

# **REGULATIONS OF THE SUPERVISORY BOARD OF X-TRADE BROKERS DOM MAKLESKI S.A.**

## **Section I GENERAL PROVISIONS**

### **§1**

1. These regulations (the “**Regulations**”) define the organisation and the mode of operation of the Supervisory Board of the company under the name of X-Trade Brokers Dom Maklerski S.A.
2. The Supervisory Board is the body exercising permanent supervision over the activities of the Company, operating in accordance with the law, and in particular, the Code of Commercial Companies, as well as the Articles of Association and these Regulations.
3. The terms used herein shall have the following meanings:
  - a) **Board or Supervisory Board** – the Supervisory Board of the Company,
  - b) **Management Board** – the Management Board of the Company,
  - c) **General Meeting** – the General Meeting (of Shareholders) of the Company,
  - d) **Chairman of the Supervisory Board** – the Chairman of the Supervisory Board of the Company,
  - e) **Company** – X-Trade Brokers Dom Maklerski Spółka Akcyjna with its registered office in Warsaw,
  - f) **Articles of Association** – the Articles of Association of the Company,
  - g) **Code of Commercial Companies** – the Act of 15 September 2000: the Code of Commercial Companies (Journal of Laws of 2000, No. 94, item 1037, as amended),
  - h) **Accounting Act** – the accounting act (Journal of Laws of 2011, item 330, as amended),
  - i) **Act on Auditors** – the Act of 7 May 2009 on auditors and their self-government, entities authorised to audit financial statements, and public supervision (Journal of Laws No. 77, item 649, as amended),
  - j) **Best Practice of WSE** – the principles set forth in the annex to Resolution No. 26/1413/2015 of the Supervisory Board of Giełda Papierów Wartościowych w Warszawie S.A. (Warsaw Stock Exchange S.A.) on the adoption of “The Code of Best Practice for WSE Listed Companies 2016”,
  - k) **Stock Exchange Regulations** – the regulations annexed to Resolution No. 1/1110/2006 of the Supervisory Board of Giełda Papierów Wartościowych w Warszawie S.A. (Warsaw Stock Exchange S.A.), as amended,
  - l) **Subsidiary** – a subsidiary within the meaning of accounting regulations applicable to the Company,
  - m) **Recommendation** – Commission Recommendation No. 2005/162/EC of 15 February 2005 on the role of non-executive or supervisory directors of listed companies and on the committees of the (supervisory) board, or other regulations replacing the recommendation.

## Section II

### COMPOSITION OF THE SUPERVISORY BOARD AND ELECTION OF ITS MEMBERS

#### §2

1. The composition and the number of members of the Supervisory Board, as well as the manner of appointment and dismissal of its members, shall be governed by the Articles of Association.
2. Members of the Supervisory Board may appoint, from among themselves, the Deputy Chairman and the Secretary of the Supervisory Board.
3. Unless the Chairman of the Supervisory Board has been appointed pursuant to article §15 section 4 (a) of the Articles of Association, members of the Supervisory Board may also appoint, from among themselves, the Chairman of the Supervisory Board.
4. Each newly appointed member of the Supervisory Board is required to submit a written declaration confirming that he/she has read the contents hereof, and to indicate his/her address for correspondence, email address or fax number for the purpose of service of notices.

#### §3

1. The mandates of members of the Supervisory Board shall expire on the date of the General Meeting convened for the purpose of approval of the financial statements of the Company for the last full year of their term of office and in other cases specified in the Code of Commercial Companies.
2. Retiring members of the Supervisory Board may be re-elected or reappointed for the next term of office.
3. In the event of expiry of the term of office of the Supervisory Board, its members shall transfer its matters to the new Supervisory Board unless the same members have been appointed for another term of office of the Supervisory Board.
4. Members of the Supervisory Board shall receive remuneration for performing their duties, subject to the decision of the General Meeting. The amount of remuneration of members of the Supervisory Board shall be specified in the relevant resolution of the General Meeting.

