

SUPERVISORY BOARD
REGULATIONS
OF T.C. DEBICA S.A.



I. GENERAL PROVISIONS

PARAGRAPH 1

The Supervisory Board is a permanent supervisory body of the joint-stock company T.C. Dębica S.A.

PARAGRAPH 2

The Supervisory Board shall operate on the grounds of the Commercial Companies Code, the Company Articles and these Regulations.

II. COMPOSITION AND APPOINTMENT OF THE SUPERVISORY BOARD

PARAGRAPH 3

1. The Supervisory Board shall consist of between 5 to 9 members. The Supervisory Board may be composed of persons who do not hold Polish citizenship. Members of the Supervisory Board shall include a representative of the Company's associates.
2. The term of office of the Supervisory Board members cannot exceed one year. The term of office shall commence on the date of appointment and end on the date of the General Meeting that approves the financial statements for the year in which the term of office began.
3. The manner of election of the associates' representative shall be specified in separate regulations passed by the trade unions active in the Company and approved by the Supervisory Board. In the event that the regulations have not been passed within the deadline fixed by the Supervisory Board, the Supervisory Board shall pass them.
4. Whenever a member of the Supervisory Board elected by the General Shareholders' Meeting resigns, the Supervisory Board shall co-opt a new member within 15 days after receipt of the resignation notice.
5. Whenever the member of the Supervisory Board elected by the Company's associates resigns, the Supervisory Board shall order a by-election within 15 days after receipt of the resignation notice. The by-election shall be carried out in the manner specified in the regulations of election of the representative of the T.C. Dębica S.A. associates, as mentioned in item 3 above, and it shall be carried out within the term of up to one month from being ordered by the Supervisory Board. However, until the composition of the Supervisory Board is made complete with the associates' representative, the Supervisory Board's resolutions shall be valid, unless contrary to article 385, paragraph 1 of the Commercial Companies Code.
6. The term of office of the Supervisory Board members expires as a result of

the lapse of term of office, death, resignation or dismissal. Resignation is effective from the moment a written statement is submitted to the Company or at a later date as indicated in the statement. The indicated date cannot be later than 30 days from the day the written statement is submitted to the Company. If the date indicated is later than 30 days from the date of submission, the resignation takes effect upon the lapse of 30 days from the date on which the written statement was submitted to the Company.

7. The Supervisory Board members are appointed for a common term of office. In the event of dismissal, resignation, death or any other cause resulting in a reduction in the number of members of the Supervisory Board during its term of office and appointment of another member to the vacated seat, the mandate of the appointed member shall expire at the end of term of office of the entire Supervisory Board.

PARAGRAPH 4

Members of the Supervisory Board shall act in person.

PARAGRAPH 5

1. At the first meeting, the new Supervisory Board shall elect in a secret ballot voting from among its members the individuals who will undertake the duties of Chairman, Deputy Chairman and Secretary of the Board.

2. In a secret ballot voting, the Supervisory Board may remove members performing the duties of Chairman, Deputy Chairman or Secretary of the Board; and then, in the manner specified in item 1 above, it may appoint other individuals from among themselves to perform those duties.

3. Any member of the Supervisory Board may be removed before the lapse of the term of office.

4. The decision concerning the suspension of the member of the Supervisory Board elected by the associates shall be taken by the Company's associates in the manner provided for under the election regulations passed in accordance with paragraph 14, section 3 of the Company Articles.

III. CONVENING AND HOLDING MEETINGS

PARAGRAPH 6

1. Meetings of the Supervisory Board shall be convened and chaired by the Chairman or, in his absence, by the Deputy Chairman of the Supervisory Board. The Chairman of the Supervisory Board of the preceding term of office shall convene and

open the first meeting of the new Board, as well as chair it until the new Chairman is elected. If the Chairman of the Supervisory Board of the preceding term of office does not convene a Supervisory Board session within 14 days of the date of election of the new Board, the Supervisory Board session is convened by the oldest (by age) member of the Supervisory Board. In that case that oldest member of the Supervisory Board chairs the meetings until the new Chairman is elected.

2. The oldest member of the Supervisory Board convenes the Supervisory Board session if during the term of office the Supervisory Board loses its Chairman and Deputy Chairman as a result of expiry of the term of office of these persons during the Supervisory Board term of office. The oldest member of the Supervisory Board chairs the Board meetings until such time as the Chairman is elected.

PARAGRAPH 7

1. The notice concerning the convening of the Supervisory Board's meeting shall be delivered to all members of the Board at least 7 (seven) days prior to the date of the meeting by one of the following means.

