

**Appendix to Resolution No. 25  
of the Annual General Shareholders Meeting  
of PBG Spółka Akcyjna of Wysogotowo,  
held on April 21st 2010**

**RULES OF PROCEDURE OF THE SUPERVISORY BOARD  
of PBG Spółka Akcyjna**

**Par. 1**

1. These Rules of Procedure of the Supervisory Board, hereinafter referred to as the Rules, set forth the principles of operation of the Company's Supervisory Board and the rights and obligations of the Supervisory Board members.
2. Whenever a reference is made herein to Board members, it shall be construed as a reference to all members of the Supervisory Board appointed according to the Company's Articles of Association, i.e. the Chairman, the Deputy Chairman, the Secretary and the Supervisory Board members.
3. The Supervisory Board shall act in compliance with the Company's Articles of Association, the Polish Commercial Companies Code, any applicable laws, best practices in public companies and these Rules.

**Par. 2**

1. The Supervisory Board, hereinafter referred to as the Board, shall exercise supervision and control over the Company and shall represent shareholders' interests.
2. The Chairman shall be in charge of the Board's activities and shall be responsible for ongoing performance of the Board's duties. At the absence of the Chairman, the activities of the Board shall be managed by the Deputy Chairman.
3. The primary concern of the Board shall be the interest of the Company.

**Par. 3**

1. The Board shall be composed of at least five Members appointed and removed by the General Shareholders Meeting. The General Shareholders Meeting shall determine the number of Board Members for a particular term of office.
2. Each individual eligible to attend the General Shareholders Meeting shall have the right to propose to the Management Board one or more candidates for the Supervisory Board members, at least seven (7) days prior to the General Shareholders Meeting. A written proposal shall include:
  - 1) the name and surname or company name of the shareholder, and if a representative acts on behalf of the shareholder, also the name and surname of the representative,
  - 2) the name and a short CV of the candidate,
  - 3) detailed grounds for the proposal.

3. The Management Board shall announce the names of proposed candidates at least five (5) days prior to the General Shareholders Meeting.
4. Each Supervisory Board member, including those appointed pursuant to Art. 385.3 of the Polish Commercial Companies Code, shall satisfy the following requirements:
  - a) be adequately educated,
  - b) have at least 5-year professional experience,
  - c) have life experience,
  - d) have high moral standards.
5. The Supervisory Board shall be established on its first meeting and shall elect its Chairman, Deputy Chairman and Secretary from among its members. The Chairman, Deputy Chairman and Secretary may be removed by the Board at any time upon a petition submitted by at least two Board members.
6. The Chairman shall convene a Board meeting within three days of receipt of the petition referred to in Par. 3.5 hereof, according to the procedure set forth in Par. 12.8, Par. 12.9 and Par. 12.10 hereof.
7. The Board members may attend Board meetings and perform other duties of the Board members exclusively in person. Subject to Art. 388.2 sentence 2 and Art. 388.4 of the Polish Commercial Companies Code, the Supervisory Board members may vote by proxy in writing (through another Board member) on adoption of a resolution by the Board.
8. Members of the Supervisory Board may not include members of the Management Board, proxies, liquidators, attorneys in fact, facility or branch managers, the chief accountant, legal counsel or attorney employed by the Company, or other individuals directly reporting to a member of the Management Board or a liquidator. The provisions of the previous sentence shall apply accordingly to members of the Management Board and liquidators of a subsidiary undertaking or cooperative.
9. The term of office of the Board members shall be one year.
10. The Board members may be appointed for another term of office.
11. The Board members may be removed at any time by way of a resolution of the General Shareholders Meeting.
12. The mandate of a Board member shall expire on the date on which the General Shareholders Meeting approves the financial statements for the full previous year of the term of office of the Board member.
13. The mandate of a Board member shall expire prior to the end of their term of office:
  - a) in the event of death,
  - b) by way of revocation by the General Shareholders Meeting,
  - c) upon resignation submitted by the Board member in writing. The resignation shall be addressed to the Management Board, with a copy to the Chairman of the Supervisory Board (or, if the resignation is submitted by

the Chairman of the Supervisory Board, with a copy to the Deputy Chairman of the Supervisory Board).

