

**REGULATIONS OF THE SUPERVISORY BOARD
of KONSORCJUM STALI Spółka Akcyjna
with registered office in Warsaw**

PRELIMINARY PROVISIONS

§ 1

1. The Supervisory Board, later referred to as the Board, is a standing supervisory and control body of the Company.
2. The Board shall function based on the applicable laws, in particular the Commercial Companies Code, the Company's Statute, these Regulations and other acts regulating its responsibilities, functions, organisation and activities.

§ 2

1. The Supervisory Board shall perform its functions jointly but it may also delegate its Members to individually exercise supervisory functions.
2. The delegated members of the Supervisory Board shall be obliged to report on their individual supervisory functions in writing to the Board at least once a month.
3. Members of the Supervisory Board shall have adequate education, professional and life experience, represent a high level of integrity and be able to devote the required amount of time to properly perform their functions on the Supervisory Board.

RESPONSIBILITIES

§ 3

1. The Board's responsibilities shall include constant supervision and control over the Company's operations, with the primary concern being the Company's interest.
2. The Board's tasks are specified by the applicable laws and the Company's Statute.

§ 4

1. An Audit Committee shall operate as part of the Supervisory Board.
2. In particular, the Audit Committee is responsible for:
 - a) Monitoring the Company's financial reporting;
 - b) Monitoring the efficiency of the systems for internal control, internal audit and risk management;
 - c) Monitoring the audit performance;
 - d) Monitoring the independence of the entity authorised to audit financial statements and of the auditing company.
3. In each financial year, the Audit Committee shall hold at least 2 (two) sessions.
4. The sessions of the Audit Committee may be attended by members of the Management Board, the Company's employees and other invited persons.
5. Detailed rules for the organisation and function of the Audit Committee shall be laid down by the Audit Committee's Regulations adopted by the Supervisory Board.

§ 5

1. In the event of any disputes between the Company and a Management Board member, the Company shall be represented by the Supervisory Board if no attorney is appointed by way of a resolution of the General Meeting.
2. An attorney appointed by way of a resolution by the General Meeting or the Supervisory Board shall have the right to conclude employment contracts or other contracts with members of the Management Board, to perform other actions – in the Company's name – relating to employment relation or other contractual relation binding a member of the Management Board to the Company. By way of a resolution, the Supervisory Board may designate one of its members for the exercise of the

Supervisory Board's powers referred to in the previous sentence and in section 1 above.

3. When determining the amount of remuneration for the Members of the Management Board, the Supervisory Board shall in particular ensure that the remuneration is an incentive measure and shall ensure effective and smooth management of the Company. The remuneration shall correspond to the size of the Company's business, remain in a reasonable proportion to the Company's economic results and be commensurate to the responsibilities assigned to the exercised function.

RIGHTS AND OBLIGATIONS OF THE BOARD

§ 6

The obligations of the Board members include:

- a) Participating in Board meetings,
- b) Performing activities and tasks assigned by the Board during meetings,
- c) Observing the Code of Best Practice for WSE-Listed Companies,
- d) Performing other activities specified by the laws.

§ 7

1. The Board shall prepare and present to the General Meeting on an annual basis a brief assessment of the Company's standing, taking into account the internal control system and the system for the management of risk material for the company and an assessment of its work.
2. The Board shall examine and give opinions on matters subject to resolutions of the General Meeting.

§ 8

1. The Board may at any time request the Management Board and the Company's employees to provide any reports and explanations, review books, documents and verify the Company's assets.
2. The Board may oblige the Management Board to have experts prepare an estimate or an opinion on the Company's costs for the Board's use.
3. Sessions of the Supervisory Board may be attended by experts and guests invited by the body which requested that the session be held or at the request of any Member of the Supervisory Board. Members of the Management Board shall be entitled to participate in the sessions of the Supervisory Board, except for sessions or parts of sessions relating to personal matters of Management Board Members, in particular their dismissal, liability towards the Company or determining the remuneration, unless the Supervisory Board decides otherwise.

§ 9

1. Immediately after appointing a Supervisory Board Member, the Board's current Chairman or – if the Board is appointed for a new term of office – the Chairman of the outgoing Board shall present the Regulations to the Members of the Board along with a model statement on personal, actual and organisational relations to the Company's Stockholders.
2. Board Members shall be obliged to promptly submit the statement referred to in section 2 to the Company's Management Board so that it can be announced to the public. A copy of the statement referred to in the previous sentence shall be kept at the Company's registered office.
3. The above-mentioned relations shall also include relations between close relatives of a Board Member to a Stockholder of the Company.

**PROCEDURE FOR PASSING RESOLUTIONS,
MINUTES**

§10

The procedure for convening the sessions and for adopting resolutions by the Supervisory Board is laid down by the applicable laws and the Company's Statute.

§ 11

1. Resolutions of the Supervisory Board shall be recorded in the minutes. The minutes shall include at least the following: date of the session, names of Supervisory Board Members and other attendants, agenda, adopted resolutions, voting results and dissenting opinions. The minutes may be prepared by a member of the Supervisory Board, the Company's employee or other persons designated by the Chairman of the session.
2. The minutes of the Board's session shall be signed by all Members of the Supervisory Board present at the session.
3. A Board member present at the session may not refuse to sign the minutes, unless it does not include a dissenting opinion or is not in line with the content of discussions or resolutions passed during the session.
4. Original minutes and attachments shall be kept at the Company's registered office.

§ 12

1. Members of the Supervisory Board shall use the Company's office premises, equipment and materials to the extent required to exercise their functions in the Supervisory Board.
2. The Company's Management Board shall ensure technical support of the Supervisory Board.
3. The Company shall cover the costs of the Supervisory Board's activity.

§ 13

1. In exercising their functions, Members of the Supervisory Board shall avoid conflicts of interest. Conflicts of interest shall denote circumstances which may arouse the suspicion of lack of impartiality towards the Company due to the personal interest of a Supervisory Board Member or his/her relatives. Board Members shall inform the Board of any existing or potential conflicts of interest and shall refrain from discussion and voting.
2. Board Members shall refrain from deciding on matters where there is a conflict of interest between the Company and the Board Member, his/her spouse, relatives and relatives by affinity up to the second degree and persons with whom he/she remains in a personal relationship, and may request that such fact be recorded in the minutes.

FINAL PROVISIONS

§ 14

In matters not regulated in these Regulations, the respective provisions of the Commercial Companies Code shall apply, while in the event of changes in the applicable law, illegal provisions shall become ineffective by virtue of the law.

§ 15

These Regulations shall become effective upon the date of their adoption.

Tadeusz Borysiewicz – Chairman of the Supervisory Board

Attachment to Resolution No. 1/08.03.2011 of the Supervisory Board
Regulations of the Supervisory Board of KONSORCJUM STALI S.A.

Jerzy Wojdyna – Vice-Chairman of the Supervisory Board

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Mieczysław Maciążek – Member of the Supervisory Board

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Elżbieta Mikuła – Member of the Supervisory Board

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Jan Walenty Pilarczyk – Member of the Supervisory Board

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