- a. by registered mail;
- b. by electronic mail to the email address for correspondence indicated to the Company by the Supervisory Board member;
- c. by courier;
- d. in person.

2. For important reasons, the notice defined in Sec. 1 may be made at least 3 (three) days before the date of the meeting. In that case information about the date should be additionally given by fax or telephone.

3. The invitation should include the meeting's agenda. The Supervisory Board may pass resolutions only on the matters included in the agenda, unless it passes them in the manner specified in paragraph 14 hereof.

4. Meetings of the Supervisory Board shall be held on the territory of the Republic of Poland or abroad, at the venue indicated in the notice convening the meeting.

5. The Supervisory Board may held its meeting without a formal convention, provided all its members are present and none of them objects to holding the meeting in the manner.

PARAGRAPH 8

1. The Management Board or a member of the Supervisory Board may require

convention of a meeting of the Supervisory Board specifying the proposed agenda. The Chairman of the Supervisory Board shall be obliged to convene the meeting within two weeks after the day on which the motion for convention of the meeting was received.

2. The person who brings forward the motion shall also submit the proposed agenda that should be attached to invitations.

3. The meeting should be held within a month of the date of submission of the motion.

4. If the Board meeting is not convened pursuant to Point 1 of this paragraph, the applicant may convene it independently.

PARAGRAPH 9

1. The Supervisory Board shall hold meetings as frequently as is required to perform its actions appropriately, however, it shall hold at least three meetings within a financial year.

2. The Supervisory Board meetings are available and open to members of the Company Management Board, except for a situation where matters are discussed at the Board meeting directly concerning the Management Board or its members. The meetings may also be attended by guests invited by the Supervisory Board Chairman or Deputy Chairman, unless the Supervisory Board is opposed to this.

PARAGRAPH 10

1. After opening the meeting, the Chairman shall check whether all members of the Supervisory Board have received invitations in the correct form and time, and then he shall present the agenda. The proposed agenda may not be rejected if the meeting has been convened in the manner specified in paragraph 8 hereof.

2. The Chairman shall present consecutive items on the agenda and acquaint the participants with materials relevant to each item on the agenda.

PARAGRAPH 11

1. When considering each matter, members of the Supervisory Board shall be entitled to bring forward amendments to draft resolutions or to propose their own draft resolutions.

2. A vote on the amendments and proposals, in the sequence of their placement, shall be taken prior to the adoption of the final resolution.

PARAGRAPH 12

1. For resolutions of the Supervisory Board to be valid, all members of the Board must be invited and at least half of the members of the Supervisory Board must be present at the meeting.
2. Resolutions of the Supervisory Board shall be passed by an absolute majority of votes cast by the present members of the Board. If the same number of votes have been cast in favor and against a proposed resolution, the Chairman shall have the casting vote.
3. The Supervisory Board may adopt resolutions in writing or with use of telecommunication means enabling synchronized listening and response. Such resolutions shall be considered valid provided all members of the Board have been duly notified of the contents of the draft resolutions.
4. Members of the Supervisory Board may participate in the adoption of resolutions of the Board by casting their votes in writing by agency of another member of the Supervisory Board. Voting in writing cannot relate to matters introduced to the agenda at the Supervisory Board meeting.
5. The manner of adoption of resolutions, as stipulated in sections 3 and 4 above, shall not relate to election of the Chairman and the Deputy Chairman of the Supervisory Board, neither to appointment of a member of the Management Board, nor to dismissal and suspension of such persons from their duties.

PARAGRAPH 13

1. While voting against a resolution, members of the Board may submit a votum separatum (an objection) to be included in the minutes. The submitting member shall be obliged to attach a written justification within the term of seven days of passing of the resolution.
2. Each resolution passed by the Supervisory Board shall include the following:
 - a) the resolution number consisting of a Roman numeral denoting the term of office, Arabic numerals denoting the number of the resolution and the year of its adoption;
 - b) the resolution title and the date of its adoption;
 - c) the legal grounds, if required by the resolution's nature;
 - d) the contents divided into paragraphs and sections;
 - e) the voting results.
3. The originals of resolutions shall be recorded in the Book of Resolutions kept by the Secretary of the Supervisory Board. Copies of resolutions or minutes may be obtained from the Supervisory Board Secretary upon request by any member of the Supervisory Board.

PARAGRAPH 14

No resolution on a matter not included in the agenda may be adopted unless all members of the Supervisory Board are present and none of them have objected.

