.*
9. *If due to the resignation, decease or any other reason the number of the Supervisory Board Members of a specific term should be decreased while the Supervisory Board composition has not been replenished, the Supervisory Board resolutions shall remain valid unless the Supervisory Board composition is decreased below the least number as set forth by the Articles of Association of the Company.*
10. *Where a resolution is adopted in the matter relating to the election of a Chairman and/or one or two Deputy Chairmen, the appointment of a specific person to fulfill any of such functions shall remain effective until he/she is recalled or his/her Supervisory Board mandate elapses whichever comes first. In particular, the appointment of a given person to fulfill the function as referred to in the sentence above shall not be affected by any changes to the Supervisory Board composition other than those mentioned in the said sentence.*

§ 3

1. *The Supervisory Board scope of activities shall include standing supervision and control of the Company's operations, in all its operation domains, with primary focus on the Company's best interest.*
2. *In particular, the Supervisory Board responsibilities shall include:*
 - a) *appraisal of the Company's annual financial statement and the management report,*
 - b) *selection of a statutory auditor or chartered accountant to audit the Company's financial statements,*
 - c) *review of the business plans of the Company,*
 - d) *submission to the General Shareholders Meeting of the written report of activities as set forth in § 3 Point 2 Letter a to c and Letter h as well as yearly development and submission to the Ordinary General Shareholders Meeting of the concise assessment of the Company's situation including assessment of internal audit system and risk management system of relevance to the Company.*

- e) *annual drafting and presentation to the Ordinary General Shareholders Meeting of the concise assessment of its work,*
- f) *previous consideration of and providing opinions on matters to be put on the agenda of the General Shareholders Meeting deliberations,*
- g) *upon the Management Board's motion or proposal, analysis and acceptance of the Company's entering into important agreements/transactions with related parties except for typical agreements/transactions concluded at arm's length, within the framework of the Company's operations, with a subsidiary/associate entity wherein the Company is a majority shareholder,.*
- h) *appraisal of the Management Board's motions and proposals with regard to profit distribution and loss coverage,*
- i) *providing consent to contracting a money loan or credit, if the value of a single transaction exceeds 10% of the Company's equity according to the recent General Shareholders Meeting-approved balance sheet of the Company,*
- j) *providing consent to the Company disposing of fixed assets the carrying amount of which exceeds 10% of the Company's equity according to the recent General Shareholders Meeting-approved balance sheet of the Company*
- k) *providing consent to the Company subscribing to, acquiring and disposing of shares and interest in companies and partnerships if the transaction's one-off value exceeds 10% of the Company's equity according to the recent General Shareholders Meeting-approved balance sheet of the Company,*
- l) *appointing and asking the Management Board Members to step down, suspending Management Board Members from duty as well as reinstalling Management Board Members to duty,*
- m) *establishing remuneration policies for the Management Board Members*
- n) *delegating Supervisory Board Members to temporary performance of Management Board Members' duties who cannot perform their functions in case of Management Board Members' suspension or demotion or when the same are prevented from performing their duties,*
- o) *establishing the remuneration level for any Supervisory Board Member delegated to temporary performance of Management Board Members' duties,*
- p) *approving the Management Board Rules of Procedures,*
- q) *providing consent to acquisition and disposal of real estate, perpetual usufruct or shares/interest in real estate and/or perpetual usufruct,*
- r) *other actions proposed by the Management Board.*

3. The Supervisory Board may provide non-binding opinions in all matters relating to the Company and may approach the Management Board with any motions, proposals, initiatives and recommendations.

§ 4

1. The Supervisory Board represents the Company at transactions entered into with the Management Board Members and in any disputes between them. The Chairperson of the Supervisory Board or any other duly authorised Supervisory Board Member shall be entitled to represent Supervisory Board in their agreements with Management Board Members based upon the Supervisory Board resolution.