## Section III

### DUTIES OF MEMBERS OF THE SUPERVISORY BOARD

#### §4

1. At least one member of the Supervisory Board should meet the criteria of independence, with regard to the Company and any entities materially related thereto (the “**Independent Member**”). The independence criteria should comply with Annex II to the Recommendation or any regulations which replaced the same, taking into account the additional requirements arising from the Best Practice of WSE. Regardless of the provisions of Annex II to the Recommendation, any person employed by the Company, or a subsidiary or affiliate of the Company, may not be regarded as a person meeting the independence criteria described in Annex II to the Recommendation. In addition, any relation to the shareholder entitled to

exercise at least 5% of the total voting rights at the General Meeting, shall preclude independence of any member of the Supervisory Board.

2. If in any term of office, there are at least 7 (seven) members of the Supervisory Board, at least two of them should be Independent Members, and in the case of the Supervisory Board composed of 9 (nine) members, at least three of them should be Independent Members.
3. As long as the Company is an entity of public interest, within the meaning of the Act on Auditors, at least one member of the Supervisory Board should meet the criteria of independence as defined in article 86 section 5 of the Act on Auditors, and at least one member of the Supervisory Board should be qualified in the field of accountancy or financial auditing.

## §5

1. Independent Members of the Supervisory Board are required to submit to other members of the Supervisory Board and the Management Board with their declaration of meeting the criteria of independence.
2. The Supervisory Board shall determine whether or not there are any relationships or circumstances that may affect the fulfilment of the criteria of independence of the member of the Supervisory Board.
3. The evaluation of fulfilment of the criteria of independence by members of the Supervisory Board shall be presented by the Supervisory Board in its report on the activities of the Supervisory Board, as referred to in §10 hereof.

## §6

1. Each Member of the Supervisory Board is required to participate in the meetings of the Supervisory Board.
2. In performing his/her duties, each member of the Supervisory Board is required to exercise due diligence resulting from the professional nature of his/her activities, and in particular, to comply with any applicable laws, provisions of the Articles of Association and resolutions of the General Meeting, taking into account the interest of the Company, its objects, as well as the current and expected financial situation.
3. Members of the Supervisory Board should possess proper knowledge and experience and be able to devote as much time as necessary in order to fulfil his/her duties.
4. Members of the Supervisory Board should take any adequate action in order to ensure provision of any important information on the Company to the Supervisory Board, including the information on the risks related to its operations, the decisions taken by the Company and the methods of risk management.
5. In their actions, Members of the Supervisory Board should take into account the interest of the Company, and independence of their opinions and judgments, and in particular:
  - a) refrain from accepting any unjustified benefits that could adversely affect the assessment of impartiality of their opinions and judgments,
  - b) notify their objections and dissenting opinions if they believe that a decision of the Supervisory Board is contrary to the interests of the Company.

6. Each member of the Supervisory Board shall refrain from professional or non-professional activities that could give rise to a conflict of interest or otherwise adversely affect his/her reputation as a member of the Supervisory Board.

## **§7**

1. Members of the Supervisory Board shall provide the Management Board with the information on any relations to the shareholder of the Company holding shares representing at least 5% (five per cent) of the total number of votes at the General Meeting. For the purposes of this section 1, “relations” shall be understood as economic, family or other connections that could affect the position of such member of the Supervisory Board in any matter resolved by the Supervisory Board.
2. Each member of the Supervisory Board shall immediately notify the Supervisory Board of any acquisition or disposal of the shares of the Company or any of its related parties, as well as any transactions with such companies.
3. Each member of the Supervisory Board is required to maintain the confidentiality of the meetings of the Supervisory Board, unless the Supervisory Board has decided otherwise.
4. Each member of the Supervisory Board is required to maintain the confidentiality of company secret and to ensure that no third party has access to any documents or information materials of the Company, regardless of their form, and to maintain professional secrecy within the meaning of the Act of 29 July 2005 on Trading in Financial Instruments.
5. Each member of the Supervisory Board is required to inform the Board of any existing or potential conflict of interest, and shall refrain from taking part in any discussion or voting on the resolution pertaining to such matter in which a conflict of interest occurs or may occur.
6. The representation of members of the Supervisory Board at General Meetings should allow for the provision of substantive replies to the questions asked during the General Meeting.
7. Each member of the Supervisory Board may resign from his/her office of the member of the Board at any time, except where such resignation could have an adverse impact on the operation of the Supervisory Board, including its ability to adopt resolutions. In particular, if as a result of such resignation, the number of members of the Supervisory Board falls below the statutory minimum, thus rendering the Supervisory Board unable to adopt binding resolutions, or if such resignation has a potential adverse effect on the operations of the Supervisory Board, the member shall refrain from submitting his/her resignation and continue in his/her office until all the vacancies in the Supervisory Board have been filled.
8. Each member of the Supervisory Board shall comply with the restrictions arising from the public company status of the Company, within the meaning of the relevant provisions of law, including those related to trading in securities of the Company, confidential information, restricted periods and manipulation of quotation rates of securities of the Company.

