

**RULES OF PROCEDURE FOR THE
SUPERVISORY BOARD OF**

SECO/WARWICK Spółka Akcyjna

I. GENERAL PROVISIONS

Section 1

The Supervisory Board, hereinafter referred to as the Board, is a standing supervisory body of the company, hereinafter referred to as “the Company”.

Section 2.

The Supervisory Board shall operate pursuant to these Rules of Procedure, the Company’s Articles of Association, the Commercial Companies Code, and other laws of general application, as well as in accordance with best practice for public companies.

II. POWERS AND DUTIES OF THE BOARD

Section 3.

1. The Supervisory Board shall exercise ongoing supervision of the Company’s operations.
2. In order to exercise supervision, the Supervisory Board may use professional, independent advisory services, which it considers necessary for effective supervision. The costs of any such advisory services shall be borne by the Company. When selecting a provider of advisory services, the Supervisory Board shall take into account the Company’s financial position.
3. The powers of the Board shall be as stipulated in the Commercial Companies Code and the Company’s Articles of Association, and shall include in particular the right to:
 - a) review the Directors’ Report on the Company’s operations and the financial statements for the previous financial year in terms of their consistency with the accounting books, documents and facts; review the Management Board’s proposals concerning profit distribution or coverage of loss; and submit to the General Meeting annual written reports on the findings of such reviews;
 - b) consider and issue opinions on any matters to be decided by resolution of the General Meeting, including opinions on any motions submitted by the Management Board for consideration by the General Meeting, and put forward the Supervisory Board’s motions and opinions for debate at the General Meeting;
 - c) conclude and terminate agreements with members of the Company’s Management Board – such agreements shall be executed on behalf of the Supervisory Board by the Chair of the Supervisory Board or another member of the Supervisory Board authorised to do so by resolution of the Supervisory Board;
 - d) delegate Board member(s) to temporarily perform the duties of the Company’s Management Board members who have been removed or suspended, resigned or are unable to perform their duties for other reasons;
 - e) determine the number of the Management Board members, appoint the Management Board members and remove them from office, and set their remuneration;
 - f) grant consent for the Management Board members to serve on the management and supervisory boards of companies other than members of the Company’s Group;
 - g) approve the Rules of Procedure for the Management Board;
 - h) grant voting rights to pledgees or usufructuaries of shares;
 - i) grant consent to incur a liability or dispose of an asset for an amount exceeding PLN 15,000,000.00 (fifteen million);

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- j) select a qualified auditor;
 - k) approve agreements executed with business entities in which members of the Management Board of the Company or the Company's subsidiaries are partners, shareholders (if their holdings confer the right to 3% or more of the total vote at the general meetings of such entities), members of the governing bodies of such entities, representatives or attorneys, save for agreements executed with entities in which the Company holds an equity interest;
 - l) grant consent for the execution by the Company of an agreement with a shareholder holding 5% or more of the total vote at the Company's general meeting or with the Company's related party, where such agreement is not a standard transaction executed by the Company with members of its Group on arm's length terms in the course of its operating activities;
 - m) monitor the effectiveness of internal control, risk management and compliance systems as well as the internal audit function, based on, inter alia, reports periodically submitted to the Supervisory Board directly by persons (if any) responsible for such functions and by the Company's Management Board, as well as an annual assessment of effectiveness of such systems and functions. If the Company has no separate internal audit function in place, the Audit Committee (or the Supervisory Board if it performs the function of the Audit Committee) shall assess each year whether such separation is required.
4. The Supervisory Board shall ensure effective and continuous operation of the Company's Management Board, in particular by appointing in a timely manner members of the Company's Management Board if a Management Board member's term of office expires or if there occur other circumstances resulting in the expiry of a Management Board member's mandate.

Section 4.

