

**TERMS OF REFERENCE OF THE SUPERVISORY BOARD  
of Selena FM S.A. with its registered office in Wrocław.**

**I. GENERAL**

**§ 1**

These terms of reference set out details of how the Supervisory Board of Selena FM S.A. with its registered office in Wrocław is appointed and carries out its activities.

**§ 2**

The terms used herein shall have the following meaning:

1. Terms of Reference – these Terms of Reference approved by the General Meeting
2. Company – Selena FM S.A. with its registered office in Wrocław.
3. Statutes – the Articles of Association of Selena FM S.A.
4. General Meeting – General Meeting of Shareholders of Selena FM S.A. with its registered office in Wrocław
5. Supervisory Board – supervisory board of Selena FM S.A. with its registered office in Wrocław
6. Supervisory Board Chairman – Chairman of the Supervisory Board of Selena FM S.A. with its registered office in Wrocław
7. Deputy Chairman – Deputy Chairman of the Supervisory Board of Selena FM S.A. with its registered office in Wrocław
8. Secretary – Secretary of the Supervisory Board of Selena FM S.A. with its registered office in Wrocław
9. Management Board – management board of Selena FM S.A.
10. Independent Supervisory Board Member – member of the Supervisory Board who meets the specific conditions laid down in the Statutes.

**II. COMPOSITION, APPOINTMENT AND TERM OF OFFICE OF THE SUPERVISORY BOARD**

**§ 3**

1. The Supervisory Board shall consist of 5 (five) to 9 (nine) members appointed for a joint term of office of 3 (three) years. The number of the Supervisory Board members is defined by the General Meeting.
2. The Supervisory Board members shall be appointed and removed by the General Meeting.
3. The General Meeting may change the number of Supervisory Board members during the Supervisory Board term of office, however only in connection with changes made to the Supervisory Board composition during such term of office.
4. Each Supervisory Board member may be elected for subsequent terms of office.
5. The mandate of the Supervisory Board members shall expire:
  - 1) on the day of the General Meeting approving the financial statements for the last full financial year of the Supervisory Board member's term of office;
  - 2) upon the death of the Supervisory Board member;
  - 3) as a result of removal of the Supervisory Board member;
  - 4) when the the Supervisory Board member steps down from their office, as of the date of serving the notice of resignation on the Company.
6. The mandate of the Supervisory Board member appointed prior to the end of the joint term of office shall expire at the same date as the mandates of the other members of the Supervisory Board.
7. The Supervisory Board members may be removed at any time before the end of their term of office.

8. Each Supervisory Board member shall be free to resign from their office at any time. The resignation shall be tendered in writing to the Management Board. In the event that a Supervisory Board member resigns or the mandate of a Supervisory Board member expires for a different reason, the Management Board shall immediately convene a General Meeting to supplement the composition of the Supervisory Board. Until the composition of the Supervisory Board is supplemented, the Supervisory Board shall operate in a reduced membership. However, if the number of the Supervisory Board members falls below 5 (five) persons, the Supervisory Board shall lose its capacity to adopt resolutions.
9. A Supervisory Board member shall not resign from their office if this could adversely affect the operations of the Supervisory Board, including its capacity to adopt resolutions.

### **III. CHAIRMAN, DEPUTY CHAIRMAN AND SECRETARY OF THE SUPERVISORY BOARD**

#### **§ 4**

1. When selecting Supervisory Board members, the General Meeting shall designate a Supervisory Board Chairman.
2. At the first meeting, the Supervisory Board shall elect a Deputy Chairman and a Secretary of the Supervisory Board from among its members. The election shall take place via a secret ballot.
3. The Supervisory Board Chairman shall be responsible for:
  - 1) managing and co-ordinating the operations of the Supervisory Board
  - 2) convening and chairing the Supervisory Board meetings;
  - 3) opening and chairing the General Meeting until the General Meeting chairman is elected. In the absence of the Supervisory Board Chairman, the General Meeting shall be opened by the Deputy Chairman of the Supervisory Board.
4. The Deputy Chairman shall act as the Supervisory Board Chairman's alternate chairing the Supervisory Board meeting if the latter is unable to fulfil their role or cannot chair the Supervisory Board meeting.
5. The tasks of the Secretary shall include managing the work of the Secretariat of the Supervisory Board. The Secretariat of the Supervisory Board Secretary shall be responsible for:
  - 1) keeping the book of minutes of the Supervisory Board;
  - 2) maintaining the documentation of the operations of the Supervisory Board, including the Audit Committee;
  - 3) arranging the study of other analytical works as indicated by the Supervisory Board;
  - 4) advising the Supervisory Board about implementation of its resolutions and recommendations;
  - 5) ensuring timely exchange of information with the Company's Management Board;
  - 6) organising Supervisory Board meetings and arranging adoption of resolutions in a special procedure.
6. Administration and technical services for Supervisory Board shall be ensured by Management Board.

