



**RULES AND REGULATIONS
OF THE SUPERVISORY BOARD
of
Elektrociepłownia „Będzin” S.A.
[Combined Heat and Power Plant „Będzin” PLC]**

Uniform text adopted by Resolution
of the Supervisory Board
No 18/VIII/2014 of 10.04.2014

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I. General provisions

§ 1

The Rules and Regulations (hereinafter referred to as Regulations) describe in detail the procedures and the scope of responsibilities of the Supervisory Board of Elektrownia "Będzin" S.A [Combined Heat and Power Plant "Będzin" PLC].

§ 2

The Supervisory Board is the supervisory body of the Company.

§ 3

1. Whenever in these Regulations reference is made to "the Company", it shall mean Elektrociepłownia „Będzin” S.A. [Combined Heat and Power Plant "Będzin" PIC].
2. Whenever in these Regulations reference is made to "the Management Board", it shall mean the Management Board of the Company.
3. Whenever in these Regulations reference is made to "the General Meeting", it shall mean the Ordinary or Extraordinary General Meeting of the Company's Shareholders.

§ 4

The Regulations were prepared in accordance with § 16. 2 of the Company's Statute.

II. Membership in the Supervisory Board, appointing and dismissing the Supervisory Board and its members

§ 5

The number of Members of the Supervisory Board is set out by the Company's Statute.

§ 6

The Supervisory Board shall select the Chairman of the Supervisory Board from among its members and he or she may be dismissed by a secret ballot.

§ 7

The General Meeting appoints and dismisses the Members of the Supervisory Board in accordance with the provisions of the Commercial Companies Code and the Company's Statute.

§ 8

The Supervisory Board is appointed for the term indicated in the Company's Statute.

§ 9

1. The newly appointed members of the Supervisory Board make a statement to ensure that their actions satisfy the rules of corporate governance, and in particular those resulting from Best Practices.
2. The statement mentioned in item 1 is submitted to the Company's Management Board.

III. Convening and conducting meetings of the Supervisory Board

§ 10

The regulations concerning convening and conducting the meetings of the Supervisory Board are outlined in the Company's Statute.

§ 11

The Supervisory Board convenes its meetings at least once every three months.

§ 12

Members of the Supervisory Board shall execute their rights and perform their duties in person only.

§ 13

1. Members of the Management Board are invited to the meetings of the Supervisory Board, except those meetings or their parts which the Supervisory Board decides to be conducted without the participation of the Company's Management Board.
2. Employees whose presence seems crucial for the given matter may also be invited to the Meeting of the Supervisory Board.

§ 14

1. The Supervisory Board performs its duties collectively; it may, however, appoint its Members to perform particular supervisory responsibilities individually.
2. Members of the Supervisory Board appointed to individually execute a given supervisory responsibility are obliged to present written reports to the Supervisory Board during meetings of the Supervisory Board.
3. Members of the Supervisory Board execute supervisory right individually only on the basis of a respective resolution of the General Meeting or the Supervisory Board.

§ 15

1. The Supervisory Board adopts the resolution by an absolute majority of votes of the members present in the meeting and in the presence of at least half of the Members of the Supervisory Board.
2. The absolute majority of votes indicates that at least one more vote in favour of a draft resolution was made from the sum of the remaining valid votes (against and abstain).

§ 16

Shall a conflict of interest occur between the Company and a Member of the Supervisory Board, his or her spouse, or relatives up to the second generation, the Member of the Supervisory Board should refrain from taking part in the discussion of such matters or vote, and should demand it to be marked in the minutes of the meeting. Member of the Supervisory Board is obliged to inform the Supervisory Board in writing and with prior notice of the existence of any conflict of interest resulting from performed functions or the possibility of its existence.