## **Section IV**

### **SCOPE OF RESPONSIBILITIES OF THE SUPERVISORY BOARD**

## **§8**

1. The Supervisory Board shall exercise permanent supervision over the operations of the Company in all areas of such operations.

2. Apart from the matters reserved for the competence of the Supervisory Board by the Code of Commercial Companies, the Supervisory Board shall be responsible, in particular, for:
- a) evaluation and review of the financial statements for the last financial year and evaluation of the report of the Management Board on the activities of the Company for the last financial year, in terms of their compliance with accounting books and documents, as well as the actual state of affairs, and review of the distribution of profits or covering the losses proposed by the Management Board;
  - b) submitting to the General Meeting of the annual (written) report on the results of the review and evaluation referred to in point a);
  - c) suspending members of the Management Board in their activities, for material reasons;
  - d) determining conditions of remuneration and employment of members of the Management Board;
  - e) appointing committees referred to in §18 hereof;
  - f) granting consent to the payment of interim dividends;
  - g) approving annual budgets, including the budget of the Company, the budgets of the Subsidiaries, and the consolidated budget of the capital group of the Company;
  - h) appointing an independent auditor for the Company and the Subsidiaries;
  - i) granting consent to the provision of sureties, guarantees or other forms of collateral for third-party liabilities, excluding any events which are directly and closely related to the operations of the Company, which shall be understood as any activities directly related to the current brokerage activities performed by the Company and the Subsidiaries, and in particular those related to trading in foreign exchange contracts, contracts for difference and any other instruments in the OTC market, including any marketing activities (the **“Operations of the Company”**);
  - j) granting consent to establishment of pledges, mortgages, assignments by way of security, and any other encumbrances on the assets of the Company or the Subsidiaries, not provided for in the budget;
  - k) granting consent to the acquisition, subscription or disposal by the Company or any of the Subsidiaries any shares or stocks in other companies, or any assets or organised part of the enterprise of another company or other companies, or to mergers with (or demergers from) other companies or enterprises by the Company or any of the Subsidiaries, excluding any agreements concluded within the framework of Operations of the Company, if such acquisition, subscription or disposal does not exceed 5% of the share capital of such other company;
  - l) granting consent to the sale, encumbrance, leasing or any other disposal of the real estate of the Company or any of its Subsidiaries, not provided for in the budget approved by the Supervisory Board;
  - m) granting consent to the conclusion of agreements between the Company or any of its subsidiaries and the members of the Managements Board, the Supervisory Board or shareholders of the Company, or any related party, with any member of the Management Board, the Supervisory Board or any shareholder of the Company, excluding any agreements concluded within the framework of Operations of the Company;