PARAGRAPH 15

1. Voting shall be open except for a vote to be taken:
 - a) to appoint or remove individual members of the Management Board or the entire Management Board;
 - b) to suspend members of the Management Board for important reasons;
 - c) in all personal matters.
2. A secret vote shall be ordered even if only one voter should bring forward such a motion.

PARAGRAPH 16

1. Minutes shall be taken of every meeting of the Supervisory Board and signed by all members present at the meeting.
2. The minutes shall be approved by the Supervisory Board at a subsequent meeting.
3. The minutes shall include: the agenda, first names and surnames of all participating members of the Supervisory Board, first names and surnames of all persons invited, as well as vote results and objections.
4. Members of the Supervisory Board absent from the last meeting shall take cognizance of and accept for implementation of the resolutions adopted, acknowledging this by signing the minutes at a subsequent meeting.

PARAGRAPH 17

The Secretary of the Supervisory Board shall enter all outgoing and incoming correspondence in a correspondence register, as well as keep originals of incoming correspondence and copies of outgoing correspondence.

IV. TASKS AND SCOPE OF RESPONSIBILITY OF THE SUPERVISORY BOARD

PARAGRAPH 18

1. The Supervisory Board shall exercise supervision over the Company's activities in all fields of the enterprise by using the rights provided for under the Commercial Companies Code and the Company Articles, and in particular the Supervisory Board shall:
 1. review the financial statements for the previous financial year;

2. review the Management Board's report, as well as its motions concerning distribution of profit or coverage of loss;
3. submit to the General Shareholders' Meeting written reports on the outcomes of the actions mentioned in sections 1 and 2 above;
4. consent to the Company's creation of or participation in a company or consortium;
5. consent to the Company's acquisition or disposition of shares in any companies or to acquisition of their affiliates;
6. without prejudice to article 393, sections 3 and 4 of the Commercial Companies Code, consent to disposition of any organized part of the Company's property;
7. consent to any legal action to be taken by the Company that should involve any obligation or disposition of the Company's fixed assets, if the value of a single legal action exceeds the zloty equivalent of USD 500,000 (say: five hundred thousand American dollars); or in the event of interconnected legal actions performed within the period of twelve consecutive months, if the value of these actions exceeds the zloty equivalent of USD 1,000,000 (say: one million American dollars); as well as whenever the Company enters into any agreements on management, joint investment, patents and licenses or any long-term cooperation contracts;
8. consent to charge the Company's property with the debt of the value exceeding the zloty equivalent of USD 1,000,000 (say: one million American dollars); or to consent to give a guarantee for the amount exceeding the zloty equivalent of the same sum for the period of more than twelve consecutive months;
9. fix the remuneration for the members of the Supervisory Board assigned to temporarily perform the duties of members of the Management Board;
10. give written opinions on motions filed with the General Shareholders' Meeting concerning the matters specified under paragraph 26, section 1 of the Company Articles;
11. appoint and remove the President and other members of the Management Board;
12. suspend, for important reasons, individual or all members of the Management Board in their functions;
13. delegate a member or members of the Supervisory Board to temporarily perform the duties of a member or members of the Company's Management Board in the case of suspending or removing individual or all members of the Management Board or when, owing to other reasons, the Management Board is unable to perform its functions;

14. approve the Management Board Regulations;
15. appoint an auditing company to examine the Company financial statements;
16. approve the trade-union-approved regulations of election of the Company's associates' representative to the Supervisory Board; in the case the regulations are not passed within the time limit specified by the Supervisory Board, they shall be passed by the Supervisory Board;
17. co-opt a new member within 15 days of receipt of the information of removal of a member of the Supervisory Board elected by the General Shareholders' Meeting;
18. order a by-election within 15 days from receipt of the information of removal of the member of the Supervisory Board elected by the Company's associates; the by-election shall be carried out in the manner stipulated in detail in the Company Articles.

2. In order to exercise its rights, the Supervisory Board may inspect every field of the Company's activities, require the Management Board and the Company's associates to submit reports or provide explanations, as well as audit the assets, books and documentation (supervisory activity). The supervisory activities are carried out as follows:

a. The Supervisory Board may require from Management Board members and Company associates present at the Supervisory Board meeting oral explanations on day-to-day matters of the Company. If submission of explanations requires additional actions, the Management Board member should present the explanations in writing by a deadline set by the Board, which deadline cannot be shorter than 14 days.

b. The Supervisory Board may require that Management Board members and Company associates submit written explanations and reports concerning Company matters. In the request to submit specific explanations and reports the Supervisory Board sets a deadline for presenting a reply in such a manner that the need to give a reply will not collide with the normal operations of the Company or duties of the persons obligated to give explanations; the deadline for submitting explanations should in any event amount to at least 14 days. In the case of a request that Company associates submit written explanations and reports the Supervisory Board sends a copy of the request to the Company associate's superior; this does not concern a request for explanations and reports from the Department Directors.

