

# **REGULATIONS OF THE SUPERVISORY BOARD OF THE COMPANY ENERGOINSTAL S.A.**

## *CHAPTER I General provisions*

### **§1**

The Supervisory Board conducts constant supervision over the activities of the Company in all fields of its activity.

### **§2**

The Supervisory Board acts on the basis of the Code of Commercial Companies and Partnerships, Articles of Association, the resolutions of the General Meeting and other laws in force.

### **§3**

Each time the following are mentioned in the provisions of these Regulations, they shall have the following meanings:

1. Supervisory Board – shall be construed as the Supervisory Board of the Company ENERGOINSTAL S.A.
2. Management Board – shall be construed as the Management Board of the Company ENERGOINSTAL S.A.
3. Articles of Association – shall be construed as the Articles of Association of the Company ENERGOINSTAL S.A.
4. Company – shall be construed as the Company ENERGOINSTAL S.A.

### **§4**

These Regulations define the mode and way of operation of the Supervisory Board in all the matters, which were not regulated otherwise in the absolutely binding provisions, mentioned in §2 of these Regulations.

*CHAPTER II*  
*Supervisory Board composition and appointment*

**§5**

1. The Supervisory Board shall consist of not fewer than 5 (five) and not more than 7 (seven) members appointed by the General Meeting. The number of the Supervisory Board members shall be determined by the General Meeting. The joint term of the Supervisory Board shall last three years.
2. The mandates of the Supervisory Board members shall expire on the day when the General Meeting is held during which a discharge is given to the Supervisory Board members with respect to the fulfilment of their obligations.
3. The Supervisory Board Members shall exercise their rights and obligations in person.

**§6**

1. The Supervisory Board shall elect from among its members the Chairman, the deputy chairman and the secretary, during the first meeting.
2. The Chairman shall be elected by a simple majority of vote of the Supervisory Board members present during the meeting.

*CHAPTER III*  
*The convention of meetings and the deliberations*

**§7**

1. The Supervisory Board shall be convened if necessary, but not less often than three times during a business year.
2. The Supervisory Board Chairman or one of his deputies are obliged to convene a meeting upon a written motion of the Management Board or a member of the Supervisory Board. The meeting shall be convened within a week from the day of filing a motion, on the day not later than two weeks from the day of convening the meeting.
3. The Supervisory Board may organize a meeting without a formal convention if all the Supervisory Board members are present and nobody lodges an objection.
4. The Chairman of the leaving Supervisory Board shall convene and open the first meeting of the new Supervisory Board and shall chair them until the election of the new Chairman

**§8**

1. The Chairman or the Deputy Chairman shall determine the date of the meeting and the meeting agenda.

2. For the resolutions of the Supervisory Board to be valid, a written invitation of all Supervisory Board members is necessary, served at least seven days before the fixed meeting date, subject to § 7 section 3.
3. The notice shall include: the date, the place of the meeting and the meeting agenda.
4. The materials prepared by the Management Board or the experts shall be attached to the invitation.
5. Each of the members of the Supervisory Board and of the Management Board may submit a motion to the Supervisory Board Chairman, for introducing a specific matter into the meeting agenda of the nearest Supervisory Board meeting.

## **§9**

The Management Board members and, as required, other persons invited, may take part in the Supervisory Board meetings.

## **§10**

1. During the meetings, the Supervisory Board shall take decisions in the form of resolutions.
2. The Supervisory Board, apart from the resolutions, may express its opinions regarding all Company matters and may submit motions, make suggestions and recommendations to the Management Board.

## **§11**

1. The resolutions may be passed during the Supervisory Board meetings, provided that all the Supervisory Board members were appropriately notified of the meeting date and at least half of the Supervisory Board members take part in the meeting, subject to § 7 section 3.
2. The Supervisory Board shall pass resolutions by an absolute majority of votes of all the Supervisory Board members, i.e. by the number of votes exceeding half of the Supervisory Board composition, established by the General Meeting, in accordance with § 5 section 1 of these Regulations. In the case of equal amount of votes, the vote of the Chairman shall be the casting vote.
3. As regards the matters not included in the meeting agenda the resolution may not be passed, unless all the Supervisory Board members are present and nobody lodges an objection.
4. The resolutions shall be signed by all present Supervisory Board members, on the day of passing thereof.

## **§12**

1. Voting during the Supervisory Board meetings shall be open, with the exception of voting in the following matters:
  - a) appointing and dismissing of the Management Board members,
  - b) suspending the Management Board members for important reasons,

- c) appointing and dismissing the Chairman, Deputy Chairman and Secretary of the Supervisory Board .
2. Upon the request of even one Supervisory Board member present during the meeting, the Chairman of deliberations shall order a secret ballot.