- n) expressing an opinion on changes to the investment policy of the Company, if any such change would result in the increase, by more than 50%, of the maximum exposure of the Company to market risk, unless the revenues of the Company, as planned in the budget approved by the Supervisory Board, were to increase by more than 50%, and in this case, such an opinion of the Supervisory Board shall be required if the percentage of the increase in the exposure exceeds the percentage of the increase in the revenues, as planned in the budget;
- o) granting members of the Management Board consent for competitive interests, within the meaning of article 380 of the Code of Commercial Companies;
- p) granting consent to the disposal by the Company of any right or incurring a liability with a value exceeding EUR 1,000,000 (one million) Euros, if any such disposal or liability has not been provided for in the budget approved by the Supervisory Board, including any disposal or liability related to repeated or continuous benefits/services, if the value of benefits arising therefrom exceeds EUR 1,000,000 (one million) Euros per annum. In the event that the total value of all such disposals and liabilities made or incurred by the Company, and not provided for, or exceeding the value provided for, in the budget of the Company, exceeds in the calendar year the amount of EUR 3,000,000 (three million) Euros, the Management Board shall be required to request the Supervisory Board for its approval of any disposal of right or liability to be incurred which has not been provided for in the budget of the Company, regardless of the value thereof,
- q) granting consent to members of the Management Board to take office in the management or supervisory boards of companies from outside the capital group of the Company;
- r) granting consent to the appointment and dismissal of persons in charge of the internal audit and compliance departments of the Company,
- s) review and expressing opinion on matters to be discussed and put to a vote at the General Meeting.

## §9

1. For the purpose of preparation of certain specified matters, the Supervisory Board may appoint a commission to be managed by a member of the Supervisory Board. Such a commission may include any person from outside the Supervisory Board, having special knowledge or qualifications. Such persons shall be required to enter into a binding agreement with the Company to maintain the confidentiality of any information provided to them in connection with the performance of their tasks within the framework of the commission. The Company shall bear the cost of remuneration of any such member of the commission from outside the Supervisory Board.
2. The Supervisory Board may also oblige the Management Board to prepare, for the purposes of the Supervisory Board, any opinion or expertise pertaining to the matters under its supervision.
3. Any person acting as the auditor of the Company or any Subsidiary may not be appointed as a specialist or expert to perform the tasks referred to in §9 sections 1 and 2.
4. For the performance of the tasks specified in section 2, the appointed specialists and experts shall receive remuneration to be paid by the Company.

5. The Supervisory Board may appoint any person having special knowledge or qualifications to act as a permanent consultant/advisor of the Board. A mandate contract, without the right to any remuneration, may be executed with such persons.

## **§10**

On an annual basis, the Supervisory Board shall prepare and present to the General Meeting:

- a) its assessment of the situation of the Company, including evaluation of the systems of internal control, risk management, compliance and the internal audit function; such an assessment shall include any important control mechanisms, especially those related to financial reporting and operations of the Company;
- b) report on the activities of the Supervisory Board, including, as a minimum, information on:
  - i) composition of the board and its committees,
  - ii) fulfilment by members of the Supervisory Board of the criteria of independence,
  - iii) number of meetings of the Supervisory Board and its committees in the reported period,
  - iv) self-assessment of the work of the Supervisory Board;
- c) evaluation of the Company's compliance with the reporting obligations related to the application of the principles of corporate governance specified in the Stock Exchange Regulations and the laws on the provision of current and periodic information by issuers of securities;
- d) evaluation of rationality of the Company's policy in the field of sponsoring, charitable or similar activities, or information on the lack of such policy.

## **Section V ORGANISATION AND THE PRINCIPLES OF OPERATION OF THE SUPERVISORY BOARD**

### **§11**

1. Members of the Supervisory Board shall exercise their rights and obligations in person.
2. The Supervisory Board performs its duties in a collective manner, i.e. as a whole. However, it may delegate members of the Supervisory Board, for a specified period of time, to individually perform certain supervisory duties. Such delegated members of the Supervisory Board shall be required to submit a report on any action taken by them in the framework of such individual delegation to the Supervisory Board.

### **§12**

1. Meetings of the Supervisory Board shall be held as often as required but in any case, at least four times during the financial year, on the dates and at the venues specified in the notice convening a meeting of the Supervisory Board. Such notice shall also specify the date, the time and the venue of the meeting, as well as the proposed agenda.

