

RULES OF GROCLIN SPÓŁKA AKCYJNA SUPERVISORY BOARD

Adopted by way of a resolution of the Supervisory Board of 17 December 2014

DEFINITIONS:

The following terms used in the text of the Rules of the Supervisory Board shall have the following meaning:

GROCLIN Spółka Akcyjna with registered seat in Grodzisk Wielkopolski, ul. Słowiańska 4, 62-065 Grodzisk Wielkopolski, entered in the Registry of Entrepreneurs of the National Court Register under KRS number 0000136069.

Rules Rules of GROCLIN Spółka Akcyjna Supervisory Board

Articles of Association Articles of Association of GROCLIN Spółka Akcyjna

§ 1

1. The Supervisory Board acts in conformity with the Act of 15 September 2000 - the Code of Commercial Partnerships and Companies (Dz. U. No. 94, item 1037, as amended), other acts, the Articles of Association and the Rules.
2. The Supervisory Board performs continuous supervision over the Company's activity. The competencies of the Supervisory Board have been defined in the Articles of Association and provisions of the Code of Commercial Partnerships and Companies.
3. The Supervisory Board may – without prejudice to the competencies of other corporate bodies – express opinions on all matters connected with the Company's operations, including presenting motions and proposals to the Management Board, which, in such event, shall inform the Chairman of the Board about the manner in which such motions and proposals are applied, within 21 days of the date they are presented.

§ 2

1. The Supervisory Board consists of five members, including the Chairman and a Vice-Chairman, appointed and dismissed in the manner prescribed in the Articles of Association.
2. At least two Supervisory Board members should be independent members within the meaning of the Code of Best Practice for WSE Listed Companies.
3. Two weeks before elections to the Supervisory Board a candidate for a Board member shall submit a short CV and written information about its connections with a shareholder having shares representing not less than 5% of the total number of votes at the General Meeting to the Management Board. The above obligation refers to family connections or connections of economic or different nature, which may have influence on a position of the Supervisory Board member on a matter considered by the Board.
4. In the event of a change in the situation or circumstances, a Supervisory Board member shall submit updated information referred to in section 3.
5. The Supervisory Board shall be notified about a conflict of interests or its possibility by a Supervisory Board member, who should abstain from taking part in a discussion and voting on a resolution on the matter, in which a conflict of interest manifested.

§ 3

1. A Supervisory Board member who resigns shall submit a relevant declaration to the Management Board and notify its resignation to the Supervisory Board.
2. All declarations and notices made to the Supervisory Board Chairman or remaining Supervisory Board members, are directed to the address of the registered seat of the Company, save for correspondence on ongoing matters connected with the Supervisory Board functioning, which is sent to electronic mail addresses indicated by Supervisory Board members.
3. A Supervisory Board member shall make every effort to effect its resignation not earlier than at the date of holding the General Meeting, the agenda of which provides for adopting a resolution on appointment of a successor of the resigning Supervisory Board member to the Supervisory Board. In any event, however, save for extraordinary circumstances, the consequence of a resignation shall not occur earlier than upon two months following the date of resignation.

§ 4

1. Unless provisions of the Articles of Association provide otherwise, the Supervisory Board Chairman and the Vice-Chairman are appointed and dismissed by the Supervisory Board from among candidates being Supervisory Board members.
2. If necessary, a Secretary may be appointed at Supervisory Board Chairman's request.
3. At the first meeting all Board members shall fill out a personal details form indicating the address for the service of correspondence and telecommunication numbers (landline phone, mobile phone, fax, email address).
4. All correspondence and notices to Board members shall be served to the addresses and telecommunication numbers provided in the personal details form. In the event that the data change, the Board member shall promptly update its personal details form under the sanction of effectiveness of correspondence or notification served to previously indicated address or number.

