

**RULES AND REGULATIONS OF THE SUPERVISORY BOARD
OF THE JOINT STOCK COMPANY „EUROIMPLANT" SPÓŁKA AKCYJNA
WITH ITS SEAT IN RYBIE
adopted on 16.11.2010**

GENERAL PROVISIONS

§ 1

1. The Supervisory Board exercises permanent supervision over the functioning of „EUROIMPLANT" S.A. (hereinafter referred to as: „the Company") in all domains of its activity.
2. The Supervisory Board of the Company acts under the Polish Code of Commercial Companies and Partnerships, the Statutes of the Company, the present Rules and Regulations and the principles of corporate order which the Company declared to observe.
3. The Rules and Regulations specify the course and manner of functioning of the Supervisory Board, in all matters which were not otherwise regulated in provisions of an absolutely binding nature.

MEMBERS OF THE SUPERVISORY BOARD

§ 2

1. The Supervisory Board is composed of five to seven members appointed by the General Meeting.
2. Members of the Supervisory Board are appointed for a period of a joint term of office lasting 3 (say: three) years.
3. A member of the Supervisory Board may be revoked by the General Meeting at any time.

§ 3

1. Members of the Supervisory Board at the first meeting elect from among themselves the Chairman, Vice-Chairman and Secretary of the Supervisory Board.
2. The Supervisory Board may dismiss the Chairman, Vice-Chairman and Secretary of the Supervisory Board from their respective functions.
3. Meetings of the Supervisory Board are conducted by its Chairman, and should he or she be absent – by Vice-Chairman.
4. Representations directed to the Supervisory Board in-between meetings are made to the Chairman of the Supervisory Board, and should this prove impossible, to Vice-Chairman of the Supervisory Board, or the Secretary thereof.

§ 4

1. Members of the Supervisory Board exercise their rights and obligations in person.
2. Participation in a meeting of the Supervisory Board is an obligation of a member of the Supervisory Board. A member the Supervisory Board gives reasons for his or her absence in writing. Justification of absence of a member of the Supervisory Board requires a resolution of the Supervisory Board.

§ 5

1. A member of the Supervisory Board shall primarily be concerned about pursuing the best interests of the Company.
2. Members of the Supervisory Board shall undertake proper actions in order to obtain from the Management Board of the Company regular and exhaustive information on all significant issues regarding the Company activities and on the risk connected with the conducted activity and methods of managing such risk.
3. A member of the Supervisory Board shall inform the remaining Members of the Supervisory Board on any conflict of interest and refrain from expressing his or her opinion in the discussion and voting on passing a resolution concerning an issue in which such conflict of interest occurred.
4. A member of the Supervisory Board is obliged to inform the Company on personal, factual and organizational connections of a Member of the Supervisory Board with a particular shareholder, and especially with a majority shareholder.
5. A member of the Supervisory Board shall make it possible for the Management Board to publicly and in a proper course submit information on selling or purchasing shares of the Company, or its dominant or dependent company, as well as on transactions with such companies, if such information is significant for his or her financial status.

§ 6

A member of the Supervisory Board delegated by a group of shareholders to exercise permanent supervision shall submit detailed reports from the performed function to the Supervisory Board.

§ 7

A member of the Supervisory Board should not resign from the fulfillment of this function during the term of office, if it might make it impossible for the board to function, including without limitation, if it might make it impossible to timely adopt a significant resolution.

CONVENING MEETINGS

§ 8

1. The Supervisory Board convenes meetings as necessary, however, not less frequently than once per quarter.
2. Meetings of the Supervisory Board are convened by the Chairman of the Supervisory Board or Vice-Chairman, presenting a detailed agenda.
3. The agenda of a meeting of the Supervisory Board should not be amended or supplemented during a meeting to which it refers. The above requirement is not applied when all the Members of the Supervisory Board are present and they agree to an amendment to or a supplement of the agenda, as well as when undertaking specified actions by the Supervisory Board is necessary for protecting the Company against a damage, and also in the case of a resolution whose subject matter is an evaluation whether or not there exists a conflict of interests between a Member of the Supervisory Board and the Company.