2. Meetings of the Board shall be held at the registered office of the Company, or any other place in the territory of Poland provided that all members of the Supervisory Board have agreed thereto.
3. Meetings of the Board shall be convened by the Chairman of the Supervisory Board, or any other member of the Supervisory or Management Board authorised by him/her. In the absence of authority granted by the Chairman of the Board, the oldest member of the Supervisory Board shall have the right to convene such meetings. A meeting of the Supervisory Board may be also convened by any two members of the Supervisory Board acting jointly.
4. A request to convene a meeting of the Supervisory Board may be also submitted by the Management Board or a member of the Supervisory Board. Such a request shall specify the proposed agenda of the meeting. A meeting of the Supervisory Board shall be convened on a date falling on or before 14 (fourteen) days from the date of the request, subject to the proviso that in the case of reasonable circumstances preventing the presence of at least half the members of the Supervisory Board at the proposed meeting, the meeting of the Supervisory Board shall be convened on a date falling on or before 30 (thirty) days from the date of the request.
5. Each member of the Supervisory Board may submit a request to the Chairman of the Supervisory Board to include a certain matter in the agenda of the next meeting of the Board prior to the date of such planned meeting, by providing at the same time, all materials relating to the proposed matter.
6. Invitations to meeting of the Supervisory Board, specifying the proposed agenda, the precise date (and time) and the venue of the meeting, shall be sent to the last mailing or email address, as the case may be, notified to the Company by the member of the Supervisory Board, however, it shall be sufficient to send the invitation in at least one manner provided for above. A notice/invitation convening a meeting of the Supervisory Board shall be delivered at least 7 (seven) days prior to the scheduled date of the meeting. The date of sending such invitation shall be used to determine the commencement of such period. A shorter period of notice shall be possible in each case, subject to approval of all the members of the Supervisory Board, notified in the manner provided for convening the meeting.
7. A meeting of the Supervisory Board may be also held without a formal notice provided that all members of the Supervisory Board are present at the meeting and all of them have agreed to the proposed voting or proposed contents of the draft resolution.
8. The Supervisory Board shall have the right to designate, during its meeting, the place and the date of the next meeting of the Board. In this case, a notice of the date and the venue of the next meeting of the Supervisory Board does not need to be sent to those members of the Supervisory Board who are present thereat, but only to those members who are absent.
9. The President of the Management Board shall be notified of the meetings of the Supervisory Board. In addition, any other person whose presence, in the opinion of the Board, is desired, shall be also notified of such meetings.
10. Meetings of the Supervisory Board, except for any matters related directly to the Management Board or its members, including in particular, their dismissal, liability or determination of their remuneration, shall be open to members of the Management Board.



11. Meetings of the Supervisory Board may be also attended, without the right speak thereat, by the following persons invited by the Board: members of the Management Board (subject to any matter specified in section 10 above), experts whose presence is required in order to take a decision on a given matter, any consultants/advisors appointed pursuant to §9 section 5 above, and the minutes clerk.

### §13

1. Meetings of the Board shall be chaired by the Chairman of the Supervisory Board, and in the event of his/her absence, by the member of the Supervisory Board authorised by the Chairman. In the absence of authority granted by the Chairman of the Supervisory Board, the oldest member of the Supervisory Board shall have the right to chair the meeting.
2. Each time, after the opening of the meeting of the Board, members of the Supervisory Board shall provide, at the request of the Chairman of the Supervisory Board (or member of the Supervisory Board presiding over the meeting pursuant to §13 section 1 above), the information on the functions performed by each member in other companies, within the meaning of article 103 of the Act of 29 July 2005 on Trading in Financial Instruments.
3. Any materials prepared for the meeting of the Supervisory Board shall be in writing or electronic form, and sent by letter, courier, fax or email. All the documents shall be delivered to members of the Supervisory Board prior to the date of the meeting, subject to the case specified in §12 section 7 above.
4. Chairman of the Supervisory Board (or member of the Supervisory Board presiding over the meeting pursuant to §13 section 1 above) shall:
  - a) open, close and manage the proceedings of the meeting of the Board, and shall see to the compliance with the agenda,
  - b) give permission to speak,
  - c) adjourn the meeting,
  - d) issue organisational orders,
  - e) accept any requests,
  - f) order that a vote should be taken, shall ensure the proper procedure of voting, announce its results and confirm adoption of resolutions,
  - g) supervises the preparation of the minutes of the meeting of the Supervisory Board.
5. The secretary of the Supervisory Board shall:
  - a) count the votes cast in passing resolutions,
  - b) supervise the procedure of voting,
  - c) manage the process of the secret ballot, if ordered,
  - d) draws up the minutes of the meeting of the Board and prepares copies of the minutes containing the text of the adopted resolutions.
6. In the absence of appointment of the Secretary of the Supervisory Board, his/her duties shall be performed by the Chairman of the Supervisory Board or a member of the Board designated by him/her in writing.

