

## **REGULATIONS OF THE SUPERVISORY BOARD**

of the joint stock company [*Spółka Akcyjna*] under the business name of **FABRYKI MEBLI "FORTE" S.A.** with its registered seat in Ostrów Mazowiecka, adopted by virtue of the Articles of Association by the General Meeting on 17 May 1995 (Amendment: notarial deed Rep. A No 2420/96 of 7 June 1996, notarial deed Rep. A No 2570/97 of 27 May 1997, notarial deed Rep. A No 1506/98 of 12 March 1998, notarial deed Rep. A No 3536/2003 of 26 June 2003, notarial deed Rep. A No 4853/2009 of 24 June 2009, notarial deed Rep. A No 4211/2010 of 24 June 2010, notarial deed Rep. A No 4055/2011 of 22 June 2011, notarial deed Rep. A No 7100/2012 of 25 October 2012).

### **§ 1. General provisions.**

1. The Supervisory Board performs its activities in accordance with the provisions of law, the Articles of Association and these Regulations.
2. During the performance of their functions, Members of the Supervisory Board have in mind primarily the interests of the Company.

### **§ 2. Composition of the Board.**

1. The Supervisory Board is composed of: a/ the Chairman and b/ from 4 to 6 other members.
2. The General Meeting determines the number of Members of the Supervisory Board.

### **§ 3. Appointment, supplementing the composition of the Board.**

1. Members of the Board are appointed by the General Meeting for a joint term of office.
2. The Chairman of the Board is elected by the General Meeting from among its previously-elected members.
3. The term of office of Members of the Board lasts four years.
4. At the first meeting, the members appoint from among themselves the Vice Chairman and, if needed, the Secretary.
5. The mandates of Members of the Board expire on the day of the General Meeting which approves the financial statements of the Company for the last full financial year of a Supervisory Board Member's office at the latest.
6. In relation to the Management Board, General Meeting and third parties, the Supervisory Board is represented by its Chairman or, if it is not possible for valid reasons – by the Vice Chairman.
7. The mandate of a Member of the Board expires early:

a/ as a result of a resignation submitted in writing to the Chairman of the Board or the Vice Chairman,

b/ in the case of death, c/ as a result of dismissal from the Supervisory Board.

8. If the number of members of the Supervisory Board falls below the minimum number set out in § 2 of these Regulations, the General Meeting supplements /appoints/ the Supervisory Board for the remaining part of the term of office.

#### **§ 4. Tasks of the Board.**

1. The tasks of the Board include performing constant supervision of all spheres of activity of the Company within the boundaries set out by the provisions of law and the Articles of Association, representing the Company in the conclusion of all agreements between the Company and Members of the Management Board and in the case of disputes between these parties and the Company. By way of a resolution, the Supervisory Board determines the number of Members of the Management Board, elects the President of the Management Board and the remaining members.

2. The Board's tasks include in particular:

a/ continuous supervision of the activities of the Company's Management Board, b/ approving the Company's strategy presented by the Management Board, c/ *ad hoc* inspections of the Company's enterprise, d/ advising the management of the Company's enterprise during audits and inspections and at the Management Board's request, e/ assessing the Company's financial statements and the Management Board's reports on the Company's activities from the point of view of their consistency with accounting books and documents as well as the actual state, as well as the Management Board's motions as to profit distribution or loss coverage, as well as submitting to the General Meeting the annual written report on the results of this assessment,

f/ issuing opinions on all documents and motions of the Management Board submitted to the General Meeting,

g/ communicating written reports for the General Meeting to the Management Board

14 days before the General Meeting, h/ determining the remuneration of the

Management Board, i/ applying to the General Meeting for the adoption of the

regulations of the activities of the Supervisory Board, j/ considering other matters

requested by the General Meeting, k/ supervising the implementation of the

resolutions of the General Meeting, l/ selecting the certified auditor auditing the

Company's financial statements.