2. When establishing Management Board Members' remuneration, the Supervisory Board shall determine it having due regard to the incentivising nature thereof as well as to the efficient and uninterrupted management of the Company. The remuneration shall be adequate to the size of the Company's enterprise, remain in reasonable proportion to the economic performance of the Company and be linked to the scope of responsibilities pertaining to the function incumbent.

§ 5

1. The Supervisory Board may, at any time, require the Management Board and the employees of the Company to deliver any reports and explanations, it may review the books and accounts and documents and check the assets status of the Company.

2. In cases calling for specific qualifications and specialist knowledge the Supervisory Board may require the Management Board to commission experts to deliver, for its use, expertise and/or opinion at the Company's expense.

3. The Supervisory Board session may be attended by the Management Board Members with an advisory vote save for the part of the session where cases are deliberated upon which relate directly to the Management Board or Management Board Members, particularly regarding Management Board Members' appointment and stepping down, their work appraisal, their responsibilities, establishing remuneration for Management Board Members as well as to contracts and disputes between the Management Board Members and the Company.

4. Supervisory Board sessions may be attended by experts and guests as invited by the Supervisory Board Chairperson.

§ 6

The Supervisory Board shall perform its duties through supervisory and control, and advisory actions.

§ 7

The Supervisory Board shall exercise control of the Management Board executing General Shareholders Meeting resolutions and Supervisory Board directives and guidelines.

§ 8

1. The Supervisory Board sessions shall be held on an as-needed basis, however at least once in a quarter within a given fiscal year.

2. The Supervisory Board sessions shall be summoned by the Chair (Chairperson) or his/her deputy/deputies in the first's absence. The Chair or the Supervisory Board-authorized Member of the

receding Supervisory Board shall summon and open the initial session of the newly elected Supervisory Board and shall chair it until new Chair is elected. If the first session of the new Supervisory Board is not called within one month of the day the new Supervisory Board is elected, the Supervisory Board session may be summoned by the President of the Management Board of the Company.

3. The Supervisory Board session should also be summoned upon written motion by the Management Board or one of the Supervisory Board Members. Such session should be held within 2 (two) weeks of the motion submitted.

4. The Supervisory Board sessions shall be summoned per invitations in writing to the Supervisory Board Members via registered mail or courier, at least 7 (seven) days prior to the session deadline. It shall be allowed also that the Supervisory Board Member accepts the invitation without the agency of the post service against receipt confirmation. Supervisory Board Members may demand that the invitations be emailed to his/her email address as given by him/her. Such demand including the email address should be placed at the Company in writing or be void.

5. The invitation to the Supervisory Board session shall include the day and the time, venue and proposed agenda.

6, The Supervisory Board session may be held without formal summoning if and when all its members are present, consent to it at the session day at the latest and confirm it in writing or put their hands on the attendance list.

7. The agenda of the Supervisory Board session must not be changed or supplemented during the session it refers to, in particular no resolution must be adopted in the subject matter not covered by the agenda. Such requirement is not applied when all Supervisory Board Members are present and consent to the change or supplement to the agenda and when the initiation of specific actions by the Supervisory Board is necessary to protect or keep the Company harmless against any damage, and also in the case of a resolution which is to prove whether there is any conflict of interest between the Supervisory Board Member and the Company.

8. Supervisory Board resolutions may be passed in writing, without Supervisory Board session convening (by notational voting using written circulations in lieu of a meeting (tryb obiegowy). Draft resolutions to be passed using written circulation mode shall be submitted by the Chair, and should the Chair be absent, by any Supervisory Board Member, for signature by all Supervisory Board Members. It is alleged that putting the signature to the resolution shall represent the consent to the decision as referred to in Art. 17 Para. 2 of the Articles of Association (i.e. voting in favour of the resolution by the notational voting using written circulations in lieu of a meeting). Any resolution passed in such mode shall be valid to the extent that all Supervisory Board Members have been communicated its contents/wording. Resolutions may be adopted using the circular mode when all Supervisory Board Members consent in writing to a decision which is to be made or to voting in writing.

