

**RULES OF PROCEDURE
for the Supervisory Board of RAFAKO Spółka Akcyjna
of Racibórz**

*(Consolidated text incorporating the amendments introduced by Resolution No. 16/2020 of the
Supervisory Board of May 20th 2020)*

I. General.

Section 1

1. Whenever used in these Rules, the following terms shall have the following meanings:
 - 1.1. "Company" shall mean RAFAKO S.A.,
 - 1.2. "General Meeting" shall mean the General Meeting of RAFAKO S.A.,
 - 1.3. "Supervisory Board" shall mean the Supervisory Board of RAFAKO S.A.,
 - 1.4. "Management Board" shall mean the Management Board of RAFAKO S.A.

Section 2

1. The Supervisory Board shall exercise ongoing supervision over all areas of the Company's activity.
2. The Supervisory Board shall operate on the basis of the Polish Commercial Companies Code, the Company's Articles of Association, as adopted under the notarial deed of January 12th 1993 and as subsequently amended, resolutions of the General Meeting and these Rules of Procedure.

II. Composition of the Supervisory Board and rules of its appointment.

Section 3

1. The Supervisory Board shall be composed of five to seven members. The number of Supervisory Board members shall be determined by the General Meeting.
2. Supervisory Board members shall be appointed by the General Meeting.
3. Outgoing members of the Supervisory Board may be re-appointed for another term of office.
4. One of the bodies operating within the Supervisory Board shall be an Audit Committee, appointed from among the Supervisory Board members. The Audit Committee's responsibilities shall include:
 - 1) monitoring the work of the Company's auditors and giving recommendations to the Supervisory Board on the appointment and remuneration of auditors,
 - 2) before each audit of full-year financial statements – discussing the nature and scope of the audit with the Company's auditors and monitoring the coordination of work between the Company's auditors,
 - 3) reviewing the Company's interim and full-year separate and consolidated financial statements, with a particular focus on:
 - a) any changes in accounting standards, policies and practices,
 - b) key areas of judgement,
 - c) material post-audit adjustments,
 - d) going-concern statements,

- e) compliance with the applicable accounting regulations,
- 4) discussing any issues or reservations that may arise from the audit of financial statements,
- 5) analysing auditors' letters to the Management Board, the independence and impartiality of the audit process, and the Management Board's responses,
- 6) reviewing the management accounting system, providing opinions on the reporting and accounting procedures,
- 7) reviewing the internal control systems of the Company and its Group (including the controls in place with respect to finance, operations, compliance, risk assessment and management),
- 8) analysing reports prepared by the Company's internal auditors and key observations made by other internal analysts, as well as the Management Board's responses; verifying the degree of independence of internal auditors,
- 9) performing annual reviews of the internal audit schedule, coordinating the work of internal and external auditors, and inspecting the work conditions of internal auditors,
- 10) cooperating with the Company's organisational units responsible for audit and control and periodically evaluating their work,
- 11) considering any other issues pertaining to the audit of the Company raised by the Committee or the Supervisory Board,
- 12) reporting any material issues related to the Committee's activities to the Supervisory Board.

The Rules of Procedure for the Audit Committee shall be subject to approval by the Supervisory Board.

5. Another body operating within the Supervisory Board shall be a Remuneration Committee, appointed from among the Supervisory Board members. The Remuneration Committee's responsibilities shall include:

- 1) presenting proposals, for approval by the Supervisory Board, concerning the rules of remuneration for Management Board members,
- 2) presenting to the Supervisory Board the proposed amounts of remuneration for individual Management Board members,
- 3) proposing to the Supervisory Board the appropriate types of contracts to be signed with Management Board members.

The Remuneration Committee shall present to the Supervisory Board, orally or in writing, its recommendations regarding the rules and amounts of remuneration for Management Board members.

Section 4

The General Meeting may at any time remove the Supervisory Board members appointed by the General Meeting.

Section 5

1. Members of the Supervisory Board shall exercise their rights and discharge their duties in person.
2. Remuneration of Supervisory Board members shall be determined by the General Meeting.

