RULES OF THE SUPERVISORY BOARD OF "FERRUM" S.A.

GENERAL PROVISIONS

§ 1

Rules of the Supervisory Board of "FERRUM" S.A. specify the entitlements, scope of responsibilities and the manner of their fulfilment by the Supervisory Board, as well as the internal organisation of the Supervisory Board, including existing committees.

§ 2

The Supervisory Board operates on the basis of the Commercial Companies Code, the Company's Statute and these Rules. Furthermore, the Board's activities are based on the instructions and recommendations of the General Meeting of Shareholders.

§ 3

The Supervisory Board is to perform constant supervision of the Company's activities and it fulfils this objective by all available legal means.

COMPOSITION OF THE BOARD

§ 4

1. The Supervisory Board consists of from five to seven Members.

2. The term of office of the Supervisory Board is three years.

3. The General Meeting of Shareholders appoints and dismisses Members of the Supervisory Board. Members of the Management Board, registered holders of a commercial power of attorney, liquidators and employees of the Company holding the post of the Chief Accountant, Legal Adviser, Manager of the Plant or any other post that is subordinate directly to a Member of the Management Board, are not allowed to be Members of the Supervisory Board at the same time.

§ 5

1. The mandates of the Supervisory Board Members expire on the day on which the General Meeting of Shareholders endorses the financial statement concerning the last full business year in which the Board performed its responsibilities.

2. Members of the Supervisory Board shall fulfil their responsibilities in person.
§ 6

1. The Supervisory Board shall elect from amongst themselves a Chairperson, one or two Deputy Chairpersons and a Secretary of the Board.

2. The Supervisory Board may dismiss the Chairperson, the Deputies and the Secretary. Composition of the Board may change during the term of its office.

3. The Chairperson of the Supervisory Board or a person authorised by him/her shall convene and chair the meetings of the Board. The Chairperson of the outgoing Supervisory Board shall convene and chair the first meeting of the newly appointed Supervisory Board and shall chair it until a new Chairperson has been elected.

4. The Chairperson of the Supervisory Board shall convene a meeting of the Board within two weeks of having received a motion filed by the Management Board or a Member of the Supervisory Board, in which the suggested agenda of the meeting was presented.

5. The task of the Chairperson of the Supervisory Board is to organise and coordinate the work of the Board, to supervise the preparation of documents that are subject of the Supervisory Board's meeting, and to represent the Supervisory Board with regard to the Management Board and the General Meeting of Shareholders. If the Chairperson of the Board is absent, the Chairperson's responsibilities shall be fulfilled by the Deputy Chairperson of the Board.

6. Member of the Supervisory Board related to a shareholder holding shares equivalent to at least 5 % of the total number of votes at the General Meeting of Shareholders is obliged to inform the Management Board about this fact. The obligation also refers to relations of economic, family and other nature which may influence the Supervisory Board Member when an issue is arbitrated by the Supervisory Board.

7. The Supervisory Board Member meeting the independence criteria defined in Art. 15 par. 15.2. of the Company's Statute is obliged to inform the Management Board immediately when the independence criteria defined in the Statute have been breached.

8. The Supervisory Board Members should participate in deliberations of the General Meeting of Shareholders in such a composition that giving substantial answers to questions asked during the General Meeting of Shareholders is possible.

9. A Supervisory Board Member should inform the Board about current or possible conflict of interests and refrain from speaking out and voting on a resolution concerning the matter on which the conflict of interests occurred. A Supervisory Board Member should not resign from his/her function when it could negatively influence the Supervisory Board’s ability to operate, including adopting resolutions.
MEETINGS OF THE SUPERVISORY BOARD

§ 7

1. The Supervisory Board holds fixed meetings according to the established schedule. The fixed meetings are held at least once every three months.

2. The Supervisory Board must hold a meeting not included in the schedule:
   a) if the Management Board of the Company submits a written motion on convening a meeting not included in the schedule,
   b) if a Member of the Supervisory Board submits a written motion on convening a meeting not included in the schedule,

within two weeks after receiving the aforementioned motions. The motion shall include the suggested agenda.

3. Meetings of the Supervisory Board may also be held without formal convening if all Supervisory Board Members are present and they agree to hold a meeting and place particular issues on the agenda.

§ 8

1. The Chairperson of the Supervisory Board, the Deputy or a person authorised by the Chairperson, hereinafter called the “Convening Party”, shall convene the meeting of the Board by the means of a notice giving date and place of the meeting, as well as the agenda. This requirement is deemed to be fulfilled if the date of the meeting was established at a meeting attended by all Members of the Board. Establishing the date of the meeting requires a written confirmation by all Members of the Board.

