

**BY-LAWS  
OF THE SUPERVISORY BOARD**

**PATENTUS Spółka Akcyjna**  
**headquartered in Pszczyna**  
*(Unified text of May 2013)*

**§1**

1. The Supervisory Board, hereinafter referred to as the Council is Company's permanent control and supervisory body.
2. The Council shall act on the basis of these By-laws, Company's Articles of Association, resolutions of the General Meeting, Commercial Companies Code and By-laws of other Company's bodies taking into account the role, function, or operations of the Supervisory Board, as well as on the basis of other regulations in force in the Company.

**§2**

1. The Supervisory Board performs its duties collectively. However, it may delegate its members to perform certain supervisory functions, on the basis of which they will prepare and submit written reports to the Chairman of the Supervisory Board for each of his request.
2. Supervisory Board member delegated to perform certain supervisory activities shall submit to the Supervisory Board, at each meeting, a detailed report from the performed function.
3. Supervisory Board meeting should be convened as needed, but at least four times a year, possibly on a quarterly basis.
4. Supervisory Board consists of at least five and not more than seven members appointed and dismissed by the General Meeting in the manner specified in Company's Articles of Association.
5. Term of office of the Supervisory Board member shall be five years. Members of the Supervisory Board are appointed for a common term.
6. Mandates of Supervisory Board members shall expire at the end of the day on which the General Meeting approves the financial statements for the last full fiscal year in which the Council performed its duties.
7. Chairman, Vice Chairman and Secretary may be dismissed from the position performed in the body at any time by the resolution of the Supervisory Board, which does not result in the loss of mandate of Supervisory Board member. In such case, members of the Supervisory Board shall elect the Chairman, Vice Chairman and Secretary of the Supervisory Board, at the next meeting of the Council.

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8. Member of the Supervisory Board should have relevant education, work and life experience, be of high moral character and be able to devote the time necessary to properly perform his/her functions in the Supervisory Board. Candidates for members of the Supervisory Board shall be presented and justified in detail so as to make an informed choice based on the above criteria.
9. Each Supervisory Board member should act in the interests of the Company and form independent decisions and judgments, in particular:
  - a) do not accept unreasonable benefits that could adversely affect the independence of decisions and judgments,
  - b) clearly express his/her opposition and dissenting opinion in the event when the decision of the Supervisory Board is contrary to the interests of the Company,
  - c) vote against any resolution which, according to the Supervisory Board member, harms the interests of the Company and request to place such objection in the minutes of the Supervisory Board meeting.
10. Member of the Supervisory Board should not resign from his/her function during the term of office, if his/her resignation had a negative impact on Supervisory Board's capacity to act, in particular hinder a timely adoption of vital resolutions.
11. Resignation of a Supervisory Board Member from his/her position must be justified by a compelling reason in each case. Compelling reasons include, in particular:
  - 1) Significant changes in economic conditions;
  - 2) Significant changes in law;
  - 3) Significant change in life or economic situation of the Supervisory Board Member;
  - 4) Indelibly conflict between a Supervisory Board Member and Company's Shareholder or Shareholders, for whom the Supervisory Board Member is a nominee;
  - 5) [·]
12. Supervisory Board may not consist of Management Board members, commercial proxies, liquidators, branch or plant managers, Company's chief accountant, Company's legal advisor, Company's solicitor and other people reporting directly to Management Board members or liquidators.
13. The preceding paragraph shall apply mutatis mutandis to the members of the Management Board and liquidators of the Company or subsidiary cooperative.
14. Members of the Supervisory Board shall elect the Chairman and Vice-Chairman of the Supervisory Board, who is the deputy of the Chairman, and the Secretary of the Supervisory Board.
15. Election of the Chairman, Vice Chairman and Secretary of the Supervisory Board shall be made by an absolute majority of votes of Supervisory Board members present at the meeting.
16. Chairman of the Supervisory Board shall convene meetings of the Supervisory Board, direct the work of the Supervisory Board and represent the Company externally.

