

REGULATIONS
of the
Supervisory Board
of
BIOTON Spółka Akcyjna (joint stock company)

I. GENERAL PROVISIONS

§ 1

The Supervisory Board hereinafter referred to as the **“Board”** of the Company under the business name BIOTON S.A. (the **“Company”**) operates pursuant to the Commercial Companies Code, Articles of Association, a resolution of the Annual Meeting of Shareholders, a resolution of the Supervisory Board and these Regulations.

§ 2

The Board is a permanent supervisory body of the Company.

§ 3

1. The Board operates collectively, which does not exclude the possibility of permanent or temporary delegation of particular Members to perform specified supervisory activities independently.
2. In matters referred to in clause 1 a resolution of the Board should define the time for which the Member of the Board had been delegated and the scope of matters covered by the authority to provide independent supervision.
3. A Member of the Board delegated to provide permanent supervision pursuant to clauses 1 and 2 should submit a detailed report on the function to the Board.

§ 4

1. The Board is obliged to submit to the Annual Meeting an annual report which, beside the questions required by Art. 382 § 3 of the Commercial Companies Code should also include a concise evaluation of the Company’s situation.
2. Once a year the Board is obliged to prepare and submit the evaluation of its works to the Ordinary Annual Meeting .
3. The reports mentioned in clauses 1 and 2 should be submitted in the seat of the Company not later than 3 weeks before the planned Ordinary Annual Meeting.
4. In order to perform its obligations the Board may review all and any documents, demand to be presented with reports and explanations by the Management Board and employees of the Company and revise the standing of Company assets.

§ 5

The Supervisory Board approves the strategy and goals of the Company presented by the Management Board.

II. MEMBERS OF THE BOARD

§ 6

1. Members of the Board are obliged to perform their functions with due diligence and in particular to dedicate sufficient amount of time to fulfil the obligations resulting from being a Member of the Board.
2. Members of the Board should take appropriate actions to obtain from the Management Board regular and exhaustive information concerning all important matters related to operation of the Company and risk related to the conducted business activity as well as the methods of management of that risk.
3. Members of the Board should participate in sessions of the Annual Meeting in the composition allowing for providing substantial answers to questions posted during the Annual Meeting.

§ 7

1. Members of the Board shall always act in the best interest of the Company.
2. A member of the Board is obliged to report any existing or potential conflict of interest to other Members of the Board who by way of a resolution will decide if the conflict of interest does exist.
3. A Member of the Board whose interest in the given matter is in conflict with the interest of the Company which has been confirmed by the resolution of the Board, as specified in clause 2 above, shall not participate in the discussion over the matter and voting for adopting a resolution in the same matter.

§ 8

1. A Member of the Board is obliged to notify the Company and the Financial Supervision Authority (Komisja Nadzoru Finansowego) of all and any transfers or acquisitions of shares of the Company, derivative rights concerning the Company shares and other financial instruments connected with those securities made to their own account by themselves or by their close relatives.
2. Detailed requirements concerning the performance of the above mentioned obligation are specified in Art. 160 of the act of 29 July 2005 on trading in financial instruments.

§ 9

Members of the Board act in person.

III. CHAIRMAN OF THE BOARD

§ 10

The Chairman and Vice-Chairman of the Board are particularly responsible for maintaining contacts with the Management Board and representation of the Board in relations with third parties.

IV. SESSIONS OF THE BOARD

§ 11

1. Sessions of the Board shall take place at the seat of the Company or other places as indicated by the Chairman.
2. Sessions of the Board shall be opened and conducted by the Chairman, and should he be absent by the Vice-Chairman.

3. At the first session after the appointment of the Board, the Board appoints a Secretary of the Board. The Secretary may be a person who is not a Member of the Board.

§ 12

1. Sessions of the Board may be attended by Members of the Management Board and other invited persons, as required. Members of the Management Board and other persons are invited by the Chairman or Vice-Chairman by mail (including e-mail), fax or other means of direct distance communication. Each Member of the Board may file a petition with the Chairman to invite Members of the Management Board of the Company or other persons to a session of the Board. The above mentioned petition should be filed through the Secretary of the Board to the Chairman.
2. A Member of the Board who is not able to attend a session of the Board should, as far as possible, notify it to the Secretary of the Board.
3. Sessions of the Board shall be held at least three times during a given accounting year.