### **IV. PROCEDURE OF THE SUPERVISORY BOARD**

#### **§ 5 (Convening meetings)**

1. Supervisory Board meetings shall be held as required, but at least once in every three months.
2. The first meeting of the new Supervisory Board shall be convened by the Supervisory Board Chairman. Such meeting may be held not later than 2 weeks after appointment of the new Supervisory Board.
3. Supervisory Board meetings shall be convened by the Supervisory Board Chairman.

4. The Management Board or a member of the Supervisory Board may demand that a Supervisory Board be convened, specifying the proposed agenda. The Supervisory Board Chairman, and in the event of their absence or difficulties with contacting them, the Deputy Chairman of the Supervisory Board shall convene a meeting within two weeks of receipt of the relevant request, with such meeting to be held not later than 21 days after the two-week period.
5. The notice of the Supervisory Board meeting shall be circulated to all the Supervisory Board members by registered mail, to the addresses indicated to the Supervisory Board Chairman, at least seven days before the meeting.
6. The notice shall include at least the following details:
  - 1) date and time of the meeting;
  - 2) venue;
  - 3) agenda;
  - 4) proposed resolutions.
7. The Management Board members shall be free to attend and/or have access to the business transacted at the Supervisory Board meetings except the matters which directly pertain to the Management Board or its members, and in particular: removal, roles and remuneration of same.

### **§ 6 (Adopting resolutions)**

1. In order for the resolutions to be valid, all the members of the Supervisory Board shall be invited to the meeting by way of a notice which meets the requirements set out in § 5 above.
2. The Supervisory Board meeting may be held without being formally convened if all the Supervisory Board members approve it not later than on the day of the meeting, confirming their consent in writing or signing the attendance list. A resolution which is not included in the agenda cannot be adopted, unless the meeting is attended by all the Supervisory Board members and none of the attendees raises any objection in this matter.
3. Supervisory Board members may adopt resolutions in a special procedure, specifically:
  - 1) By giving their vote in writing through another member of the Supervisory Board. A vote given in writing may not relate to any matters introduced to the Supervisory Board's agenda during the Supervisory Board meeting;
  - 2) By circulation, using the means of direct remote communication, i.e.
  - 3) phone, teleconference, electronic mail and similar technical means.
4. Where resolutions are adopted by circulation as referred to in Section 3(2), the date of such resolution shall be the date when the Supervisory Board Chairman receives the resolution signed by all the Supervisory Board members who participated in the voting, with a note on who voted for or against the resolution and who abstained from vote. The Supervisory Board Chairman shall circulate the draft resolution to all the Supervisory Board members via registered mail or electronic mail with information that the signed resolution must be returned within 14 days after the draft resolution has been sent.
5. A resolution adopted by circulation shall be valid if all the Supervisory Board members were duly advised of the contents of the draft resolution.
6. The resolution referred to in Section 3(3) shall be adopted in the following order:
  - 1) The Chairman communicates with all the Supervisory Board members, either one by one or all of them at the same time (via teleconference);
  - 2) The Chairman shall present the draft resolution to the Supervisory Board members;
  - 3) The Chairman shall obtain consent of the Supervisory Board members to participate in adoption of the resolution via means of direct remote communication;
  - 4) The Chairman shall receive from the Supervisory Board members their votes made via the agreed telecommunication means during a stated period of time which shall not be shorter than 15 minutes after the draft resolution has been presented to the particular Supervisory Board member;
  - 5) failure to cast a vote in the stated period of time shall be treated as abstention;

- 6) the vote shall be minuted by the Chairman;
  - 7) The minutes shall be signed at the next meeting by all the Supervisory Board members who took part in the vote.
7. The resolution adopted via means of direct remote communication shall be valid if all the Supervisory Board members were duly advised of the contents of the draft resolution and consented to participation in voting in such procedure.
  8. The adoption of resolutions in the procedure outlined in Section 3 above shall not apply to the election of the Deputy Chairman of the Supervisory Board, appointment of Management Board members and removal or suspension of such persons.

