

## **Regulations of the Supervisory Board of “Suwary” SA , Pabianice**

### **§ 1**

The Supervisory Board of “SUWARY” S.A. is a body responsible for the continuous supervision and control of the Company.

The Supervisory Board acts in accordance with the law in force, and in particular with the provisions of the Commercial Companies Code, the Company’s Articles of Association, these Regulations, and the resolutions of the General Meeting of Shareholders.

### **§ 2**

The Articles of Association shall determine the Supervisory Board composition, procedures for appointing and dismissing its members, and other conditions of the Board’s operations. The Supervisory Board members discharge their duties and exercise their rights in person.

### **§ 3**

The competence of the Supervisory Board shall be determined by the law in force and the Company’s Articles of Association.

### **§ 4**

1. The Supervisory Board members are under an obligation to:
  - a) attend the Company’s General Meetings of Shareholders and the Supervisory Board meeting,
  - b) perform supervisory functions in compliance with the relevant resolution of the Board,
  - c) act in the Company’s best interest,
  - d) take actions ensuring access to regular and comprehensive information on significant matters related to Company, including the risk of its operations, the decisions taken, and the risk management methods,
  - e) notify other members of the Supervisory Board of any possible conflict of interest, not to speak in a debate or abstain from voting on a matter that is subject to a conflict of interest,
  - f) inform the Company about any personal, actual, and organisational connections of the Supervisory Board member with a shareholder of the Company, both prior to the election of the member and during his/her term office,
  - g) inform the Company immediately about his/her acquisition or disposal of the shares in the Company or in an associated entity, and about any transaction with such entities,
  - h) observe confidentiality of the Supervisory Board meetings unless the Supervisory Board stipulates otherwise, keep business secrets, and ensure that no third persons will have access to the Company’s documents or other materials containing information thereon, regardless of their form
  - i) not to tender resignation during the term of office unless its is necessary, with full awareness of the effects of such resignation, particularly the ones making it impossible for the Supervisory Board to act or delaying adoption of a resolution important for the Company.
  
2. The Supervisory Board may appoint a Committee acting under the supervision of the Supervisory Board member to handle particular matters. Persons from outside the Supervisory Board who have expertise and relevant qualifications may be appointed to the Committee. The Supervisory Board may obligate the Board of Directors to order preparation of relevant reports and expert’s opinions.

### **§ 5**

1. For the resolutions of the Supervisory Board to be valid, written invitations shall be delivered to the Supervisory Board members at least seven days prior to the planned date of the meeting and the Supervisory Board meeting shall be attended by at least three members thereof. Delivery of invitations may be effected with the use of other means of communication subject to the invitation receipt confirmation by the Supervisory Board member.
2. The Supervisory Board meetings shall be convened by the Chairman thereof on his/her initiative. The Chairman or Vice Chairman shall convene a meeting upon a written motion of at least two members of the Supervisory Board, or upon a motion in the form of a resolution of the Company's Board of Directors. The meeting shall be held within two weeks from the date of submitting the motion.
3. The venue of the Supervisory Board meeting shall be specified in the written invitation referred to in § 5 article 1 of these Regulations.
4. Subject to § 5 articles 5 and 6 of these Regulations, the resolutions of the Supervisory Board are adopted by an absolute majority of votes cast. In the case of equal division of votes for and against a resolution, the Chairman has the casting vote.
5. The Supervisory Board adopts resolutions in accordance with the principles referred to in the Company's Articles of Association.

#### § 6

1. The resolution of the Supervisory Board may be adopted by written ballot ordered by the Chairman thereof if all the members of the Supervisory Board have been notified in writing of the content of a draft resolution and approved in writing the content of the resolutions or written ballot. The date of receipt by the Supervisory Board Chairman of at least one copy of signed documents containing the relevant declarations of all the Supervisory Board members shall be considered the date of the resolution adoption. A member of the Supervisory Board is under an obligation to vote by written ballot within 3 business days of the reception date of a written notification on the content of the resolution or on written ballot. In well justified cases a member of the Supervisory Board may vote on a later date, specifying the grounds for the casting of vote on a later date.
2. The Supervisory Board meetings may be held with the use of the means of direct remote communication which make it possible for all the Supervisory Board members attending a meeting to at least hear one another. In such a case, the venue for the meeting and preparing the minutes shall be the place in which the Supervisory Board Chairman attended the meeting. A resolution shall be valid if all the members of the Supervisory Board have been notified of the contents of the draft resolution.
3. The Chairman or the Vice Chairman of the Supervisory Board shall not be elected, or a member of the Board of Directors shall not be suspended, or a member of the Supervisory Board shall not be delegated to temporarily perform functions of a member of the Board of Directors following the procedure specified in the above items 1 and 2.
4. Provisions of article 5 items 1 and 2 of these Regulations apply correspondingly.

