

RULES OF THE SUPERVISORY BOARD OF ELEKTROTIM SA

The Rules of the Supervisory Board of ELEKTROTIM S.A. have been adopted on the basis of the applicable regulations of Commercial Companies Code and § 24 section 2 subsection 9) of the Statute of ELEKTROTIM S.A., with taking into account a corporate governance applicable in the Company according to the requirements of Exchange Board Resolution no 12/1170/2007 of 4th July 2007- the attachment titled: “Good Practice of Quoted Companies”

GENERAL RESOLUTIONS

§ 1

The Supervisory Board of ELEKTROTIM S.A. in Wrocław is a statutory supervisory body of the Joint-Stock Company.

§ 2

The Supervisory Board acts on the basis of regulations of Commercial Companies Code, Company's Statute and these Rules.

§ 3

The Definitions used in the Rules refer to:

1. Rules– the present Rules, adopted by resolution of Company's General Assembly
2. Company – the joint-stock company under the company of ELEKTROTIM SA with a seat in Wrocław, entered in the register of entrepreneurs kept by the District Court for Wrocław - Fabryczna VI Economical Department of National Court Register under the number KRS 0000035081,
3. Statute – Company's Statute
4. Assembly –Ordinary or Extraordinary General Assembly of the Company,
5. Supervisory Board – Company's Supervisory Board ,
6. Management – Company's Management

§ 4

Make-up of the Supervisory Board

1. The Supervisory Board is made up of five members chosen by the General Assembly.
2. The Supervisory Board performs tasks of the audit committee. The Supervisory Board might single out the audit committee by appointing people from among members of the Supervisory Board for its make-up.
Tasks of the audit committee performed by the Supervisory Board or the separated audit committee, are particularly:
 - 1) Monitoring of the process of financial reporting,
 - 2) Monitoring of effectiveness of internal control systems, internal audit and risk management,
 - 3) Monitoring of execution of financial revision actions,
 - 4) Monitoring of independence of an expert auditor and the subject authorized for studying financial reports,
4. At least two members of the Supervisory Board shall be independent members. Independent are unmarried people, descendent and initial members of the Management and people not dependent directly from the Management member or liquidator.

5. A cadence of the Supervisory Board less no longer than 5 years.
6. The General Assembly appoints and revokes the President of the Supervisory Board and its members.
7. A duration of a cadence of each Supervisory Board's member as well as remuneration of the President and Members of the Supervisory Board is determined by the resolution of the General Assembly.
8. The Supervisory Board chooses from its team a Vice President and a Secretary.
9. A candidate put up for a member of the Supervisory Board shall have education, professional experience and life experience required for realization of tasks of Supervisory Board's member, represent high moral level and be able to spend time necessary for appropriate performance of his functions in the Supervisory Board. Candidatures of Supervisory Board's members shall be submitted and justified in detail, in the way allowing for making a choice, taking into account the above mentioned criteria.
10. Members of the Board perform their rights and obligations personally, having in mind Company's interest.

§ 5 Rules of performing a mandate

1. A mandate of Supervisory Board's member expires: not later than on the day of attending the General Assembly approving financial report for the last financial year of fulfilling a function of Supervisory Board's member, due to revoking of a Supervisory Board's member by the General Assembly, due to death, due to resignation.
2. Revoking of Supervisory Board's member does not prevent him from claims arising out of employment relationship nor other legal relation regarding fulfillment of function of Supervisory Board's member.
3. Supervisory Board's member can submit resignation from the fulfilled function in writing, to the Company.
4. A mandate of Supervisory Board's member expires the moment the written resignation is delivered to the Company.
5. The next General Assembly or a general assembly convened specially for this purpose, completes the make-up of the Supervisory Board to the number of members required by the statute.
6. The resigning Members of the Board can be chosen again.
7. In case of expiration of a cadence of Supervisory Board's member during his cadence, an appointment of a new Supervisory Board's member takes place for the period of a cadence of Supervisory Board's member whose cadence has expired.

§ 6 Way of convening and leading debates

1. Meetings of the Supervisory Board are held at least three times in a financial year..
2. Meetings of the Supervisory Board are convened and led by the President of the Board, and in case of inability of convening a meeting, by his Deputy or a person chosen by the President.
3. The President may transfer his function to the Vice President for a period no longer than six months.

4. Debates of the Board are convened by the President of the Board on his own initiative, on written application of a member of the Supervisory Board or Company's Management, in which the order of debates has been suggested. The meeting shall be held within two weeks from the day of submitting the application. If the President does not convene a meeting within a period of time mentioned above, the proponent may convene it independently, giving date, place and suggested order of debate, same as in the application.
5. A debate of the Supervisory Board is being convened by effective delivery of invitations to all members of the Supervisory Board at least seven days before the fixed date of a debate.
6. A debate of the Supervisory Board may be held without a formal convening, if all its members express their agreement not later than on the day of debate or affix signatures to list of attendance.
7. An invitation for all members of the Supervisory Board may be passed in writing or via electronic mail against receipt.
8. An invitation for Board's meeting must contain, on pain of invalidity, the order of debates of the meeting. The order of debates cannot get changed nor completed during a debate that it concerns, unless all Board's members are participating in the debate and none of them will object to a change or completing of debates' order, and when it will be justified by a necessity of securing the Company from harm. It is also acceptable to complete the order of debates with estimation, whether there is a conflict of interest between Supervisory Board's member and the Company.