14. A Board member should not resign from the function during their term of office, where their resignation could prevent the Supervisory Board from continuing its activities, including without limitation from adopting important resolutions.
15. The Chairman of the Supervisory Board shall convene a Board meeting within three business days of receipt of a notice of resignation from a Board member, according to the procedure set forth in Par. 12.8, Par. 12.9 and Par. 12.10 hereof.
16. If a member of the Supervisory Board identifies any obstacle to the performance of their duties, they shall promptly notify the Chairman of the Supervisory Board thereof and state the reasons therefor.
17. The Board member shall promptly notify other Board members of:
  - a) any conflict of interest with the Company. In such an event the Board member shall refrain from taking the floor or voting on a resolution on the matter which causes the conflict of interest. A notice of the reported conflict of interest shall be included in minutes of the meeting;
  - b) any personal, factual and organizational links of the Board member with a particular shareholder, including without limitation a majority shareholder, which may affect the Company's affairs.
18. Personal links with a shareholder shall be construed as family links of the first degree. Factual links with a shareholder shall be construed as permanent economic relations. Organizational links with a shareholder shall be construed as links resulting from contracts of employment or similar relations.
19. The Company may request the Board member at any time to make a representation on the links referred to above.
20. Information on personal, factual and organizational links of the Board member submitted pursuant to Par. 3.17(b) and Par. 3.19 hereof shall be made available to the general public in current reports.

#### **Par. 4**

The Board shall represent the Company in any agreements and disputes with the members of the Management Board. Each agreement with a member of the Management Board shall be made in writing. Such agreement shall be signed for the Company by the Chairman of the Supervisory Board, the Deputy Chairman of the Supervisory Board, or another Board member named in a resolution of the Supervisory Board.

#### **Par. 5**

1. The Board shall act jointly. Moreover, the Board may delegate particular Board members to perform individual supervisory, control and inspection functions. The scope of functions performed by a delegated Board member shall be specified on a case-by-case basis by the Supervisory Board or the Chairman of the Supervisory Board upon authorization of the Board.

2. A Board member delegated to perform particular functions shall provide a relevant report on the performed functions to the Supervisory Board at the first Board meeting held from the date of their delegation, and at least once every year at the Supervisory Board meeting held prior to the Annual General Shareholders Meeting.
3. Pursuant to Art. 390.2 of the Polish Commercial Companies Code, a Board member delegated by a group of shareholders to perform supervisory function on their own on a permanent basis shall provide a relevant report on the performed functions to the Supervisory Board at least once every quarter and once every year at the Supervisory Board meeting held prior to the Annual General Shareholders Meeting.

#### **Par. 6**

The scope of powers of the Supervisory Board shall be governed by the applicable laws and the provisions of the Company's Articles of Association.

#### **Par. 7**

The Supervisory Board shall perform ongoing supervision of the full scope of the Company's activities. The Board shall submit to the General Shareholders Meeting a brief assessment of the Company's condition agreed upon at a meeting of the Board held prior to the Annual General Shareholders Meeting.

#### **Par. 8**

1. In the performance of its duties the Board may review all the fields of the Company's activity, request that the Management Board and the Company employees provide relevant reports and explanations, audit the Company's assets and review the Company's books and documents.
2. The Board members shall take appropriate actions to receive exhaustive information from the Management Board, on an ongoing basis, concerning any material matters related to the Company's activity, the risks inherent in the Company's activity and the risk management methods. The Management Board shall report on all material matters related to the Company's activity at every meeting of the Supervisory Board. Any urgent matters shall be notified to the Board members by the Management Board in writing. In the event of an urgent matter, the President of the Management Board or two Vice-Presidents of the Management Board acting jointly, or a Vice-President and a member of the Management Board acting jointly, or a Vice-President and a Proxy acting jointly, or a member of the Management Board and a Proxy acting jointly, shall submit a written notice to the Chairman of the Supervisory Board.
3. The Board may assign particular Board members to perform performance particular supervisory actions, by way of a resolution.
4. If a member or members of the Supervisory Board is/are assigned to perform particular supervisory, control or advisory actions, they shall submit to the

Management Board a copy of the Supervisory Board's resolution under which they are assigned to perform such actions, prior to the commencement of performance thereof.

#### **Par. 9**

In the event of suspending any member of the Management Board or their permanent inability to perform relevant duties, the Supervisory Board shall act promptly to fill in the vacancy. To fulfil the duty referred to in the previous sentence, the Board may delegate one of its members to perform the duties of the member of the Management Board on a temporary basis.