#### **§ 7 (Voting)**

1. The Supervisory Board resolutions shall be adopted by an absolute majority of votes by a quorum consisting of at least 50% of the Supervisory Board members.
2. If the event of a tied vote, the Supervisory Board Chairman shall have the casting vote.
3. No Supervisory Board member shall be permitted to vote on any matters that pertain to him personally or financially.

#### **§ 8 (Conflict of interest)**

The Supervisory Board Chairman shall advise the Supervisory Board of any actual or potential conflict of interest and shall refrain from taking part in the discussion and from voting on the resolution relating to the matter giving rise to the conflict of interest.

#### **§ 9 (Minutes)**

1. The Supervisory Board meetings shall be minuted.
2. The minutes shall include at least: the date of the meeting, names of the Supervisory Board members present at the meeting and other persons in attendance, the agenda, the number of votes cast in favour of each particular resolution, votes against and abstentions.
3. The minutes shall be signed by the Supervisory Board Chairman and the minute-taker. The minutes shall be accompanied by the attendance list signed by all the Supervisory Board members present at the meeting. If any of the Supervisory Board members refuse to sign the minutes, the Chairman shall note this fact on the list, specifying the reason for such refusal.
4. The Supervisory Board members who were absent from the meeting shall acknowledge the minutes at the next meeting, confirming this with their signature on the minutes.
5. The minutes shall be filed in the book of minutes.
6. The minutes shall be maintained at the Company's registered office.

### **V. COMMITTEES**

#### **§ 10**

1. The Supervisory Board may appoint standing or ad-hoc committees consisting of the Supervisory Board members to provide opinion and advice to the Supervisory Board.
2. A Supervisory Board committee shall consist of 3 to 5 members, who elect a Chairman from among themselves.
3. The Chairman of the Committee shall convene the Committee meetings, invite the Committee members to such meetings, notifying the remaining Supervisory Board members about the meetings. All the Supervisory Board members shall have the right to participate in the Committee meetings.
4. The notice of convention of a Committee meeting shall be circulated to the Committee members and the other Supervisory Board members at least seven days before the date of the meeting and in urgent cases not later than one day before the meeting.

5. The Committee Chairman may invite to the Committee meetings members of the Management Board, the Company's employees and other persons whose participation in the meeting is seen as desired for the Committee to fulfil its role.
6. The Committee adopts its resolutions by an ordinary majority of votes. If the votes are equal, the Committee Chairman shall have the casting vote.
7. Committee members may vote on draft resolutions personally, by participating in the Committee meeting, or in the special procedure set out in § 6(3) above.
8. Committees shall present annual reports on their activities to the Supervisory Board. Such reports shall also be made available to the shareholders by the Company's Management Board.

#### **§ 11 (Audit Committee)**

1. The Audit Committee shall consist of at least 3 (three) members, including the Chairman of the Committee, appointed by the Supervisory Board from among its members.
2. A majority of the Audit Committee members, including its Chairman, shall be independent of the Company.
3. The Audit Committee shall perform the tasks referred to in Article 130(1) of the Act on statutory auditors, audit firms and public oversight of 11 May 2017. Thus, the Audit Committee shall be in particular responsible for:
  - 1) monitoring the financial reporting process;
  - 2) recommending selection of the auditor to the Supervisory Board;
  - 3) monitoring the effectiveness of the internal control and risk management system;
  - 4) monitoring the effectiveness of the internal audit activity.
4. The Audit Committee shall present to the Supervisory Board a recommendation indicating the audit firm to be entrusted with performance of the statutory audit.
5. The Supervisory Board may entrust the Audit Committee with the role of supporting the Supervisory Board in the performance of supervisory activities other than those specified in Sections 1–4, provided that they are not within the sole remit of the Supervisory Board.
6. The detailed procedure of the Audit Committee is set out in Terms of Reference of the Audit Committee of the Supervisory Board of Selena FM S.A. adopted by way of a resolution of the Supervisory Board.

### **VI. DUTIES AND POWERS OF THE SUPERVISORY BOARD**

#### **§ 12 General**

Each Supervisory Board member shall protect the interest of the Company and exercise independent judgment and opinion, and in particular:

- 1) shall not demand or receive any benefits or inducements which could negatively reflect on and bias their judgement or opinion;
- 2) shall clearly express their objection and dissenting opinion if they believe that any decision of the Supervisory Board contravenes the interest of the Company.

