

**RB 21/2011 – 29.09.2011**

**Draft resolutions of the Extraordinary General Meeting of Shareholders of Selena FM S.A. convened on 24 October 2011**

Pursuant to §38 section 1 point 3 of the Finance Minister's Ordinance of 19 February 2009 on current and financial reports [...] the Management Board of SELENA FM S.A. having its registered office in Wrocław, entered in the business register of under KRS no. 0000292032, hereby announces to the public the draft resolutions to be presented to the Extraordinary General Meeting of Selena FM S.A. on 24 October 2011.

*Draft to item 2 of the Agenda*

**RESOLUTION NO. ....  
of the Extraordinary General Meeting of Selena FM S.A.  
of Wrocław, adopted on 24 October 2011  
concerning election of the Chairman of the Extraordinary General Meeting**

**§ 1**

The Extraordinary General Meeting hereby appoints Mr. .... as the EGM Chairman.

**§ 2**

The Resolution becomes effective on the day of its adoption.

*Draft to item 5 of the Agenda*

**RESOLUTION NO. ....  
of the Extraordinary General Meeting of Selena FM S.A.  
of Wrocław, adopted on 24 October 2011  
concerning election of the Ballot Commission**

**§ 1**

The Extraordinary General Meeting hereby elects the Ballot Commission consisting of the following persons: .....  
.....

**§ 2**

The Resolution becomes effective on the day of its adoption.

*Draft to item 6 of the Agenda*

**RESOLUTION NO. ....  
of the Extraordinary General Meeting of Selena FM S.A.  
of Wrocław, adopted on 24 October 2011  
concerning adoption of the agenda of the Extraordinary General Meeting**

**§ 1**

The Extraordinary General Meeting (EGM) adopts the following agenda:

1. Opening of the EGM.
2. Election of the EGM Chairman.
3. Preparation of attendance list.
4. Establishing if the EGM has been duly convened and has the capacity to adopt resolutions.
5. Election of the Ballot Commission.
6. Adoption of the EGM Agenda.

7. Adoption of a resolution on changes to the composition of the Supervisory Board.
8. Adoption of a resolution on changes to the Terms of Reference of the Supervisory Board.
9. Closing of the EGM.

**§ 2**

The Resolution becomes effective on the day of its adoption.

*Draft to item 7 of the Agenda*

**RESOLUTION NO. ....  
of the Extraordinary General Meeting of Selena FM S.A.  
of Wrocław, adopted on 24 October 2011  
on removal of a Supervisory Board member**

**§ 1**

The Extraordinary General Meeting has resolved to remove Mr./Ms. .... from the Supervisory Board of Selena FM S.A. effective from 2 November 2011.

**§ 2**

The Resolution becomes effective on the day of its adoption.

*Draft to item 7 of the Agenda*

**RESOLUTION NO. ....  
of the Extraordinary General Meeting of Selena FM S.A.  
of Wrocław, adopted on 24 October 2011  
on appointment of a Supervisory Board member**

**§ 1**

The Extraordinary General Meeting has resolved to appoint Mr./Ms. .... to the Supervisory Board of Selena FM S.A. effective from 2 November 2011.

**§ 2**

The Resolution becomes effective on the day of its adoption.

*Draft to item 7 of the Agenda*

**RESOLUTION NO. ....  
of the Extraordinary General Meeting of Selena FM S.A.  
of Wrocław, adopted on 24 October 2011  
on appointment of the Supervisory Board Chairman**

**§ 1**

The Extraordinary General Meeting has resolved to appoint Mr./Ms. .... as Chairman of the Supervisory Board of Selena FM S.A.

**§ 2**

The Resolution becomes effective on the day of its adoption.

*Draft to item 8 of the Agenda*

**RESOLUTION NO. ....  
of the Extraordinary General Meeting of Selena FM S.A.**

**of Wrocław, adopted on 24 October 2011  
on approval of the Terms of Reference of the Supervisory Board**

**§ 1**

The Extraordinary General Meeting of Shareholders has resolved to approve a new text of the Terms of Reference Supervisory Board.

**§ 2**

The text of the approved Terms of Reference of the Supervisory Board is attached to this Resolution.

**§ 3**

The Resolution becomes effective on the day of its adoption.

**Appendix to Resolution No. ... of the Extraordinary General Meeting of Selena FM S.A. of Wrocław adopted on 24 October 2011  
on approval of the Terms of Reference of the Supervisory Board**

**TERMS OF REFERENCE OF THE SUPERVISORY BOARD  
Selena FM S.A. of Wrocław**

**I. GENERAL**

**§ 1**

These terms of reference set out the details of appointment and operations of the Supervisory Board of Selena FM S.A. with its registered office in Wrocław.