3. All activities of the Management Board going beyond the scope of ordinary management require the consent of the Supervisory Board, unless the provisions of law or the Articles of Association reserved them to the exquisite decision of the General Meeting. In particular, such consent is required for the following activities:

a/ purchasing and selling real property, perpetual usufruct or a share in real property,

selling and transferring rights to use real property, encumbrance on real property, establishing limited property rights on the property of the Company, b/ taking out loans exceeding the Company's financial plan, c/ granting sureties to the amount exceeding in total the equivalent of EUR 150,000

/one hundred fifty thousand/, d/ taking over the obligations of third parties, e/ accepting and establishing pledges and other collaterals, except for a pledge and collaterals related to the ordinary business of the Company in the amount not exceeding in total the equivalent of EUR 150,000 /one hundred fifty thousand/, f/ concluding, terminating and amending lease agreements and other such agreements,

if they are concluded for a period longer than 3 /three/ years and when the annual lease rent paid by the Company exceeds the equivalent of EUR 150,000 /one hundred fifty thousand/, g/ leasing the enterprise or its part, h/ purchasing and selling establishments and branches of the Company, i/ selling the Company's enterprise or its part, j/ approving employee participation in profits and granting special pension rights, k/ establishing the annual plan for the enterprise (in particular investment and financial plans), as well as strategic plans,

l/ granting borrowings outside the ordinary course of trade to a total amount exceeding the equivalent of EUR 50,000 /fifty thousand/.

4. All agreements between Members of the Management Board and the Company are concluded by the Chairman of the Board on behalf of the Company. The terms and conditions of the agreements are determined by the Supervisory Board.
5. In order to perform its duties, the Supervisory Board may examine all the Company's documents, review the Company's assets and request the Management Board, holders of a commercial power of attorney and persons employed by the Company under a contract of employment or performing specific activities for the Company on a regular basis under a contract for specific work, a contract of mandate or any other contract of a similar nature to prepare or provide any information, documents, reports or explanations concerning the Company, in particular its operations or assets. The Supervisory Board may also request from a governing body or an obligated person information, reports or explanations concerning subsidiaries and related companies.
6. The Supervisory Board may convene the Annual General Meeting if the Management Board does not convene it on the date determined in the Code of Commercial Companies or in the Articles of Association, and an Extraordinary General Meeting if it finds it advisable.
7. The Supervisory Board should refrain from any decisions which should be made by the judicial authorities.

#### **§ 4a. Responsibilities of Members of the Board.**

1. Members of the Supervisory Board should participate in the General Meeting of the Company and grant information and respond to shareholders' questions within the boundaries set out by the provisions of law and in the scope necessary to resolve a given matter.

2. In the case of a conflict of interests, a Member of the Supervisory Board is required to inform the other Members of the Board of this fact and refrain from participating in the discussion and voting on a given matter.
3. A Member of the Supervisory Board is required to disclose to the Company in the form of a written statement, their personal, actual and organisational ties with a Company's shareholder, if such ties may influence the decisions made by the Member.
4. A Member of the Board delegated by a group of shareholders to permanently exercise supervision is required, during each meeting of the Board, to submit to the Board detailed information on the function performed.
5. In the case when the Chairman of the Supervisory Board may not perform their function, all their responsibilities and rights are transferred to the Vice Chairman.