V. CONVENING SESSIONS OF THE BOARD

§ 13

1. Sessions of the Board are convened by the Chairman or Vice-Chairman.
2. The Chairman or Vice-Chairman has got an obligation to convene a meeting of the Board to the request of the Management Board or a Member of the Board.
3. The person filing a petition for convening a session of the Board should attach a draft of the agenda to the petition filed through the Secretary of the Board to the Chairman or Vice-Chairman.
4. Sessions of the Board convened in the mode as specified in clauses 2 and 3 should be convened within two weeks from the date of receipt of the petition by the Secretary of the Board.
5. If the Chairman or Vice-Chairman does not convene a session of the Board in the mode specified in clauses 2-4, the petitioner may convene it by himself stating the date, place and suggested agenda.

§ 14

1. Notification of a session of the Board should specify the date, time, place and agenda of the meeting.
2. Notification can be delivered by registered mail, courier service, fax or e-mail at least 2 (two) working days before the planned session of the Board.

§ 15

The Board may run its sessions without formal notification specified in § 14 if all Members of the Board accept that such session should be held and approve the proposed agenda of the meeting.

§ 16

Members of the Board are obliged to provide the Secretary of the Board and the Management Board with their current correspondence addresses (e-mail or regular mail) or fax number, which will guarantee the confirmation of receipt of the notification of convening the meeting.

VI. MINUTES FROM THE MEETINGS OF THE BOARD

§ 17

Minutes from the meetings of the Board shall be taken by the Secretary of the Board, and should he be absent by other person appointed by the person running the meeting.

§18

The minutes should include:

- a. agenda of the meeting;
- b. names and surnames of the Members of the Board present;
- c. the text of all motions submitted by the Members of the Board;
- d. results of voting over the motions;
- e. the text of adopted resolutions;
- f. results of voting for the resolutions and contrary opinions or reservations to adopted resolutions;
- g. signatures of Members of the Board attending the meeting.

§ 19

1. Copies of the minutes are delivered to Members of the Board.
2. Each Member of the Board is entitled to voice reservations about the contents of the minutes from the Board meeting excluding the contents of the adopted resolutions, in form of a motion for correction. The motion for correction of the minutes should be filed through the Secretary of the Board to the Chairman.

VII. ADOPTING RESOLUTIONS BY THE BOARD

§ 20

1. Resolutions may be adopted when all Members of the Board have been correctly notified of the meeting and at least half of the Members are present, including the Chairman or Vice-Chairman.
2. Resolutions of the Board are adopted by an absolute majority of votes with the reservation of clause 3, 4 and 5.
3. Resolutions of the Board concerning suspension of Members of the Management Board shall be adopted by the majority of 4/5 of votes.
4. In order to be valid resolutions in the matters referred to in § 21 clause 1 item 1 of the Articles of Association shall require voting for their adoption by a Member of the Board who meets the requirements as specified in § 18 clause 1 of the Articles of Association.
5. In case of equal number of votes the Chairman shall have the casting vote.

§ 21

At the meetings of the Board there are adopted resolutions concerning the matters included in the agenda of the meeting only, unless:

- a. there are all Members of the Board present at the meeting and they approve adding new matters to the agenda and voting on those matters;
- b. taking appropriate actions is necessary to protect the Company against damage;
- c. subject of the resolution is the evaluation if there is a conflict of interest between a Member of the Board and the Company.

§ 22

The voting is open unless any of the Members of the Board present at the meeting demand a vote by secret ballot.

§ 23

The Chairman of the Board, and should he be absent the Vice-Chairman defines the method ensuring the secrecy of voting.

§ 24

1. If required, the resolutions of the Board may be adopted in writing or with the use of distance communication means. Drafts of resolutions adopted in writing shall be presented to all members of the Board to be signed and shall take effect upon their signature by at least half of the Board's members, including the Chairman.
2. One cannot adopt resolutions in the mode as specified in clause 1 for appointing a Member of the Management Board or his dismissal and suspension.

VIII. DETERMINATION OF REMUNERATION OF MEMBERS OF THE
MANAGEMENT BOARD, CONCLUDING AGREEMENTS AND DISPUTES
WITH MEMBERS OF THE MANAGEMENT BOARD

§ 25

1. The Board shall determine the remuneration of Members of the Management Board.
2. By way of a resolution the Board determines the criteria of remuneration of Members of the Board. The remuneration should be reasonably proportional to economic results obtained by the Company and should be adequate to the size of the enterprise of the Company.
3. In agreements between Members of the Management Board and the Company, the Company shall be represented by the Board.
4. In disputes between the Company and Members of the Management Board, the Company shall be represented by the Board.

IX. FINAL PROVISIONS

§ 26

Handling of the Board within all scopes (administrative, technical, financial and other) shall be provided by the Management Board of the Company.

§ 27

1. The Regulations of the Board are open and shall be available to the public.
2. The Regulations shall take effect on the day of passing them by the Board.
3. Any and all amendments hereof shall require a resolution of the Board of the Company.