

SUPERVISORY BOARD'S REGULATIONS
HYDROBUDOWA POLSKA Joint Stock Company

§ 1.

1. The Supervisory Board Regulations, further called Regulations, establish the Company's Supervisory Board's operation principles as well as rights and responsibilities of Supervisory Board Members.
2. Whenever the Regulations mention Board Members, these are understood to be all persons appointed to the Supervisory Board, including the Board's Chairman, Vice-Chairman, Board's Secretary and its members.
3. The Supervisory Board operates according to the Company's Statute, the Corporate Code, generally valid legal regulations, rules specified in the "Good Practices of WSE Listed Companies" (Appendix to Resolution No 12/1170/2007 of Rada Giełdy Papierów Wartościowych w Warszawie S.A. from the 4th of July 2007) and the following Regulations.

§ 2.

1. The Supervisory Board, further called the Board, is a supervising and controlling body in the Company and represents the interests of its shareholders.
2. The Board's work is governed by the Board Chairman, who is responsible for the current execution of the Board's obligations. In the event of the Chairman's non-attendance, the Board's work is governed by the Vice-Chairman.
3. A Member of the Supervisory Board should first and foremost consider the interests of the Company.

§ 3.

1. The Board consists of five to nine Board Members appointed and dismissed by the General Assembly. The number of Board Members is specified by the General Assembly.
2. The rules for submitting candidacies for Board Members and the manner of the Board Member's election are specified by the General Assembly Regulations.
3. The Board is established during its first session, choosing from among its members a Chairman, Vice-Chairman and Secretary. The Chairman, Vice-Chairman and Secretary chosen in such a manner may be recalled from their positions by the Board following a motion by at least two Board Members.
4. The Chairman is obliged to call a session of the Board no later than three days following the receipt of a motion mentioned in item 3 of this section according to the provisions of section 12 item 8, 9 and 10 of these Regulations.
5. Board Members may take part in the Board's sessions and carry out other Board Member responsibilities in person only. With the reservation of art. 388 § 2 sentence 2 and § 4 of the Corporate Code Supervisory Board Members may participate in passing a Board resolution by submitting their vote in writing via another Board Member.
6. Board Member mandates expire upon the date of the General Assembly which approves the financial report for the last full financial year during which Board Members held their positions.

7. A Board Member's mandate expires before the end of the tenure:
 - a) In the event of death,
 - b) As a result of dismissal by the General Assembly,
 - c) On the day of resignation submitted by the Board Member in writing. The resignation declaration should be directed to the Board of Directors and given to the Chairman of the Supervisory Board (or, in the event of a resignation submitted by a person holding the position of Supervisory Board Chairman – to the Vice-Chairman of the Supervisory Board).
8. A Supervisory Board Member should not resign from their function during a tenure, if this could impede the Board's work, especially, if it would make passing a significant resolution impossible.
9. In the event of a resignation being submitted by a Member holding the position of Board Chairman, Vice-Chairman or Secretary, a person authorized to call the Board's session is obliged to call it no later than within three days following the receipt of a Board Member resignation notification, in accordance to the provisions of section 12 item 8, 9, and 10 of these Regulations.
10. In case of obstacles which prevent a Supervisory Board Member to perform their duties, they are obliged to immediately inform the Chairman of the Supervisory Board of the inability to carry out their responsibilities as well as the reasons.
11. A Supervisory Board Member should without delay inform the remaining Board members of:
 - a) An existing conflict of interests with the Company. In such a case the Board Member is obliged to abstain from taking the floor and from voting on passing a resolution regarding matters relating to the existing conflict of interests. The information regarding the announced conflict of interests should be included in the Supervisory Board's session protocol.
 - b) Personal, actual and organizational associations of a Board Member with an individual shareholder, especially with a majority shareholder.
12. Personal associations with a shareholder are understood as a 1st degree relation or kinship. Actual associations with a shareholder are understood as remaining in continuing business relations. Organizational associations with a shareholder are understood as associations resulting from signed employment contracts or other similar agreements.
13. At any moment the Company has the right to demand a declaration concerning the above mentioned associations from a Member of the Board.
14. Information regarding personal, actual and organizational associations of a Supervisory Board Member submitted in accordance with the provisions of item 11 point b) as well as item 13 of this section will be made public in the form of current reports.

§ 4.

In the event of the Board representing the Company in agreements and disputes with the Members of the Board of Directors, the agreement is signed on part of the Company by the Chairman, Vice-Chairman or other Board Member appointed by a Supervisory Board's Resolution.

§ 5.