1. While performing its duties, the Supervisory Board shall act as a collective body. However, it may delegate its members to perform specific supervisory duties individually. The scope of duties of a delegated Board member shall be determined each time by the Board or by the Chair, duly authorised by the Board.
2. A Board member delegated to perform specific duties and a Board member delegated by a group of shareholders to exercise ongoing supervision as provided for in the Commercial Companies Code should submit to the Board a detailed report on their activities at the next meeting following the commencement of such activities and at least once a year at the Board's meeting convened prior to the Annual General Meeting.
3. In order to discharge its duties, the Supervisory Board may in particular:
 - a) inspect the Company's accounts and documents,
 - b) issue opinions on all documents and motions put forward to the General Meeting by the Management Board,
 - c) request the Company's Management Board and employees to provide reports and clarifications concerning the Company's business,
 - d) review the Company's assets,
 - e) engage, or oblige the Management Board to engage, experts to prepare assessments and opinions on matters requiring specialist knowledge.
4. Members of the Board should take appropriate steps to receive from the Management Board regular and complete information on all material aspects of the Company's operations, as well as risks inherent in its operations and methods of managing those risks. At each meeting of the Board, the Management Board shall give an account of all material aspects of the Company's operations. In case of issues which need immediate attention, the Management Board shall provide the Members of the Board with information by circulation (in writing). In such situations, two Management Board members, or a Management Board member acting jointly with a Commercial Proxy, shall submit relevant information in writing to the Chair of the Board.
5. In addition to its duties required by law, the Supervisory Board shall once a year prepare and present to

the Annual General Meeting:

- 1) an assessment of the Company's position, taking into account internal control, risk management and compliance systems, as well as the internal audit function; the assessment shall cover all material control mechanisms, including in particular financial reporting and operating activities;
- 2) a report on the activities of the Supervisory Board, including at least information on:
 - a. the composition of the Supervisory Board and its committees,
 - b. fulfilment of the independence criteria by the Supervisory Board members,
 - c. the number of meetings of the Supervisory Board and its committees in the reporting period,
 - d. a self-assessment of the Supervisory Board's work;
- 3) an assessment of the Company's fulfilment of the disclosure requirements relating to compliance with corporate governance principles, as set forth in the Stock Exchange Rules adopted by Resolution No. 1/1110/2006 of the WSE Supervisory Board of January 4th 2006, as amended, and the regulation on current and periodic information to be published by issuers of securities.
- 4) an assessment of reasonability of the Company's policy for sponsorship and charitable activities and activities of a similar nature, or information on the absence of such policy.

III. ORGANISATION AND MANNER OF THE BOARD'S OPERATION

Section 5

1. The number of Supervisory Board members and the rules of their appointment and removal are set forth in the Company's Articles of Association.
2. Each member of the Supervisory Board shall meet all the criteria specified in Art. 22 of the Company's Articles of Association.
3. Each member of the Supervisory Board shall have appropriate education as well as professional and personal experience, shall observe high moral standards, and shall be able to devote the time necessary to duly perform their duties on the Supervisory Board.
4. At least two Supervisory Board members shall meet the independence criteria specified in Art. 22 of the Company's Articles of Association.
5. A Supervisory Board member shall submit to the other Supervisory Board members and the Management Board a representation to the effect that they meet the independence criteria referred to in Section 5.4 above.
6. The Supervisory Board shall assess whether a Supervisory Board member meets the independence criteria referred to in Section 5.4 above. The Supervisory Board shall present such assessment to the Annual General Meeting in an annual report on the Supervisory Board's activities.
7. The primary concern for a Supervisory Board member shall be the interest of Company.
8. A Supervisory Board member must not accept any benefits which could affect their impartiality and objectivity in making decisions or lead to a negative assessment of independence of their opinions and judgements.
9. A Supervisory Board member shall not resign mid-term if this could prevent the Supervisory Board from performing its duties, and in particular from adopting an important resolution.
10. The Chair of the Supervisory Board shall request the Company's Management Board to convene a

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General Meeting in order to fill the vacancies on the Supervisory Board within three days from the expiry of the term of a Supervisory Board member unless the Supervisory Board is able to perform its duties despite the vacancy

Section 6

1. The Supervisory Board shall elect its Chair and Deputy Chair at its first meeting.
2. The Chair and the Deputy Chair may be removed from office at any time by the Supervisory Board.
3. The first meeting of a newly appointed Supervisory Board shall be convened by the Management Board within one month from the appointment of the Supervisory Board. The meeting shall be chaired by the oldest Supervisory Board member until the Chair of the Supervisory Board of a new term of office is elected.