9. When ordering the voting using the circular mode, the Supervisory Board Chairman shall define the

timing of its termination. Should the vote be not cast in the set forth timing by all Supervisory Board Members, the Chairman may determine a one-time new deadline of voting ending (prolong the deadline) or decide that it be ended – in such case, non-cast votes shall be treated as votes abstained. Should the votes be cast by all Supervisory Board Members– before the set forth deadline or the prolonged deadline elapses– the voting shall be terminated upon the ultimate vote cast.

10. The resolution shall become effective upon the voting ended (the lapse of the originally determined or prolonged deadline or when all votes are cast) unless another effective timing stems from its wording.

11. The Supervisory Board Members may cast their votes in writing by the agency of any other Supervisory Board Member. This shall not include cases brought to the agenda at the Supervisory Board session.

12. The Supervisory Board sessions may be conducted using means of remote direct communications (telecommunications means – telephone, telefax, conference call, email, technical devices etc.) provided in a manner which makes communications between all attending Supervisory Board Members possible. Voting in the said mode shall be minuted and be signed by all attendees at the following Supervisory Board session. The minutes from such voting shall include a reference to the voting procedure applied. The Supervisory Board session conducted using means of remote direct communications may also be recorded using a sound recording device.

13. The Supervisory Board may adopt resolutions without the formal convening of the meeting using means of direct remote communications in accordance with Article 17 Patra. 4 of the Company's Articles of Association, subject to mandatory provisions of law.

14. Should the voting be done using means of remote direct communications the resolution shall be passed in such a way that the Supervisory Board Chairman communicates with the Supervisory Board Members one by one or simultaneously with all of them submitting the draft resolution, and then waits for each of the Supervisory Board Member to cast their votes relating to the resolution using the established telecommunications medium. The resolution is valid when all members of the Supervisory Board have been notified of the contents of the draft resolution. In the course of the voting procedure, the minutes shall be drawn up by the voting participants.

15. Resolutions passed in a manner referred to under §8 Point 8 to 14 shall not include the election of the Chair and Deputy Chair/Chairs of the Supervisory Board, appointment of the Company's Management Board Member or demoting and suspending such persons from their duties.

§ 9

1. For the Supervisory Board resolutions to be valid, is necessary that all Supervisory Board Members have been invited to the session in accordance with applicable laws and the provisions of the Articles of Association.

2. *The Supervisory Board shall make resolutions with an absolute majority of votes of Supervisory Board Members when at least half the Supervisory Board composition is present. An absolute majority of votes shall be construed as more than half of the votes cast.*

§ 10

1. *The Supervisory Board session shall be minuted. The minutes (“protokół”) shall at least include: session date, full names of the Supervisory Board Members and other persons attending the session, the agenda, adopted resolution contents, voting results and any separate votes submitted.*

2. *Materials being subject of the Supervisory Board session shall be attached to the minutes.*

3. *The minutes shall be signed by all attending Supervisory Board Members.*

4. *The Company shall keep the original minutes along with attachments.*

§ 11

1. *The Supervisory Board Members use the office rooms, facilities and materials of the Company to the extent necessary to perform their duties connected with Supervisory Board functions.*

2. *The Management Board of the Company shall provide technical back-up to the Supervisory Board.*

3. *The Company shall cover the costs of the Supervisory Board.*

§ 12

1. *The Supervisory Board Member shall immediately notify the Management Board in writing about any disposal or acquisition of the Company shares or any shares or interest of a controlling or controlled entity as well as about any and all transactions entered into by this Supervisory Board Member with the Company or the controlling or controlled entity. Such statement shall be available to all entities concerned at the registered offices of the Company.*