#### **§ 13 (Powers)**

1. The Supervisory Board shall exercise oversight over the Company's operations.
2. In particular, the Supervisory Board shall:
  - 1) Assess the Company's financial statements, the Management Board's report on the Company's activities and the Management Board's proposals regarding distribution of profit or the method of covering the loss, and to present to the General Meeting the annual reports on the result of such assessment and prepare and present to the AGM a condensed evaluation of the Company's position, with a focus on evaluation of the internal audit and risk management system;

- 2) Appoint, remove and suspend Management Board members as well as approve appointment or removal of a company's agent (*prokurent*);
- 3) Determine the rules of remunerating Management Board members and the level of their remuneration;
- 4) Approve non-salary work benefits granted by the Company to Management Board members;
- 5) Enter into agreements between the Company and Management Board members; in an employment agreement with a Management Board member or in another agreement whereby a Management Board member provides service to the Company, the Company is represented by the Supervisory Board Chairman or another member of the Supervisory Board duly authorised by the Supervisory Board. The same procedure shall apply to the statements of will of the Company arising from performance or relating to termination of such agreements; Select the auditor for the Company's financial statements;
- 6)
- 7) Approve the Company's long-term strategies and annual financial plans;
- 8) Approve the acquisition or disposal by the Company of properties, perpetual usufruct rights or a share in a real estate where the value of the transaction exceeds 3% of the Company's equity as per the last audited financial statements;
- 9) From the floatation of the Company's shares and for as long as the Company remains a listed company, and is subject to Section 2(5), approve conclusion of an agreement between the Company and its related parties as defined in the Regulation of the Minister of Finance of 19 October 2005 on current and financial information provided by the issuers of securities (Journal of Laws, No. 209 of 2005, item 1744). The approval shall not be required for usual transactions entered into on market terms in the ordinary course of the Company's business with a controlled entity;
- 10) Approve the disposal of preference registered shares. However, no consent of the Supervisory Board shall be required for disposal of preference registered shares by the Founder of the Company to his ascendants, descendants or spouse.
- 11) Subject to the provisions of points 12) to 16), approve material agreements that are not provided for in the Company's financial plan approved by the Supervisory Board; a material agreement shall be defined as an agreement to which the Company is a party and the value of such agreement is at least 3% of the Company's equity as per the last audited financial statements. A material agreement shall also be understood as two or more agreements concluded by the Company with one entity or a subsidiary of such entity in a period of less than 12 months if the total value of such agreements meets the criteria set out in the preceding sentence;
- 12) Approve the issuing of a promissory note or acceptance (endorsement) of a bill of exchange or granting a corporate guarantee by the Company whose value exceeds 3% of the Company's equity as per the last audited financial statements, except the cases specified in the Company's financial plan approved by the Supervisory Board;
- 13) Approve any loan, lease or a similar agreement whose purpose is to fund the Company's business if its value exceeds 3% of the Company's equity as per the last audited financial statements;
- 14) Approve any pledge, mortgage or other encumbrance of the Company's assets whose single value exceeds 3% of the Company's equity as per the last audited financial statements, except the cases specified in the Company's financial plan approved by the Supervisory Board;
- 15) Approve the formation by the Company of another company or acquisition of shareholding in other companies and approve the terms of such transactions, except the equity transactions provided for in the Company's financial plan approved by the Supervisory Board;

- 16) Approve the increase or reduction of equity in subsidiaries and approve the Company's participation in equity increase in other companies in which the Company is a minority shareholder – with the exception of equity transactions provided for in the Company's financial plan approved by the Supervisory Board;
- 17) Approve the disposal by the Company of acquired shares in other companies and approve the terms and method of such transactions, except the equity transactions provided for in the Company's financial plan approved by the Supervisory Board;
- 18) Assess own performance and present the results of such assessment to the General Meeting;
- 19) Review and express opinion on any matters which are to be the subject of resolutions of the General Meeting.

#### **§ 12 (Fulfilment of duties)**

1. The Supervisory Board shall fulfil its duties jointly, but may also delegate its powers to its members to carry out certain supervisory duties individually.
2. Where the Company enters into an agreement with a Management Board member, the Supervisory Board may adopt a resolution authorising one or more of its members to represent the Company in such a transaction.
3. The Supervisory Board members shall exercise their rights and duties personally.

