



Energa

**RULES OF PROCEDURE
OF THE SUPERVISORY BOARD
OF ENERGA SA**

2nd edition

Warsaw, February 2013

General Provisions

Para. 1

1. The Supervisory Board of ENERGA SA, hereinafter referred to as the “Board”, shall be the body that exercises ongoing supervision over Company operations across all areas of its operations.
2. The Board shall, without limitation, act pursuant to the Code of Commercial Companies and the Company Articles of Association, and in accordance with the procedures set forth in these Rules of Procedure.
3. Responsibilities of the Board shall be governed by the provisions of the Code of Commercial Companies and of the Company Articles of Association.
4. Members of the Board shall keep secret the information related to Company operations that they acquired in connection with the exercise of their mandates or otherwise.

Para. 2

In order to perform its duties, the Board may, in particular:

- 1) request from the Management Board of the Company and from Company employees reports, explanations and any documents related to Company operations;
- 2) check records, books and any source documentation;
- 3) review the Company’s assets.

Organisation Of Board Work

Para. 3

1. At the first meeting, members of the Board shall appoint a Chairperson, Deputy Chairperson and Secretary of the Board from among themselves.
2. The Chairperson of the Board shall:
 - 1) convene, organise and chair meetings of the Board;
 - 2) represent the Board vis-à-vis third parties and make representations on behalf of the Board.
3. The Deputy Chairperson of the Board shall perform the activities referred to in subpara. 2 above if the Chairperson of the Board:
 - 1) cannot perform his or her duties (due to illness, vacation or other circumstances);
 - 2) has authorised the Deputy Chairperson to perform his or her duties.
4. The Secretary of the Board shall be responsible for the organisation of Board work.

Para. 4

1. The Board shall submit to the General Meeting annual written reports on its oversight of the Company’s operations.
2. The Board shall adopt resolutions in all matters that require resolutions by the General Meeting and in all other matters pursuant to the provisions of the Company Articles of Association and also when it deems it appropriate.

Para. 5

1. The Board may adopt resolutions by circulation or by means of direct remote communication, subject to Article 388, para. 4 of the Code of Commercial Companies. In order for a resolution to be adopted in this manner, its draft shall be submitted beforehand to all members of the Board.
2. When voting on a resolution that is adopted in the manner referred to in subpara. 1 above, a member of the Board shall cast a vote “for” or “against” or shall “abstain”. Where a member of the Board fails to vote by the deadline set by the Chairperson of the Board, the resolution shall not be adopted.
3. The resolution, together with an indication that it was adopted by circulation or by means of direct remote communication, shall be signed by the Chairperson of the Supervisory Board or Deputy Chairperson of the Board in the case referred to in Para. 3, subpara. 3.
4. Resolutions adopted in accordance with subpara. 1 above shall be presented at the subsequent meeting of the Supervisory Board together with voting results.

Para. 6

1. Resolutions of the Board may be adopted if all members of the Board have been effectively notified of the date and place of its meeting, subject to Para. 5.
2. The Board shall adopt resolutions by a simple majority of votes cast in the presence of at least half of Board members. A simple majority of votes means that the number of votes cast “for” is at least one higher than the sum total of valid votes cast “against” and members who “abstain”.
3. Voting on resolutions shall be open. A secret ballot shall be held in personal matters, including without limitation:
 - 1) motions concerning the appointment and recall of Management Board members;
 - 2) suspending individual members of the Management Board or the entire Management Board for important reasons;
 - 3) the election and recall of the Chairperson, Deputy Chairperson and Secretary of the Board;

and at the request of a member of the Supervisory Board.

Meetings of the Board

Para. 7

1. Meetings of the Board, which shall be convened at any time, shall be held as required, but at least once every two months.
2. Meetings of the Board shall be held at the registered office of the Company in Warsaw or, in justified cases, at another location specified by the Chairperson of the Board.

Para. 8

1. Meetings of the Board shall be convened by its Chairperson.
2. The Chairperson of the Board shall convene a meeting of the Board at the written request, accompanied by a proposed agenda, from:

- 1) a member of the Board;
 - 2) the Management Board of the Company.
3. A meeting convened at the request referred to in subpara. 2 above should be held within two weeks from the date of request submission.

Para. 9

1. A meeting of the Board shall be convened in a manner that ensures the delivery of invitations to Board members, at least seven days before the date of the meeting.
2. In justified cases, the Chairperson of the Board may reduce the time limit for the delivery of invitations to the meeting of the Board to two days before the date of the meeting, specifying the manner in which invitations are to be delivered.
3. An invitation should specify the date, time and place of the meeting as well as its detailed agenda.
4. Together with the invitation, materials concerning the matters on the agenda should be sent where appropriate.
5. The Chairperson and Secretary of the Board shall be responsible for overseeing the preparation of materials for meetings of the Board.
6. Invitations to meetings of the Supervisory Board shall be sent by registered mail, courier or fax. Invitations to meetings of the Supervisory Board may also be sent via e-mail and confirmed by phone if the member of the Board in question has given his or her prior written consent, stating the e-mail address to which the invitation should be sent.
7. The Board may hold meetings that have not been formally convened if all members of the Board are present and none of them objects to the meeting being held or its agenda.

Para. 10

1. Board members shall attend meetings of the Board.
2. Board members shall exercise their rights and perform their duties in person and shall exercise due diligence in performing their duties.
3. A Board member who is unable to attend a meeting of the Board shall notify the Chairperson of the Board in writing of his or her absence and of its reason. The Board shall adopt a resolution stating whether the absence of the Board member is excused.