2. *The Supervisory Board Member shall, immediately after his/her appointment or after any relation is established of this Member with a shareholder holding shares which represent not less than 5% of the total voting rights at the General Shareholders Meeting, submit to the Management Board of the Company a notification of his/her relations with a shareholder holding shares which represent not less than 5% of the total voting rights at the General Shareholders Meeting. Such obligation shall include any relations of economic or family nature or otherwise, which might influence the position of the Supervisory Board Member in a matter deliberated upon by the Supervisory Board.*

3. *In case of any conflict of interest arising or possible to arise the Supervisory Board Member shall notify the Supervisory Board of this fact and refrain from taking floor in the discussion and from voting the resolution relating to the matter where any conflict of interest has arisen or might arise.*

4. *A conflict of interest may arise in particular when:*

a) *a Supervisory Board Member may gain a benefit or avoid a loss consequent to the Company incurring a loss or failing to gain a benefit;*

b) *the financial interest of a Supervisory Board Member remains divergent with the financial interest of the Company;*

c) a Supervisory Board Member conducts operations of the same nature as the operations conducted by the Company;

d) a Supervisory Board Member receives from another entity which is or might be the contracting party with the Company any benefit of value in connection with the service rendered in favour of such other entity;

e) a Supervisory Board Member is personally engaged in a business activity or any other activity outside of the Company in a way which hinders him/her from devoting necessary time to perform his/her duties vis-à-vis the Company.

5. The Supervisory Board Member shall not resign from his/her function during his/her incumbency term if it could prevent Supervisory Board from its functioning and notably if this could render a timely resolution of importance impossible.

6. The Supervisory Board Members delegated by the group of shareholders to standing supervisory function shall submit to the Supervisory Board detailed written reports of their incumbent functions.

§ 13

1. The Supervisory Board may establish through a resolution standing and ad-hoc committees, other than an Audit Committee, to consider specific issues remaining the responsibility of the Supervisory Board or acting as advisory and opinion-making bodies of the Supervisory Board.

2. The Supervisory Board shall appoint an Audit Committee for audit-related matters.

3. The Supervisory Board shall appoint the Audit Committee Members.

4. The audit committee shall include at least 3 Members. At least one Audit Committee Member should have accounting or financial audit qualifications.

5. The Supervisory Board shall appoint an Audit Committee Chairperson.

6. Most of the Audit Committee Members including its Chairperson shall be independent of the Company. The criterion of independence of the Audit Committee Member is defined in Article 129 of the Statutory Auditors, Audit Firms and Public Oversight Act.

7. The Audit Committee Members shall have knowledge and skills in the business area where the Company operates. This condition shall be considered fulfilled if at least one member of the Audit Committee has the knowledge and skills of the industry or individual members within the defined responsibility scopes have knowledge of and skills with regard to that industry.

8. The Company may collect from the members of the Supervisory Board who agree to stand for election to the Audit Committee, their statements of fulfillment of the criteria of independence/knowledge/skills as referred to in Paragraphs 5 and 6 above.

§ 14

The organisation and responsibilities of the Audit Committee shall be set out in detail in the Rules of Procedures of the Audit Committee to be adopted by the Supervisory Board.

§ 15

The Supervisory Board Members shall keep confidential all information received due to their performance of rights and obligations in the Supervisory Board and shall not disclose such information to any other persons if it is not required to properly perform the role of a Supervisory Board Member.

§ 16

1. These Rules of Procedures shall become effective at the day the Supervisory Board has made the resolution approving the Rules of Procedures.

2. Should there be any discrepancies between the provisions of these Rules with the legal regulations or with the Articles of Association of the Company, such regulations or such statutory provisions shall prevail, respectively.

3. The nullity or non-enforceability of any provision of these Rules shall not affect the nullity or non-enforceability of remaining provisions of the Rules of Procedures.

Signatures of the Supervisory Board Members:

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Leszek Waliszewski

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Pierre Mellinger

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Michał Hulbój

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Geza Szephalmi

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Tomasz Jakub Wojtaszek