Section 6

1. Supervisory Board members shall be appointed for a joint term of two years.
2. The mandates of Supervisory Board members shall expire:
 - 1) after the end of the Supervisory Board's term of office, on the date of the General Meeting convened to approve the financial statements for the last full financial year in which the members held their office,
 - 2) upon delivery to the Company of a Supervisory Board member's resignation,
 - 3) in the event of removal of a Supervisory Board member by the General Meeting – as of the date of the relevant resolution,
 - 4) upon a Supervisory Board member's death.

Section 7

1. The Supervisory Board shall elect the Chair, the Deputy Chair and, if necessary, the Secretary of the Supervisory Board from among its members.
2. The elections referred to in Section 7.1 shall be effected through a secret ballot, by an absolute majority of votes of the Supervisory Board members present at the meeting.
3. The Supervisory Board may remove the Chair, Deputy Chair and Secretary from their positions.

Section 8

The Chair of the Supervisory Board or a person designated by the Chair shall open a General Meeting and shall order the election of the meeting's Chair.

III. Remit of the Supervisory Board.

Section 9

1. The Supervisory Board shall exercise ongoing supervision over the Company's activity.
2. Powers and responsibilities of the Supervisory Board shall include in particular:
 - 1) assessment of the Directors' Report on the Company's operations and the financial statements,
 - 2) assessment of the Management Board's proposals regarding distribution of profit or coverage of loss,
 - 3) submission to the General Meeting of written reports on the findings of assessments referred to in Sections 9.1 and 9.2 above,
 - 4) determining the number of Management Board members,
 - 5) appointing and removing from office the President of the Management Board and other members of the Management Board in accordance with the rules laid down in the Company's Articles of Association and the Commercial Companies Code,
 - 6) suspending a member or all members of the Management Board from duties for a good reason,
 - 7) delegating (a) Supervisory Board member(s) to temporarily serve on the Company's Management Board when a Management Board member or the entire Management Board has been removed from office or suspended from duties, or when the Management Board is unable to operate for any other reasons,
 - 8) approval of the Rules of Procedure for the Company's Management Board,

- 9) determining the rules of remuneration for Management Board members,
- 10) representation of the Company in agreements or disputes with the Management Board or its individual members,
- 11) providing opinions on the Company's long-term strategic plans,
- 12) approving and providing opinions on the Company's annual budgets,
- 13) approving the Company's annual indebtedness limits,
- 14) appointment of an auditor to audit the financial statements,
- 15) convening the Annual General Meeting, if the Management Board fails to do so within the prescribed time limit, and convening Extraordinary General Meetings, if the Supervisory Board deems it advisable,
- 16) right to request that a particular matter be placed on the agenda of the next General Meeting,
- 17) providing opinions on the Management Board's proposals addressed to the General Meeting.

Section 10

The Supervisory Board may provide its opinions on any matters concerning the Company, and may submit its proposals and initiatives to the Management Board. The Supervisory Board shall have the right to request that expert opinions and studies be commissioned for its needs with respect to matters falling within its remit, at the expense of the Company. Acting upon a request from the Chair of the Supervisory Board, the Management Board shall sign contracts engaging the relevant expert services.

Section 11

The Supervisory Board and its individual delegated members shall have the right to review the full extent of the Company's activity, including in particular to:

- 1) check any files and documents,
- 2) audit the Company's assets and undertake financial control,
- 3) request the Management Board to present all materials and documents concerning the Company,
- 4) request reports and explanations from the Company's Management Board and employees.

IV. Convening and conducting Supervisory Board meetings.

Section 12

1. Written notices of a planned meeting of the Supervisory Board, together with its proposed agenda, should be signed by the Chair or Secretary of the Supervisory Board and sent to the Supervisory Board members in electronic form by the Secretary or by the Management Board Office at least three days before the date of the meeting. In justified cases, the Chair of the Supervisory Board may shorten that notice period. A copy of the notice shall also be delivered to the Management Board.
2. For the validity of the Supervisory Board's resolutions, it shall be required that all the Supervisory Board members have been invited and at least half of them attend the meeting.
3. Meetings of the Supervisory Board may be held with the use of means of remote communication. The organisation and conduct of the meetings are defined in the

Rules of Procedure for Participation in Meetings of the Supervisory Board through Means of Remote Communication, attached as Appendix 1 to these Rules.

