

Supervisory Board By-laws Qumak-Sekom S.A.

Passed by Supervisory Board resolution no III/22/2002 of 2002, September 11th.

I. General resolutions

§1

The Supervisory Board hereby referred as “the Board”, is the supervisory entity of Qumak-Sekom stock corporation hereby referred as “the Company”.

§2

The Board acts on the basis of:

1. Company’s Charter,
2. The commercial companies act of 2000, September 15th (Dz. U. Nr 94, poz. 1037),
3. The others by-laws.

II. The Board constitution and members appointment

§3

1. The Board consists of 3 to 7 members. The number of the Board members is set by the General Meeting.
2. The term in office of the Board is three years, except for the first Board, which is in office for a period of one year.
3. The members of the Board are appointed by the General Meeting for a common term in the office.

§4

1. The term in office of the members of the Board shall expire as at the day of holding the General Assembly which approves the financial statements for the last full financial year of their office.
2. The term in office of the members of the Board chosen by-election ends with the expiry of the term in office of the Board as a whole.

§5

1. The Supervisory Board shall elect, from among its members, the Chairman, the Vice-Chairman and if necessary a secretary of the Supervisory Board.
2. The Supervisory Board may dismiss the Chairman, the Vice-Chairman and the secretary of the Supervisory Board from their functions.
3. An appointment or dismissal of the Chairman, the Vice-Chairman or a secretary requires cast a absolute government of votes at the Supervisory Board session .

III. The Supervisory Board rights and duties

§6

1. The Supervisory Board shall exercises a constant supervision over the Company’s activities.

2. Except cases restricted by the following Charter and Commercial Law regulations, the Supervisory Board special powers include:

- a) delegating its member or members for performing a supervision activities,
- b) defining the number of Management Board members,
- c) appoint, dismiss and suspend members of the Management Board,
- d) delegate its member or members to temporarily perform the duties of the Management Board of the Company in the case where individual members or the entire Management Board have been suspended or where for other reasons the Management Board is prevented from acting;
- e) approval the By-Laws of the Management Board,
- f) set it's seal to incur by the Company loan, guaranty, bank guarantees, short-term loans, lease agreements and long-term loans liabilities, means credit period longer than 12 months, with the value during the year grater of the amounts PLN 3.000.000,00 or 15% of Company's net assets pointed in the last Company's balance sheet, examined by the chartered accountant.
- g) approval the Company's assets charge with the value during the year grater of the amounts PLN 3.000.000,00 or 15% of Company's net assets pointed in the last Company's balance sheet, examined by the chartered accountant, only once or in few transactions jointly in last 12 months by the way of mortgage, deposit, collateral transfer of ownership or others encumbrance agreements establishment.
- h) approval others business entities stocks, shares and bonds purchase and also the other form of any Company's participation in other entities if the transaction value is greater than PLN 1.000.000,00.
- i) approval the Company's assets disposal, that the value is greater than 10% of the Company's net assets value, only once or in few transactions jointly in last 12 months.
- j) approval a year Company's business plan including the investments and budgets.
- k) voicing an opinion on the agenda and shareholders general meetings dates convene by the Management Board.
- l) voicing an opinion on clear profit (loss) division or appropriation
- m) chartered accountant examining the Company's financial statement choose
- n) the Management Board members remuneration fixing

3. The Supervisory Board evaluates the Management Board requests presented to the General Meeting in order to make a resolution, in particular:

- a. the Charter change,
- b. the share capital increase or decrease
- c. the Company's merger or reprofile
- d. the Company's resolve or disposal

- e. the bonds issue, including convertible loan stock
 - f. the Company sell and leasing or it's property use and sell right establishment
 - g. approve of the premises and others capital assets purchase in last 12 months, that the value is greater than 15% of Company's net assets value pointed in the last Company's balance sheet, examined by the chartered accountant.
4. The Supervisory Board may apply to the Company's Management Board to convene the Extraordinary General Meeting
5. The General Meeting's agenda is established by the Management Board in concert with the Supervisory Board.
6. The Supervisory Board and the shareholders having at least 10% of share capital may request to convene the General Meeting and put some issues in the General Meeting's agenda.
7. The Supervisory Board convene the general Meeting:
- a. if the Company's Management Board did not convene the General Meeting in appropriate term.
 - b. if in spite of the application mentioned in point 6, the Company's Management Board did not convene the General Meeting in period longer than 2 weeks after the application made.
8. In order to perform their duties the Supervisory Board may:
- a. audit each Company's activity
 - b. demand reports and comments of Company's Management Board and employees
 - c. assets revision
 - d. supervise Company's books and documents
9. The Supervisory Board may take an experts' opinion (including consulting and auditing). Experts act pursuant to the agreement made with the Company. The Supervisory Board got the Experts opinion.

§7

1. The Supervisory Board has the right to voice an opinion on matters concerning the Company and the Management Board.
2. The Supervisory Board may advance to the Management Board with motions and initiatives. The Management Board should inform the Supervisory Board on it's statement in the opinion, motion or initiative matter.

§8

The Supervisory Board on behalf of the Company makes the agreements with the Management Board members and represents the Company in disputes with the Management Board members. The Supervisory Board may entitle, in the resolution, one or more members to accomplish such legal steps.

