

**RULES OF PROCEDURE
OF THE SUPERVISORY BOARD
OF MABION S.A.**

(consolidated text accounting for the amendments enacted on 14 November 2019)

I. GENERAL PROVISIONS

§ 1.

1. These Rules of Procedure define the organisation and the manner of performing the activities by the Supervisory Board of the Mabion Spółka Akcyjna with its registered office in Konstantynów Łódzki.
2. Whenever in these Rules of Procedure the following expressions are used:
 - 1) **Company** - it shall be understood as Mabion Spółka Akcyjna in Konstantynów Łódzki;
 - 2) **Supervisory Board** – it shall be understood as the Supervisory Board of the Company;
 - 3) **Chairman** – it shall be understood as the Chairman of the Supervisory Board;
 - 4) **Deputy Chairman** – it shall be understood as the Deputy Chairman of the Supervisory Board
 - 5) **General Meeting** – it shall be understood as the General Meeting of the Company
 - 6) **Rules of Procedure** – it shall be understood as these Rules of Procedure of the Supervisory Board
 - 7) **Articles of Association** – it shall be understood as the Articles of Association of the Company.
3. The Supervisory Board operates on the basis of the applicable provisions of law, in particular the Code of Commercial Companies, the Articles of Association, these Rules of Procedure, and the resolutions of the General Meeting.

II. TASKS, COMPETENCE AND DUTIES OF THE SUPERVISORY BOARD

§ 2.

1. The Supervisory Board shall exercise constant supervision over the operations of the Company within the scope of all the fields of its activity.

2. The Chairman is responsible for managing the activities of the Supervisory Board. In case of the Chairman's absence, the Deputy Chairman acts on his behalf.
3. The statutory duties of the Supervisory Board, apart from other matters provided for under the applicable provisions of law, include:
 - 1) adopting resolutions on acquiring and disposing of real property, perpetual usufruct, or interest in real property worth more than PLN 250,000.00 (say: two hundred fifty thousand),
 - 2) selecting the audit company to audit and review Company's financial statements,
 - 3) appointing and dismissing Company's Management Board Members,
 - 4) setting the amount of remunerations for the Management Board Members,
 - 5) assessing the Management Board's requests concerning profit distribution or loss coverage,
 - 6) approving the Rules of Procedure of the Management Board,
 - 7) consulting on multi-annual strategic plans of the Company,
 - 8) adopting Rules of Procedure of the Supervisory Board,
 - 9) granting consent to disposal of fixed assets of the Company worth more than PLN 250,000.00 (say: two hundred fifty thousand),
 - 10) granting consent to the establishment of a pledge or usufruct on registered shares.
 - 11) considering and expressing opinions on issues to be covered by the resolutions of the General Meeting.
 - 12) granting consent for the Company to conclude a significant agreement with a shareholder holding at least 5% of the total number of votes in the Company or an entity related to the Company, except for typical transactions concluded on arm's length within the Company's operating activity with entities belonging to the Company's capital group.
4. Notwithstanding other activities arising out from the provisions of law, once per year the Supervisory Board prepares and presents to the Ordinary General Meeting:
 - 1) the assessment of the condition of the Company, including the assessment of the internal control and the risk management system, compliance, and the internal audit system,
 - 2) the report on the activity of the Supervisory Board including at least the information about:
 - a) composition of the Supervisory Board and its committees,
 - b) meeting the criteria of independence by Members of the Supervisory Board,

- c) the number of the Supervisory Board's and its committees' meetings in the reported period,
 - d) self-assessment of the Supervisory Board's work.
- 3) the assessment of how the disclosure obligations regarding the corporate governance principles are met by the Company; as set out in the rules and regulations of the Stock Exchange and the rules on current and periodic information submitted by the issuers of securities
 - 4) the rationality assessment of the policies concerning the sponsorship, charity or similar activities, or the information about the lack of such a policy.

(repealed)

§ 3.

§ 4.

Setting the amount of the remuneration of the Supervisory Board Members, the Supervisory Board takes into account its incentive nature as well as the aim which is to ensure the effective and smooth management of the Company. The remuneration remains adequate to the size and economic results of the Company, and should also reflect the scope of responsibility and the remuneration of the Management Board Members in similar companies on a comparable market.

§ 5.

1. In order to carry out its obligations properly, the Supervisory Board receives information on all the crucial issues relating to the Company and the risk resulting from the Company's operation as well as the risk management from the Management Board before the Supervisory Board's meeting. The Supervisory Board may review any documents of the Company, request reports and explanations from the Management Board and the employees and verify the status of the assets of the Company.
2. Every year, the Supervisory Board shall submit a written report on the results of the assessment of the Company's reports to the General Meeting in accordance with Article 382 § 3 of the Code of Commercial Companies. The assessment is made available to the shareholders within the period which enables them to become acquainted with it.
3. Supervisory Board Members may participate in the General Meetings of the Company and, within the limits of their competences and to the extent necessary to resolve the matters discussed by the General Meeting, provide its participants with explanations and information.