Section 7

The powers and responsibilities of the Chair of the Supervisory Board shall be as follows:

- a. managing the work of the Board and representing the Board before third parties,
- b. convening and presiding over the Board's meetings,
- c. preparing and distributing materials required for the Board's meetings to the Board Members.

Section 8

The powers and responsibilities of the Deputy Chair of the Supervisory Board shall be as follows:

- a. standing in for the Chair in the event of their absence,
- b. performing tasks assigned by the Chair,
- c. taking minutes of meetings and resolutions,
- d. collecting and storing documents related to the Board's work,
- e. supervising the archiving of the Board's documents.

Section 9

1. There shall be the following Committees operating within the Supervisory Board: the Audit Committee and the Remuneration and Appointment Committee. Members of the Committees are elected from among the Supervisory Board members in accordance with these Rules. The Supervisory Board may appoint other standing or ad hoc committees to perform specific activities of the Board. The tasks of the committees shall be specified by the Supervisory Board in the resolution appointing the committees. When establishing a committee, the Board shall also appoint the persons responsible for managing the committee's work.
2. The committees shall submit to the Supervisory Board a report on their operations and decisions on an as-needed basis and at the Board's meeting convened before the Annual General Meeting.
3. The Company shall make the committees' reports available to its shareholders.
4. The Audit Committee shall be composed of at least three members, including at least one member qualified and experienced in accountancy and finance.
5. The rules of procedure for the Audit Committee shall be defined by the Supervisory Board in a resolution.
6. The Remuneration and Appointment Committee shall be composed of three persons.
7. The rules of procedure for the Remuneration and Appointment Committee shall be defined by the

Supervisory Board in a resolution.

8. The Remuneration and Appointment Committee shall elect the Chair from among its members to manage the work of the Committee.
9. The provisions relating to the Chair of the Supervisory Board shall apply accordingly to the Chair of the Audit Committee and the Chair of the Remuneration and Appointment Committee. The Chair of the Audit Committee shall meet the independence criteria referred to in Section 5.3 of these Rules.
10. The tasks and the operation of the Supervisory Board committees are governed by the provisions of Annex I to the Commission Recommendation 2005/162/EC of February 15th 2005 on the role of non-executive or supervisory directors of listed companies and on the committees of the (supervisory) board.

Section 10

1. The Supervisory Board shall operate on the basis of the plan of work it adopts.
2. The Supervisory Board shall debate and pass resolutions at Supervisory Board meetings.

IV. CONVENING SUPERVISORY BOARD MEETINGS

Section 11.

1. Supervisory Board meetings shall be held at least three times a year and shall be convened by its Chair on the Chair's own initiative or at the request of the Management Board or a Supervisory Board member.
2. Notices containing the agenda and specifying the time and place of the meeting shall be sent by registered mail at least seven days before the date of the Supervisory Board meeting to the addresses provided by the Supervisory Board members. In case of emergency, Supervisory Board meetings may also be convened by phone, fax or e-mail, at least one day before the meeting date.
3. A notice of a Supervisory Board meeting may be delivered by email if a Supervisory Board member has provided their personal email address for this purpose. A notice of a Supervisory Board meeting sent to such email address shall be deemed as effectively served as the notice referred to in Section 11.2, provided that it meets the conditions specified therein.

Section 12.

The Chair of the Supervisory Board shall convene a Supervisory Board meeting at the request of a Supervisory Board member or the Company's Management Board, no later than within fourteen days of the date of receipt of the request, along with the proposed agenda, by the Supervisory Board Chair.

Section 13.

1. Any issues specified in requests submitted by Supervisory Board members or by other entities authorised to request the holding of a meeting shall be placed on the meeting's agenda by the Chair of the Supervisory Board.
2. At a written request of 2 (two) or more Supervisory Board members, received before the date of sending the notice of a meeting, the Chair of the Supervisory Board shall place on the proposed agenda any issue specified in such request, and shall invite any persons that may be specified in such request to attend the part of the meeting devoted to that issue.
3. If the Chair of the Supervisory Board receives a request from the Management Board to place on the agenda an issue specified in such request, the Chair shall accept such request provided that it is

submitted prior to the date on which the meeting notices are to be sent and provided that the issue is not contradictory to what the Supervisory Board has previously agreed as to its intentions. In dubious cases, the final decision as to the Management Board's request shall be made by the Supervisory Board.