§ 17

1. An adopted resolution is signed by every member present at the meeting of the Supervisory Board.
2. Members of the Supervisory Board who voted against an adopted resolution have the right to require their counter opinion to be mentioned in the minutes of the meeting.
3. The voting is open. By motion of even one Member of the Supervisory Board, the Chairman of the Supervisory Board may conduct a secret ballot.
4. A secret ballot is conducted upon a motion concerning suspending, appointing or calling off the Management Board or a Member of the Management Board.
5. Members of the Supervisory Board may take part in passing resolutions of the Board by voting in writing by proxy, when the proxy is another Member of the Supervisory Board. Voting in writing by proxy can not regard matters introduced to the meeting agenda in the course of the respective meeting of the Supervisory Board.
6. The Supervisory Board may adopt resolutions without meeting in accordance with the rules outlined in the Company's Statute.
7. The Supervisory Board may adopt resolutions in meetings held with the use of tools facilitating distance communication, including networks enabling videoconferencing.
8. Shall a meeting of the Supervisory Board be convened in the form outlined in item 7, the Chairman informs all the Members of the Supervisory Board of the date of the videoconference indicating its time and access place as well as any technical information concerning access to the conference.
9. In the mode outlined in item 7, the Supervisory Board can not adopt resolutions which require a secret ballot.

§ 18

1. A notice on convening a meeting of the Supervisory Board including its date, time and agenda, should be sent out at least 7 (seven) days before the date of the meeting.
2. In justified cases, the Chairman may shorten the time period of issuing the notice on convening a meeting of the Supervisory Board.
3. The agenda of the meeting of the Supervisory Board may be changed during the meeting with consent of all the members of the Supervisory Board participating in the meeting, provided that all Members of the Supervisory Board are present.

§ 19

All Members of the Supervisory Board must be informed about the meeting of the Supervisory Board for its resolutions to be valid. The notice on convening a meeting of the

Supervisory Board should be mentioned in the minutes of the meeting, especially if the notice was not sent in a written form (by fax, email, text message, etc.).

§ 20

1. Minutes of the meetings of the Supervisory Board are prepared. The minutes are prepared by a person appointed by the Chairman of the meeting.
2. The minutes of the meeting should contain counter opinions of the Members to the resolutions adopted by the Supervisory Board.
3. The minutes of a meeting of the Supervisory Board should contain especially: the agenda, names and surnames of the Members of the Supervisory Board present at the meeting, information about the adopted resolutions, information about the votes on the given resolutions.
4. The minutes of the meetings are signed by the Members of the Supervisory Board present at the meeting, and the person appointed to prepare the minutes of the meeting. Shall one of the Members of the Supervisory Board not sign the minutes of the meeting, the Chairman of the Supervisory Board or the person filling in for the Chairman in the event of his or her absence will mention so in the minutes of the meeting and explain the reason.
5. The minutes of the meetings of the Supervisory Board are stored in the Company.

IV. The aims and scope of activity of the Supervisory Board

§ 21

1. The Supervisory Board is a collective body exercising ongoing supervision over the activities of the Company in all areas of its activity.
2. The detailed scope of the competence of the Supervisory Board is outlined in the Statute.

§ 22

1. The Supervisory Board may demand placing particular matters on the agenda of the next General Meeting. A written motion concerning the matter shall be submitted to the Management Board by the Supervisory Board.
2. If the motion mentioned in item 1 is submitted after announcing the date of the next General Meeting, or it is not accepted by the Management Board, such motion shall be regarded as a motion for convening an Extraordinary General Meeting.
3. The Supervisory Board may convene the General Meeting in cases outlined in the Commercial Companies Code.

§ 23

1. The Supervisory Board shall prepare a written report concerning the financial report and the Company's activities report for the given fiscal year submitted by the Management Board of the Company, and the Supervisory Board shall also prepare a written report on the opinion report and audit by the Statutory Auditor and presents it to the General Meeting of Shareholders.
2. The Supervisory Board shall submit the report concerning its activities to the General Meeting.

§ 24

1. The Supervisory Board may issue opinions regarding motions to adopt a resolution by the General Meeting. The Supervisory Board must issue an opinion in each case when it is required by provisions of law.
2. The Supervisory Board does not issue opinions regarding motions submitted by Shareholders during the General Meeting.

§ 25

1. In accordance with the Company's Statute, the Supervisory Board decides upon the number of members of the Management Board.
2. The Supervisory Board appoints and dismisses the President and other Members of the Management Board of the Company.