§ 9

1. In order to convene a meeting of the Supervisory Board a written invitation sent to all the members of the Supervisory Board is required at least 14 (say: fourteen) days before such meeting of the Supervisory Board.
2. The Chairman of the Supervisory Board convenes and chairs meetings of the Supervisory Board and manages its activities.
3. In an invitation to a meeting of the Supervisory Board, the Chairman specifies the date of the meeting, place of the meeting and a detailed project of the agenda.
4. The Chairman of the Supervisory Board convenes a meeting of the Supervisory Board on own initiative, on written motion of the Management Board of the Company or a Member of the Supervisory Board.
5. A meeting shall be convened not later than within 14 (fourteen) days following the submission of the motion referred to in Section 4.
6. Meetings of the Supervisory Board take place at a venue specified in the invitation – at the seat of the Company or another venue specified by the Chairman of the Supervisory Board.
7. A meeting of the Supervisory Board may be held without being formally convened, if all its Members grant their consent thereto in writing at the latest on the date of the meeting or place their signatures at the attendance sheet.
8. Meetings of the Supervisory Board, except for issues regarding directly the Management Board and its Members, including but not limited to: dismissal, liability and establishing remuneration, shall be available and open for Members of the Management Board.

RESOLUTIONS

§ 10

1. Decision of the Supervisory Board are passed in the form of resolutions.
2. The Supervisory Board adopts resolutions if at a meeting there are present at least one half of its members, and all its Members have been invited.
3. Resolutions of the Supervisory Board are passed by an absolute majority of votes.
4. Resolutions of the Supervisory Board are signed by all Members of the Supervisory Board participating in the voting.

§ 11

1. The Supervisory Board adopts resolutions in a voting by open ballot.
2. A voting by secret ballot is ordered upon motion of a Member of the Supervisory Board and in personal matters. In the case of ordering a voting by secret ballot the provisions of Section 3 are not applied.
3. The Supervisory Board may pass resolutions in writing or via direct telecommunications systems, subject to the provisions of the Polish Code of Commercial Companies and Partnerships. Passing a resolution in this course requires a justification and prior presentation of a draft resolution to all the members of the Supervisory Board.
4. Resolutions adopted pursuant to Section 3 are presented at the closest meeting of the Supervisory Board with a notification on the result of the voting.
5. A voting in written form is ordered by the Chairman or Vice-Chairman of the Supervisory Board on own initiative or on motion of another Member of the Supervisory Board.
6. An ordinance of the Chairman or Vice-Chairman of the Supervisory Board on a voting in written form is sent to all Members of the Supervisory Board by registered mail, electronic mail or facsimile transmission. Such ordinance shall specify the date on or

before which Members of the Supervisory Board may take part in the voting in written form. A draft resolution is attached to the ordinance containing a space for voting „for”, „against” or „I abstain” and the date of the voting.

7. A signed original resolution is sent by a member of the Supervisory Board by registered mail or courier mail.
8. A resolution is deemed to be passed on the last day of the period specified for the voting in written form. In the event when all Members of the Supervisory Board cast their votes before the lapse of the final date for voting in written form, such resolution is deemed as passed on the date on which a vote cast by the last Member of the Supervisory Board was recorded by the Chairman or Vice-Chairman of the Supervisory Board.
9. Minutes are drawn up to record a voting in written form. Members of the Supervisory Board taking part in a voting in written form sign the minutes at the closest meeting or in a circular manner along with the text of the resolution so passed.
10. A voting via direct telecommunications systems is ordered by the Chairman of the Supervisory Board, on own initiative or on motion of another Member of the Supervisory Board.
11. An ordinance of the Chairman or Vice-Chairman of the Supervisory Board on a voting via direct telecommunications systems, is sent to all Members of the Supervisory Board by electronic mail or facsimile transmission. Such ordinance shall specify in detail the manner of adopting a resolution and the final date for the voting via direct telecommunications systems. A draft resolution is attached to the ordinance.
12. Minutes are drawn up to record a voting via direct telecommunications systems, and the course of the voting is recorded in a manner facilitating its recovery (playback). Members of the Supervisory Board taking part in a voting via direct telecommunications systems sign the minutes at the closest meeting of the Supervisory Board or in a circular manner, along with the text of the resolution so passed.
13. Chairman or Vice-Chairman of the Supervisory Board sends to all Members of the Supervisory Board by electronic mail or facsimile transmission draft minutes from the voting, confirming the result of the voting and the content of the resolution passed in written form or via direct telecommunications systems.
14. Passing resolutions pursuant to Section 3 does not refer to elections of the Chairman and Vice-Chairman of the Supervisory Board, appointing a Member of the Management Board and revoking and suspending those persons.