#### **§ 5. Work procedure of the Board.**

1. Board meetings are held at the Company's registered office or in Warsaw. Members of the Supervisory Board may also attend a Board meeting using means of direct remote communication.
2. The date of the first meeting of the newly-appointed Board is set by the General Meeting or the Management Board, if the resolution of the General Meeting contains such an arrangement. Members of the newly-appointed Supervisory Board are informed of the date of the first meeting by the Management Board.
3. The Supervisory Board meets as required but at least once in each quarter of the financial year. Members of the Management Board are invited to attend meetings of the Supervisory Board. Meetings are convened by the Chairman in writing or by email to the addresses provided by members of the Supervisory Board 7 (seven) days before the scheduled date of the meeting. In cases of urgency, the Chairman may shorten this time and convene the meeting orally, by telephone or by email. The notice of the meeting should specify the date, time, place of the meeting, the proposed agenda and proposed resolutions, as well as the method of using means of direct remote communication during the meeting.
- 3'. Members of the Supervisory Board are required to submit to the Chairman of the Supervisory Board and the Management Board a valid correspondence address (postal address, electronic address, optionally – fax number), which guarantees that the addressee will confirm the receipt of the notice of the meeting or other documents.
4. The Management Board or a Member of the Supervisory Board may request that a meeting of the Supervisory Board be held, giving the proposed agenda. The Chairman of the Supervisory Board convenes the meeting within two weeks from the date of receipt of the request. If the Chairman of the Supervisory Board does not convene the meeting within the abovementioned period, the petitioner may convene it individually, by giving the date, venue and the proposed agenda.
5. The Board is capable of adopting resolutions if all its members have been invited and at least half of the members attend the meeting. Resolutions are adopted by a simple majority of votes cast. A vote for or against a resolution is considered a vote cast. In the event of an equality of votes, the Chairman's vote is decisive. This also applies to the results of elections, unless otherwise expressly provided by law. Voting by the Board is public, unless the Articles of Association or these Regulations provide otherwise.

Resolutions adopted in writing or by means of direct remote communication are considered adopted when more than half of the members of the Supervisory Board or at least half, together with the Chairman of the Supervisory Board, have voted in favour of a resolution within the time limit set by the Chairman of the Supervisory Board.

- 5a. Without the consent of at least one independent Member of the Supervisory Board, no resolutions may be adopted regarding:
- a/ performances of any kind by the Company and any related entities for the benefit of Members of the Management Board of the Company,
  - b/ consenting to the conclusion by the Company or its subsidiary of a significant agreement with an entity related to the Company, a Member of the Supervisory Board or the Management Board and entities related to them,
  - c/ selecting the certified auditor to audit the Company's financial statements.
6. With the consent of all Members of the Board, the agenda may be extended or changed if all its members participate in the meeting and none of them objects.
7. Members of the Supervisory Board may participate in adopting resolutions through voting in writing via another Member of the Supervisory Board. Submitting a vote in writing is not allowed for matters included in the agenda during the session of the Supervisory Board. A vote cast in writing should contain the content of the resolution. The Supervisory Board may also adopt resolutions in writing or through means of direct remote communication. A resolution is valid if all Members of the Board have been notified of the content of the draft resolution.
8. In the case the meeting of the Board does not take place due to the lack of quorum, its agenda must be fulfilled at its next meeting. In such case, each Member present may request that the next meeting of the Board be held within 16 days, unless all Members jointly determine another date.
9. Minutes are taken from the meeting of the Board. Minutes are taken by the Chairman of the meeting of the Board or their Deputy. Minutes should contain:
- the subsequent number,
  - the date and venue of the meeting,
  - the list of attendees,
  - the agenda,
  - the texts of the resolutions,
  - the number of votes cast for individual resolutions, - dissenting opinions.

Minutes are taken in two counterparts. Minutes should be signed by all Members of the Board present at the meeting described in the minutes. One counterpart of the minutes is kept by the Chairman, the other one by the Management Board.

## **§ 6. Confidentiality obligation.**

Each Member of the Supervisory Board is obliged to maintain the confidentiality of all information regarding the Company /both during the term of office and after it has ended/. After the term of office has expired, they are required to return all confidential documents to the Chairman of the Supervisory Board.

## **§ 7. Remuneration of Members of the Board.**

Members of the Board receive remuneration for the performance of their duties. The amount of remuneration for Members of the Board is determined by the General Meeting. Regardless of the remuneration, profit share may be granted to Members of the Board, payable on the basis of a resolution of the General Meeting.

## **§ 8. Final provisions.**

1. These regulations may be amended by virtue of a resolution of the General Meeting adopted by an absolute majority of the votes cast.
2. The Regulations become effective on the day of their adoption. The amended provision regarding extending the term of office of the Supervisory Board (§ 3(3) of the Regulations) becomes effective after the Court registers the amendment of the Company's Articles of Association in the scope of § 5 item 5.2.1., from the Board's new term of office, i.e. from the date of the General Meeting approving the Company's financial statements for the financial year 2009.