#### **Par. 10**

1. The Supervisory Board shall be entitled to convene an Annual or Extraordinary General Shareholders Meeting pursuant to the Company's Articles of Association.
2. The Board shall submit to the Management Board petitions concerning any matters which require a decision of the Management Board.

#### **Par. 11**

The actions referred to in Par. 8 hereof may be performed by the Board members during the Company's normal business hours.

#### **Par. 12**

1. Meetings of the Board shall be convened by the Chairman on an *ad hoc* basis, however, at least once every three months. The relevant notice shall include the date and agenda of the meeting.
2. Meetings of the Board shall be held at the Company's registered office or at another venue specified by the Chairman of the Board. A Board meeting may also be held as a conference call or videoconference.
3. The Chairman shall convene a Board meeting upon a written request of the Company's Management Board or a Board member. The party requesting a meeting to be held shall specify in the relevant request the matter to be discussed at the meeting and the meeting's agenda.
4. A Board member may request that the Chairman of the Supervisory Board put a matter proposed by the Board member on the agenda of the next meeting.
5. The requests referred to in Par. 12.3 and Par. 12.4 hereof shall be addressed to the Chairman of the Supervisory Board and delivered to the Company's registered office.
6. The Company's Management Board shall notify the Chairman of the Supervisory Board of a request to convene a Board meeting within one (1) business day of receipt of the request, by a telegram served to the address specified by the Chairman of the Supervisory Board as the service address or by email to the specified email address. The relevant notice shall include the contents of the request and the name and surname (company name) of the requesting party.

7. In the cases set forth in Par. 12.3 hereof the Chairman of the Supervisory Board shall convene a Board meeting as soon as possible, however no later than within 14 days of delivery of the request to the Company's registered office. The meeting shall be convened pursuant to the provisions of Par. 12.8, Par. 12.9 and Par. 12.10 hereof. Should the Chairman of the Supervisory Board fail to convene a Board meeting within the said term, the requesting party may convene a Board meeting on their own, specifying the date, venue and proposed agenda of the meeting.
8. A notice of a Board meeting shall be served by email or registered mail to the address specified by each Board member. In an emergency, a Board meeting may be convened by phone or fax.
9. A notice of a Board meeting shall be deemed served if sent to the service address specified by the Board member at least seven days prior to the scheduled Board meeting. In an emergency, as referred to in Par. 12.8 hereof, a notice shall be deemed served if sent at least one day prior to the scheduled Board meeting.
10. The notice referred to in Par. 12.8 hereof shall specify the date, time and proposed agenda of the Board meeting.
11. Where all the Board members are present at a Board meeting, the Chairman may determine the date of the following Board meeting at the said meeting. The date of the following Board meeting announced by the Chairman shall be binding upon all Board members.

### **Par. 13**

1. The Supervisory Board shall have the capacity to adopt resolutions put on the agenda if all the Board members have been served a notice of the Board meeting.
2. The meeting agenda shall not be amended or supplemented during the respective meeting, unless:
  - a) all the Board members are present at the meeting and express their consent to the amendment or supplement to the agenda,
  - b) appropriate actions must be taken by the Board to protect the Company against any damage,
  - c) the subject matter of the resolution to be added to the agenda involves assessment whether there is a conflict of interest between a Board member and the Company.
3. Any procedural motion may become the subject matter of a valid resolution, despite its non-inclusion on the agenda.
4. Board meetings shall be chaired by the Chairman of the Supervisory Board, and at their absence — by the Deputy Chairman of the Supervisory Board.
5. The Supervisory Board shall adopt resolutions by an absolute majority of votes cast, unless pursuant to the Company's Articles of Association a qualified majority

is required; in such an event, at least three Board members must vote in favour of a resolution.