§ 6.

The Supervisory Board may use services of advisers, experts or external consultants. In such a case, the Chairman requests the Management Board to conclude an agreement with an adviser, expert or consultant, specifying at the same time the subject matter of the services that should be covered by the agreement. The costs of the services rendered by advisers, experts or external consultants are covered by the Company.

III. MEMBERS OF THE SUPERVISORY BOARD

§ 7.

1. Members of the Supervisory Board are appointed for the common term of office which lasts 3 years. At least two Members of the Supervisory Board should be independent of the Company within the meaning of the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Supervision.
2. Members of the Supervisory Board exercise their rights and duties in person.
3. Members of the Supervisory Board should make sure that their activities meet the corporate governance principles, in particular those of the Good Practices, applicable to a regulated market on which the Company's shares are listed.
4. Members of the Supervisory Board shall have relevant knowledge and experience and be capable of dedicating the necessary amount of time to perform their duties. At least one Member of the Supervisory Board shall have knowledge and skills in accounting or auditing financial statements. At least one Member of the Supervisory Board shall have knowledge and skills in the field in which the Company operates.
5. Members of the Supervisory Board shall follow the interest of the Company in their conduct as well as provide independent judgments and opinions, in particular:
 - a) they shall not accept any unjustified benefits that could affect independence of their judgments and opinions;
 - b) they shall clearly express their objections and dissenting opinions in case they recognizes that a decision of the Supervisory Board is in conflict with the Company's interests.
6. Members of the Supervisory Board shall not resign from their function during the term of office if this could render the functioning of the Supervisory Board impossible, and, in particular, if it could prevent it from the adoption of the resolution on the matter important for the Company in due time.

7. Members of the Supervisory Board shall deliver the information on their specific roles to the Management Board of the Company as well as personal and factual relationships or organisational links between a Member and a particular shareholder, especially the majority shareholder, as well as all the changes in this respect with a view to its public disclosure.
8. Members of the Supervisory Board shall provide the Management Board with the information on acquisition or sale of shares in the Company or in its dominant company or subsidiary and of transactions with such companies, as long as such information is relevant to the Member's financial standing or if the duty of making the information on transactions available to the public results from relevant provisions concerning current and periodical information provided by issuers of securities, in a manner that enables the Management Board to make this information public under the provisions of law.
9. A Member of the Supervisory Board should inform other Members of the Supervisory Board about any conflict of interest and refrain from taking the floor in discussion and from voting on passing a resolution on the issue in which the conflict of interest has arisen. This provision shall apply in particular when the Supervisory Board adopts a resolution on granting consent for the Company to enter into a significant transaction with a related entity, if it concerns the interests of the Supervisory Board Member.
10. Remuneration of Members of the Supervisory Board is determined by the General Meeting. The information on the total amount of remuneration of all the Members of the Supervisory Board as well as on the amount of the remuneration of each Member individually shall be made public in the annual report of the Company.

IV. SUPERVISORY BOARD'S MEETINGS

§ 8.

1. The Supervisory Board meetings shall be held in the registered office of the Company or in another place in the Republic of Poland indicated in the notification on the convening of the Supervisory Board's meeting.
2. The first meeting of the Supervisory Board of a new term of office shall be convened and opened by the President of the Company's Management Board or the oldest newly elected Member of the Supervisory Board.
3. The Supervisory Board's meeting is convened by the Chairman, and in case the Chairman is not able to perform his/her duties, the Supervisory Board's meeting is convened by the Deputy Chairman or at least two other Members of the Supervisory Board.

4. A Supervisory Board's meeting can be convened at the request of the Management Board. In such a case, it shall be held not later than within 14 days from the date of submitting the request to the Chairman or the Deputy Chairman.
5. If the Chairman or the Deputy Chairman do not convene the meeting pursuant to section 4, the Management Board can convene the meeting by itself providing the date, venue and the agenda.
6. The Supervisory Board elects the Chairman and the Deputy Chairman from its Members.
7. Meetings of the Supervisory Board shall be convened when appropriate, however not less frequently than three times within the financial year.

§ 9.

1. Meetings of the Supervisory Board can be attended by the Members of the Management Board in an advisory role.
2. Meetings of the Supervisory Board can be also attended by employees of the Company or other people outside the Company invited by the Chairman, if their presence is justified by the subject of the discussed matters.

§ 10.

1. Meetings of the Supervisory Board shall be convened upon a 7- (seven-) day notice delivered to the Members of the Supervisory Board by registered mail or by electronic mail, unless all Members of the Supervisory Board give their consents to hold the meeting without the above 7- (seven-) day notice.
2. The notice of convening the meeting shall be delivered to the Members of the Supervisory Board along with the information on date and the agenda not later than seven (7) days before the date of the meeting. The notification on convening the Supervisory Board's meeting shall be accompanied with information materials regarding the issues included in the agenda. The notification shall be considered effective if it was sent by registered mail or by electronic mail respectively on the address or e-mail address indicated by the Member of the Supervisory Board. In case of changing the address or e-mail address, the Member of the Supervisory Board shall inform every other Member of the Supervisory Board and all the Members of the Management Board of this fact. All the negative consequences related to failure of fulfilling the obligations to provide information on the change of address or an e-mail address resulting in a failure to deliver the correspondence shall be borne by the Member of the Supervisory Board who failed to fulfil the duty.