§ 5

1. A Supervisory Board member shall inform the Management Board about acquisition or disposal of the Company's shares or other securities issued by the Company, if the value of such single or joint transaction during the last 12 months, is in excess of the equivalent of the amount 5,000 EUR expressed in PLN.
2. The obligation referred to in section 1 concerns transactions concluded by a Supervisory Board member in person, by its spouse, relatives, kins (with affinity to the third degree), adoptees, adoptive parents and other persons personally related with Supervisory Board member.

§ 6

1. A Supervisory Board member shall have adequate knowledge and experience and be able to dedicate necessary amount of time to perform its obligations. A Supervisory Board member shall take adequate actions to make the Supervisory Board informed about material matters concerning the Company.
2. Each Supervisory Board member should act in the Company's interest with independence of opinions and judgments, and, in particular shall:
 - a) not accept unjustified benefits
 - b) clearly file an objection and a dissenting opinion in the event that it believes that a decision of the Supervisory Board is in contradiction with the interest of the Company.

§ 7

1. The Supervisory Board performs its activities jointly, it may, however, delegate its members to individually perform specific supervisory activities. The principles of performing such supervision are defined by the Supervisory Board by way of a resolution.
2. Supervisory Board members perform their rights and obligations in person.
3. Information obtained by a Board member in connection with performed function is confidential.
4. The Supervisory Board takes decisions in form of resolutions.
5. Resolutions of the Supervisory Board are adopted with absolute majority of votes in the presence of at least three Supervisory Board members. In the event that an even number of votes is cast, the Chairman has the casting vote.

§ 8

1. Supervisory Board meetings are held on an as-needed basis, not less frequently than three times a year. Supervisory Board meetings are held at the seat of the Company in Grodzisk Wielkopolski, Poznań or another location indicated by the Supervisory Board Chairman.
2. The Chairman of the Supervisory Board or a person authorised by it, convenes and presides over Board meetings. The Chairman also convenes a Supervisory Board meeting at request of a Management Board member or a Supervisory Board member within two weeks of the date such request is received. The Vice-Chairman of the Supervisory Board is authorised to perform the function of the Chairman of the Board in the event of the Chairman's absence, the Chairman's discontinuation of performing actions or lack thereof, in particular, in the event that the Chairman of the Supervisory Board fails to convene a Supervisory Board meeting.
3. A motion to convene a Supervisory Board meeting shall include the date, the venue and the proposed agenda. A motion does not have to include a justification. The person filing a motion to convene a Supervisory Board meeting shall attach materials concerning matters included on the agenda thereto, provided this is justified by the contents of the of the agenda proposed in the motion.
4. Absence of the Chairman and the Vice-Chairman of the Supervisory Board shall not preclude conducting of a Supervisory Board meeting.
5. In special instances Supervisory Board members may take part in adopting resolutions by casting their vote in writing via another Supervisory Board member. Casting a vote in writing may not concern matters added to the agenda at the Supervisory Board meeting.

6. The Supervisory Board may adopt resolutions in writing or with application of means of direct distant communication. A resolution is binding if all Board members have been notified about the text of the resolution.
7. The venue of the meeting conducted by phone or with application of means of direct distant communication shall be the location of the Supervisory Board Chairman.
8. The agenda of Supervisory Board meeting shall not be amended or supplemented during the meeting it refers to. This shall not apply to situations when all Board members are present at the meeting and express their consent to amend or supplement the agenda.

§ 9

1. Supervisory Board resolutions are adopted in an open ballot, subject to section 2. Supervisory Board resolutions are signed by the Supervisory Board Chairman or the Supervisory Board Vice-Chairman and, in the event of their absence, by the person chairing a given Supervisory Board meeting.
2. The Supervisory Board adopts resolutions in a secret ballot:
 - 1) on matters provided for by the law,
 - 2) at request of any Supervisory Board member.
3. The Supervisory Board debates and adopts resolutions in the Polish language. Notices about Supervisory Board meetings and minutes from meetings should be made in the Polish language. Materials and other documents to be discussed at a Supervisory Board meeting shall be prepared in the Polish language, and in the case of a different language, they should be translated to the Polish language at request of at least one Supervisory Board member.