**§ 2**

The terms used in these Terms of Reference have the following meaning:

1. Terms of Reference – these Terms of Reference approved by the General Meeting
2. Company - Selena FM S.A. of Wrocław
3. Statutes – Statutes of Selena FM S.A.
4. General Meeting - General Meeting of Shareholders of Selena FM S.A. of Wrocław
5. Supervisory Board - supervisory board of Selena FM S.A. of Wrocław
6. Chairman of the Supervisory Board - Chairman of the Supervisory Board of Selena FM S.A. of Wrocław
7. Vice Chairman of the Supervisory Board - Vice Chairman of the Supervisory Board of Selena FM S.A. of Wrocław
8. Secretary – Secretary of the Supervisory Board of Selena FM S.A. of Wrocław
9. Management Board – Management Board of Selena FM S.A. of Wrocław
10. Independent Supervisory Board Chairman - 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) or 7 (seven) 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 are 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 the next 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) when he is removed from his office;
  - 4) when he steps down from his office, effective from 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 the term of office.
8. Each Supervisory Board member shall be free to resign from his office at any time. The resignation shall be tendered in writing to the Management Board. In the event a Supervisory Board member resigns or the mandate of a Supervisory Board member expires for a different reason, the Management Board immediately convenes a General Meeting to supplement the composition of the Supervisory Board. Until the Supervisory Board is supplemented, it shall operate in a reduced composition. However, if the number of the Supervisory Board members falls below 5 (five), the Supervisory Board loses its capacity to adopt resolutions.
9. A Supervisory Board member shall not resign from his office if this could adversely affect the operations of the Supervisory Board, including its capacity to adopt resolutions.

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

#### **§ 4**

1. When selecting the Supervisory Board members, the General Meeting elects the Supervisory Board Chairman.
2. At the first meeting, the Supervisory Board elects Vice Chairman and Secretary 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 Vice-Chairman of the Supervisory Board.
4. The Vice-Chairman of the Supervisory Board shall act as the Supervisory Board Chairman's alternate chairing the Supervisory Board meeting if the latter is unable to fulfil his role or refuses to chair the Supervisory Board meeting.
5. The Supervisory Board Secretary shall be responsible for:
  - 1) exercising ongoing oversight over the book of minutes of the Supervisory Board and the entire documentation of the Supervisory Board;
  - 2) liaising with the Management Board of the Company;
  - 3) advising the Supervisory Board how its resolutions are being implemented;
  - 4) signing the Supervisory Board's outgoing correspondence.
6. Administration and technical service to the Supervisory Board shall be provided by the Management Board.

## **IV. SUPERVISORY BOARD PROCEDURE**

### **§ 5 (Convening)**

1. The Supervisory Board meeting 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 earlier than 2 weeks after appointment of such new Supervisory Board.
3. The 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 is convened, specifying the proposed agenda. The Supervisory Board Chairman, and in the event of his absence or difficulties with contacting him, the Vice Chairman of the Supervisory Board shall convene a meeting within 2 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 meetings shall be convened through a notice in writing.
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 notice shall be circulated to all the Supervisory Board members by registered mail or by e-mail to the addresses notified to the Supervisory Board Chairman by other members of the Supervisory Board at least seven days before the meeting.
8. The Management Board members shall be free to attend and/or have access to the matters discussed at the Supervisory Board meetings except the meetings 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 meeting the requirements set out in § 5 above shall be invited to the Supervisory Board meeting.
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 lodges any protest on this matter.
3. The 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;
  - 3) using remote means of communication, such as phone, conference call, electronic mail and similar technical solutions.
4. Where resolutions are adopted by circulation, as referred to in section 3 point 2), the date of such resolution is the date when the Supervisory Board Chairman receives the resolution signed by all the Supervisory Board members who participate 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. The 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 point 3) shall be adopted in the following sequence:

- 1) the Chairman shall contact all the other members of the Supervisory Board individually or together (via teleconference);
- 2) the Chairman presets the draft resolution to the Supervisory Board members;
- 3) the Chairman obtains consent of the Supervisory Board members to participate in adoption of the resolution via means of remote communication;
- 4) the Chairman shall receive from the Supervisory Board members their votes made via the agreed remote 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 voting shall be minuted by the Chairman;
- 7) the minutes are signed at the next meeting by the Supervisory Board members who took part in the vote.

7. The resolution adopted via remote means of direct 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. Adopting resolutions in the special procedure referred to in section 3 above shall not apply to the election of the Vice-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 votes are equal, the Supervisory Board Chairman shall have the casting vote.

No Supervisory Board member shall be permitted to vote on any matters that pertain to him personally or financially.

#### **§ 8 (Conflict of Interest)**

A member of the Supervisory Board should notify to the Supervisory Board any conflicts of interest which have arisen or may arise and should refrain from taking part in the discussion and from voting on the adoption of a resolution on the issue which gives rise to such 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 shall approve the minutes by virtue of a resolution adopted at the next meeting.