**§3**

1. It is the responsibility of the Council to perform constant supervision and control over the activities of the Company in all areas of its operations, with particular regard to the interests of the Company.
2. In particular, the Council should:
  - a) appoint and dismiss members of the Management Board, including the President of the Management Board,
  - b) determine the number of Management Board members,
  - c) determine the remuneration of the Management Board members and rules of their employment,
  - d) assess Company's financial statements, report of the Management Board on operations of the Company for the previous fiscal year in respect of their compliance with the books and documents, as well as the facts and requests of the Management Board regarding the distribution of profits and coverage of losses, as well as submit the annual reports on the results of these studies to the General Meeting,
  - e) prepare and submit to the Annual General Meeting a report on the activities of the Supervisory Board taking into account the evaluation of its work for the previous fiscal year,
  - f) review and evaluate issues subject to resolutions of the General Meeting, if the Supervisory Board deems it appropriate,
  - g) appoint a senior auditor auditing the financial statements of the Company,
  - h) approve the By-laws of the Management Board,
  - i) approve the purchase and sale of real property, perpetual usufruct or stock in these rights to the property with a value above 3,000,000 PLN,
  - j) consent to the conclusion of a significant agreement with a related party, except that the obligation does not apply to typical transactions made on market terms within Company's operating business with a related party, in which the Company holds a majority stake. For the purposes of these By-laws, we shall accept the definition of a related party within the meaning of the Minister of Finance Regulation issued pursuant to the Article 60 paragraph 2 of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies dated 29<sup>th</sup> July 2005 (Dz. U. No 184, item 1539, with subsequent amendments)<sup>1</sup>.
  - k) consent to pay shareholders an advance on the expected dividend at the end of the fiscal year, if the Company has sufficient funds for its payment,
  - l) consider issues and requests submitted by the Management Board,

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<sup>1</sup> In accordance with point II, paragraph 3 of the Appendix to the Resolution No 10/1307/2012 of the WSE Supervisory Board dated 21st November 2012, the Code of Best Practice for WSE Listed Companies.

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- m) suspend, due to important reasons, individual or all members of the Management Board, and delegate Supervisory Board members, for a period not longer than 3 (three) months, to temporarily perform duties of those Management Board members who were dismissed, resigned or were otherwise unable to perform their duties,
  - n) monitor the financial reporting process,
  - o) monitor the effectiveness of internal control systems, internal audit and risk management,
  - p) monitor the performance of financial audit,
  - q) monitor the independence of a senior auditor and the entity authorized to audit financial statements.
3. The Supervisory Board shall annually adopt a resolution containing a comprehensive assessment of Company's situation including the system of internal control and Company's risk management and submit it to the General Meeting. The assessment referred to in the preceding sentence shall be made available to the shareholders by the Management Board in time so to get acquainted with it before the Annual General Meeting.
  4. Members of the Supervisory Board should attend the General Meeting in the composition allowing to provide substantive answers for the questions asked during the General Meeting.
  5. The Supervisory Board appoints the entity authorized to audit financial statements in such a way as to provide his independence in the performance of his duties. The person acting as a senior auditor makes a declaration of compliance with the statutory criteria of impartiality and independence. The Supervisory Board shall change the entity at least once every seven fiscal years.
  6. The Supervisory Board determines the remuneration of Management Board members. When determining and verifying the amount of remuneration, the Supervisory Board should take into account the amount of work necessary to properly perform the role of the Management Board member, duties and responsibilities associated with the role of the Management Board member, company size, earnings, wages paid by other entities operating on the market. When determining the level and structure of remuneration, one should also take into account an incentive system to improve quality and productivity of Management Board members.

### **§4**

Supervisory Board represents the Company when entering into agreements with Management Board Members and in the event of disputes between them. A Supervisory Board member authorized by the resolution of the Supervisory Board shall be entitled to represent it in the agreements with Management Board Members.

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### **§5**

1. The Council may, at any time, demand from the Management Board and employees of the Company all reports and explanations, browse the books, records and check the financial status of the Company.
2. The Supervisory Board meeting may be attended by experts and guests invited by the authority convening the meeting or any member of the Supervisory Board.

