

# **SUPERVISORY BOARD BYLAWS**

**of the company operating under the business name**

**DOM DEVELOPMENT S.A.**

**with its registered office in Warsaw**

**dated 5 September 2006,**

**amended on 3 April 2008,**

**on 21 May 2009, on 20 May 2010, on 29 March 2012 and on 11 December 2015**

## **1 General Provisions**

- 1.1** These Bylaws (the „**Bylaws**”) set out the organization of the Supervisory Board of Dom Development S.A., with its registered office in Warsaw (the „**Company**”) and the method of its operation.
- 1.2** The Supervisory Board operates on the basis of the Commercial Companies Code, the provisions of the Company’s Statute and these Bylaws.

## **2 Composition of the Supervisory Board**

- 2.1** The number of the Supervisory Board members, the procedure for their appointment and dismissal and the term of their office are set out in the Statute.
- 2.2** The Chairman of the Supervisory Board manages the works of the Supervisory Board and coordinates the works of other Supervisory Board members.
- 2.3** In the event of any changes in the composition of the Supervisory Board, the withdrawing member of the Supervisory is obliged to transfer, on the basis of a protocol, all affairs conducted by him, including all documents and other materials concerning the Company and being in his possession, which he has prepared, compiled, developed or received when performing his duties in the Supervisory Board or in connection with such performance.
- 2.4** A Supervisory Board member should not resign from his function during the term of office if it may prevent the Supervisory Board from operating, and in particular if as a result of such resignation it would become impossible to pass a resolution that is material for the Company’s business or standing.

## **3 Collective Nature; Committees**

- 3.1** The Supervisory Board performs its duties collectively but it may appoint certain committees from amongst its members to prepare certain matters for review at the meeting of the Supervisory Board. The Supervisory Board may further delegate particular members to perform particular supervisory duties. In the event that the Supervisory Board is appointed in groups, each group shall have the right to delegate one of the Supervisory Board members appointed by it to individually perform supervisory duties on a permanent basis.

- 3.2 In agreements between the Company and the Management Board members and in disputes with the Management Board members the Company shall be represented by the Supervisory Board or a proxy appointed by a resolution of the Shareholders Meeting. In the first case, agreements with the Management Board Members shall be signed by the Chairman of the Supervisory Board or any other member of the Supervisory Board authorized by the Supervisory Board on the basis of the previous resolution of the Supervisory Board, approving the terms of such an agreement.
- 3.3 Among the committees referred to in subclause 3.1 above, the Supervisory Board shall appoint the Audit Committee and the Remuneration Committee. The Supervisory Board may also appoint other committees and/or teams.
- 3.4 The detailed tasks of particular committees are to be set out in the regulations adopted by the Supervisory Board by way of a resolution, as may be amended from time to time.
- 3.5 The Remuneration Committee shall submit annual reports of its operations to the Supervisory Board whereas the Audit Committee shall submit reports of its operations to the Supervisory Board every six months.

#### **4 Scope of Authority of the Supervisory Board**

- 4.1 Supervisory Board is a permanent supervisory body of the Company in all areas of the Company's operations.
- 4.2 The Supervisory Board passes resolutions or issues opinions in matters reserved to its authority pursuant to the provisions of the Company's Statute and according to the procedures set out in the provisions of the Company's Statute or the applicable provisions of law.
- 4.3 The Supervisory Board presents the Company's shareholders with its evaluation of the Company's standing, including an assessment of the internal control, risk management and compliance systems and the internal audit function; the report on the activity of the Supervisory Board containing at least the following information: full names of the members of the supervisory board and its committees, Supervisory Board members' fulfillment of the independence criteria, number of meetings of the supervisory board and its committees in the reporting period, self-assessment of the Supervisory Board; the assessment of the Company's compliance with the disclosure obligations concerning compliance with the corporate governance principles defined in the Exchange Rules of the Warsaw Stock Exchange S.A. in Warsaw and the regulations on current and periodic reports published by issuers of securities and the assessment of the rationality of the Company's policy regarding sponsorship, charity or other similar activities, in the form of the resolutions at such time as makes it possible to review the above-mentioned documents prior to the Ordinary Shareholders Meeting, but in any case not later than within 30 days prior to the planned date of the Ordinary Shareholders Meeting. The resolutions are also submitted to the Ordinary Shareholders Meeting.
- 4.4 A member of the Supervisory Board delegated by a group of shareholders to exercise supervision on an ongoing basis shall submit to the Supervisory Board a detailed written report of his duties at each and any meeting of the Supervisory Board.