§ 10

1. A resolution is adopted by the Supervisory Board:
 - 1) by direct voting at a meeting,
 - 2) in writing.
2. A prerequisite for adopting a resolution at a meeting shall be the presence of at least three Supervisory Board members.
3. Adopting a resolution in writing occurs on the basis of an order of the Supervisory Board Chairman. In the order a draft resolution and the date, when voting results will be determined shall be indicated. The casting of a vote in writing may consist in:
 - a. signing a draft resolution and marking the vote for, against or abstaining,
 - b. sending information about a position with respect to a specific resolution in electronic form or in writing.
 - c. Signing the resolution by all or some Supervisory Board members.
4. When ordering adopting a resolution in writing, the Supervisory Board Chairman shall also indicate the manner of adopting a resolution and determining voting results. The Supervisory Board Chairman shall notify the voting results to all Supervisory Board members promptly upon determining voting results. The Chairman may always extend the time limit to determine voting results on a draft resolution.
5. Adopting resolutions in the manner set out in section 1 item 2 shall not apply to appointment, dismissal and suspension of a Management Board member.

6. Resolutions adopted by the Supervisory Board are binding if all Board members have been invited to the meeting with a letter served in person, by mail, e-mail or fax at least 14 days before the meeting date. For important reasons the Chairman of the Board may shorten that time limit to 3 days, defining the manner of notice delivery. To avoid any doubts, in the event that a Supervisory Board member or the Vice-Chairman request that the Chairman convenes a Supervisory Board meeting within 3 days and the Chairman fails to convene the meeting within the said time limit, the person requesting a Supervisory Board meeting shall have a right to convene a Supervisory Board meeting.
7. An invitation should identify the venue, the time of commencement of the meeting and the planned agenda.
8. Notices about convening Supervisory Board meetings may be sent by the Supervisory Board Chairman or a person acting by authority of the Supervisory Board Chairman and other persons, if they are authorised to independently call a Supervisory Board meeting.
9. Materials concerning matters included on the agenda are sent together with the notice about convening a Supervisory Board meeting or not later than 7 days prior to the planned meeting date. In justified instances, following consultation with the Supervisory Board Chairman, the materials may be sent at a later date, having regard to the need to enable Supervisory Board members becoming familiar with the materials before the meeting.

§ 11

1. All Management Board members are invited to Supervisory Board meetings, being informed about the planned agenda, subject to section 2.
2. Management Board members may take part in Supervisory Board meetings, save for matters concerning Management Board members personally, in particular dismissal, holding liable and determining the remuneration of Management Board members.
3. The Supervisory Board, in order to fulfil its obligations, may demand reports and explanations from the Management Board, and – via the Management Board – from the Company's employees, may review books and documents and check the status of the Company's assets.
4. The basic meeting agenda is agreed by the Supervisory Board member calling the meeting. At its request the Management Board prepares all documents necessary to conduct the meeting.
5. Supervisory Board meetings are conducted by its Chairman, and in the event that the Chairman is absent, by the Vice-Chairman. In the event of their absence the meeting is conducted by the Board member selected from among members present at the meeting.
6. Supervisory Board meetings are recorded in minutes covering the course of the meeting. Minutes shall include at least the following:
 - the date and the venue of the meeting,
 - the agenda,
 - the first and last names of present Supervisory Board members,
 - resolutions adopted by the Board, stating the number of votes cast on particular resolutions,
 - dissenting opinions.
4. Each Supervisory Board member may submit a dissenting opinion with regard to adopted resolution, against which it voted, and demand that its statement be included in the minutes.