1. The Board Carries out its duties collegially. The Board may also delegate Board Members to carry out individual supervisory, control and advisory operations. The range of operations carried out by a delegated Board Member is specified every time by the Supervisory Board or by the Board's Chairman with the Board's authorization.
2. A Supervisory Board Member delegated to carry out particular operations should submit with the Supervisory Board a detailed report of the operations carried out during the first session following the undertaking of such operations and at least once a year during a Supervisory Board session called before the Ordinary General Assembly.
3. A Supervisory Board Member individually delegated by a group of shareholders to continuously perform supervisory operations in accordance with art. 390 § 2 of the Corporate Code should submit detailed reports of their function with the Supervisory Board at least once per quarter and once a year during the Supervisory Board's Session called before the Ordinary General Assembly.

§ 6.

The competence of the Board are matters specified by legal regulations and the Company's Statute.

§ 7.

The Board is obliged to carry out continuing supervision of the Company's operations in all areas. The Board annually presents the General Assembly with a brief assessment of the Company's situation established during the Supervisory Board's session called before the Ordinary General Assembly.

§ 8.

1. In order to perform its duties the Board may demand the Board of Directors and Company employees to present reports and explanations, carry out inspections of property and review accounts and documents.
2. Members of the Board should take appropriate actions in order to regularly receive exhaustive information of all significant matters relating to the Company's operation as well as the risk associated with the operated enterprise and ways to manage that risk from the Board of Directors. During every Board session the Board of Directors reports on all significant matters related to the Company's operation. The Board of Directors informs Members of the Board of urgent matters by circulation (in writing). In such a case the Board of Directors submits the written information with the Board's Chairman.

§ 9.

In the event of a Member of the Board of Directors being suspended or otherwise permanently incapable of performing their duties, the Board should immediately take appropriate actions in order to fill the empty position in the Board of Director's ranks. In order to carry out the responsibility specified in the previous sentence of this

section, the Board may, in special cases, delegate one of its Members to temporarily carry out the duties of a Board of Director's Member.

§10.

1. The Board is entitled to call an Ordinary or Extraordinary General Assembly in accordance with the rules established in the Corporate Code.
2. The Board presents the Board of Directors with motions regarding matters which require the Board of Director's decision.

§ 11.

The Board Members may perform the operations specified in § 8 during the Company's business hours.

§12.

1. The Board is called into session by the Chairman of the Board when necessary and no less frequently than once every three months, establishing the session's date and agenda.
2. The Board's sessions take place in the Company's domicile or another location specified by the Chairman of the Board. The session may also take place in the form of a teleconference or videoconference.
3. The Chairman of the Board is obliged to call the Board into session upon a written motion submitted by the Company's Board of Directors or a Board Member. The person submitting the motion to call the Board into session should specify the proposed agenda.
4. A Board Member may submit a motion with the Chairman to include a matter in the nearest session's agenda.
5. The motions specified in items 3 and 4 should be addressed to the Chairman of the Board and submitted in the Company's domicile.
6. The Company's Board of Directors is obliged to inform the Chairman of the Board of the submission of a motion to call the Board into session by sending a telegram or electronic message at the address specified by the Chairman of the Board as the correspondence address or at the e-mail address within 1 (one) business day. The Notification should include the contents of the submitted motion as well as the first and last name (name) of the proponent.
7. In cases specified in item 3 the Chairman of the Board must call it into session without delay, however, no later than within 14 days following the receipt of a motion. Calling the Board into session proceeds according to items 8, 9 and 10. If the Chairman of the Board does not call the Board into session within the time specified above, the proponent may call the session individually, specifying the date, location and proposed agenda.
8. The announcement of a session of the Board is made via an e-mail message or a registered letter at the address specified by each of the Board Members. In urgent cases the Board's sessions may also be called via telephone or fax.
9. The notification is considered duly delivered, if it was sent at the address provided by the Board Member as the correspondence address after their appointment. In urgent cases mentioned in item 8 of this section, the notification is considered

duly delivered, if it was made at least one day prior to the planned date of the Board's session.

10. The notification mentioned in item 8 should include the date, time and location of the Board's session and its proposed agenda.
11. In the event of all Members attending the Board's session it is possible for the Chairman to schedule the date of the next session during the ongoing session. The date given by the Chairman is binding for all Board Members.

§ 13.