5. At the next meeting, the absent members shall acknowledge the adopted resolutions, and accept them for implementation, confirming it by a signature on the minutes.
6. The minutes shall be filed in the book of minutes.
7. The minutes shall be maintained in 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 and notifying the remaining Supervisory Board members of 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 7 days before the date of the meeting and in urgent cases not later than 1 day before the meeting.
5. The Committee Chairman may invite to the Committee meetings the members of the Management Board, Company employees and other persons whose participation in the meeting is seen as desired so that the Committee can fulfil its role.
6. The Committee adopts its resolutions by ordinary majority of votes. If the votes are equal, the Committee Chairman shall have the casting vote.
7. The Committee members may vote on resolutions personally during the meeting or through the special procedure outlined in § 6 point 3) above.
8. The Committees shall submit annual reports on their operations to the Supervisory Board. Such reports shall also be made available to the shareholders by the Company's Management Board.

### **§ 11 (Audit Committee)**

1. Where the Supervisory Board consists of more than five members, an Audit Committee shall be appointed.
2. The Audit Committee shall consist of three to five members.
3. Where the Supervisory Board consists of five members, the role of the Audit Committee shall be performed by the Supervisory Board.
4. The Audit Committee shall be responsible in particular for:
  - 1) recommending to the Supervisory Board selection of the auditor of the Company's financial statements;
  - 2) discussing with the auditor the nature and scope of audit of the annual financial statements before commencement of the audit and monitoring the work of the auditor during such audit;
  - 3) discussing all the issues arising from the audit of the financial statements;
  - 4) analysing any auditor's comments addressed to the Management Board and the Management Board's response to same;
  - 5) considering any other matters relating to the audit noted by the Committee or the Supervisory Board.
5. The Audit Committee shall meet at least quarterly before publication of the Company's financial statements.

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

### **§ 12 (General)**

Each member of the Supervisory Board should act in the interests of the Company and form independent decisions and judgments, and in particular:

- shall not demand or receive any benefits or inducements which could negatively reflect on and bias his judgement and opinion;
- shall clearly express his objection and dissenting opinion if he believes that any decision of the Supervisory Board contravenes the interest of the Company.

### **§ 13 (Powers)**

1. The Supervisory Board shall exercise oversight of 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 operations 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 material risks management;
  - 2) appoint and remove Management Board members and suspend them in their duties as well as approve appointment or removal of a proxy (*prokurent*);
  - 3) determine the rules of remunerating the Management Board members and the level of their remuneration;
  - 4) approve non-salary benefits granted by the Company to the Management Board members;
  - 5) enter into agreements between the Company and the 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 applies to the statements of will of the Company arising from performance or relating to termination of such agreements;
  - 6) select the auditor for the Company's financial statements;
  - 7) approve the Company's 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 as long as the Company remains a listed entity, subject to the provision of section 2 point 5) - approving the conclusion by the Company of agreements with the Company's related parties as defined by the Ordinance of the Finance Minister of 19 October 2005 on current and financial reports published by the issuers of securities (Journal of Laws of 2005 item 1744). The approval is not required for usual transactions entered into on market terms in the ordinary course of the Company's business with a majority-owned entity;
  - 10) approve the disposal of preference registered shares. However, no consent of the Supervisory Board is required for disposal of preference registered shares by a Founder of the Company to his/her ascendants, descendants or spouse.
  - 11) subject to the provisions of point 12) to 16), approve material agreements that are not provided for in the Company's financial plan; a material agreement is one 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 is also 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 or accepting 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, leasing 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 5% 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 disposal by the Company of any previously acquired shareholdings in other companies and approve the terms of such transactions if the single value of the transaction exceeds 3% of the Company's equity as per the last audited financial statements, except the equity transactions provided for in the Company's financial plan approved by the Supervisory Board;
  - 17) assess own performance and present the results of such assessment to the Annual General Meeting;
  - 18) review and express opinion on any matters presented to the General Meeting for adoption of a resolution.

#### **§ 12 (Fulfilment of Duties)**

1. The Supervisory Board shall fulfil its duties jointly, but may also delegate its powers to its individual members.
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 management 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.

#### **§ 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 companies which are engaged in a similar business.

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

A General Meeting should be attended by members of the Supervisory Board who can answer questions submitted at the General Meeting.

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

1. The Supervisory Board may request the Management Board in writing to convene an Extraordinary General Meeting.
2. The Supervisory Board shall convene the General Meeting if:
  - 1) the Management Board failed to convene the Annual General Meeting at the stipulated date;
  - 2) within 2 (two) weeks of serving 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 the following information to the Company: 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 section 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 his connections with any shareholder holding shares which represent at least 5% of the total number of votes 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 his assets and liabilities position. This obligations shall be without prejudice to any other disclosure obligations 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 of the number of his holdings in the shares of the Company or its subsidiary.

## **VIII. FINAL PROVISIONS**

### **§ 20**

Any matters not regulated herein shall be governed by the relevant laws and regulations, particularly the Commercial Companies Code and the Company's Statutes.

### **§ 21**

These Terms of Reference shall become effective at the date of their approval by the General Meeting.

Legal basis: Art. 56 section1 point 2 of the Act on Public Offering – current and financial reports.