5. The minutes shall be signed by the Supervisory Board Chairman, and the list of attendance signed by all present Supervisory Board members shall be attached to the minutes. Minutes from the Supervisory Board meeting are sent to Supervisory Board members immediately following its signing by the Supervisory Board Chairman, and next it is adopted by way of a resolution during the next Supervisory Board meeting. Doubts concerning the text of resolutions are resolved by way of a resolution consisting in making a correction or by voting repetition. In the event that a correction is introduced in the text of adopted resolution, the Chairman shall sign the resolution in amended wording.
6. Minutes from Board meetings are stored at the seat of the Company, with their confidentiality secured.
7. The right to review the Supervisory Board's minutes register - apart from persons authorised by virtue of the law - is only vested in Supervisory Board members, Management Board members, external control bodies to the extent set out in applicable laws, and other persons, provided they obtained a written consent of the Board's Chairman, subject to prior filing of a confidentiality statement concerning the information, which is attached to the minutes register, stating the date and the scope of register provision.

§ 12

1. The Supervisory Board may create committees and appoint persons responsible for managing their work.
2. Activity of committees is aimed at streamlining the work of the Board and shortening meetings duration.
3. The committees shall consist of Supervisory Board members. The Supervisory Board may invite other persons to take part in the work of a committee.
4. Detailed principles of the committees functioning are set in the rules resolved by the Supervisory Board.
5. The Supervisory Board may, in particular, create an Audit Committee.
6. The Audit Committee selects the Chairman of the Committee from among its members.
7. The Audit Committee consists of three or more members.
8. The first Committee meeting is convened by the Chairman of the Supervisory Board or another Supervisory Board member indicated by it.

§ 13

1. The works of the Audit Committee are managed by the Chairman of the Committee, who also supervises preparing the agenda, organizing documents distribution and preparing minutes from Committee meetings, with the assistance of the corporate office to that effect.
2. The Audit Committee meetings are convened by the Chairman of the Committee, and in the event of its long-term absence or inability to perform the function – by the Chairman of the Supervisory Board or another Supervisory Board member indicated by it, who invites Audit Committee members to meetings and notifies all other Supervisory Board members about a meeting. All Supervisory Board members have a right to take part in Committee meetings.
3. A notice on convening a meeting shall be delivered to Audit Committee members and other Supervisory Board members not later than 14 days prior to planned Committee meeting, and in urgent situations not later than 3 days prior to Audit Committee meeting.

4. The Chairman of the Audit Committee, may invite Management Board members, Company employees and other persons to Committee meetings, whose participation in the meeting is useful for the performance of tasks of the Committee, including, in particular, the Company's auditor.
5. Resolutions of the Audit Committee are adopted with an ordinary majority of votes cast. In case of voting, in which an even number of votes "for" and "against" were cast, the Chairman of the Committee has a casting vote.
6. Audit Committee members may vote on resolutions in person, by taking part in Committee meeting, or with application of means of direct distant communication.

§ 14

1. Audit Committee meetings are recorded, the minutes shall be signed by Audit Committee members present at the Audit Committee meeting.
2. The minutes should include resolutions, motions and reports of the Audit Committee.
3. Minutes from Audit Committee meetings are stored at the seat of the Company. Copies of the minutes shall be provided by the Company to remaining Supervisory Board members.
4. The Chairman of the Audit Committee or a person indicated by it, is authorised to file motions to the Supervisory Board for the Supervisory Board to adopt a resolution on preparing – for the purposes of the Audit Committee – experts' opinions or opinions concerning the scope of tasks or employing an advisor.