6. In the event of an equal number of votes cast in favour and against a resolution (where the total number of votes includes abstentions), the Chairman of the Supervisory Board shall have the casting vote.
7. Without consent of the majority of independent Board members, resolutions on the following matters should not be adopted:
  - a) any benefits to be provided by the Company or any entities linked to the Company to members of the Management Board,
  - b) consent for a material agreement to be made by the Company or its subsidiary with an entity linked to the Company, a member of the Supervisory Board or the Management Board or any entity linked to them,
  - c) appointment of the auditor to audit the Company's financial statements.
8. Decisions of the Board shall be taken by open vote, unless the applicable laws provide otherwise or at least one Board member requests that a decision be taken by secret ballot.
9. Members of the Company's Management Board may attend meetings of the Supervisory Board, save for matters directly concerning the Management Board or its members, including without limitation removal of a member of the Management Board, their liability and remuneration. The Board may also invite other individuals to attend a Board meeting. Where reports on the Company's activity are considered, the Board may invite the Company's employees to provide explanations.
10. Minutes of the Board meeting shall be taken by an individual assigned by the Chairperson of the Board Meeting. Draft minutes of Board meetings shall be sent by email or fax to the Board members for acknowledgement within two (2) weeks of the date of the Board meeting. The Board members may submit any comments to the minutes within two (2) weeks of the date of receipt thereof, however at least one (1) business day prior to the following Board meeting. Prior to the commencement of a Board meeting a note shall be made in the minutes concerning any objections as to the manner in which the meeting has been convened. An objection may be filed only if accompanied by a detailed explanation of the reasons therefor. A decision whether the meeting should be continued shall be taken by the Chairperson.
11. Resolutions of the Supervisory Board may be taken without holding a Board meeting, acting pursuant to a special procedure, including:
  - a) by circulation (in writing), where the proposed resolution shall be signed by particular Board members,
  - b) by written vote, where the proposed resolution shall be signed by each Board member and marked with a note stating that the Board member votes "in favour" or "against" the resolution or "abstains from voting"; such resolution signed by all Board members shall be submitted to the Chairman of the Supervisory Board,

- c) at a meeting held by means of remote communications, including without limitation as a conference call or videoconference.

A resolution shall be deemed valid where all the Board members have been notified of its draft. Adoption of resolutions pursuant to one of the above procedures shall not apply to the appointment of the Chairman, Deputy Chairman or Secretary of the Supervisory Board, appointment of a member of the Management Board and removal or suspending of these persons.

12. A decision on the application of one of the special procedures to vote on a matter shall be made by the Chairman of the Supervisory Board or, at their absence, the Deputy Chairman of the Supervisory Board. Should at least one Board member object to the vote outside a Board meeting, the vote shall be held at the following Board meeting.
13. Minutes of a Board meeting shall include the meeting date, its agenda, names and surnames of the Board members attending the meeting, contents of the resolutions submitted for vote and number of votes cast in favour and against each resolution, and shall present the course of the meeting. Each Board member who is against adopting of a resolution may express their position through a statement entered to the minutes or the resolution, or submit their objection in the form of a separate document.
14. Resolutions of the Board adopted at the Board meeting shall be made in writing and included in the minutes of the meeting after votes have been cast by all the Board members attending the meeting. Resolutions adopted pursuant to a special procedure shall be entered to the book of minutes and resolutions.
15. Where a resolution is adopted pursuant to one of the special procedures set forth in Par. 13.11 hereof, the resolution may be signed, or votes may be cast by the Board members in separate numbered documents, as provided for in Par. 13.16 hereof. In such an event, the document of the resolution shall comprise all the separate documents relating to the resolution, in which the Board members have affixed their signature or voted in writing.
16. The following principles of preparation of documents comprising a resolution adopted pursuant to a special procedure shall apply:
  - a) in the contents of the resolution, the procedure pursuant to which it has been adopted shall be stated, in the form of a note saying: "Resolution adopted by circulation", "Resolution adopted by written vote", "Resolution adopted by way of conference call" or "Resolution adopted by way of videoconference";
  - b) where a resolution is adopted by circulation or by written vote, each Board member shall state the date on which they have signed the resolution or cast their vote;
  - c) where a resolution is adopted by means of remote communications, separate resolution documents may be drafted for each venue at which the Board members participate in the meeting; in such an event, the place (town) shall be specified in the resolution,



- d) where a resolution is signed or votes are cast by the Board members on separate documents, such documents shall be assigned successive numbers and the total number of documents relating to the resolution in question shall be stated; the documents shall be numbered after the resolution is adopted.

#### **Par. 14**

Decisions taken at Board meetings shall take the form of:

1. requests and opinions addressed to the General Shareholders Meeting, resulting from the supervisory and control functions performed by the Supervisory Board,
2. resolutions — in matters other than specified in Par. 14.1 hereof.