V. SUPERVISORY BOARD MEETINGS

Section 14.

A Supervisory Board meeting shall be valid provided that all the Supervisory Board members have been notified of the meeting in the manner defined in Section 12 or all Supervisory Board members arrived at the meeting and accepted the proposed agenda.

Section 15.

1. Supervisory Board meetings shall be held at the Company's registered office.
2. In justified cases, a meeting may be organised at a different venue subject to prior approval by the Supervisory Board members.

Section 16.

A Supervisory Board meeting shall be chaired by the Chair, and if the Chair is absent – by the Deputy Chair or another Supervisory Board member who has been authorised to do so in writing by the Chair.

Section 17.

1. Members of the Company's Management Board shall be invited to Supervisory Board meetings. Furthermore, the Supervisory Board or its Chair may invite Company employees, as well as third parties, to join the meeting if it is justified by the subject matter of the meeting.
2. Such persons may be invited verbally or in writing.
3. Any invitees shall participate in a Supervisory Board meeting without the right to vote.

Section 18.

1. The agenda proposed by the party that requested the meeting to be held is subject to adoption by the Supervisory Board at the beginning of the meeting.
2. Each Supervisory Board member shall have the right to request that a specific issue be placed on the agenda.
3. Any issue that is not put for consideration as part of the meeting's agenda shall be placed on the agenda of the next meeting.
4. The agenda of the Supervisory Board meeting should not be changed or supplemented in the course of the meeting for which it has been approved. This requirement shall not apply when all Supervisory Board members are present and agree to change or supplement the agenda and also when the taking of any specific steps by the Supervisory Board is indispensable to protect the Company against damage, as well as in the case of a resolution the subject of which is an assessment of whether there is a conflict of interest between a Supervisory Board member and the Company.
5. All issues included in the agenda specified in the notice of a Supervisory Board meeting may be voted on by the Supervisory Board members in writing through another member of the Supervisory Board, subject to Art. 388.4 of the Commercial Companies Code.
6. Subject to Art. 388.4 of the Commercial Companies Code, the Supervisory Board may also pass resolutions by written ballot or by using means of remote communication, provided that all Supervisory

Board members have been notified of the contents of the draft resolution. Any resolutions passed at a Supervisory Board meeting held in such a manner should be signed by each Supervisory Board member who participated in the meeting. A resolution shall be also passed if all Supervisory Board members agreed to its passing by email, if the message has been sent from a personal email account of a Supervisory Board member and has been sent to the Company and to all other Supervisory Board members.

Section 19.

1. The person chairing a Supervisory Board meeting shall have the duty to:
 - a) open and close the meeting with a clear statement to that effect,
 - b) formulate proposals, opinions, recommendations, decisions and draft resolutions to be approved by the Supervisory Board,
 - c) announce voting on draft resolutions.
2. Should any Supervisory Board member wish to leave before the closing of the meeting, such leave, if it is to be deemed justified, is subject to prior consent of the Supervisory Board and should be recorded in the minutes.
3. The duration of the meeting, the number and duration of breaks, as well as the number of times and the time for which participants speak during the discussion shall be determined by the person chairing the meeting if none of the Supervisory Board members present raises an objection.
4. The person chairing the meeting may adjourn the Supervisory Board meeting for a good reason and set another date and time to continue the meeting.

Section 20.

1. During a meeting, members of the Supervisory Board may submit procedural motions, including in particular motions to:
 - a) change the agenda,
 - b) adjourn the discussion of any specific agenda item,
 - c) withhold a decision concerning any agenda item put to debate,
 - d) ensure the confidentiality of the proceedings.
2. Procedural motions shall be put to the vote after a short discussion.

VI. VOTING PROCEDURE

Section 21.

