

**The Rules and Regulations of the Supervisory Board
of Przedsiębiorstwo Handlu Zagranicznego
“Baltona” Spółka Akcyjna
with its seat in Warsaw
(consolidated text 14.11.2017)**

§ 1

1. The Supervisory Board of the Przedsiębiorstwo Handlu Zagranicznego “Baltona” Spółka Akcyjna with the registered office in Warsaw, hereinafter referred to as “the Board” acts on the ground of provisions of the Commercial Companies Code and other provisions of applicable law, the Articles of Incorporation of the Company, resolutions of the General Meeting as well as provisions of these Rules and Regulations.
2. The Rules and Regulations specify rights and duties, the appointment procedure and the methods of operation of the Board.
3. The Board is a collective body.
4. Members of the Supervisory Board exercise their rights and obligations on a collegial basis. However, the Board may delegate its members to individually perform specified supervisory functions.
5. When exercising his/her duties, a member of the Board shall act for the sake of the Company.

§ 2

1. The Board exercises a constant supervision over the Company’s operations. Within the frame of their competences the Board shall perform supervisory and inspection activities, in particular:
 - a) approve the Company’s rules and regulations to be approved by the Board pursuant to the Company’s Articles of Incorporation for approval by the Board
 - b) accept the annual and multi-annual plans prepared by the Management Board,
 - c) assess the Management Board’s reports on the activities of the Company and the financial statements for the previous financial year within their compliance with the accounting records and documents, as well as with factual state and review the Management Board’s proposals concerning profit distribution or coverage of loss and present the annual written report on the results of such reviews to the General Meeting of the Shareholders,
 - d) assess the periodical reports of the Company’s Management Board,
 - e) appoint a registered auditor to revise annual financial statement of the Company,
 - f) appoint and dismiss Members of the Management Board and determine the rules of remunerating them,
 - g) suspend individual or all Members of the Company’s Management Board for material reasons,
 - h) delegate the Board’s member or members, for the period not exceeding three months, for temporary exercising responsibilities of the Members of the Company’s Management Board who have been dismissed, submitted a statement of resignation or are incapable to perform their duties for any other reasons,
 - i) give their consent to establish other companies and to acquire or dispose shares or stocks in other companies,

- j) give their consent for the Company to incur credits and loans, if the total value (along with the commission and interests on an annual basis) exceeds at one time the amount of PLN 2,500,000 or the amount of PLN 10,000,000 in total during the year, as well as if it exceeds in total, during the year, the amount equal to 100% of the Company's own funds,
 - k) give their consent to the sale, purchase, exchange, pledge, establishment of the mortgage on the Company's property if the total value of the Company's assets disposed exceeds the equivalent of PLN 2,500,000, and in the case of lease / tenancy – when the contractual duration period exceeds 24 months and the total value of such agreement exceeds the amount of PLN 2,500,000 (in words: two million and five hundred thousand zlotys),
 - l) permit the Management Board to make an advance payment on account of expected dividend for a given financial year,
 - m) adopt rules and regulations of the Audit Committee,
 - n) appoint and dismiss members of the Audit Committee, including the Chairperson of the Audit Committee.
2. For the purpose of proper exercising of supervision over the Company's operations the Board may establish panels and committees, determining their composition and the scope of activities, in order to develop opinions or evaluations on matters specified by the Board.

§ 3

1. The Board is composed of from 5 to 9 members appointed by the General Meeting of the Company, and in addition:
 - a) at least two Board members shall meet independence criteria within the meaning of art. 129 of the Act of 11 May 2017 on registered auditors, auditing entities and public supervision.
 - b) at least one Board member shall have qualification in accounting or revising financial statements.
 - c) at least one Board member shall have knowledge and skills of the Company's business activity field.
2. The Board's term of office lasts three years,
3. Mandates of the Board members shall expire:
 - a) after expiry of the term of office, on the day of General Meeting of the Company where the financial statement for the last full financial year of the performing the function of the Board's member is approved,
 - b) in the case of resignation – on the day of submission of the resignation or on another day as indicated by the member of the Board who has submitted the resignation of the membership in the Board,
 - c) in the case of dismissing by the General Meeting of the Company – on the day of adopting a resolution on dismissal or on another day as specified in the resolution of the General Meeting,
 - d) in case of a death - upon the death of a member of the Board.
4. During the General Meeting' session when the Board members are elected for a new term, the Board members to-date may present candidates for the members of a new Board.
5. A Board member candidate is obliged to submit to the Management Board a brief resume including, if required by the law, his/her personal, actual and organisational connections with a particular Shareholder of the Company, in order to make them public in accordance with separate provisions. The member of the Board shall also notify

the Management Board about the changes in his/her personal, actual and organisational connections with a Shareholder of the Company, if required by provisions of the law.