Section 13

1. Meetings of the Supervisory Board shall be convened by its Chair or Deputy Chair, provided that the latter has been so authorised by the Chair.
2. A Supervisory Board meeting shall also be held at a written request from the Company's Management Board or any member of the Supervisory Board. Such request should specify matters to be dealt with at the meeting.
3. A Supervisory Board meeting convened at the initiative of the Company's Management Board or a Supervisory Board member shall be held within a week of the date of the request.
4. The Chair of the Supervisory Board of the previous term of office shall convene and open the first meeting of a newly appointed Supervisory Board and preside over it until a new Chair is elected.

Section 14

1. Meetings of the Supervisory Board shall be held at least once a quarter.
2. Meetings of the Supervisory Board shall be conducted by the Chair or, in the Chair's absence, by the Deputy Chair, or else – if so authorised by them – by another person selected from among the then current members of the Supervisory Board.

Section 15

1. The invited members of the Management Board as well as other persons invited by the Supervisory Board may attend a meeting of the Supervisory Board without the right to vote.
2. A member of the Supervisory Board delegated to temporarily serve on the Management Board may attend meetings of the Supervisory Board, but without the right to vote.

Section 16

1. The Supervisory Board shall adopt its decisions by way of resolutions. A resolution on a matter not included on the agenda of a meeting shall not be voted on unless all the Supervisory Board members are present and no objection is raised.
2. The Supervisory Board shall pass its resolutions by an absolute majority of votes, with at least half of the Supervisory Board members present. In the case of a voting tie, the Chair of the Supervisory Board shall have the casting vote. A member of the Supervisory Board shall have the right to submit a dissenting opinion to be recorded in the minutes.
3. Voting at a Supervisory Board meeting shall be held by an open ballot, except as required otherwise by these Rules, the Company's Articles of Association or the Commercial Companies Code.
4. Voting on the appointment, removal or suspension from duties of any member of the Management Board shall be held by secret ballot unless the Supervisory Board meeting is held with the use of means of remote communication.
5. A Supervisory Board member may vote on a resolution of the Supervisory Board in writing through another member of the Supervisory Board. Matters put on the agenda

during a meeting of the Supervisory Board, resolutions concerning the election of the Chair and Deputy Chair of the Supervisory Board, appointment of a Management Board member, or removal or suspension from duties of any such person may not be voted on in writing.

6. The Supervisory Board may vote on resolutions in writing or using means of remote communication, provided that all the Supervisory Board members have been notified of the contents of a draft resolution.
7. Resolutions of the Supervisory Board shall be signed by the person chairing the meeting and the Secretary of the Supervisory Board.

Section 17

1. Meetings of the Supervisory Board shall be recorded in minutes.
2. The minutes should include in particular:
 - 1) the sequence number of the minutes,
 - 2) the venue and date of the meeting,
 - 3) the list of Supervisory Board members present,
 - 4) the adopted agenda,
 - 5) the texts of resolutions and voting results,
 - 6) any dissenting opinions submitted.
3. The minutes shall be signed by all members of the Supervisory Board present at the meeting.
4. The minutes of meetings of the Supervisory Board shall be kept at the Company's registered office in the minutes book maintained by the Management Board Office, and copies thereof shall be provided to the Supervisory Board members.

Section 18

1. Costs related to the operation of the Supervisory Board shall be borne by the Company.
2. The Supervisory Board shall use the Company's offices, equipment and materials; the Company shall also provide administrative and technical support to the Supervisory Board.
3. The Secretary of the Supervisory Board shall be responsible for ensuring proper office services and facilities for the Supervisory Board.

V. Final provisions.

Section 19

Information obtained by the Supervisory Board members in the performance of their duties shall be covered by the duty of professional secrecy.

Section 20

1. The Supervisory Board shall perform its tasks collectively.
2. Supervisory Board members shall exercise their supervisory rights individually only on the basis of a relevant resolution of the Supervisory Board.
3. Members of the Supervisory Board delegated to individually perform supervision on a permanent basis shall receive separate remuneration, in an amount determined by the General Meeting. Such members shall be subject to the non-compete restriction.

4. The non-compete restriction shall also apply to Supervisory Board members delegated to temporarily serve on the Management Board.

Section 21

Members of the Supervisory Board shall face criminal and civil liability for any acts to the detriment of the Company.

Section 22

These Rules may be amended by the Supervisory Board's resolution.

Section 23

These Rules shall enter into force on the date of their adoption, i.e. August 21st 2017.