1. The Supervisory Board shall make decisions in the form of resolutions.
2. The Supervisory Board shall have the right to adopt binding resolutions provided that all Supervisory Board members have been notified of the meeting in the manner prescribed in Section 12 and at least a half of the Supervisory Board members are present.
3. Resolutions of the Supervisory Board shall be passed by an absolute majority of votes. In case of a voting tie, the Chair shall have the casting vote.
4. Votes cast shall include all votes “for”, “against” and all abstaining votes.

Section 22.

1. Voting shall be by open ballot or by secret ballot.
2. Voting by secret ballot may be held in particular on issues concerning:
 - a) personnel matters, such as:

- appointment, removal or suspension of the Company's Management Board or its individual members,
 - election and removal of members of the Supervisory Board committees as well as of the Chairs, Deputy Chairs and Secretaries of the Supervisory Board and its committees,
 - setting the remuneration due to members of the Company's Management Board,
- b) any other issues if requested by a Supervisory Board member.

Section 23.

1. Drafts of Supervisory Board resolutions or decisions shall be put to the vote by the person chairing the meeting.
2. If changes are proposed to a submitted draft resolution or decision, the proposed changes shall be put to the vote first, beginning from the changes most extensive in scope, to be followed by voting on the consolidated text of the resolution or decision, incorporating the changes approved earlier.
3. The person who proposes a change shall have the obligation to carefully formulate its wording. Collective drafting of the wording of a resolution shall also be permitted. In such a case, all Supervisory Board members present at a meeting shall have the right to propose the language in the drafting process.

Section 24.

4. Each Supervisory Board member shall immediately notify the Supervisory Board of any actual or potential conflict of interest that has arisen or may arise in connection with their service as a Supervisory Board member. Information on any notified conflict of interest should be included in the minutes of the Supervisory Board meeting.
5. In the event of a potential conflict between the interests of the Company and the personal interests of a Supervisory Board member or their spouse or relative by blood or marriage up to the second degree, or any person to whom the Supervisory Board member is personally related (*conflict of interest*), such Supervisory Board member should refrain from participation in deciding on a given matter and request that the fact be recorded in the minutes, as well as notify the Supervisory Board of such conflict of interest. Having considered the position of the Supervisory Board member, the Supervisory Board may adopt a resolution ruling out the potential conflict of interest in a given matter.

VII. MINUTES OF SUPERVISORY BOARD MEETINGS

Section 25.

1. Each meeting of the Supervisory Board shall be recorded in the minutes.
2. Minutes shall be taken by the Secretary, and in the event of the Secretary's absence – by another person designated by the person chairing the meeting.

Section 26.

1. Minutes of a Supervisory Board meeting should specify or contain, in particular:
 - a) successive number of a Supervisory Board meeting, its date and place where it is held,
 - b) names of the Supervisory Board members present at the meeting,
 - c) names of invited guests along with information on the agenda items discussed in their presence,
 - d) confirmation that the meeting has been duly convened and that the Supervisory Board is capable of adopting resolutions,
 - e) the adopted agenda,
 - f) a description of the proceedings, including the text of adopted resolutions and other decisions and the manner in which they were adopted or made,

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- g) the content of any dissenting opinions and other declarations made by Supervisory Board members, specifying the person who voiced the opinion or made the declaration,
 - h) a brief description of the most important elements of the discussion,
 - i) signatures of the Supervisory Board members present at the meeting and the minute taker.
2. The minutes shall be delivered to all Supervisory Board members.
 3. Minutes of the most recent meeting shall be adopted by the Supervisory Board during its next meeting. Any person who requests that the text of the minutes be rectified and whose request is not granted shall have the right to submit a written declaration regarding this matter, to be attached to the minutes.
 4. Members of the Supervisory Board who are absent from the meeting shall confirm that they have read the minutes with their signature at a later date.
 5. The minutes are confidential and may not be published without the Supervisory Board's consent.

Section 27.

1. Separately stored appendices to the minutes of Supervisory Board meetings shall include:
 - a) the attendance list of a Supervisory Board meeting,
 - b) certified copies of Supervisory Board resolutions,
 - c) documents concerning justification of a Supervisory Board members' absence from the meeting.
2. Certified copies of resolutions shall be signed for and on behalf of the Supervisory Board by the person chairing the meeting during which a given resolution was adopted.
3. Copies of certified copies of resolutions shall be delivered to all members of the Supervisory Board, to the Company's Management Board and to other persons and institutions indicated by the Supervisory Board or its Chair.