§ Taking resolutions

1. The Supervisory Board takes resolutions by unconditional majority of votes, with a presence of at least half of Supervisory Board's team and inviting all of its members. In case of equality of votes, the vote of the President of the Supervisory Board is decisive.
2. Members of the Supervisory Board participate in taking resolutions by casting a their vote in writing through the medium of other Supervisory Board's member. Casting a written vote cannot regard cases brought into life at the meeting of the Supervisory Board.
3. Members of the Supervisory Board can take resolution in written mode or through means of direct distance communication. A resolution taken in such way is valid if all members of the Supervisory Board were notified upon content of resolution's project.
4. Carrying out the voting in a mode mentioned in section 3 can be appointed by the President, and in case of President's inability of appointing the voting, by his deputy or by a person chosen by the President.
5. Taking resolutions in a mode determined in section 2 and 3 does not regard election of the Vice President and the Secretary, appointing Management members nor revoking or suspending of these people in their functions.

§ 8 Presence of other people at the meetings

1. The meetings of the Supervisory Board can be at its invitation participated by members of the Management, except cases, when the subject of such meeting are issues regarding directly the Management or its members, particularly their revoking, making them accountable for any reason or establishing due remuneration.
2. Invitations for the meetings can be given to other people, appropriate for the discussed case, employees of the Company and others.

§ 9 Tasks and range of activity

1. The Supervisory Board supervises Company's activity.
2. Apart from issues indicated in the act, other resolution of this statute or resolution of the General Assembly, the competences of the Supervisory Board are:
 - 1) Estimation of a financial report of the Company and a consolidated financial report of Capital Group, as for accordance with books and documents and with factual state,
 - 2) Estimation of Management's report from Company's activity and Management's applications regarding division of incomes or loss coverage, as well as reports from activity of Capital Group.
 - 3) Submitting to the General Assembly the annual written report from results of actions, mentioned in subsection 1 and 2, taking into account estimation of internal control system and system of management of risk important for the Company and estimation of working of the Supervisory Board.
 - 4) Election of expert auditor, carrying out a study of financial report of the Company,
 - 5) Approval of annual business activity plans and long-term plans of Company's development, as well as considering Management's reports from execution of these plans,
 - 6) Appointing and revoking of Management members and establishing their remuneration,
 - 7) Suspending in functions, for important reasons, particular or all members of the Management ,
 - 8) Delegating a member or members of the Supervisory Board, for a period not longer than three months, to temporal performance of functions of Management members, who have been revoked, submitted resignation or cannot perform their functions for other reasons,
 - 9) Adopting rules of works of the Supervisory Board
 - 10) Approving Rules of the Management ,
 - 11) Giving consent to incurring a credit, loan, as well as emission of debentures, excluding priority debentures or exchangeable debentures of a total value exceeding 20% of own capitals,
 - 12) Giving consent to purchase or sale of properties of a value exceeding 10% of own capitals.

- 13) Giving consent to creating departments and purchasing or taking over shares in commercial companies, as well as joining companies of commercial and civil law ,
 - 14) Giving consent to purchase or sale of a real estate, perpetual usufruct or a share in a real estate,
 - 15) Giving the Company consent to granting to physical or legal people loans, warranties or other charges over Company's assets for third parties,
 - 16) Giving consent to conclusion of meaningful, non-specific, concluded on other than market conditions (non-routine) transaction/ agreement between the Company and affiliate.
 - 17) Other cases entrusted to competences of the Supervisory Board by unconditionally applicable rules of law or resolution of the General Assembly,
3. The Supervisory Board performs its duties collegially, it may however delegate its members to independent performance of determined supervisory functions.

FINAL RESOLUTIONS

§ 10

1. Costs of Board's activity are covered by the Company
2. The Board uses office rooms, devices and materials of the Company
3. Technical and administrative service of the Board is ensured by Company's Management.

§ 11

1. Remuneration of the President and Members of the Supervisory Board is determined by the General Assembly.
2. A total rate of remuneration of all members of the Board, in division into separate elements is a subject to disclosure in the Management's Report from the activity.
3. Reimbursement of costs regarding participation in Board's Works is accrued to all Members of the Supervisory Board.

§ 12

The Members of the Supervisory Board are obliged to respect the resolution of the document titled: „Good Practice of Quoted Companies” applicable from 01.01.2008 (introduced by the Resolution no nr 12/1170/2007 of Exchange Board of 04.07.2007), especially Chapter III „Good practice applied by members of supervisory boards”, in the range determined by the Resolution of the General Assembly of Shareholders of ELEKTROTIM S.A.

§ 13

1. The Rules are applicable from the day of their adoption by the General Assembly of Shareholders, that is from 13.05.2006.

2. In case of changing the Rules by the Assembly, the Management is entitled to prepare its consolidated text within 14 days from amendments.