2. If the Chairperson does not convene the meeting in accordance with § 7 par. 2, the requestor submitting the motion has the right to convene the meeting, establishing the date, place and the agenda of the meeting. In this case the requestor submitting the motion is subject to the regulations concerning the role of the Chairperson.

§ 9

The notice concerning the meeting of the Supervisory Board must be sent to the Supervisory Board Members via registered letter at least seven days before the date of the meeting, or by any other way (via fax or telephone, etc.) under the condition of written acknowledgement of receipt. This time limit may be shortened due to significant reasons if agreed by all Members of the Supervisory Board.

§ 10

1. The minutes of a meeting are signed by all Members of the Supervisory Board and the minutes secretary.

2. The original minutes and the appendixes to the minutes are filed in the book of the minutes kept by the Secretary of the Board or by persons appointed by the Company's Management Board
to handle the office - administrative matters of the Board.

3. The minutes shall include in particular:
   a) the title, date and place of the meeting,
   b) names and surnames of the present Members of the Supervisory Board,
   c) names, surnames and posts held by any other persons invited or summoned to the meeting,
   d) the adopted agenda of the meeting,
   e) the proceedings of the meeting,
   f) the content of the adopted resolutions,
   g) the record of the number of votes regarding particular resolutions and, if applicable, the record of dissenting opinions of persons voting against a resolution.

4. Secretary of the Supervisory Board or persons appointed by the Company's Management Board to handle the office - administrative matters of the Board are responsible for taking the minutes of the meetings and drawing up the resolutions.

5. The minutes of the Supervisory Board's meetings are available in the Company's registered office for the Supervisory Board Members and the Management Board Members.

RESOLUTIONS OF THE SUPERVISORY BOARD

§ 11

1. The Supervisory Board shall adopt resolutions if at least a half of its Members are present and all Members of the Board were invited.

2. Resolutions of the Supervisory Board are adopted by an absolute majority of votes of all Members of the Supervisory Board. In case of an equal number of votes, the casting vote is held by the Chairperson of the Supervisory Board.

3. The voting is open. In cases described in the Company's Statute or if requested by at least one Member of the Supervisory Board, a secret voting shall be ordered.

4. Resolutions shall be signed by the Supervisory Board Members present at the meeting.

5. Members of the Supervisory Board may take part in adopting resolutions of the Board submitting their vote in writing through the mediation of other Member of the Board. Adopting resolutions by this way does not apply to electing the Chairperson and the Deputy Chairperson of the Supervisory Board, appointing a Member of the Management Board, as well as dismiss ing and suspending these persons in their activities. It shall also not apply to the issues introduced to the agenda during the meeting of the Supervisory Board.

6. Resolutions of the Supervisory Board may also be adopted in writing or by using means of direct distant communication if all Members of the Board express their consent to using these means in writing and if they are informed in writing about the content of the draft resolution.

7. When a necessity arises to introduce a new issue to the agenda of a meeting of the Supervisory
Board which was not included in the originally approved agenda, or when there is a necessity to adopt a resolution during a meeting which was not formally convened, a resolution of the Supervisory Board may be adopted if all Supervisory Board Members express their approval to its content. Members of the Supervisory Board who are absent at the meeting may express their consent to adopt such a resolution by fax, e-mail or during their phone conversation with the Chairperson, under the provision that the absent Members of the Supervisory Board are obliged to sign the minutes from the meeting of the Supervisory Board at least in the part presenting the content of the resolution the adoption of which they approved of.

