

REGULATIONS OF THE SUPERVISORY BOARD OF DELKO S.A.

Definitions

Whenever the following is referred to in the Regulations:

- a) Board – it should be understood as the Supervisory Board of the Company;
- b) Chairperson – it should be understood as the Chairperson of the Supervisory Board;
- c) Members of the Board – it should be understood as any member of the Board unless the context in which this term has been used shows that it does not refer to the Chairperson;
- d) Secretary – it should be understood as a person designated to deal with the organizational issues and handle the Supervisory Board's office business;
- e) Meeting – it should be understood as a meeting of the Supervisory Board;
- f) General Meeting – it should be understood as the General Meeting of Shareholders of the Company;
- g) The Board – it should be understood as the Company Executive Board;
- h) The Articles – it should be understood as the Articles of Association of the Company,

I. GENERAL PROVISIONS

Art. 1

The Supervisory Board is a collegial body in charge of permanent surveillance and control in all areas of operation of the Company **Delko S.A.** based in Šrem.

Art. 2

The Supervisory Board shall operate under the Commercial Companies Code, other laws in force, the Articles of Association of the Company and these regulations.

II. COMPOSITION AND APPOINTMENT OF THE SUPERVISORY BOARD

Art. 3

1. The Supervisory Board shall consist of five to nine members appointed for terms of two years.
2. The number of members of the Supervisory Board shall be determined by the General Meeting.
3. Supervisory Board members shall be appointed by the General Meeting of the company.

Art. 4

1. At its first meeting, the Supervisory Board shall elect from within its makeup members performing the functions of Chairperson of the Supervisory Board and Deputy Chairperson of the Supervisory Board.
2. An elected person is deemed to be a person who has received an absolute majority of votes present at a meeting of members of the Supervisory Board. If two persons have received the same number of votes, the vote shall be repeated until one of the candidates has received simple majority vote.
3. The Supervisory Board may dismiss the Chairperson or Deputy Chairperson from their position and appoint other persons from among members of the Board for the positions.

Art. 5

1. Each member of the Supervisory Board shall have the right and obligation to participate in meetings of the Supervisory Board.
2. Supervisory Board members shall exercise their rights and obligations in person and be bound to protect confidential information.

Art. 6

1. The mandates of the Supervisory Board members shall expire on the day on which the General Meeting of Shareholders has been held, approving the financial statements for the last full turnover year of the Supervisory Board member performing their function.
2. Each member of the Supervisory Board may be dismissed before the expiry of their term of office by the General Meeting.
3. The mandate of a Supervisory Board member shall also expire as a result of:
 - a) Their resignation,
 - b) The death of the Supervisory Board member.

III. MEETING CONVOCAATION AND CHAIRING METHOD

Art. 7

1. Supervisory Board Meetings shall be held once per calendar quarter or more often should the need arise.
2. Supervisory Board Meetings shall be held at the premises or outside the headquarters of the Company.

Art. 8

1. Meetings of the Supervisory Board shall be convened by the Chairperson on their own initiative, at the request of the Supervisory Board or at the request of the Executive Board. Should it be impossible for the Chairperson to convene a meeting or to arrive at the meeting of the Board, the function of the Chairperson in this regard shall be assumed by the Deputy Chairperson or a person designated by the Chairperson. The Chairperson of the Supervisory Board of the previous term shall convene and open the first meeting of the newly elected Supervisory Board and chair it until a new Chairperson has been elected.
2. If, within two weeks of the Company Board having notified the Chairperson of the Supervisory Board of the previous term of the Meeting of Shareholders having appointed members of the Supervisory Board of the next term, they do not convene the first meeting of this Board, the meeting of the Supervisory Board shall be convened and opened by the Chief Executive Officer of the Company.
3. The Agenda of the Board shall be proposed by the Chairperson, and should they be unable to convene the meeting, by the Deputy Chairperson or another person designated by the Chairperson, and shall be adopted by the Board.

Art. 9

1. The convocation of the Board shall be notified in writing with a date, venue and proposed agenda.
2. The notice should be given to all members of the Board within 7 workdays before the scheduled meeting.
3. Notice of the meeting shall be delivered to the place of residence of the members of the Board or another address for delivery indicated by the Board member, which shall not rule out the possibility of personal receipt of notice at the Company's headquarters. Any change in address must be notified by the Board member to the Board under pain of recognition that the notice delivered to the address given previously is effective. Electronic notification shall be permitted.