Section 28.

1. All documents concerning the Supervisory Board's work shall be stored by the Secretary at a place made available for that purpose by the Company's Management Board.
2. Such documents shall be confidential and may be made available exclusively to members of the Company's Supervisory and Management Boards and to employees of state inspection authorities performing official duties at the Company.
3. The documents may be made available to other persons only with consent of the Chair of the Supervisory Board.

VIII. DETAILED RIGHTS AND OBLIGATIONS OF SUPERVISORY BOARD MEMBERS

Section 29.

1. Members of the Supervisory Board shall have the duty to participate in the Supervisory Board's work, including to participate in Supervisory Board meetings.
2. If a Supervisory Board member is unable to perform their obligations, they shall immediately notify the Chair of the Supervisory Board of the inability and its cause.
3. A Supervisory Board member's absence from a meeting shall be deemed justified in particular in the following cases:
 - a) sickness, taking care of a sick family member,
 - b) being abroad on the date of a Supervisory Board's meeting,
 - c) being on a holiday leave if the holiday leave period includes at least the day when the Supervisory

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Board's meeting is held and the business day immediately preceding or immediately following the date of the Supervisory Board meeting,

d) a fortuitous event.

4. The Supervisory Board shall decide whether a member's absence is justified no later than at the next meeting, based on a representation and documents, if any, presented by the person concerned to the Supervisory Board members.
5. Until a final decision is made by the Supervisory Board whether to justify a member's absence, the Company shall have the right to withhold payment of remuneration for the given month to the Supervisory Board member.

Section 30.

1. Information on any personal, factual or organisational connections between a Supervisory Board member and any specific shareholder, including in particular a majority shareholder, should be publicly available. Supervisory Board members shall inform the Company of any connections referred to in the previous sentence in writing. Such information should be provided to the Company within seven days of the date of the event giving rise to the disclosure obligation. Any information obtained as part of the members' discharge of the above obligation shall be available, upon an interested party's request, at the Company's registered office.
2. Personal connections with a shareholder shall mean being a shareholder's first degree relative by blood or marriage. Factual connections with a shareholder shall mean maintaining a continuous business relationship with the shareholder. Organisational connections with a shareholder shall mean connections that arise under employment or similar contracts.
3. The Company shall have the right to require a Supervisory Board member to make a representation concerning the connections referred to above at any time.
4. A Supervisory Board member should enable the Management Board to publicly disclose, in accordance with the relevant procedure, information regarding the member's disposal or acquisition of shares in the Company, in the Company's parent or in the Company's subsidiary, as well as information on any transactions with such companies, if the transactions are material to the member's financial position.
5. A Supervisory Board member shall properly perform the disclosure obligations prescribed by law, including in particular the Act on Trading in Financial Instruments of July 29th 2005 and the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies of July 29th 2005.

Section 31.

1. For participation in the Supervisory Board, the Supervisory Board members shall be entitled to monthly remuneration in the amount specified by the General Meeting, payable on or before the 15th day of the month following the month for which the remuneration is due. The remuneration shall cover all expenses related to the performance of duties of the Company's Supervisory Board member.
2. The total amount of remuneration paid jointly to all Supervisory Board members and individually to each Supervisory Board member shall be disclosed in the annual report, along with information on the procedures and rules applicable to setting such remuneration.
3. Remuneration of a Supervisory Board member should not depend on any options or other derivative instruments or on any other variable components, and should not be linked to the Company's performance.

IX. FINAL PROVISIONS

Section 32.

1. All costs of the Supervisory Board's activities shall be covered by the Company.
2. The Supervisory Board shall use the Company's office space, equipment and materials to the extent necessary to perform its duties as provided for in the Articles of Association.
3. Administrative and technical support to the Supervisory Board shall be provided by the Company's Management Board.

Section 33.

These Rules shall take effect on the date of their adoption by the General Meeting and shall be published by the Company.