#### **§14**

1. At meetings of the Supervisory Board, votes shall be taken in an open manner. A secret ballot shall be ordered in personal matters and any other issues specified in the Code of Commercial Companies. In addition, at the request of at least one member of the Supervisory Board, votes shall be taken in a secret ballot.
2. In the case of any draft resolution put to a vote, the first vote shall be cast by the member of the Board who has proposed that the resolution be adopted. The last vote is cast by the Chairman of the Supervisory Board if the resolution has not been proposed by him/her.
3. At meetings of the Supervisory Board, only matters included in the agenda shall be discussed. The agenda of the meeting of the Supervisory Board cannot be amended or supplemented during the meeting. This shall not apply to any organisational requests or if all the members of the Supervisory Board are present at the meeting and each of them has consented to any such amendment or supplement, or if any action by the Supervisory Board is important for the interests of the Company.
4. Subject to section 5 below, adoption of a resolution on any matter not included in the agenda, with the exception of organisational matters, is not possible unless all the members of the Supervisory Board are present at the meeting and no member of the Supervisory Board objects to putting the resolution to a vote.
5. Any necessary action may be taken by the Board, despite its absence from the agenda, in order to protect the interest of the Company against any damage or any other adverse consequences, including any resolution to be adopted with a view to determining whether or not a conflict of interests exists between a member of the Supervisory Board and the Company.

#### **§15**

1. Resolutions of the Supervisory Board shall be passed by a simple majority of votes of members of the Supervisory Board. In the case of an equal number of votes cast in favour of and against a resolution, the vote of the Chairman of the Supervisory Board shall be decisive.
2. For the validity of resolutions of the Supervisory Board, all members of the Supervisory Board must be invited to the meeting and at least half of them must be present thereat including the Chairman or the Deputy Chairman of the Supervisory Board, subject to the possibility of adopting resolutions without holding a meeting, in the manner specified in sections 3 and 4 below.
3. Subject to provisions of the Code of Commercial Companies, members of the Supervisory Board may participate in the adoption of resolutions of the Supervisory Board, by casting their votes in writing through another member of the Board. However, this shall not apply to any matters introduced to the agenda at the meeting of the Supervisory Board during which the votes will be taken.
4. Subject to provisions of the Code of Commercial Companies, the Supervisory Board may also adopt resolutions in writing, by circulation, or using means of direct remote communication (phone or in any other manner guaranteeing communication between all members of the Supervisory Board).