§ 26

The Supervisory Board shall undertake legal action between the Company and the Members of the Management Board in accordance with the rules outlined in the Statute.

§ 27

1. The Supervisory Board may demand reports and explanations from the Management Board; it may also inspect assets and properties and review registers, books and other documents of the Company.
2. The Supervisory Board holds the right to demand, execute necessary expertise and inspection regarding matters subject to supervision and control.

§ 28

By motion of the Management Board, the Supervisory Board adopts regulations concerning the allocation of capital and funds outlined in the Statute or adopted by Resolution of the General Meeting.

§ 29

A Member of the Supervisory Board shall not resign from the membership if this act could preclude the Supervisory Board from executing its statutory activity.

V Committees of the Supervisory Board

§ 30

1. The Supervisory Board may appoint temporary or permanent committees, which are advisory bodies of the Supervisory Board called for supervision and evaluation.
2. Committees are appointed by resolutions of the Supervisory Board
3. A Committee shall only consist of Members of the Supervisory Board.
4. A Committee shall have at least 3 (three) members.
5. The Supervisory Board appoints simultaneously the Members of the Audit Committee and the Chairman of the Audit Committee.

§ 31

1. The work of a committee is supervised by the Chairman.
2. The Chairman of a committee shall supervise the preparation of meeting agendas, organization of distribution of documents, and preparation of minutes of the meeting, with the assistance of the Management Board of the Company.
3. The Chairman of a committee convenes its meetings and invites Committee Members to the meetings. The Chairman informs the other Members of the Supervisory Board about the meeting of a committee.
4. Members of the Supervisory Board are entitled to participate in the meetings of committees.
5. The Chairman of a committee may invite Members of the Management Board, employees of the Company and other persons to the committee meetings if their presence is crucial for fulfillment of the committee's activities.

§ 32

1. Resolutions of a committee are adopted by the ordinary majority of votes.
2. Shall there be an equal number of "for" and "against" votes, the decisive vote is made by the Chairman of the Committee.
3. Members of a committee shall vote on adopting resolutions in person, participating in the meeting of the committee, or via distance communication.
4. Committees shall submit reports from their activity to the Supervisory Board, which will be made available to the shareholders by the Management Board of the Company, however, permanent Committees submit annual reports.
5. Committees submit motions, opinions and reports concerning the scope of their activity to the Supervisory Board.

VI. Final provisions

§ 33

The Member of the Supervisory Board shall not be employed by the Company, nor shall he or she provide services for the Company on the grounds of the other legal title.

§ 34

1. The Member of the Supervisory Board shall not perform activities which would remain in conflict with his or her duties or would question his or her independent judgement and objectivity.
2. The Member of the Supervisory Board should always take into consideration the best interest of the Company in all his or her endeavours.
3. The Members of the Supervisory Board are obliged to consider their owned shares of the Company or shares of dominating and subsidiary Companies as long-term investments.
4. The Members of the Supervisory Board shall inform the Supervisory Board in writing and with prior notice about any intention of selling or buying shares in accordance with item 3, and about transactions exceeding 10.000,00 EUR with companies indicated in item 3.

§ 35

Any information obtained by the Members of the Supervisory Board Chile performing their duties are confidential and constitute the Company's asset.

§ 36

1. Remuneration of the Members of the Supervisory Board is determined by the General Meeting of Shareholders.
2. Remuneration of the Member of the Supervisory Board delegated to perform the duties of a Member of the Management Board is determined by resolution of the Supervisory Board.

§ 37

1. The costs of the activities of the Supervisory Board are borne by the Company.
2. The Supervisory Board uses Office premises, equipment and materials of the Company.
3. The Management Board of the Company provides the Supervisory Board with technical and administrative services.

§ 38

Any amendments to the regulations may be introduced by resolution of the Supervisory Board.

§ 39

The activity of the Supervisory Board of the Company not regulated by the Rules and Regulations is subject to the provisions of the Commercial Companies Code and the Statute.

§ 40

The Rules and Regulations are valid as of the date of their adoption by the Supervisory Board.