COMPETENCES

§ 12

1. The competences of the Supervisory Board include issues provided for by the Polish Code of Commercial Companies and Partnerships, including:
 - 1) evaluation of the report of the Management Board on Company operations and the financial statement for the previous financial year within the scope of their consistency with ledgers, documents, as well as the factual status. This also refers to the consolidated financial statement, if it is drawn up,
 - 2) evaluation of motions of the Management Board as to distribution of profit or covering of losses,
 - 3) submitting to the General Meeting a written report regarding results of the activities referred to in Items 1 and 2,

- 4) electing a certified auditor to conduct the examination of the financial statement,
 - 5) expressing opinion on long-term strategic plans of the Company,
 - 6) expressing opinion on annual works and expenditures plans,
 - 7) adopting the rules and regulations specifying in detail the course of action of the Supervisory Board,
 - 8) adopting a uniform text of the Statutes of the Company, prepared by the Management Board of the Company,
 - 9) approval of the rules and regulations of the Management Board of the Company,
2. Moreover, the competences of the Supervisory Board shall include without limitation:
- 1) appointing and revoking members of the Management Board,
 - 2) specifying the principles of remuneration and amount of remuneration for members of the Management Board,
 - 3) suspending members of the Management Board, due to substantial and compelling reasons,
 - 4) delegating members of the Supervisory Board for a temporary performance of activities of members of the Management Board, who are unable to perform their functions,
 - 5) granting consent for creating divisions of the Company abroad,
 - 6) granting consent to members of the Management Board for taking positions in governing bodies of other companies.
3. A refusal of the Supervisory Board to grant consent in matters listed in Section 2 Item 5 and 6 shall require justification.

§ 13

1. A member of the Supervisory Board delegated by the Supervisory Board or a Proxy appointed by resolution the General Meeting enters into agreements constituting a basis for employment with members of the Management Board.
2. Acts in law other than those specified in Section 1, between the Company and members of the Management Board shall be performed in the same course.

§ 14

1. The Supervisory Board may due to substantial reasons delegate particular Members to individually fulfill specific supervisory activities for a specified period of time.
2. A delegated member of the Supervisory Board is obliged to submit to the Supervisory Board a written report regarding activities performed.

§ 15

In the event of delegating a Member of the Supervisory Board to perform functions of a Member of the Management Board, his or her mandate in the Supervisory Board and the right to draw remuneration are suspended. In connection with performing the function of a Member of the Management Board, a delegated Member of the Supervisory Board is entitled to draw separate remuneration specified in a resolution of the Supervisory Board.

§ 16

The Supervisory Board annually presents to the General Meeting a concise assessment of the situation in the Company. Such assessment shall be made available to all shareholders within such a timeline so as to make it possible for them to familiarize themselves therewith before an Ordinary General Meeting.

MINUTES

§ 17

1. Meetings of the Supervisory Board are recorded.
2. Minutes shall include the agenda, names and surnames of Members of the Supervisory Board present, as well as other persons present at a meeting, number of votes cast for particular resolutions, the content of all motions filed by Members of the Supervisory Board and dissenting opinions.
3. To the minutes there are attached: the attendance list, content of resolutions of the Supervisory Board, all material documents, including evidence of a meeting having been convened.
4. Minutes are signed by Members of the Supervisory Board present at a given meeting.

FINAL PROVISIONS

§ 18

1. The Chairman may invite persons from outside the Supervisory Board, including Members of the Management Board of the Company to participate in the meetings of the Supervisory Board.
2. The Management Board of the Company shall provide to the Supervisory Board administrative assistance, office space, technical and telecommunications devices and shall provide all or any other assistance which proves necessary in order to hold meetings of the Supervisory Board.
3. Materials from the meetings of the Supervisory Board shall be stored at the Company seat.
4. Members of the Supervisory Board are entitled to draw remuneration in connection with their functions in an amount specified by the General Meeting.
5. The Company shall cover costs incurred in connection with Members of the Supervisory Board performing the functions entrusted to them, including but not limited to the cost of transportation to the venue of the Supervisory Board meeting, costs of exercising individual supervision, costs of accommodation and board.
6. The present Rules and Regulations shall enter into force on the date of its adoption by the Supervisory Board.
7. Amendments to the present Rules and Regulations shall require a resolution of the Supervisory Board. The amended Rules and Regulations shall enter into force commencing from the meeting of the Supervisory Board following the meeting which adopted amendments.