- 4.5** The members of the Supervisory Board should undertake appropriate actions to obtain from the Management Board regular and exhaustive information of all material issues concerning the Company's operations and risks connected with the conducted operations as well as risk management methods.

## **5 Confidentiality**

The members of the Supervisory Board are obliged to keep confidential all information obtained by them in connection with the performance of their duties in the Supervisory Board.

## **6 Procedure for Calling and Conducting Supervisory Board Meetings**

- 6.1** The Company's Supervisory Board shall hold its meetings as frequently as necessary for the proper operation of the Company but not less frequently than three times in any financial year.
- 6.2** The notice of the Supervisory Board meeting, in Polish and in English, shall be sent to the Supervisory Board members by facsimile, registered mail, email or by courier to the address specified by the Supervisory Board member at least 7 business days prior to the planned date of the meeting.
- 6.3** The Supervisory Board may hold its meetings without such meetings being formally called if all members of the Supervisory Board are present and nobody raises any objections to the holding of the Supervisory Board meeting in such manner.
- 6.4** The notice shall contain the agenda, the time and place of the Supervisory Board meeting. Materials and information concerning matters encompassed by the agenda of the meeting should be furnished prior to the meeting, if possible together with the notice.
- 6.5** The agenda of the Supervisory Board meeting set out in the notice of the Supervisory Board meeting should not be changed or supplemented during the meeting to which it pertains, unless all members of the Supervisory Board are present at a given meeting and consent to any such change or addition.
- 6.6** Materials that make it possible for the Supervisory Board to make a brief evaluation of the Company's standing for the purposes of the Shareholders Meeting of the Company should be supplied to the Supervisory Board at the same time as materials furnished to the auditor for review.
- 6.7** The Supervisory Board meetings shall be called by the Chairman of the Supervisory Board, or in his absence by the Deputy Chairman of the Supervisory Board.
- 6.8** The Chairman of the Supervisory Board or the Deputy Chairman of the Supervisory Board shall be obliged to call the Supervisory Board meeting also at a written request of the Company's Management Board or a Supervisory Board member, indicating the proposed agenda. In any such case, the Supervisory Board meeting should take place no later than two weeks of the date of receipt of such request.
- 6.9** The Supervisory Board meetings shall be chaired by the Chairman of the Supervisory Board, or in his absence by the Deputy Chairman of the Supervisory Board. In the event of absence of the Chairman and the Deputy Chairman, the

meeting shall be chaired by a Supervisory Board member appointed by the Supervisory Board members present at that meeting.

- 6.10** The Management Board members may be invited to the Supervisory Board meetings; the Company's employees relevant for the discussed matter as well as other persons may be invited to the meetings of the Supervisory Board. Any persons who are not the Supervisory Board members may be invited to the meeting by the Chairman of the Supervisory Board.
- 6.11** Supervisory Board resolutions may be adopted by correspondence or through the use of telecommunications (telephone, videophone or other means ensuring the possibility of mutual communication).

## **7 Minutes**

- 7.1** Minutes shall be drawn up of the meetings and resolutions of the Supervisory Board.
- 7.2** The minutes should contain the date and place of the meeting, the list of the present Supervisory Board members, the agenda, the results of voting over particular resolutions, the texts of the resolutions in the form of appendices to the minutes signed by the present members of the Supervisory Board and dissenting opinions.
- 7.3** Resolutions of the Supervisory Board are to be registered and placed in the Books of the Supervisory Board Minutes. Resolutions are numbered – separately in each month. The resolution number shall consist of the serial number and the number denoting the month in which the resolution was passed as well as the last two digits of the year, e.g. resolution no. 01/06/06. Copies of resolutions are delivered to the Supervisory Board members within 5 days of passing thereof.
- 7.4** Minutes and resolutions shall be signed by the Supervisory Board members present at the meeting.
- 7.5** Minutes of the Supervisory Board meeting held through the use of telecommunications (telephone, videophone or other means of telecommunication) shall be signed by all members of the Supervisory Board participating in the meeting. The minutes should contain a note that any member of the Supervisory Board who has not participated in passing resolutions in this manner had a possibility of participating in passing resolutions.
- 7.6** In the event of passing resolutions by correspondence, the Chairman or Deputy Chairman of the Supervisory Board shall send a letter with the proposed text of the resolution and a request to sign the resolution or submit a written statement refusing consent to the adoption of the proposed resolution or a written statement to the effect of abstaining from the vote, separately to each member of the Supervisory Board. In the letter the Chairman or Deputy Chairman of the Supervisory Board determines the term, in which all the signatures or, otherwise, statements refusing consent to the adoption of the proposed resolution or statements to the effect of abstaining from the vote are to be made and delivered to the Chairman or Deputy Chairman of the Supervisory Board. Failure to deliver a signed text of the resolution, or, otherwise, of a statement refusing consent to the adoption of the proposed resolution or of a statement to the effect of abstaining from the vote, shall have the effect of abstaining from the vote. Following the receipt of letters or statements from all members of the Supervisory Board, the Chairman or Deputy Chairman of the