Para. 11

1. Board members may attend a meeting and vote on the resolutions adopted during the meeting in question by means of direct remote communication, i.e. tele- or videoconferencing technologies, provided that at least half of Board members are present at the meeting location indicated in the invitation referred to in para. 9 and it is technically possible to ensure a secure connection.
2. Attending a meeting of the Supervisory Board by the means of direct remote communication referred to in subpara. 1 above shall include all of the following:
 - 1) a transmission of the meeting of the Supervisory Board in real time at the location where Board members are present;

- 2) real-time two-way communication enabling Board members to speak during the meeting of the Supervisory Board while at a location other than that of the meeting;
 - 3) exercising the right to vote at the meeting of the Supervisory Board.
3. A decision whether Board members may attend a specific meeting using tele- or videoconferencing technologies shall be made by the Chairperson of the Supervisory Board by including relevant information in the invitation to the meeting of the Board referred to in para. 9.
 4. Board members who wish to attend a meeting of the Board using tele- or videoconferencing technologies should notify the Chairperson of the Supervisory Board of their intention to attend the meeting in this manner before the meeting is convened.
 5. Immediately after a meeting of the Supervisory Board involving possible attendance using tele- or videoconferencing technologies has been opened, the Chairperson of the Supervisory Board shall inform those present of the identities of Board members who are attending the meeting by means of direct remote communication.
 6. The fact that individual Board members attended the meeting by means of direct remote communication shall be recorded in the minutes of the meeting, indicating the Board members who attended the meeting in this manner.
 7. The Company shall not be responsible for the Supervisory Board members' inability to attend a meeting using tele- or videoconferencing technologies where the failure is the result of circumstances beyond the Company's control, including without limitation the inability to connect to the tele- or videoconferencing terminal that enables the user to attend a meeting of the Supervisory Board and to exercise the right to vote, a loss of connection to the room where the meeting of the Supervisory Board is held, an ICT systems failure or the occurrence of *force majeure*.
 8. Where connection to a tele- or videoconferencing terminal is lost during a meeting of the Supervisory Board, the Chairperson of the Supervisory Board shall decide whether to continue the meeting or to adjourn it.

Para. 12

1. Meetings of the Board may be attended, subject to an invitation by the Chairperson of the Board, by members of the Management Board of the Company, Company employees and other persons whose participation in the meeting is justified owing to the agenda of the meeting.
2. The Supervisory Board may consult lawyers (attorneys-at-law, legal counsels) who provide ongoing legal assistance to the Company and, where appropriate, may appoint relevant experts and invite them to meetings of the Supervisory Board in order to consult them and make the right decision.
3. In the cases referred to in subpara. 2 above, the Supervisory Board shall adopt a resolution to commission the selected expert (audit or consulting firm) to perform the work, committing the Management Board to conclude the relevant agreement.

Para. 13

1. Meetings of the Board shall be opened and chaired by the Chairperson of the Board, who shall:
 - 1) state whether the Board is authorised to adopt resolutions;
 - 2) present the agenda together with proposals for possible amendments;
 - 3) present draft resolutions, motions and findings concerning the matters under discussion;
 - 4) order votes on draft resolutions;
 - 5) ensure that minutes of the meeting are correctly drawn up.
2. The Chairperson of the Board may adjourn a meeting for important reasons and set a new date and time for the meeting. Matters on the agenda that have not been discussed during the meeting should be included in the agenda of the subsequent meeting of the Board.

Para. 14

1. Board members may submit motions concerning amendments to the agenda.
2. An amendment to the agenda may only be discussed at a meeting if all Board members are in attendance and no one present has objected to the amendment.

Para. 15

1. Meetings of the Board shall be minuted. The minutes should include:
 - 1) the number, date and place of the meeting;
 - 2) full names of Board members and other persons present at the meeting;
 - 3) meeting agenda;
 - 4) the contents of, and justification for, the resolutions adopted and their numbers; resolutions shall be attached to the minutes;
 - 5) voting results (the numbers of votes “for” and “against” and of members who “abstain”) and any dissenting opinions submitted orally or in writing by Board members.

A dissenting opinion may be submitted no later than at the next meeting of the Board, before the minutes are signed.

2. Materials that are discussed during the meeting (papers on specific subjects, plans, reports, notices, motions and justifications, etc.) should be attached to the minutes.
3. The minutes and resolutions shall be signed by all Board members present at the meeting.
4. A Board member may enter a dissenting opinion in the minutes concerning the contents of the minutes.
5. The minutes shall be signed at the subsequent meeting of the Board. Members who were absent at the meeting shall confirm that they have read the minutes by signing them with a note to that effect.
6. As long as the Treasury remains a shareholder of the Company, copies of minutes of meetings of the Supervisory Board and adopted resolutions may be forwarded to the Ministry of the Treasury.
7. The minutes together with attachments shall be stored at the Management Board Office.

Final Provisions

Para. 16

1. Services for the Board shall be provided by the Management Board Office set up within the Company.
2. The Management Board Office shall, without limitation:
 - 1) arrange matters related to the preparation of meetings of the Board (send notifications, materials, etc.);
 - 2) draw up minutes of meetings of the Board;
 - 3) conduct ongoing correspondence related to Board activities;
 - 4) store the original minutes of meetings of the Board and other documents related to Board activities.

Para. 17

1. The Company shall bear the costs associated with Board activities.
2. The Board shall use the Company's office premises, equipment and materials.
3. The Company shall cover the costs incurred in connection with the performance by members of the Supervisory Board of the functions entrusted to them, including without limitation the cost of travel to meetings of the Board and the cost of accommodation and meals.

Para. 18

These Rules of Procedure shall become effective as of the date of their adoption.