§9

1. The Supervisory Board shall act as a collegiate body.

2. The Supervisory Board may delegate its members to individually perform particular supervisory activities and legal activities between the Company and the Management Board members.
3. If the Supervisory Board is elected by separate groups, the Supervisory Board members elected by each group may delegate one its member to exercises a constant supervision over the Company's activities.
4. Supervisory Board Members perform their rights and duties in person.

§10

Members of the Supervisory Board shall keep secret all information acquired in connection with exercising their rights and obligations on the Supervisory Board as well as state secret and shall not disclose it to third parties unless necessary for the proper performance of the function of Supervisory Board Member.

IV. The Supervisory Board session

§11

Sessions of the Supervisory Board shall be held at least once in three months.

§12

1. The Chairman shall organize the work of the Supervisory Board and chair its sessions.
2. The Chairman of former Supervisory Board or the appointee (of the Supervisory Board members) shall convene and open first session of newly appointed Supervisory Board. He shall chair the session until new Chairman is elected.
3. The Chairman of the Supervisory Board is obligated to call the session of Supervisory Board also on the written application of Management Board of the Company or the member of Supervisory Board. The session should take place within 2 (two) weeks from making such application.
4. If the Chairman of the Supervisory Board fails to convene a meeting pursuant to item 3, the applicant may convene it by himself/herself, giving a date, place and the proposed agenda.
5. Invited by the Chairman or by his courtesy people can participate in the Meeting but without right to vote.

§13

1. To make the Supervisory Board members resolutions validate required is the invitation of all the Board members at the meeting in written form or by direct communication means, at least 7 (seven) days before the meeting. Not met the seven days period has no influence on the Supervisory Board resolution validity if the meeting was attended by all Supervisory Board members.
2. The invitation requirement is met, only if the meeting date has been set at the previous meeting attended by all the Supervisory Board members.
3. The invitation will include the meeting's agenda. The matters not include in the agenda may be adjusted only if all Supervisory Board members are present.
4. The Supervisory Board shall adopt the resolutions in the presence of at least half of the members of the Board.
5. The Supervisory Board shall adopt the resolutions with absolute majority of votes. In case of tie the Chairman's vote is decisive.

6. Members of the Supervisory Board may participate in adoption of the resolutions by casting their votes in writing through another member of the Supervisory Board. The Supervisory Board member declaration should include.

§14

1. The Supervisory Board resolutions may be adopted, without convening the meeting, by circulation (in writing) or using means of direct remote communication. This does not apply to the election of Chairman and Deputy Chairman of Supervisory Board, appointment of Management Board member as well as dismissal and suspension of fulfilment of duties by the above persons.

2. The Supervisory Board resolutions may be taken, without convening the meeting, in writing or by using means of remote direct communication. The resolutions adopted according to the above mode are valid provided that all Supervisory Board members have cast a vote.

3. In such case the Supervisory Board Chairman deliver the resolution draft using means of direct remote communication (such as: chat, teleconference, etc.) to the Supervisory Board members. The Supervisory Board resolutions taken in writing outside the meeting come into effect at the moment of receive the final written stand signed and delivered by the Supervisory Board Members by the Supervisory Board Chairman.

4. The Supervisory Board may make a resolution using means of direct remote communication (such as: chat, teleconference, etc.). The Supervisory Board chairman or other entitled board member, pass all the others the resolution's articles.

5. In such case the Supervisory Board Chairman makes a written resolution draft and notes votes for/against this resolution cast by each Supervisory Board Member. Thereafter, the Chairman after the votes were counted informs the Board Members if the resolution was adopted.

§15

1. Voting at the General Meeting shall be open. A secret ballot shall be ordered for elections and with regard to motions for dismissal or suspension of the Management Board members.

2. In other cases the secret ballot is ordered on the request of at least one of voters, voting method described in paragraph 14 point 4 and 5 is excluded from this rule.

§16

1. The minutes of the meeting are drawn up and signed by the Board Member participating the meeting. The minutes are approved at the next meeting.

2. The original minutes with appendixes and the Management Board's resolution is kept in the office of the Company's Management Board.

3. The minutes of the meeting should include:

a) The number of the protocol in format: the number of the Board's term in office specified by the Roman figure, / the next number of the protocol in the current term in office specified by the Arabic figure / the year of meeting specified by the Arabic figure.

b) The date and place of the Meeting held.

c) The number of the Board Members participating the meeting.

d) The number of people participating the meeting.

e) The Agenda of the meeting.

f) The Meeting proceedings including the resolutions content and the number of votes taken for the specified resolutions.

g) Separate opinions brought for the record

4. Written objections concerning the minutes reported by absent Board members, should be brought for the record.
5. The minutes should be signed by all the Board Members participating the meeting.
6. The resolution should include:
 - a) The number and the date of the resolution (the number of the resolution specified by the Roman figure of current term in office / the number of the resolution during the current term in office specified by the Arabic figure.)
 - b) The legal base of the resolution
 - c) The content of the resolution
 - d) The Declaration of the pools
 - e) The signatures of the Board members making the resolution.
7. The minutes of the meeting are drawn up by the Board's Secretary, and if it was not possible, the Board member delegated by the Chairman.

V. Final resolutions

§18

1. The Members of Supervisory Board shall be paid compensation for performing functions in the Supervisory Board in the form of determined by the General Meeting, subject to point 2.
2. The Members of Supervisory Board remuneration delegated to perform temporary the Management Board member work, should be governed by the Supervisory Board resolution.

§19

This by-laws are valid of publication date.