#### **§ 15 (Co-operation with the Management Board)**

1. The Supervisory Board members shall ensure they receive regular and full information from the Management Board on any significant matters relating to the Company's operations and the risks around the Company's business, including the mitigation of such risks.
2. The Supervisory Board may at any time demand from the Management Board or the Company's employees any reports and explanations, review any records and documents, check the Company's financial position and control the operation of individual plants; where such control entails specific expertise, competence or technical actions, the Supervisory Board may demand that the Management Board should seek appropriate expert opinion and present it to the Supervisory Board or to assign employees responsible for provision of the required information.
3. The Supervisory Board may issue recommendations to the Management Board regarding individual areas of operations of the Group companies. The Management Board shall respond to the recommendations within 14 days. If a recommendation is not accepted, the Management Board shall justify its position.
4. The Supervisory Board may issue opinions on any projects presented by the Management Board. It may also issue opinions on its own initiative, on any matters it thinks fit.
5. The Supervisory Board shall set annual/ long-term goals objectives for the Management Board and its individual members, which form the basis for the Management Board's bonus system. In particular, the goals and objectives may form a part of the consolidated income statement.
6. Any opinions and recommendations issued shall be recorded alongside responses provided by the Management Board.

#### **§ 16 (Confidentiality and loyalty)**

1. The Supervisory Board members shall keep in confidence any information relating to the Company's affairs obtained during performance of their roles.
2. The Supervisory Board members shall be bound by the duty of loyalty to the Company and shall refrain from any competition against it, and in particular shall not act as directors or shareholders in any companies which are engaged in a business similar to the Company's business.

### **§ 17 (Participation in the General Meeting)**

The Supervisory Board members shall participate in the General Meeting in such a composition that will ensure that any questions asked during the General Meeting will be answered in a competent way.

### **§ 18 (Authority to convene the General Meeting)**

1. The Supervisory Board may submit a written request to the Management Board to convene an Extraordinary General Meeting.
2. The Supervisory Board shall convene the General Meeting:
  - 1) if the Management Board failed to convene an Annual General Meeting within the prescribed period;
  - 2) if within 2 (two) weeks of submitting the request referred to in Section 1 above, the Management Board failed to convene the Extraordinary General Meeting.

## **VII. INFORMATION PASSED BY THE SUPERVISORY BOARD MEMBERS**

### **§ 19**

1. Immediately on appointment, each Supervisory Board member shall provide their personal information to the Company, including the CV, contact addresses (correspondence address, phone (incl. mobile) number, fax number and e-mail address for correspondence).
2. The candidate for the Independent Member shall file with the Chairman of the General Meeting a written statement on fulfilment of the independence criteria set out in § 13(1) of the Company's Statutes. The statement shall be attached to the General Meeting minutes.
3. The Supervisory Board shall provide the Management Board with information on their connections with any shareholder holding shares which represent at least 5% of the total voting power at the Company's General Meeting. This obligation relates to any connections of economic, family or other nature that might affect the Supervisory Board's judgement in any matters considered by the Supervisory Board.
4. The Supervisory Board shall immediately advise the Management Board of any purchases or disposals of the shares in the Company, in the Company's parent or subsidiary as well as of any transactions with such entities if they have a significant impact on their assets and liabilities position.

This obligations shall be without prejudice to any other disclosure requirements of the Supervisory Board members arising from the applicable laws, and in particular from Article 160 of the Act on trading in financial instruments of 29 July 2005 (Journal of Laws of 2005.183.1538).

5. Each time when requested by the Management Board, the Supervisory Board member shall make a statement on the number of their holdings in the shares of the Company or its subsidiary.

## **VIII. FINAL PROVISIONS**

### **§ 20**

Any matters not regulated by these Terms of Reference shall be governed by the relevant provisions of law, in particular the Commercial Companies Code and the Statutes.

### **§ 21**

These Terms of Reference shall enter into force on the day of their adoption by the General Meeting.



**Appendix 1  
to the Terms of Reference of the Supervisory Board**

Wroclaw, \_\_\_\_\_

\_\_\_\_\_  
(name)

\_\_\_\_\_  
(address)

\_\_\_\_\_  
(series and number of the identity document/ passport)

\_\_\_\_\_  
(PESEL number)

**STATEMENT**

I hereby undertake to keep in confidence any information subject to professional secrecy, including information relating to the activities of the joint stock company trading as Selena FM S.A. with its registered office in Wroclaw.

\_\_\_\_\_