4. The date and venue of the next Board meeting can also be arranged at the current meeting with an effect binding on the Board members present at the meeting. In such cases, notification shall only be sent to those members of the Board who were not present at the meeting.
5. In special cases, the Board may hold a meeting without formal convocation if all Board members agree in writing no later than on the date of the meeting or put their signature on the attendance list.
6. The agenda of the meeting of the Board may be supplemented, if all members of the Board are present and no one has filed an objection to making this change.

Art. 10

1. The right to vote at meetings of the Board shall rest only with members of the Board. The right to vote may not be transferred to third parties.
2. Executive Board members, employees of the company and other persons may be invited Supervisory Board meetings, without the right to participate in the vote, to be heard or to provide information.
3. The person chairing the meeting shall be required to:
 - a) Present the agenda together with any additions,
 - b) Submit the minutes of the previous meeting to be approved,
 - c) Formulate draft requests and findings concerning the various points of the meeting,
 - d) Order voting on draft resolutions.

Art. 11

1. For the resolutions of the Board to be valid, it is required that all of the Board members be invited to the session and at least half of its members be present during the session.
2. Resolutions of the Board shall be passed by an absolute majority vote of Board members present at the meeting. Should the number of votes be equal, the Chairperson shall decide.
3. The vote shall be open, with the exception of voting in the following matters:
 - a) Appointment and dismissal of the Chairperson of the Board or the Deputy Chairperson,
 - b) In other cases, at the request of at least one of the members present at the meeting of the Board
4. A resolution of the Supervisory Board ought to include:
 - The number,
 - The date,
 - The contents of the resolution,
 - The effective date of the resolution,
 - The form and result of the vote,
 - The signature of the Chairperson of the Supervisory Board.
5. The originals of the resolutions shall be kept in the Book of Resolutions, which is managed by the Board.
6. In matters not included in the agenda, resolutions must not be adopted, unless all members of the Board are present, and nobody has objected.
7. In the event of a conflict of interest, a member of the Supervisory Board shall be obliged to inform other members of the Board and refrain from taking part in the discussion and from voting on any resolution on a matter in which the conflict of interest has arisen.

Art. 12

1. Board meetings shall be minuted by the Secretary.
2. The minutes ought to include:
 - The number,
 - The date and venue of the meeting,
 - The names and last names of Board members present at the meeting and other persons invited to the meeting,
 - The agenda,
 - The name of the person chairing the session,

- The content of the resolutions adopted,
 - The number of votes for the various resolutions,
 - Dissenting opinions made by members of the Board,
 - Method of voting.
3. The originals of the minutes with attachments under discussion shall be stored in the Minutes Book.
 4. The minutes shall be signed by all members of the Board, and the members absent from the meeting from which the minutes were drawn up shall put their signatures with the clause “for the attention of.” The approval and signing of the minutes can take place at the next session of the Board.
 5. Unless the Supervisory Board should decide otherwise, the Executive Board of the company shall be acquainted with the contents of the resolutions by the Chairperson, Deputy Chairperson or another member of the Supervisory Board. The Executive Board shall acknowledge the time of becoming acquainted with the contents of the resolutions taken in writing.
 6. The minutes of the Supervisory Board sessions shall be kept at the Company headquarters.