### **§6**

The Supervisory Board has no right to issue binding instructions to the Management Board regarding the affairs of the Company.

### **§7**

The Council exercises control over the implementation (carried out by Company's Management Board) of resolutions adopted by the General Meeting and Supervisory Board's guidelines.

### **§8**

1. Chairman of the Supervisory Board convenes the Supervisory Board meeting, on its own initiative, at the written request of Company's Management Board or any member of the Supervisory Board. The request shall be submitted in writing to the Chairman of the Supervisory Board and in case of his absence, to another member of the Supervisory Board. In case the request for convening the meeting was submitted by the Management Board, or any member of the Supervisory Board, the Supervisory Board meeting should be convened no later than 2 (two) weeks from the submission of the application or request. If the Supervisory Board meeting is not convened within that period, the applicant may call it independently, stating the date, place and proposed agenda.
2. Meetings of the Supervisory Board shall be convened by registered letter or courier, at least 7 (seven) days before the meeting. It is also admissible, that a Supervisory Board member accepts the notice convening the meeting without the mediation of mail, but against confirmation of receipt. The Supervisory Board Member may also request to be notified in electronic form to the provided e-mail address. This demand, together with the e-mail address should be submitted to the Company in writing under pain of being declared null and void. If the Supervisory Board member requested to be notified about the meetings via e-mail there is no need to send him a notice in writing.
3. The invitation to the Supervisory Board meeting should include the agenda of the meeting, otherwise null and void.
4. The Supervisory Board is able to adopt binding resolutions if the meeting is attended by at least half of its members, unless all members of the Supervisory Board have been duly invited to the meeting, subject to paragraph 5.

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5. It is permissible to hold a meeting of the Supervisory Board, without the need to convene it in the manner specified in paragraph 2 and 3, if the meeting is attended by all the members of the Supervisory Board and none have objected to holding the meeting in such manner and placing certain issues on the agenda.
6. First meeting of the newly elected Supervisory Board shall be convened by the Management Board within thirty (30) days from the date of appointment of the Supervisory Board.
7. Resolutions on matters not included in the agenda may not be adopted unless the meeting is attended by all the members of the Supervisory Board and none of those present raise any objections to this matter.
8. Resolutions of the Supervisory Board may be adopted in writing without a meeting of the Supervisory Board (by circulation). Draft resolutions to be adopted by circulation, are submitted for signature to all members of the Supervisory Board by the Chairman, and in his absence, by any member of the Supervisory Board. It is assumed that signing of the resolution means consent to its adoption by circulation. The resolution passed in this manner is valid, if all the members of the Supervisory Board have been notified of its contents; § 9 point 3 shall apply accordingly.
9. Member of the Supervisory Board may cast his/her votes in writing through another member of the Supervisory Board. It does not apply to matters added to the agenda at the meeting of the Supervisory Board.
10. Meetings of the Supervisory Board may be held by telephone, in a manner allowing communication among all participating members of the Supervisory Board. Minutes from the voting in this manner are drawn up and signed by all participants at the latest at the next meeting of the Supervisory Board. Course of the telephone meeting may also be recorded with the help of sound recording machine, which does not exclude the need to draw up and sign the minutes. Resolution passed in this manner is valid, if all the members of the Supervisory Board have been notified of its contents.
11. Adoption of resolutions according to the principles set out in paragraph 8-10 does not apply to the election of the Chairman, Vice Chairman and Secretary of the Supervisory Board, appointment of Management Board member and dismissal or suspension of the above-mentioned persons.
12. Members of the Management Board in an advisory capacity have the right, in addition to members of the Council, to participate in the Supervisory Board meeting, except that part of the meeting which deals with matters relating directly to the Management Board or Management Board members, in particular concerning the appointment and dismissal of Management Board members, the assessment of their work, responsibility, determination of remuneration of Management Board members and agreements and disagreements between the Management Board members and the Company. Furthermore, the Supervisory Board meeting may be attended by persons invited by the members of the Supervisory Board.
13. Meetings shall be held at the registered office of the Company, unless the Chairman of the Supervisory Board orders otherwise.