1. The Supervisory Board is able to pass resolutions included in the session's agenda, if all Members of the Board were notified of the Board's session.
2. The Supervisory Board session's agenda should not be changed or supplemented during the session to which it applies, with the exception of the following cases:
 - a) All Members of the Board are present and express agreement to change or supplement the agenda,
 - b) Taking appropriate action by the Board is necessary to prevent harm to the Company,
 - c) The subject of a resolution is the assessment, whether or not there is a conflict of interest between a Member of the Board and the Company.
3. Maintenance motions may always be a subject of a valid resolution, even if they are not included in the agenda.
4. The Chairman of the Board presides over the Board's sessions; in the event of the Chairman's absence this responsibility lies with the Vice-Chairman.
5. The Board passes resolutions by a simple majority of votes submitted by the Board Members during the session, with the reservation, that in order for the Board's resolutions to be valid, the attendance of at least half of the Board Members is required.
6. In the event of equal vote division, the deciding vote lies with the Chairman of the Board.
7. Resolutions regarding the following matters should not be undertaken without agreement of the majority of independent Board Members:
 - a) Provision of any kinds of benefits by the Company and any associated entities in favor of the Board Members;
 - b) Approval for the Company or its subsidiary to enter into a significant agreement with an entity associated with the Company, a Member of the Board or Board of Directors and with their associated entities;
 - c) Choice of an auditor to review the Company's financial report.
8. The Board's resolutions are passed by means of an open vote, unless legal regulations state otherwise or at least one Board Member demands to pass a resolution by means of a secret vote.
9. Members of the Board of Directors may take part in the Board's sessions, with the exception of matters directly concerning the Board of Directors or its Members, especially: dismissal, liability and establishment of remuneration. Other persons invited by the Board may also participate in its sessions. While

reviewing reports concerning the Company's operation, the Board may invite Company employees in order for them to provide the Board with clarification.

10. Supervisory Board sessions are recorded by a person appointed by the Supervisory Board session's Chairman. The Supervisory Board session protocol projects will be sent to Members of the Board by fax, in order for them to become familiar with their contents, within 21 days after the Supervisory Board session took place. Members of the Supervisory Board may submit their remarks concerning the contents of a protocol within 2 (two) weeks following the receipt of a protocol, but no later than 1 (one) business day before the next Supervisory Board session. Before commencing with the proceedings a mention of any reservations regarding how the session was called is included in every protocol. A reservation may be submitted only along with a detailed explanation of its reasons. The decision to continue the session lies with the person presiding over the session.
11. Supervisory Board resolutions may be undertaken without calling a session in a special course, that is:
 - a) In a circulatory course, through submitting signatures under the contents of a decree by individual Supervisory Board Members in turn,
 - b) In the course of a written vote, through every Supervisory Board Member submitting their signature under the proposed resolution contents, indicating, if they vote "for", "against", or if they "abstain from voting" and sending the duly signed contents of a resolution to the Chairman of the Supervisory Board,
 - c) During a session taking place using a means of direct long-distance communication, especially in cases of teleconferences or videoconferences. A resolution is valid if all Board Members were notified regarding the contents of the resolution project. Undertaking a decree in such a course does not apply to elections of the Supervisory Board's Chairman, Vice-Chairman and Secretary, appointing Board of Directors' Members as well as dismissal or suspension of these persons.
12. The decision to incorporate a special course of voting on a given issue lies with the Chairman of the Board or, in their absence, the Vice-Chairman of the Board. In the event of even a single Board Member's objection regarding voting outside of a session, voting on that issue will take place during the next session of the Board.
13. Protocols should include the date of the session, the agenda, last and first names of present Board Members, the contents of resolutions undertaken and the number of votes on the individual resolutions as well as present the course of the Supervisory Board's session. Each of the Supervisory Board Members against passing a decree has the right to express their standpoint in the form of a dissenting opinion included in the session's protocol or submit their opinion in the form of a dissenting document.
14. The Board's resolutions passed during a session are prepared in writing and after the present Board Members submitted their votes on them, they are included in the session's protocol. Documents regarding resolutions undertaken in a special course are included in the protocol and resolution minute book.
15. In case of the Board undertaking resolutions in a special course specified in item 11 above, the signature of the resolution or voting by the Board Members may be executed on separate, numbered documents prepared in the manner specified by the provisions of item 7 below. In such a case, a

resolution document is considered to be any separate document regarding the given resolution which contain the signature or vote of Board Members.

16. The following rules are established for preparing documents regarding resolutions passed in a special course:

- a) The contents of the resolution specify the special course applied, which is done by including the annotation: "Resolution passed in a circulatory course", "Resolution passed in the course of a written vote", "Resolution passed in the course of a teleconference", or "Resolution passed in the course of a videoconference",
- b) In case of passing a resolution in a circulatory course or in the course of a written vote, every Board Member includes the date on which they signed the resolution or gave their vote,
- c) In the event of resolutions passed using means of long-distance communication it is permissible to prepare separate resolution documents for every location where a Board Member currently is; in such a case the contents of the resolution include the name of the town/city,
- d) Signing a resolution or submitting votes by Board Members on separate documents requires the individual documents to be numbered by indicating the ordinal number of the document and specifying the total number of all separate documents relating to the given resolution; numbering the documents takes place after the resolution is passed.