### **§13**

1. The Supervisory Board members may participate in the passing of resolutions, they shall vote in writing with the use of another Supervisory Board member. The voting in writing may not concern the matters introduced into the meeting agenda during the Supervisory Board meeting.
2. The Supervisory Board members may take part in the passing of resolutions by voting in writing or by means of direct remote communication, under the condition that all the Supervisory Board members are notified of the contents of the resolution draft.
3. The passing of resolutions in the mode specified in sections 1 and 2 does not refer to the appointment of the Chairman and Deputy Chairman of the Supervisory Board, the appointment of the Management Board Members and the dismissal and suspension of those.

### **§14**

1. The minutes of the Supervisory Board meeting shall be drawn up, which minutes shall be signed by all present Supervisory Board members. The minutes shall be approved by the Supervisory Board not later than during the next meeting. If, due to changes in the Supervisory Board composition, the achievement of the majority of over 50% of votes of the Supervisory Board members present during the meeting, of which the minutes were made, is not possible, then the signing of the minutes by the Supervisory Board Chairman and other Supervisory Board members participating in such a meeting shall be deemed as the approval of such minutes.
2. The original of the minutes, together with the appendices, shall be stored in the Minutes Book, kept by the Supervisory Board Secretary.
3. The minutes should include:
  - a) date and place of the meeting,
  - b) the list of present Supervisory Board members (full names),
  - c) the list of other persons present during the meeting (full names),
  - d) the accepted meeting agenda,
  - e) the course of the meeting, together with the contents of resolutions, the number of votes cast for particular resolutions,
  - f) separate opinions submitted to the minutes.
4. All Supervisory Board members shall receive a copy of the minutes.
5. The Management Board of the Company shall receive a copy of resolutions.

*CHAPTER IV*  
*Supervisory Board tasks and competencies*

**§15**

1. The Supervisory Board shall conduct constant supervision over the Company's activities.
2. Apart from the matters described in the Act, in the provisions of the articles of association or in the resolutions of the General Meeting, the competencies of the Supervisory Board are the following:
  - a) assessment of the Company's financial report and ensuring its verification by the chartered auditors elected by the Supervisory Board,
  - b) assessment of the Management Board report from the Company's activities,
  - c) submittal of a written report from the outcome of activities mentioned in points a-b, to the General Meeting,
  - d) assessment and submittal of the motions of the Management Board regarding the division of profits and coverage of losses, to the General Meeting,
  - e) appointment, suspension and dismissal of Management Board members and determination of the amount of their remuneration,
  - f) delegation of the Supervisory Board members for temporary performance of the activities of the Management Board members, who cannot perform their activities, in the case of suspension or dismissal of Management Board members or if these members may not perform their activities for other reasons,
  - g) annual review and approval of economic activity plans, financial and marketing plans,
  - h) approval of the motions of the Management Board regarding the establishment of branches abroad,
  - i) conclusion of employment contracts with the Management Board members and performing rights towards them on behalf of the Company, which rights result from the employment relationship,
  - j) expressing opinions on the projects of changes in the articles of association,
  - k) passing the Supervisory Board Regulations.
  - l) approval of Management Board Regulations

**§16**

1. The Supervisory Board shall perform its tasks and competencies during the meetings and through supervisory, control and advisory activities in the form of:
  - a) the right to demand that the Management Board present all the documents and other materials concerning the Company,
  - b) review of financial records, other acts and documents of the Company and comparing them with the state of affairs.
  - c) the right to demand that the Management Board and other employees of the Company provide all explanations.

### **§17**

1. The Supervisory Board shall perform its activities jointly, but it may delegate its members to perform specific supervisory activities individually .
2. In the period between the meetings, the Supervisory Board towards the Management Board is represented by the Supervisory Board Chairman or, in the case of his prolonged absence – by the Deputy Chairman, and then by another member authorized by the Supervisory Board.

### **§18**

1. The Supervisory Board may submit motions to the General Meeting in all the matters which are included in the scope of the activities of the Supervisory Board.
2. The Supervisory Board has the right to convene the Extraordinary General Meeting each time it deems it necessary and the Management Board has not done it within 14 days from the submittal of motion by the Supervisory Board.

### **§19**

1. The Supervisory Board Members shall perform their rights and obligations in person.
2. The remuneration of the Supervisory Board members is determined by the General Meeting, subject to section 3 below.
3. The remuneration of the Supervisory Board members delegated for the temporary performance of the activities of a Management Board member, shall be specified by a Supervisory Board resolution.
4. A Supervisory Board member is obliged to explain his/her absence or inability to participate in the meetings and other activities of the Supervisory Board, in order to retain the right to remuneration.

## *CHAPTER V* *Final stipulations*

### **§20**

1. The Company shall provide the administrative and technical service of the Supervisory Board.
2. The Company shall cover the costs of the Supervisory Board activities, the costs of transportation and the costs of allowances.

### **§21**

The Regulations may only be changed in the mode stipulated for their passing.

**§22**

The Regulations come into force from the day of passing thereof.