§ 15

1. The task of the Audit Committee is to advise the Supervisory Board on matters of correct implementation of budgetary and financial reporting principles and internal control of the Company and all related companies within the meaning of art. 4 of the Code of Commercial Partnerships and Companies **(the "Group")** and cooperation with statutory auditors of the Company. In particular the tasks of the Committee comprise:
 - a) monitoring the work of statutory auditors of the Company and presenting recommendations for the Supervisory Board on selection and remuneration of statutory auditors of the Company,
 - b) discussing with the Company's statutory auditors, before commencement of every annual financial statement audit, the nature and the scope of the audit and monitoring coordination of work between the Company's statutory auditors,
 - c) reviewing periodical and annual financial statements of the Company (separate and consolidated), in particular focusing on:
 - i. all changes of accounting standards, principles and practices;
 - ii. the main areas to be inspected;
 - iii. significant adjustments resulting from the audit;
 - iv. going concern statements;
 - v. compliance with applicable accounting regulations,
 - d) discussing all problems or reservations, which may arise from financial statement audits,
 - e) analysing letters to the Management Board prepared by the statutory auditors of the Company, independence and objectivity of their audit and Management Board's responses,

- f) reviewing the management accounting system, issuing opinions on reporting and accounting principles,
 - g) reviewing the internal control system of the Company and the Group (including control mechanisms: financial, operating, compliance, risk assessment and managerial),
 - h) analysing reports from the Company's internal audits and the main findings of other internal analysts and Management Board's responses to those findings, including examining the degree of independence of internal auditors,
 - i) annual review of the internal audit program, coordination of works of internal and external auditors and examining conditions for the functioning of internal auditors,
 - j) cooperation with the Company's organizational functions responsible for audit and control and periodical assessment of their work,
 - k) considering all other issues connected with the Company's audit pointed out by the Audit Committee or the Supervisory Board,
 - l) informing the Supervisory Board about all relevant matters concerning the operations of the Audit Committee.
2. Audit Committee meetings shall be held immediately following preparation of the Company' quarterly, semi-annual and annual financial statements, however not less frequently than once per quarter, before publication of the financial statements by the Company.

§ 16

In concluding and terminating agreements on behalf of the Company with Management Board members or in disputes between them, the Supervisory Board is represented by Supervisory Board Chairman or Supervisory Board member authorised by way of a Supervisory Board resolution to perform specific actions. The resolution appointing a Supervisory Board member to perform a specific action with a Management Board member should define the action which is to be performed in detail.

§ 17

1. The corporate office provides administrative and technical services and documents the works of the Supervisory Board, in conformity with the guidelines of the Supervisory Board.
2. The tasks of the corporate office with the scope of administrative and technical services for the Supervisory Board include in particular:
 - a) taking minutes from Supervisory Board meetings,
 - b) providing services to the Supervisory Board within the scope of keeping the minutes register and Supervisory Board resolutions' register and providing the same to Supervisory Board members and other authorised persons,
 - c) storing the minutes, recordings and other documents from Supervisory Board meetings in conditions, which ensure their confidentiality and security,
 - d) preparing, in conformity with the agenda of a convened Supervisory Board meeting, and providing a set of materials for the Supervisory Board meeting to every Supervisory Board member and other persons invited to take part in the Supervisory Board meeting, in adequate scope,
 - e) notifying Supervisory Board members and other authorised persons about Supervisory Board meetings and taking care of keeping required time limits and notification procedures,

- f) providing materials and Supervisory Board decisions to the Management Board,
 - g) monitoring the circulation of all materials prepared for Supervisory Board meetings,
 - i) keeping files with a set of materials and documents provided to the Supervisory Board and making them available for inspection to Supervisory Board members,
 - j) office services for the Supervisory Board and its Committees, including:
 - receiving correspondence, directing it according to the competencies to Supervisory Board members and sending correspondence,
 - keeping incoming and outgoing letters log book,
 - receiving telephones, faxes, emails.
3. With the consent of all Supervisory Board members participating in the meeting, the course of the meeting may be recorded with application of equipment registering picture or sound.

§ 18

1. Provisions of these Rules shall enter into force on the date of their adoption.
2. Whenever provisions of these Rules are in contradiction to the Articles of Association, the Articles of Association shall prevail.
3. These Rules were adopted by way of a Supervisory Board resolution of 17 December 2014.