§ 4

1. The first Board's meeting in their term of office shall be convened by the Company's Management Board.
2. During the first meeting the Board shall elect, from their circle, a Chairperson and 1 or 2 Deputy Chairpersons. The Chairperson and his/her Deputies shall be elected by the Board by the majority of votes of the Board members present during the meeting.
3. The Board may, in a secret ballot, change the Chairperson and his/her Deputies at any time.

§ 5

1. The Chairperson of the Board, or – in the case of the Chairperson's absence – his/her Deputy shall manage Board's works. The Chairperson shall represent the Board before other bodies of the Company, supervisory authorities and other persons.
2. The Chairperson of the Board or – in the Chairperson's absence – his/her Deputy, shall convene the meetings of the Board, draw up the agenda and shall preside over these meetings. Were neither the Chairperson of the Board nor any of his/her Deputies is present on the meeting, the Board shall elect one of their members present on the meeting to conduct the meeting of the Supervisory Board.
3. Upon demand of the Company's Management Board or the member of the Board for the convening of the Supervisory Board with the proposal for the agenda, the Chairperson shall convene the meeting of the Board latest no later than within two weeks from the date the request was received.

§ 6

1. Meetings of the Board shall take place according to requirements stemming from exercising a supervision over the Company's operations, however minimum every quarter.
2. Meetings of the Supervisory Board can be attended by third parties invited by the Chairperson or by his/her Deputy.
3. Members of the Company's Management Board and/or other persons, relevant to the matter under discussion, may be invited to the meetings of the Supervisory Board.
4. Notification on the date of the Board's meeting shall be sent by a registered mail, fax or electronic mail, at least five calendar days before the date of the meeting. In justified situations the Chairperson may shorten the term, and the documents may be remitted in succession.
5. The agenda may be changed if all members of the Supervisory Board are present at the meeting and none objects to proposed changes.
6. The Board may hold a meeting without a formal convening if all members of the Supervisory Board are present and none objected as for holding the meeting and as for the agenda.
7. Each member of the Board may file a request to the Chairperson for including a particular matter in the agenda of the nearest meeting of the Board.

§ 7

1. The Board shall make decisions in form of resolutions by a majority of votes. In the case of equal number of votes, the vote of the Chairperson of the Board shall prevail.
2. Save as provided in item 5 below, the Board shall adopt resolutions if the meeting is attended by at least half of its members and all members have been invited for a meeting.
3. A member of the Board may cast his/her voice in writing through another member of the Supervisory Board. Casting the vote must not concern issues, which have been introduced into the agenda during the Supervisory Board's meeting.
4. With the exception of personal matters, the Board may adopt resolutions in the written mode or by means of direct communication at a distance. A resolution is valid when all members of the Board have been notified about the contents of the draft resolution. Such resolution should be sent at the Chairperson's or Deputy Chairperson's request delivered by the registered mail, fax, electronic mail or in person to all members of the Board and signed by them. Should a member of the Board abstain from voting or object against adopting a given resolution, he shall present his/her position on the case next to the signature. A Board member shall be allowed to cast his/her vote in any form sufficiently expressing his/her will, in particular, by voting via email.
5. Adoption of resolutions pursuant to items 3 and 4 above shall not be allowed for election of the Board Chairperson and his/her Deputies, appointment, dismissal and suspension of a management Board member.
6. Voting on the meetings of the Board is open. Upon demand of at least one Board Member the Chairperson shall order secret ballot.
7. Resolutions of the Board and materials submitted to its members are confidential until they are published, dependently on the circumstances, under:
 - a) existing provisions of law concerning information obligations,
 - b) decision of the Supervisory Board or Management Board.