5. The Chairman of the Supervisory Board, at his/her own initiative or request submitted by a member of the Supervisory Board, shall decide on taking votes in the manner referred to in section 4.
6. In the case of resolutions adopted in writing, members of the Supervisory Board shall submit their statements concerning their vote (i.e. in favour of, against the resolution, etc.) in a separate instrument containing the same wording of the draft resolution and specifying the date of their vote and whether they vote in favour of or against the resolution, or abstain from voting. A signed copy of the aforementioned instrument, containing the draft resolution, shall be sent by email or fax to the Chairman of the Supervisory Board, and the original thereof shall be immediately delivered to the Company, in person or by registered letter or courier. The Chairman of the Supervisory Board shall take into consideration the vote of the member of the Supervisory Board, cast in the aforementioned manner, at the time of receipt of a signed copy of the draft resolution (including by email or fax). Failure of a member of the Supervisory Board to send a signed copy of the draft resolution within 7 (seven) days from the date of delivery thereof (or such other time as determined by the Chairman of the Supervisory Board) to the address communicated by the member of the Supervisory Board for service purposes (including his/her email address) shall be deemed as abstention from voting by such member of the Supervisory Board. Any resolutions adopted by votes taken in the aforementioned manner shall be deemed effectively adopted at the time of the vote cast by the last member of the Supervisory Board, or after 7 (seven) days from the date of delivery of the draft resolution to members of the Supervisory Board (or any shorter period designated by the Chairman of the Supervisory Board).
7. Adoption of resolutions by the Supervisory Board using telephone, audio conferencing or video conferencing as a means of direct remote communication shall comply with the following procedure: a draft resolution prepared in writing shall be read by the Chairman of the Supervisory Board (over the phone, etc.) simultaneously to all members of the Supervisory Board taking part in the vote. After the draft resolution has been read, each member of the Supervisory Board shall submit a statement to the Chairman of the Supervisory Board indicating his vote, i.e. whether he/she votes in favour of or against the resolution, or abstains from voting. The Chairman of the Supervisory Board prepares minutes of such voting and provides the minutes, for the purpose of signature, to each member of the Supervisory Board taking part in the vote, at the latest, at the next meeting of the Supervisory Board. Afterwards, the minutes shall be included in the book of minutes of the Supervisory Board. Any resolutions adopted by votes taken in the aforementioned manner shall be deemed effectively adopted upon completion of the voting. The resolution shall be valid if signed by a simple majority of members of the Supervisory Board.
8. Adoption of resolutions by the Supervisory Board using email as a means of direct remote communication shall comply with the following procedure: a draft resolution prepared in writing shall be sent by the Chairman of the Supervisory Board, or a person authorised by him/her, by email to all members of the Supervisory Board to their respective, previously communicated, email addresses. Having familiarised himself/herself with the draft resolution, each member of the Supervisory Board shall inform the Chairman of the Supervisory Board, or a person authorised by him/her, by email, whether he/she votes in favour of or against the resolution, or abstains from voting. Failure of a member of the Supervisory Board to provide such information specifying his/her vote within 7 (seven) days from the date of delivery of the draft resolution to the address communicated by the member of the Supervisory Board shall

be deemed as abstention from voting by such member of the Supervisory Board. Any resolutions adopted by votes taken in the aforementioned manner shall be deemed effectively adopted at the time of the vote cast by the last member of the Supervisory Board, or after 7 (seven) days from the date of delivery of the draft resolution to members of the Supervisory Board (or any shorter period designated by the Chairman of the Supervisory Board). Printouts of the statements of members of the Supervisory Board, submitted by email, shall be included in the book of minutes of the Board.

9. The resolutions adopted in the manner referred to in sections 3 and 4 shall be valid if all the members of the Supervisory Board have been informed about the contents of the relevant draft resolution – in writing, or by email or fax, by the Chairman of the Supervisory Board or a person authorised by him/her, and provided that the Chairman or the Deputy Chairman of the Supervisory Board have taken part in the adoption of resolutions in the manner specified in sections 3 and 4.
10. Adoption of resolutions in the manner specified in sections 3 and 4 above does not apply to the election of the Chairman or the Deputy Chairman of the Supervisory Board, appointment of members of the Management Board or suspension of functions of such persons.

## **§16**

1. The first meeting of the Supervisory Board of the new term shall be convened, at the latest, within 30 (thirty) days from the date of commencement of such term of office. If the Chairman of the Board fails to convene its meeting, the meeting shall be convened by the Management Board.
2. The Supervisory Board shall adopt a resolution of the plan of operations of the Board, specifying the key matters to be discussed by the Board and the date scheduled for such discussion.