Art. 13

1. The provisions of the preceding articles shall apply to sessions via communications media, as amended by the following provisions.
2. A session via communications media can only be held with the consent of at least two thirds of the Supervisory Board composition.
3. Notices of the meeting to the Supervisory Board members regarding a session via communications media must specify in particular:
 - a) Which board members shall participate therein via communications media,
 - b) By what communications media they shall be available.
4. At a meeting via communications media, resolutions cannot be adopted if the notices of the session do not specify the manner in which the Board members’ votes cast in ballots are to be communicated and if draft resolutions are not going to be presented.
5. At a session via communications media, persons must not be present other than members of the Supervisory Board and Executive Board members, nor can documents be presented that are not already in the possession of the Supervisory Board members.
6. The minutes of the session shall be drawn up by a designated member of the Supervisory Board. The adoption of the minutes of a session via communications media shall take place only as a result of them being signed by all members of the Supervisory Board participating in the meeting.
7. Resolutions adopted at a session via communications media shall become effective on adoption.
8. The provisions of sec. 1 – 7 shall apply respectively to that part of the (ordinary) meeting of the Supervisory Board, which – with the consent of all Supervisory Board members, present in person at that session – was decided to be terminated at a certain day, and completed in the form of a session via communications media.
9. In cases justified by special circumstances, where delay in taking a decision could expose the Company to a loss, the Supervisory Board may also adopt resolutions by circulation, if all members agree to adopt the resolution in this mode and give their votes. The voice of a member of the Board ought to be placed in writing. A separate protocol shall be made for a vote by circulation. Electronic signature shall be allowed.

IV. TASKS AND SCOPE OF OPERATION

Art. 14

1. The Board shall exercise permanent supervision over the activities of the Company.
2. Special powers of the Board include:
 - a) Evaluating the financial statements of the Company and the Board’s report as well as conclusions

- of the Executive Board concerning the distribution of profit or loss coverage, and submitting an annual written report on the results of this evaluation to the General Meeting,
- b) Representing the Company in contracts and disputes with members of the Board,
 - c) Suspending, for important reasons, individual members of the Management Board and delegating Supervisory Board members to temporarily perform the duties of Board members who are unable to do so,
 - d) Approving the regulations of the Board,
 - e) Expressing opinion to the Board on the manner of exercise of the voting rights at shareholder meetings and general meetings of subsidiaries and affiliates,
 - f) Determining the issue price of new shares,
 - g) Establishing the date of opening and closing of the subscription,
 - h) Appointing and replacing auditors of financial statements of the Company,
 - i) Approving annual budgets and significant changes therein presented by the Company Board as well as establishing the mini-budget,
 - j) Granting consent to take resolutions on significant changes to the field of business of the Company's enterprise,
 - k) Granting consent for the Company to take out significant obligations not included in the budget approved by the Supervisory Board; significant obligations understood to be commitments with a value in excess of the equivalent of a unit of PLN 50,000 (fifty thousand zlotys),
 - l) Granting consent for the Company to sell material fixed assets or material working assets not included in the budget approved by the Supervisory Board; fixed material assets understood to be assets as defined in art. 3 sec. 1 item 13 of the 29 September 1994 act on accounting, with a value exceeding the equivalent of a unit of EUR 25,000 (twenty-five thousand) at the average NBP exchange rate on the last day of the month preceding the transaction or the value of which is equivalent to at least 0.5% (five tenths of a percent) of the Company's equity capital according to the most recent audited financial statements; material working assets understood to be assets as defined in art. 3 sec. 1 item 19 of the 29 September 1994 act on accounting, disposed of in the course of the operations pursued by the Company in favour of the Company's contractors, on the basis of commercial contracts entered into by the Company, the value of which is equivalent to at least EUR 250,000 (two hundred and fifty thousand) at the average NBP exchange rate on the last day of the month preceding the transaction or the value of which is equivalent to at least 5.0 % (five percent) of equity capital,
 - m) Granting consent to the acquisition and disposal of real estate, perpetual usufruct of or shares in real estate,
 - n) Granting consent to the establishment of subsidiaries of the Company as defined by the provisions of the commercial companies Code,
 - o) Fixing the remuneration of the members of the Company Board,
 - p) Authorizing the Executive Board to open and close branches of the Company,
 - q) The right to participate in meetings of the Board.

Art. 15

1. The Supervisory Board shall carry out its tasks and powers through supervision and control duties in the form of:

- a) Examining all Company documents,
- b) The right to require reports and explanations from the Executive Board and staff,
- c) The right to revise the condition of the Company property.

2. For the proper performance of its tasks, the Supervisory Board may ask the opinion of the Company lawyers or appoint experts to form appropriate opinion. Such orders shall be implemented at the expense of the Company.

V. FINAL PROVISIONS

Art. 16

The running costs of the Supervisory Board shall be borne by the Company.

Art. 17

The Regulations shall come into effect on the date of adoption.