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### §9

1. Resolutions of the Supervisory Board are valid, if all Supervisory Board members were invited to the meeting in accordance with applicable law and the Articles of Association.
2. Resolutions of the Supervisory Board shall be adopted by an absolute majority of votes. In case of equality of votes, the Chairman shall have a casting vote. Absolute majority occurs when the number of votes ([during the voting](#)) in favor of the resolution is greater than the sum of votes against and abstained.

### §10

1. Meetings of the Supervisory Board shall be recorded. Minutes should include:
  - a) date and place of the meeting or a statement, that it took place by means of distance communication,
  - b) names and surnames of present members of the Supervisory Board,
  - c) names and surnames of other persons present at the meeting,
  - d) a mention of the adoption of minutes of the previous meeting except that each of the Supervisory Board members has the right to lodge a written reservations to the approved minutes (filed reservations shall be attached to the minutes and submitted to the minute book); unless the minutes of the previous meeting have already been signed by all participants of the meeting,
  - e) the agenda of the meeting adopted by the Supervisory Board or a mention, that it took place according to the agenda specified in invitations to the meeting,
  - f) the vote of the Supervisory Board member if she/he requested to include it in the minutes; member of the Supervisory Board has the right to dictate the content of his/her vote for the record,
  - g) the vote of any other person participating in the meeting, if any Supervisory Board member requested its inclusion in the minutes,
  - h) a mention of the document presented at the meeting, if any Supervisory Board member requested its inclusion in the minutes,
  - i) content of adopted resolutions and voting results, and any dissenting opinions.
2. Materials and documents being the subject of Council's meeting should be attached to the minutes.
3. The minutes are signed by all Supervisory Board members present at the meeting.
4. The original minutes and its appendixes shall be kept by the Company.
5. Resolutions of the Supervisory Board are passed by open vote. A secret ballot is applied in personal matters, and at the request of at least one member of the Supervisory Board.

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### **§11**

The Council may express opinions on all Company matters and submit proposals, initiatives and recommendations to the Management Board of the Company.

### **§12**

1. Supervisory Board members use office space, equipment and materials of the Company, to the extent necessary to perform the functions of the Supervisory Board member.
2. Management Board provides technical support for the Supervisory Board.
3. The Company covers operating expenses of the Supervisory Board.

### **§13**

1. While holding the function in the Council, the Supervisory Board member shall have regard to the interests of the Company.
2. Member of the Supervisory Board shall immediately inform the other members of the Council about any conflict of interest and refrain from participating in the discussion and from voting on the adoption of a resolution on the issue which gives rise to such conflict of interest.
3. Member of the Supervisory Board shall submit a written statement on the existence of personal, actual or organizational links between him and any of the shareholders holding shares representing not less than 5% of the total number of votes at the General Meeting. The statement, referred to in the preceding sentence, shall be delivered to the Management Board and other Supervisory Board members. This obligation applies to economic, family or other relationships which may affect the standpoint of the Supervisory Board member in matters decided by the Council.
4. Member of the Supervisory Board shall immediately notify the Management Board in writing about the sale or purchase of shares or stocks in a Subsidiary or a Parent Company, as well as about all the transactions of this Supervisory Board member concluded with the Parent Company or a Subsidiary.
5. Members of the Supervisory Board shall take all necessary steps to obtain (from the Management Board) regular and comprehensive information on all matters related to Company's operations, risks associated with Company's activities and risk management methods. Type of documents and information, as well as the time and manner of requesting it from the Management Board is determined by the resolution adopted by the Supervisory Board.
6. Remuneration of the Supervisory Board members should be such, that it would not represent a major cost for the Company and significantly affect its financial results.



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### **§14**

1. By-laws come into force on the date of approval by the General Meeting of the Company.
2. Any changes to the By-laws shall require a resolution of Company's General Meeting. Amendments to the By-laws shall enter into force on the date of enactment.