3. The agenda of the meeting of the Supervisory Board shall not be amended or completed during the meeting it refers to, unless the meeting is attended by all the Members of the Supervisory Board who agree to amend or complete the agenda or if taking specific actions by the Supervisory Board is crucial to prevent the Company from damage, as well as in the case of a resolution on the assessment whether there is a conflict of interests between a Supervisory Board Member and the Company.
4. The Supervisory Board passes resolutions if at least half of the Members of the Supervisory Board are present at the meeting and all the Members were informed about the meeting. If there is no quorum at the Supervisory Board's meeting, the Chairman sets the date of the next meeting which shall take place not later than 14 (fourteen) days from the date of the meeting that did not take place due to the lack of quorum.
5. Resolutions of the Supervisory Board shall be passed with an absolute majority of votes. Should an equal number of votes be cast, the Chairman shall have the casting vote.
6. The Supervisory Board adopts resolutions in an open ballot. Secret ballot shall be ordered at the request of any Member of the Supervisory Board and in personal matters.

§ 11.

1. The Supervisory Board may adopt resolutions in writing or using direct means of remote communication, only if all its Members have been notified about the contents of the resolution. Voting under the procedures specified in the first sentence shall be ordered by the Chairman or, pursuant to § 2 Section 2 of the Rules of Procedure, by the Deputy Chairman.
2. Voting in writing means that a Member of the Supervisory Board, after receiving the draft resolution, votes by filling an "X" sign in an appropriate box, indicating the date and signing the resolution. The Chairman specifies a time limit for voting. The Chairman shall receive the original of the written voting act with the votes, indicated date and a hand-written signature not later than at the end of that day.
3. Voting through the direct means of remote communication shall be conducted when any Members of the Supervisory Board are not present in one place but they can communicate and discuss the presented draft resolution by telephone, fax, e-mail, internet communicator, or by any other technical means ensuring direct communication
4. When ordering voting referred to in section 3, the deadline for the voting by the Members of the Supervisory Board shall be determined taking into account the actual communication possibilities and the way of receiving the vote from the Members of the Supervisory Board, however, there are no obstacles to determining different means of communication for receiving votes in one voting.

5. Adoption of resolutions pursuant to section 1 does not apply to the election of the Chairman and the Deputy Chairman, the appointment of a Member of the Management Board as well as the dismissal and suspension of these individuals.
6. Resolutions adopted pursuant to section 1 are presented at the next meeting of the Supervisory Board together with the result of voting.

§ 12.

1. Meetings of the Supervisory Board shall be recorded in the form of minutes by a clerk from outside of the Supervisory Board or by a person appointed by the Chairman among the Members of the Supervisory Board. The minutes shall include the date and venue of meeting, the determination of the Supervisory Board's ability to adopt resolutions, the agenda, full names of the attending Management Board Members, content of adopted resolutions with their reference numbers, numbers of votes cast on different resolutions, and dissensions. The minutes shall be signed by the Members of the Supervisory Board present at the meeting and by the meeting clerk. The list of attendance, with signatures of all the Members of the Supervisory Board present at the meeting, shall also be attached to the minutes.
2. In the event of adopting resolutions under the procedures specified in § 11 section 1 of the Rules of Procedure, separate minutes shall be drawn up and signed by the Chairman. The minutes shall include the procedure for the adoption of the resolutions, the content of the adopted resolutions, indicating the reference number of the adopted resolutions, number of votes cast and dissenting opinions. All documents confirming the adoption of a resolution shall be attached to the minutes.
3. The minutes with the attachments are collected in the minutes book kept at the Company. The Chairman is responsible for supervising the correctness of keeping and storing the minutes book.

V. FINAL PROVISIONS

§ 13.

1. The Company provides administrative services to the Supervisory Board and is responsible for appointing a person in charge of:

- a. Notifying the Members of the Supervisory Board about the planned meetings as well as receiving a confirmation or refusal of their presence at the meeting;
 - b. Preparing and providing the Members of the Supervisory Board with the materials needed for the meetings, taking the minutes of the meetings;
 - c. Taking the minutes and obtaining the signatures from the Members of the Supervisory Board;
 - d. Ensuring proper organisation of the meeting;
 - e. Taking other actions essential for the Supervisory Board to function properly
2. The Company shall cover the costs of the service and operation of the Supervisory Board.
3. In the event of a contradiction between any provision of the Rules of Procedure and the Articles of Association of the Company, the provisions of the Articles of Association of the Company shall be applied accordingly.