#### § 7

The Supervisory Board meetings shall be available and open to all members of the Board of Directors, with the exclusion of matters directly related to the Board of Directors or the members thereof, and in particular to removing, liability, or determination of the remuneration of the members thereof.

#### § 8

1. The Supervisory Board meetings shall be recorded in the Minutes.
2. Decisions of the Supervisory Board shall be taken in the form of:
  - resolutions
  - motions and opinions to submit to the General Meeting of Shareholders and the Board of Directors

3. The Minutes of the Supervisory Board meeting shall specify the names of the members present, the agreed agenda, the contents of the resolutions adopted, the results of votings and the voting procedures applied by individual members of the Supervisory Board. Votum separatum shall be included in the Minutes.
4. The Minutes shall be signed by all the Supervisory Board members attending a meeting. A person from outside the Supervisory Board shall be appointed to prepare the draft minutes.
5. The Minutes shall be included in the Book of Minutes kept in Company. Resolutions shall be assigned subsequent numbers.
6. Resolutions of the Supervisory Board shall be delivered to the Board of Directors without delay, within three working days at the latest.
7. Copies of the Minutes shall be made available to the Supervisory Board members and, within the scope excluding the matters referred to in § 7 of these Regulations, to the members of the Board of Directors.

#### § 9

1. The costs of the Supervisory Board activities shall be incurred by the Company.
2. The Company shall arrange for providing office services to the Supervisory Board.
3. The Supervisory Board may use offices, facilities, and materials of the Company.
4. The Supervisory Board may use expertise and opinions of relevant experts appointed from among its members or from outside the Company at the cost of the Company.

#### §10

The Supervisory Board shall appoint Members of Audit Committee from among its members. The Committee consists of 3 members of the Supervisory Board. At least one member of the Audit Committee shall possess an adequate knowledge and competence in scope of accounting or financial statements audits. According to the Act on Statutory Auditors the majority of members of the Audit Committee, including its chairman, shall be independent of the Company.

#### §11

1. The Audit Committee responsibilities shall, in particular, include
  - 1) monitoring of:
    - the financial reporting process,
    - the efficiency of internal control system, risk management system and internal audit system, including financial reporting,
    - the execution of financial review activities, in particular, carrying out an audit by the audit company, taking into account all findings and conclusions of the Auditing Supervisory Authority (KNA) resulting from audits carried out in the auditing company;
  - 2) monitoring and control of independence of a statutory auditor and an auditing company, in particular when the auditing company provides non-audit services to the public-interest entities;
  - 3) providing the Supervisory Board or other supervisory body or control body of public-interest entity with information about the audit results and explanation how this audit contributed to the financial reporting reliability in the public-interest entity, and what was the role of the Audit Committee in the audit process;
  - 4) assessment of the independence of a statutory auditor and granting consent to the provision of permitted non-audit services to the public-interest entity;
  - 5) developing a policy of selection an audit company to carry out an audit;
  - 6) developing a policy of providing permitted non-audit services by audit company carrying out an audit, by entities related to this auditing company and by a member of auditing company's network;
  - 7) defining the procedure of selection an audit company by a public-interest entity;
  - 8) provide the Supervisory Board or other supervisory or control body, or the authority referred to in Art. 66 sec. 4 of the Accounting Act of 29 September 1994 with recommendation referred to in Art. 16 sec. 2 of Regulation No. 537/2014, in accordance with the policies referred to in points 5 and 6;

9) submitting recommendation aimed at ensuring the reliability of the financial reporting process in the Company's unit;

2. In the event when the selection of the auditing company carrying out the statutory audit of the company is performed by an authority other than the authority referred to in Art. 66 sec. 4 of the Accounting Act of 29 September 1994, the Audit Committee shall provide the appointing authority with recommendations, where it:

- indicates the auditing company which it proposes to entrust with the statutory audit;
- declares that the recommendation is free from the influence of the third parties;
- states that the audited entity of public-interest did not conclude agreements containing clauses referred to in Art. 66 sec. 5a of the Accounting Act of 29 September 1994.

## §12

Paragraphs 1-9 of this Regulation shall apply accordingly to the Audit Committee.

Pabianice, February 2018