§ 14.

The resolutions undertaken during the Board's session are in the form of:

1. Motions and opinions for the General Assembly resulting from supervisory and control operations carried out;
2. Resolutions in remaining matters.

§ 15.

1. A Board Member is obliged to participate in sessions, supervise and control the execution of General Assembly's and Board's resolutions and:
 - a) Provide help in the area of performed tasks to individual Company business units;
 - b) Participate in sessions of the General Assembly;
 - c) Within the boundaries of their competence and in the scope necessary for the settlement of matters discussed by the General Assembly, to provide explanation and information regarding the Company to participants of the General Assembly;
 - d) Keep the confidentiality of matters related to carrying out their obligations in the Board.
2. A Supervisory Board Member should allow the Board of Directors duly make public information regarding the sale or acquisition of shares of the Company or of a parent Company or Subsidiary, as well as transactions with such Companies, as long as they are relevant to their material situation.
3. A Supervisory Board Member is obliged to submit information specified in the regulations regarding trading in financial instruments in the course established in these regulations.

4. Every member of the Supervisory Board should protect confidential information in the understanding of legal regulations, especially the 29th of July 2005 Trading in Financial Instruments Act.

§ 16.

1. Protocols and documentation of incoming and outgoing correspondence of the Board are kept in the Company's domicile.
2. The Board appoints a person responsible for keeping the Board's minute book, preparing resolution extracts and issuing them to authorized persons and entities, preparing materials for the Board's sessions.
3. Office service of the Board is provided by the Board of Directors.

§ 17.

1. Every Member of the Supervisory Board is entitled to remuneration for the performance of their responsibilities.
2. The remuneration for Supervisory Board Members is established by the General Assembly.
3. The costs of the Supervisory Board's operation are borne by the Company.

§ 18.

1. The Board includes an Audit Committee and a Remuneration Committee whose members are selected by the Supervisory Board from its ranks in accordance with the provisions of these Regulations. The Supervisory Board may appoint other temporary or constant committees to perform specified Board duties. By appointing a committee the Board also selects persons responsible for presiding over the committee's work.
2. The Committees submit reports of their work and decisions made with the Supervisory Board when necessary as well as during Supervisory Board sessions called before an Ordinary General Assembly.
3. The Audit Committee includes three Board Members, at least one out of whom should meet the requirements of independence in the understanding of appropriate legal regulations and should be qualified in the area of accounting or financial review.
4. The Audit Committee carries out tasks established by provisions of §1 item 3 of these Regulations and is particularly responsible for:
 - a) Evaluating of the independence range of the chosen auditor and advising the Supervisory Board in regard to the choice of the auditor, as well as the conditions of his contract and the amount of his pay. If the Supervisory Board chooses a different entity to serve as an auditor than the one recommended, the Board is required to provide a detailed justification,
 - b) Analyzing and evaluating the associations and relations which exist in the Company, as well as in the Supervisory Board and Company's Board of Directors

- with regard to conflicts detectable or existing of interest and taking appropriate actions towards the eliminating such phenomena,
- c) Ensuring the most comprehensive communication between the auditor and the Supervisory Board,
 - d) Review of quarterly, semi-annual and annual financial reports of members of units which constitute the Company's capital group, as well as quarterly, semi-annual and annual consolidated financial reports of the Company's capital group.
5. The Audit Committee is called whenever it is required and no less frequently than once per quarter.
 6. The Remuneration Committee includes two members and is responsible for:
 - a) The general monitoring of practices in the area of remuneration and its level in the Company,
 - b) Establishing the employment conditions of Board of Directors Members and the Company's management staff,
 - c) Establishing the bonus plan for the given financial year.
 7. The Remuneration Committee is called whenever it is required and no less frequently than once per quarter.
 8. The committees' reports will be made available to the shareholders in a current report.

§ 19.

1. Any changes or supplements to these Regulations must be made by the General Assembly by way of a resolution.
2. Appropriate legal regulations, the Statute, Supervisory Board or General Assembly resolutions apply to matters not covered by the Regulations.
3. In the event of provisions of these Regulations conflicting with the Company's Statute or other superior legal acts, the latter will prevail.

§ 20.

These Regulations become effective upon their approval by the General Assembly.

The Resolution was passed with a majority of 151 052 345 valid votes out of 151 052 345 shares which constitute 71,74% of the share capital, including 151 052 345 votes "for", 0 votes "against" and 0 votes "abstained".