#### **Par. 15**

1. Members of the Supervisory Board shall attend Board meetings, supervise and control the performance of resolutions adopted by the General Shareholders Meeting, and:
  - a) provide assistance to particular Company's organizational units in the performance of their duties,
  - b) attend General Shareholders Meetings,
  - c) provide explanations and information concerning the Company to the participants of a General Shareholders Meeting, within the scope of their powers and to the extent necessary to resolve the matters discussed by the General Shareholders Meeting,
  - d) maintain secrecy with respect to the performance of their duties as Board members.
2. Each member of the Supervisory Board shall enable the Management Board to disclose, pursuant to an appropriate procedure, any information on their acquisition or sale of Company shares or shares of its parent undertaking or subsidiary, as well as on any transactions made with the parent undertaking or a subsidiary, where such transactions are significant to the Board member's financial standing.
3. Each member of the Supervisory Board shall submit any information specified in applicable laws and regulations concerning the trading in financial instruments, pursuant to the procedures set forth in such laws and regulations.
4. Each member of the Supervisory Board shall protect inside information, as defined under the applicable laws.

#### **Par. 16**

1. Minutes and documentation of incoming and outgoing correspondence of the Supervisory Board shall be kept at the Company's registered office.
2. The Supervisory Board shall assign a person responsible for the keeping of the book of minutes of the Supervisory Board, the drafting of copies of resolutions and

delivery thereof to authorised persons, as well as for the preparation of materials for the Board meetings.

3. The Management Board shall secure office services and facilities for the Supervisory Board.

#### **Par. 17**

1. Each member of the Supervisory Board shall be entitled to remuneration for the performance of their duties.
2. The amount of remuneration payable to members of the Supervisory Board shall be determined by the General Shareholders Meeting.
3. The Company shall bear the costs of activity of the Supervisory Board.
4. The total amount of remuneration payable to all the Board members, as well as the remuneration payable to particular Board members, shall be disclosed in the annual report, accompanied by the information on the rules and procedures of determination thereof.

#### **Par. 18**

1. The Supervisory Board shall set up an Audit Committee and a Remuneration Committee appointing members of the Supervisory Board to serve on such committees, pursuant to the provisions hereof. The Supervisory Board may set up other ad-hoc and standing committees to perform particular activities of the Board. When setting up a committee, the Supervisory Board shall appoint a person to preside over its work.
2. The committees shall submit reports to the Supervisory Board on their activities and decisions made, when needed and at the meeting of the Supervisory Board convened before the Annual General Shareholders Meeting.
3. The Audit Committee shall be composed of at least three Board members, including at least one Board member who satisfies the independence criteria within the meaning of the applicable laws and is qualified in accounting or financial audit.
4. The Audit Committee shall perform the duties provided for in the regulations referred to in Par. 1.3 hereof, and shall be in charge of, without limitation:
  - a) the monitoring of the financial reporting,
  - b) the monitoring of the efficiency of internal control, internal audit and risk management systems,
  - c) the monitoring of the performance of financial audit,
  - d) the monitoring of the independence of the certified auditor and the entity qualified to audit financial statements,
  - e) the recommending an entity qualified to audit financial statements to the Supervisory Board to perform the financial audit of the Company.
5. The Audit Committee shall hold meetings on an *ad hoc* basis, however, at least once every quarter.
6. The Remuneration Committee shall be composed of two individuals, and shall be in charge of:

- a) the general monitoring of the remuneration practice and the amounts of remuneration paid by the Company,
  - b) the determination of the terms and conditions of employment for members of the Management Board and the Company's management,
  - c) the determination of the bonus scheme for a financial year.
- 7. The Remuneration Committee shall hold meetings on an *ad hoc* basis, however, at least once every quarter.
  - 8. The Remuneration Committee shall appoint a chairperson to preside over its work.
  - 9. Reports by the committees shall be disclosed to the shareholders in current reports.

#### **Par. 19**

- 1. Any amendments or supplements hereto shall be made by way of a resolution of the General Shareholders Meeting.
- 2. Any matters not provided for herein shall be governed by the applicable laws, the Company's Articles of Association, resolutions of the Supervisory Board and resolutions of the General Shareholders Meeting.
- 3. Should any of the provisions hereof conflict with the Company's Articles of Association or other laws of general application, the provisions of the latter shall prevail.

#### **Par. 20**

These Rules shall become effective as of the date of adoption of the relevant resolution by the General Shareholders Meeting. These Rules are available to the general public.