TASKS AND THE SCOPE OF RESPONSIBILITIES

§ 12

1. The Supervisory Board is obliged to exercise constant supervision over all fields of the Company's activities.

2. The Supervisory Board's competence includes in particular:

   a) assessing the Management Board's reports on the activity of the Company and financial statement for the previous business year, concerning their conformity with the books and documents, as well as with the factual state, and providing their verification by auditors chosen by the Supervisory Board,
   b) assessing the Management Board's motions concerning the division of profit or covering of loss,
   c) annual examination and endorsement of the Company's business plans, financial and marketing plans, and calling the Management Board to account for execution of these plans in form of detailed reports,
   d) submitting to the General Meeting an annual written report on results of the assessment mentioned in pt. a – b,
   e) following the request of the Management Board, giving consent to:
      – assume obligations or carry out transactions not included in the budget-plan for the given year concerning disposal, purchase, charge or lease of real estate, as well as property rights and any other possessions, if the value of a single obligation or a single transaction exceeds 10 % of the Company's equity in accordance with balance sheet as of 31 December of the previous year,
      – pay-out of an advance on account of the anticipated dividend,
   f) approval of Rules of the Management Board,
   g) establishing the number of the Management Board Members in particular terms of office,
   h) appointing, suspending in activities and dismissing Members of the Management Board,
   i) establishing the right of the Management Board Members to a specified share in the Company's annual profit which is to be divided between the shareholders – on the basis of an authorisation granted by the General Meeting of Shareholders,
   j) delegating Members of the Supervisory Board, for a period not longer than three months, to a temporary execution of functions of the Management Board Members who were dismissed, submitted their resignation or due to some other reasons cannot perform their functions,
   k) entering into employment agreements with the President and Members of the Management Board on behalf of the Company, as well as establishing their remuneration for execution
of their functions and activities resulting from employment,
l) adopting Rules of the Supervisory Board,
l) convening Ordinary General Meeting of Shareholders if the Management Board does not convene it in due time and Extraordinary General Meeting of Shareholders whenever convening it is needed,
m) endorsing untypical transactions on conditions diverging from ordinary market terms, concluded by the Management Board with an affiliated entity in accordance with the Regulation of the Minister of Finance dated 19 February 2009 on current and periodic information published by issuers of securities and on conditions of recognising the information required by law of a non-member state as equivalent,
n) issuing an annual report on the Supervisory Board’s operations, including operations of its committees and brief opinion on the company's condition reflecting evaluation of the internal control system and risk management system, and presenting it to the Ordinary General Meeting of Shareholders,
o) setting the agenda of the General Meeting of Shareholders, in agreement with the Management Board,
p) giving approval to set up domestic and overseas branches of the Company,
r) executing other tasks foreseen for the Supervisory Board in the Rules, the Company’s Statute, the Commercial Companies Code and other acts of law.

3. In order to fulfil the above mentioned tasks the Supervisory Board has the right to review every section of the Company's activities, demand reports and clarifications from the Management Board and the Company's employees, revise the Company’s assets and investigate books and documents.

COMMITTEES OF THE SUPERVISORY BOARD

§ 13

1. The Supervisory Board may appoint committees to fulfil particular tasks.

2. Should the Supervisory Board consist of 6 (six) or 7 (seven) Members, the Audit Committee is created within the Supervisory Board.

3. Should the Supervisory Board consist of 5 (five) Members, it executes the tasks of the Audit Committee described in § 15 itself. In this case § 15 par. 1 pt. 2 and par. 2 pt. 1 and 2, as well as par. 3 do not apply.

4. A committee consists of at least 3 (three) members appointed by the Board from amongst its Members for the term of office equivalent to the term of office of the Supervisory Board.

5. Members of a committee are appointed by means of separate resolutions of the Supervisory Board.

6. Members of a committee choose a Chairperson of the committee from amongst themselves. The Chairperson manages the work of the committee and supervises it, in particular with regard to organisation and proceedings of the committee meetings.

7. Meetings of a committee are convened by the Chairperson or by a committee member authorised by the Chairperson if he / she is absent.
8. Regulations on convening Supervisory Board’s meetings apply with regard to convening committee meetings, under the proviso that committee meetings should be held quarterly, before announcing the Company’s financial statements.

9. Only persons invited by the Chairperson shall participate in meetings of committees.

10. Resolutions of committees are adopted by a simple majority of votes. In case of an equal number of votes, the casting vote is held by the Chairperson.

11. Resolutions of committees are adopted at meetings or by using means of direct distant communication.

12. Minutes shall be held at committee meetings. Provisions regarding minutes of the Supervisory Board apply to committee minutes.

13. The Chairperson of a committee presents the Supervisory Board with resolutions, motions and reports with regard to issues on the agenda of the Supervisory Board’s meeting, as well as other motions, including motions on necessity to elaborate an expert’s report or opinion, or on employing an adviser.

14. Under the proviso of observing the regulations on information protection and publication in form of current and periodic reports in accordance with the Act dated 29 July 2005 on Trading with Financial Instruments and the Act dated 29 July 2009 on Public Offerings and the Conditions for Introducing Financial Instruments to the Organised Trading System and on Public Companies, the Chairperson of a committee, through the mediation of the Chairperson of the Supervisory Board, has the possibility to contact the shareholders directly by means of making information available on the Company’s corporate website.

15. The cost of the Audit Committee’s operations is covered by the Company, in accordance with the preliminary estimate adopted by the Supervisory Board.

16. Committees appointed by the Supervisory Board use the Company’s office, devices and materials.

**AUDIT COMMITTEE**

§ 14

1. At least one of the Audit Committee members should meet the independence criteria described in Art. 19.4. of the Company’s Statute, and be qualified in accounting or financial auditing. However, if more than one Member of the Supervisory Board meets the independence criteria, the Committee should consist of as many independent members as possible.

2. Reviewing the qualifications mentioned in par. 1 is carried out by the Supervisory Board and it is based on the person's knowledge and experience within accounting and finance.