c. The Supervisory Board may require that Management Board members and Company associates submit oral explanations. In the request to submit oral explanations the Supervisory Board sets [a deadline] for submitting explanations in such a manner that the need to give a reply will not collide with the normal operations of the Company or duties of the persons obligated to give explanations;

the deadline for submitting explanations should in any event amount to at least 14 days. In the case of a request that Company associates submit oral explanations the Supervisory Board sends a copy of the request to the Company associate's superior; this does not concern a request for explanations and reports from the Department Directors. Oral explanations are submitted at the seat of the Company or at the workplace of a given associate if he/she works outside of the Company seat. Upon the consent of the person obligated to submit explanations, explanations may be submitted at another place. A note is made of the oral explanations, which is signed by all those present during the submission of the explanations. In the case of a refusal to sign the note, the reason for the refusal is entered into the note, if such reason is known.

d. The Supervisory Board may require access to all Company documents and books. The requested documents and books should be made available by the Management Board on the Company premises within 14 days of the date the pertinent request is sent in writing.

e. The Supervisory Board may audit Company assets. During the audit the Supervisory Board members are accompanied by at least one Company Management Board member or other person delegated by the Management Board. The Company asset audit is held within a deadline agreed with the Company Management Board. The intention to carry out a Company asset audit should be announced at least 7 days before the proposed audit date.

3. Apart from the Supervisory Board, the following bodies may carry out the supervisory activities:

a. A Committee appointed as part of the Supervisory Board pursuant to § 24 of these Regulations;

b. A Supervisory Board member delegated by the Board to independently perform specific supervisory activities under Art. 390 § 1 of the Commercial Companies Code;

c. A Supervisory Board member delegated to permanent individual performance of supervisory activities under Art. 390 § 2 of the Commercial Companies Code.

§ 18 Sec. 2 of these Regulations apply accordingly to the performance of supervisory activities by the entities listed in Points a-c of this paragraph.

4. The Supervisory Board may express its opinion on all matters related to the Company, as well as file its motions and interpellations with the Management Board.

5. The Management Board shall inform the Supervisory Board of its position taken with regard to the opinions, motions or interpellations within 14 days of receipt of them at the latest, unless the Supervisory Board specifies a longer deadline.

PARAGRAPH 19

The Supervisory Board shall be entitled to require, as might be needed, to have an expertise and examination carried out, at the Company's expense, in relation to the issues within the Board's competence. Upon the Board's request, the Company shall enter without delay into a contract for execution of such an expertise or formulation of an opinion.

PARAGRAPH 20

The Chairman of the Supervisory Board shall, on behalf of the Company, enter contracts of employment and any other contracts with members of the Company's Management Board. The Chairman of the Supervisory Board shall represent the Company in any disagreements between members of the Management Board and the Company. The Chairman of the Supervisory Board shall be solely entitled to determine the conditions of remuneration and any other terms of the mentioned contracts.

V. FINAL PROVISIONS

PARAGRAPH 21

Proceedings of the Supervisory Board shall be carried out in Polish or English, which is decided by the Board Chairman, and in his absence by the Deputy Chairman. If during the term of office the Supervisory Board loses its Chairman and Deputy Chairman as a result of their terms of office having expired, the decision as to the language in which the proceedings will be carried out is taken by the Supervisory Board. Members of the Supervisory Board who do not have a command of the language in which the proceedings are carried out may use the services of an interpreter. The costs of the interpreter's services are covered by the Company. Minutes and resolutions shall be made in Polish and English. In case of any irreconcilable differences between the two language versions, the Polish language version shall prevail.

PARAGRAPH 22

1. Technical and administrative assistance for the Supervisory Board shall be provided by the Management Board.
2. The cost of work of the Supervisory Board shall be covered by the Company.

PARAGRAPH 23

1. Without prejudice to regulations of the Commercial Companies Code, the Company Articles and these Regulations, no member of the Supervisory Board

may neither proliferate, disclose nor use any information concerning organization, functioning and actions of the Company, its bodies and members of its bodies, both with regard to internal and external relationships, if the proliferation, disclosure or use of such information could do any harm to the Company, its bodies or members of its bodies.

2. The confidentiality obligation described in section 2 above shall bind the Board member during his term of office, as well as three years thereafter.

3. Members of the Supervisory Board are bound by a ban on disclosing and using confidential information on the basis of the Act on financial instrument transactions.