## **§17**

1. Minutes shall be taken of any meetings of the Supervisory Board. In addition, minutes shall be kept of any votes taken in the manner referred to in § 15 section 4, based on the statements received from members of the Board.
2. Chairman of the Supervisory Board shall be responsible for maintaining the book of minutes of the meetings of the Board and any resolutions adopted by the Board. The resolutions shall be numbered in the order of adoption.
3. Minutes of the meetings of the Supervisory Board shall specify:
  - a) date and place of the meeting, and the manner of holding the meeting;
  - b) information confirming that each member of the Supervisory Board has received a notice convening the meeting,
  - c) agenda of the meeting;
  - d) names and surnames of members of the Supervisory Board present at the meeting of the Supervisory Board, name and surname of the minutes clerk and any other persons participating in the meeting, as well as information on the functions performed by members of the Supervisory Board in other companies, as referred to in §13 section 2,
  - e) the order of proceedings,

- f) contents of the resolutions annexed to the minutes,
  - g) number of votes cast in favour of the resolution, against the resolution and the number of abstentions,
  - h) any dissenting opinions and the reasons for submitting them.
4. Any evidence confirming the fact of inviting members of the Supervisory Board to its meeting shall be attached to the minutes.
  5. Minutes of the meeting of the Supervisory Board shall be drawn up by the person designated by the chairman of the meeting. The task of preparation of the draft minutes may be assigned to a person from outside the Board.
  6. The minutes shall be signed by all members of the Supervisory Board present at the meeting.
  7. Resolutions of the Board shall be delivered to the Management Board as soon as practicable but no later than three days from the date of their adoption.
  8. The original minutes of the meetings of the Board and any resolutions adopted by the Board shall be kept at the office of the Management Board of the Company, in a manner enabling the Chairman and members of the Board to have access to the minutes.
  9. Minutes of the meetings of the Board shall be made available to members of the Board and the Management Board, subject to exceptions arising from the contents of §12 section 10 of the Regulations.

## **Section VI**

### **AUDIT COMMITTEE AND OTHER COMMITTEES**

#### **§18**

1. The Supervisory Board shall appoint the audit committee with at least three of its members composing the committee, and at least one member fulfilling the criteria specified in article 86 sections 4 and 5 of the Act on Auditors. The Chairman of the audit committee shall be appointed from among Independent Members.
2. Members of the audit committee meeting the criteria specified in article 86 section 4, submit to the Chairman of the Supervisory Board a declaration of their qualifications in the field of accountancy or audits of financial statements.
3. The Supervisory Board, composed of not more than 5 members, may perform the duties of the audit committee.
4. In particular, the audit committee shall perform the following tasks:
  - a) supervision over the organisational unit involved in the internal audit;
  - b) monitoring the process of financial reporting;
  - c) monitoring the efficiency of the systems of internal control, internal audit, compliance and risk management;
  - d) monitoring the performance of financial audit activities;
  - e) monitoring the independence of the statutory auditor and the entity authorised to audit the financial statements, including services other than financial audits, if applicable;

- f) recommending the entity authorised to audit the financial statements and to perform financial audit activities of the Company to the Supervisory Board.
- 5. The Supervisory Board shall evaluate, on an annual basis, the efficiency of operation of the systems referred to in §18 section 4 letter c), regardless of any activities performed by the audit committee in this respect.
- 6. The Supervisory Board may also appoint other committees by way of resolution specifying the composition and the scope of activities of each such committee.
- 7. The regulations of the audit committee shall be determined in a separate resolution of the Supervisory Board.
- 8. If the Supervisory Board performs the tasks and duties of the audit committee, the provisions of these Regulations shall apply accordingly. This fact shall be specified in the minutes of the meetings of the Supervisory Board.
- 9. The mode of operation and composition of the audit committee shall be determined by the Supervisory Board at its first meeting after the effective date of these Regulations.

## **Section VII FINAL PROVISIONS**

### **§19**

- 1. The cost of operations of the Supervisory Board shall be borne by the Company.
- 2. Administrative support of the Supervisory Board shall be provided by the Management Board, at the expense of the Company.

### **§20**

- 1. Provisions of the Code of Commercial Companies and the Articles of Association shall apply to any matters not provided for herein.

### **§21**

- 1. Any amendment of these Regulations requires a relevant resolution of the General Meeting.
- 2. Supervisory Board may adopt the consolidate text of these Regulations.