§ 8

1. Minutes are made of meetings of the Board, pursuant to §7 item 4 above, by a recorder appointed by the Board Chairperson or his/her Deputy Chairperson, however in the absence of those persons at the Board's meeting – by a recorder designated by the Board.
2. The minutes shall contain a date and identification of the place of the meeting or a note of being made of a voting according to §7 item 4, agenda of the meeting, names and surnames of the Board members provided with draft resolutions, names and surnames of present and absent Board members, names and surnames of Board members who did or did not vote under §7 item 4, invited persons, the content of adopted resolutions, mode of adoption of a resolution, the number of votes cast “for”, “against” and abstained votes as well as dissenting opinions and objections raised.
3. The minutes shall be signed by all members of the Board who are present at the meeting where the said minutes has been drawn up as well by the recorder. The Chairperson of the Board or other member of the Board entitled by the Chairperson to carry out the voting according to § 7 item 4 shall draw up and personally sign the minutes from the voting under §7 item 4.
4. The resolution of the Board shall constitute an attachment to the minutes of the Board's meeting on which it has been adopted or shall be included in the content of the minutes.
5. The Chairperson or his/her Deputy shall be entitled to make official copies of particular adopted resolutions.

6. The attendance list signed by all members of the Board present at the meeting constitutes the attachment to the minutes or integral part thereof.

§ 9

1. The Supervisory Board shall appoint, from among themselves, and shall dismiss the Audit Committee, including the Chairperson of the Audit Committee.
2. The Audit Committee shall consist of at least 3 members, including the Chairperson of the Audit Committee, and moreover:
 - a) most of the Audit Committee, including its Chairperson, shall meet independence criteria within the meaning of art. 129 of the Act of 11 May 2017 on registered auditors, auditing entities and public supervision,
 - b) at least one Audit Committee member shall have qualification in accounting or revising financial statements,
 - c) At least one Audit Committee member shall have knowledge and skills of the Company's business activity field.
3. An Audit Committee Member may be dismissed by the Board's resolution at any time.
4. The Audit Committee's term of office shall expire at the expiry of the Board's term of office.
5. The Audit Committee's members' mandates shall expire:
 - a) at the moment of expiry of the Board member's mandate,
 - b) in the case of resignation from the Audit Committee membership – on the moment of submission of the resignation or on another day as indicated by the member of the Audit Committee who has submitted the resignation of the membership in the Audit Committee,
 - c) in the case of dismissal, by the Board, from membership in the Audit Committee – on the moment of adopting a resolution on dismissal from membership in the Audit Committee or on another day as specified in the resolution of the Board.
6. If – as a consequence of expiry of Audit Committee member's mandate before lapse of the term of office – the number of the Audit Committee members goes down below three or terms and conditions specified in the item 2 (a) – (c) above are not fulfilled, the Board shall complete the Audit Committee within 14 days as from expiry of the Audit Committee member's mandate.
7. Functions, tasks and operating principles of the Audit Committee shall be specified in the rules and regulations of the Audit Committee.
8. For fulfilment of duties, the members of the Audit Committee may be granted with remuneration in the amount and upon terms and conditions established by the General Meeting of the Company.
9. The members of the Audit Committee are entitled to reimbursement of costs related to participating in works of the Audit Committee.

§10

1. For fulfilment of duties, the members of the Board may be granted with remuneration in the amount and upon terms and conditions established by the General Meeting of the Company.
2. The members of the Boards are entitled to reimbursement of costs related to participating in works of the Board.
3. The member of the Board who is delegated by the Board to a permanent, individual supervision over the Company's operations or to a temporal performance of the responsibilities of the member of the Company's Management Board shall obtain

a separate remuneration amount and rules of which shall be established by the General Meeting of the Company. A non-compete clause, referred to as in art. 380 of the Commercial Companies Code shall apply with regard to such member of the Board.

§ 11

1. Costs related to the Board's activities, in particular the remuneration of the members of the Board shall be borne by the Company.
2. The Board shall use the offices, equipment and materials of the Company.
3. The Company shall provide the administrative operation of the Board.

§ 12

The financial statement of the Company for a given financial year along with the opinion and the report on the registered auditor's assessment shall be delivered to the members of the Board not later than two weeks before the Board meeting, including in its agenda the assessment of the financial statement of the Company and the Management Board's motion on way of distributing the profit or coverage of loss.

§ 13

Issues not regulated under these Rules and Regulations shall be governed by the provisions of the Articles of Incorporation of the Company and the provisions of the Commercial Companies Code.