PARAGRAPH 24

1. The Supervisory Board may appoint permanent or ad hoc committees acting as collective advisory and opinion-forming bodies of the Supervisory Board. In the resolution on the appoint of a Committee the Supervisory Board specifies the scope of operations of a given Committee and scope of tasks of the Committee.

2. The committees of the Supervisory Board appointed by the Supervisory Board submit to the Supervisory Board reports on their activities by the deadlines indicated in the resolution on the appointment of a given committee.

3. The members of the committee are appointed by the Supervisory Board from among its Members.

4. The members of a Committee elect, by way of a resolution, a chairman of the Committee from among its members.

5. At least 2 members make up a Committee.

6. The first meeting of the Committee is convened by the Chairman of the Supervisory Board or another Supervisory Board Member indicated by him.

7. The work of the Committee is directed by the Committee chairman. He exercises supervision over the preparation of the agenda, organizing distribution of documents and drawing up of minutes from the Committee meetings, availing in the foregoing scope of the assistance of the Company Management Board office.

8. Meetings of the Committee are convened by the Committee chairman (and in his absence or his inability to perform this function – by the Supervisory Board Chairman or another Supervisory Board Member indicated by him), who invites Committee members to the meeting and informs all the remaining members of the Supervisory Board about the meeting. All Supervisory Board Members have a right to take part in the Committee meeting.

9. The notification on the convening of the meeting should be conveyed to the Supervisory Board members no later than 7 days before the Committee meeting, and in urgent cases no later than 3 (three) days before the Committee meeting. Paragraph 7 of these Regulations applies accordingly.

10. The Committee chairman may invite to the Committee meeting members of the Management Board, Company associates and other persons whose participation in the meeting is useful for carrying out the tasks of the Committee.

11. Resolutions of the Committee are adopted by an ordinary majority of the votes cast.

12. Committee members may vote on the adoption of a resolution in person by taking part in the Committee meeting or by using means of long-distance communication. Paragraph 12 of these Regulations applies accordingly.

13. Minutes are drawn up from the Committee meeting, which should be signed by the Supervisory Board members present at the Committee meeting. The minutes should contain the resolutions, motions and Committee report. Minutes from Committee meetings are kept at the Company seat. Copies of the minutes are sent to all Supervisory Board members.

14. The Committee chairman or a person indicated by him is authorized to submit motions to the Supervisory Board on the adoption by the Supervisory Board of resolutions on the preparation for the needs of the Committee of expert opinions concerning the scope of tasks or the hiring of an advisor.

§ 25

1. The permanent Audit Committee shall be functioning within the Supervisory Board.

2. The Audit Committee shall consist of at least 3 (three) members appointed and dismissed by the Supervisory Board from among its members.

3. The requirement must be observed in composing the Audit Committee that at least 1 (one) of its members shall meet the independence criteria and shall have competence in accounting and/or financial audit. The impartiality and independence shall not be ensured if a Supervisory Board member:

a) holds shares or other participation titles in the Company or its associated company (as defined in Art. 3.1.43 of the law on accounting of September 29, 1994); or

b) within last 3 (three) years has been taking part in keeping of books of account or in preparation of the financial statements of the Company; or

c) is a spouse, relative or in kin up to the second degree or a person connected by guardianship, custody or adoption with a member of the Management Board or with a member of the management or supervisory board of an entity entitled to examine the Company's financial statements.

4. The term of office of the Audit Committee' member expires as a result of:

a) resignation;

b) dismissal by the Supervisory Board;

c) the lapse of term of office of Supervisory Board' member.

5. The tasks of the Audit Committee shall include:

a) monitoring of the Company's financial reporting process;

b) monitoring of the effectiveness of the company's internal control, internal audit and risk management systems;

c) monitoring of the performance of the financial audit;

d) monitoring of the independence of an entity entitled to examine the financial statements;

e) recommending to the Supervisory Board an entity entitled to examine the financial statements or to perform the financial revision activities;

f) analyzing written information obtained from an entity entitled to examine the financial statements on material issues pertaining to financial audit and communicating pertinent position of the Audit Committee to the Supervisory Board.

6. During each financial year, not less than 2 (two) meetings of the Audit Committee shall be held, 1 (one) meeting per half-year. The Audit Committee may invite the Management Board members or any Company's employees responsible for financial affairs and representatives of an entity entitled to examine the financial statements of the Company to be present at its meetings.

7. Provisions of § 24 of the Regulations shall apply accordingly to the Audit Committee. If necessary, the Supervisory Board may set forth regulations of the Audit Committee.