Supervisory Board shall prepare a written statement, containing: (i) the text of the resolution and the number of votes cast for and against the resolution as well as the number of abstentions, (ii) a note concerning adoption or dismissal of the resolution and (iii) a note concerning the voting method by correspondence. The letters containing resolutions or statements refusing consent to the adoption thereof, signed by all members of the Supervisory Board shall be attached to such a statement. In the event that the resolution is adopted, the statement shall bear a serial number of the resolution in accordance with Section 7.3 above.

## **8 Specific Obligations of the Supervisory Board Members**

- 8.1** The Supervisory Board members shall perform their duties with the utmost care, utilizing their knowledge and experience, and above all respecting the Company's interests.
- 8.2** In the event of any conflict of interest or if any conflict of interest may arise, a member of the Supervisory Board shall inform the other Supervisory Board members thereof and abstain from voting over the resolution concerning the matter affected by such conflict of interests.
- 8.3** A member of the Supervisory Board shall be obliged to provide the Company with information concerning the following:
  - 8.3.1** actual and significant relationships with a shareholder having shares representing at least 5 % of the total number of votes at the Shareholders Meeting;
  - 8.3.2** sale or purchase of shares in the Company or its parent entity or subsidiary, as well as information of any transactions with such entities as long as they are significant for the financial condition of such Supervisory Board member or if it results from information duties regarding listed companies.
- 8.4** The information referred to in Section 8.3 above should be supplied in writing, at such time as makes it possible for the Company to appropriately disclose it in the manner arising from the commonly binding provisions of law.

## **9 Supervisory Board Members Participating in the Shareholders Meeting**

- 9.1** The Supervisory Board members are obliged to participate in the Shareholders Meeting, in such a composition that it is possible to provide substantial answers to questions asked during the Shareholders Meeting.
- 9.2** The Supervisory Board members shall provide, if necessary, the participants of the Shareholders Meeting with information and explanations concerning the Company within the scope of their authority and to the extent necessary to resolve the discussed matters.

## **10 Remuneration of the Supervisory Board Members**

- 10.1** The Supervisory Board members are entitled to remuneration in the amount determined by a resolution of the Shareholders Meeting, which may consider the rules specified in Section 10.2 below.

- 10.2** The remuneration consists of a fixed part provided that it is reasonably related to the amount of remuneration of the Company's Management Board members. The remuneration of the Supervisory Board members shall not constitute a significant item in the Company's operating costs.
- 10.3** The total and individual amounts of remuneration of the Supervisory Board members, including the information concerning the procedures and terms of determination thereof, shall be disclosed in the Company's financial statements.
- 10.4** The Company is obliged to make accessible to a Supervisory Board member all instruments and devices needed to perform his or her function, particularly, but not exclusively, a company car, the covering of costs of its use, a laptop, a mobile phone, access to the Internet and other methods of communication; to cover travel expenses for other means of transport (e.g. by plane, by train), accommodation and catering, if such will be needed in performance of the member of the Supervisory Board's duties, as needed. Furthermore, the Company obliges itself to cover all other, costs relating to the performance of the functions of the Supervisory Board member, or to refund such costs to the member of the Supervisory Board, if he or she bears them in such purpose.
- 10.5** A member of the Supervisory Board is entitled to purchase from the Company medical benefits at a price lower than the retail cost, said price to be established by the Company. The member of the Supervisory Board intending to exercise the above-mentioned right is obliged to submit to the Company a written statement relating to this and to grant consent for the deduction of the cost of those medical benefits from his or her Supervisory Board remuneration.

## **11 Final Provisions**

- 11.1** The Supervisory Board may use the Company's office space, equipment and stationery.
- 11.2** The Company's Management Board shall provide administrative and technical services for the Supervisory Board and its committees.
- 11.3** These Regulations shall take effect following the adoption hereof by the Supervisory Board.
- 11.4** These Regulations shall be published on the Company's website.