§ 15

1. The objective of the Audit Committee is to advise the Supervisory Board on internal policy and budget procedures adopted by the Company and to control them, as well as to advise
on supervision of the Company’s financial reporting, efficiency of internal control systems, internal
audit and risk management, implemented in particular by means of:

1) monitoring reliability of financial information presented by the Company, in particular
by means of reviewing seamliness and consistency of applying the accounting methods
adopted by the Company and the group (including the criteria for consolidating financial
statements of companies from within the group),
2) preparing initial assessment of the reports mentioned in § 12 par. 2 pt. a,
3) discussing all problems and doubts resulting from auditing the financial statements,
4) reviewing, at least once per year, internal control systems and risk management in order
to ensure that the main groups of risk (including risk related to obeying legal regulations) are
properly identified, managed and revealed,
5) reviewing the Company’s system of managerial accounting.

2. The objective of the Audit Committee is to advise the Supervisory Board on cooperation with
an auditing entity, implemented in particular by means of:

1) presenting the Supervisory Board with recommendation on choosing, appointing, reappointing
and dismissing an auditing entity,
2) presenting the Supervisory Board with recommendation on terms and conditions of employing
an auditing entity,
3) monitoring the work of authorised auditors,
4) monitoring independence and objectivity of external auditor, in particular by reviewing
application of guidelines regarding rotation of audit partners, amount of fees paid
by the Company and requirements applied in this field,
5) controlling the character and scope of the auditor’s other services, in particular on the basis
of revealing the total amount of fees paid by the Company and its group in favour
of the auditing entity and its chain, so that substantial conflict of interests in this field is
avoided,
6) reviewing efficiency of the internal control process and monitoring the Management Board’s
reaction to recommendations of external auditors presented to it in writing,
7) reviewing the reasons for resigning from the external auditor’s services and issuing
recommendations on required activities,
8) discussing the character and scope of annual financial statement examination before
it is started, as well as monitoring coordination of work of authorised auditors.

3. The Audit Committee presents the Supervisory Board with a report on its operations at least once
in a half-year, within the time limits for endorsing the Company’s semi-annual and annual financial
statements by an authorised company’s corporate body.

§ 16

1. The Audit Committee is entitled to:

1) examine all aspects of the Company’s operations which are fundamental with regard
to the Committees tasks,
2) require any information, reports and clarifications from the Management Board and
the Company’s employees, as well as to review the books and documents and to directly check
the state of the Company’s assets,
3) ask the Management Board, if necessity arises, to commission experts with issuing an expert’s
report or opinion, or to provide the possibility to use other services of external advisers in the scope necessary to fulfil the Committee’s duties,
4) have access to information regarding the schedule of the external auditor’s operations, as well as to all reports on its operations and other issues resulting from auditing,
5) have access to information on methods applied by clearing significant, untypical transactions, when various ways of accounting approach are possible,
6) participate in inducting new members of the Audit Committee, as well as their training in the scope necessary to fulfil their duties.

2. The Management Board provides the Audit Committee with the possibility to execute the entitlements described in par. 1.

3. The Company's employees are obliged to cooperate with the Audit Committee in the scope enabling it to execute its duties.

§ 17

§ 20 applies with regard to administrative – technical handling of the matters dealt with by the Audit Committee.

OTHER REGULATIONS CONCERNING THE SUPERVISORY BOARD’S OPERATIONS

§ 18

1. The Supervisory Board may express opinions on all matters concerning the Company and address the Management Board with motions and initiatives.

2. The Management Board shall inform the Supervisory Board about its stand on given opinions, motions or initiatives not later than within twenty-one days after receiving them.

§ 19

1. The Supervisory Board carries out its tasks collectively.

2. The Board may delegate its Members to perform particular supervising activities individually.

3. Members of the Supervisory Board delegated to permanent individual performance of supervising activities are entitled to separate remuneration, the value of which is established by the General Meeting of Shareholders. Prohibition of competition applies with regard to these Members.

4. The Supervisory Board may appoint experts to carry out supervising activities or express opinions on the matters significant for the Company and concerning the entitlements of the Supervisory Board. The experts’ operations are of supportive nature.

§ 20

1. The Management Board of the Company provides the handling the office - administrative matters of the Supervisory Board.
2. The responsibilities of the secretariat of the Supervisory Board include:

a) handling the matters of preparing and holding the Supervisory Board's meetings,
b) keeping and filing the minutes of the Board's meetings,
c) other activities of administrative-technical nature determined by the Chairperson of the Supervisory Board.

§ 21

Members of the Supervisory Board are entitled to remuneration established by the General Meeting of Shareholders.

§ 22

Matters not regulated by the Rules shall be subject to the provisions of the Company's Statute, the Commercial Companies Code and other legal regulations in force.

§ 23

These Rules were adopted by means of Resolution of the Supervisory Board no. 61/VI/10 dated 8 June 2010 and are its appendix.