

The following matters shall fall within the competence of the Management Board:

- 1) elaboration and submission of perspective plans for the realization of guidelines for the Company's activity to the consideration of the Board of Directors;
- 2) preparation of reports on the financial-economic activity of the Company and on the implementation of decisions passed at the General Meeting of Shareholders and/or the Board of Directors;
- 3) proposals for decisions by the Board of Directors in relation to issues on the agenda which have been initiated by the Management Board;
- 4) consideration of issues in respect of streamlining the steering of Company-s day-to-day operations within all core business areas;
- 5) approval of the investment projects of the Company with the duration of implementation (time from the moment of creation of financial obligations for the Company under the project till commissioning of the project implementation results in full scope) of more than one year and changing of the duration provided the total sum of expenditures required to implement investment project within the total duration of its implementation exceeds the amount equal to Euro 1,000,000;
- 6) approval of the following transactions of the Company excluding those being concluded to implement an investment project, which has been approved in accordance to subclause 32 of cl.12.1. of article 12 or subclause 5 of cl.18.2. of article 18 hereof within the limits of total sum of expenses under the investment project and within overall investment project implementation timeline:
 - a) transactions which subject is the disposal or potential disposal (the encumbrance) of the Company's non-current assets (including land plots, unfinished construction projects and other real property) with a book value exceeding the amount equal to Euro 1,000,000;
 - b) contracts/agreements which subject is acquisition of the non-current assets (including land plots, unfinished construction projects and other real property) which acquisition price exceeds the amount equal to Euro 1,000,000;
 - c) lease agreements annual rental payments exceed the amount equal to Euro 500,000 or if rental payments for the whole period of lease exceed the amount equal to Euro 1,000,000;
 - d) transactions which subject matter is the surety by the Company under the obligations of the third parties (including surety on bills) and/or encumbrance of the Company assets to secure obligations of third persons exceeding the amount equal to Euro 1,000,000;
 - e) technological fuel purchase and sale contracts (including gas, coal, peat, fuel oil), and supplementary agreements thereto, if value of the liabilities arising/discontinuing based on each such contract or individual supplementary agreement exceeds the amount equal to Euro 25,000,000;
 - f) the contracts for lending by the Company to a third party;
 - g) the contracts whereby the Company receives a loan from a third party provided that the sum of the loan without interest on the loan exceeds the amount equal to Euro 1,000,000;
 - i) other transactions in cases when the book value of the property being disposed or being encumbered or transaction value of works or/and services to be rendered or property (works, services) being procured exceeds the amount equal to Five

million Euro (EUR 5 000,000), excluding those transactions associated with disposal and/or purchase of electricity (capacity), financial instruments (derivatives), deposit agreements, deposit transactions concluded on the clearing market, and foreign currency purchase contracts;

- 7) decision making on a Company's renunciation of suit (claim), on making amicable agreement, on acknowledgement of the claims presented to the Company, in case claim subject matter in cash equivalent exceeds the amount of Euro 500,000, or reduction of the claims announced by the Company by the amount exceeding Euro 500,000;
- 8) defining of Company's (Company representatives') position in respect to the following items of the agenda of Subsidiaries' general shareholders (participants) meetings and Board of Directors meetings:
 - a) reorganisation of Subsidiaries;
 - b) definition of the number, nominal value, category (type) of declared shares of Subsidiaries and rights granted by these shares;
 - c) increase of the authorized capital of Subsidiaries by increasing of the nominal value of shares;
 - d) Share splitting and consolidation of the Subsidiaries' shares;
 - e) amendments and supplements to the Articles of Association or approval of a revision of the Articles of Association of the Subsidiaries;
 - f) decisions on participation of the Company in other entities (organizations), including the establishment of Subsidiaries, changes in the participation, encumbrance of shares and termination of participation in such entities;
 - g) placement of bonds and other issue-grade securities by the Subsidiaries;
 - h) on recommendations for the amount of the Subsidiary's share dividend and procedure of its paying;
 - i) on utilization of Subsidiary's funds;
 - j) on electing sole executive bodies of the Subsidiaries, including setting terms and conditions of employment agreements with the General Directors of the Subsidiaries as well as conditions of early termination of their authority;
 - k) on the approval of the documents guiding the financial policy of a Subsidiary;
 - l) on the approval of the Subsidiary's insurance standards and of the Subsidiary's insurance programs;
 - m) on the approval of the Subsidiary's budget, including loss-and-profit plan, investment plan, personnel planning, cash flow plans, sponsorship and social investments and charity expenses plans;
 - n) on the approval of the Subsidiary's auditor;
 - o) on the approval of major transactions, related-party transactions and other transactions, which are referred by the Subsidiary's Articles of Association to the competence of the Subsidiary's General Meeting of Shareholders or Subsidiary's Board of Directors with the exception of transactions specified in Paragraph "h" sub-clause 27 clause 12.1 article 12 hereof;

- p) approval of Subsidiary's implementation of or Subsidiary's participation in implementation of projects provided that the total sum of Subsidiary's expenditures required to implement the project exceeds the amount equal to Euro 1,000,000.
- 9) approval of transactions associated with the disposal of the Company's property and/or performance of works (provision of services) by the Company , if (i) the property is to sold at the price which is more than 20% below its book value, or the price of works, services is below their costs by more than 20 % , and (ii) the price difference between price and the book value (costs of works and services) exceeds the equivalent of Euro 100,000;
 - 10) approval of a transfer of the Company's property without any consideration (incl., charity and sponsorship and social investments), discharge from the property commitment to the Company or to the third parties, provision of services (carrying out works) by the Company without any consideration;
 - 11) approval of the organisational structure of the executive level of the Company and changes hereto;
 - 12) approval of plans and events related to instruction and advanced training of the Company's employees;
 - 13) approval of the supplementary agreements to Company's collective bargaining agreements in case the said agreements result in increase of the Company's expenses by more than Euro 1,000,000 per annum;
 - 14) approval of internal Company's regulations on setting main principles of Company's functioning, including social benefits and guarantees for the Company's employees in excess of those as stipulated in collective bargaining agreements;
 - 15) establishment of the Company's branches and representative offices, their liquidation, approval of the Regulations for the Company's branches and representative offices;
 - 16) consideration of reports submitted by the Deputies of the General Director, the heads of the Company's subdivisions which concern the results of implementation of the approved plans, programs, instructions, consideration of reports, documents and other information related to the Company's activity as well as the activity of its Subsidiaries;
 - 17) decisions on participation of the Company in other entities (organizations), including the establishment of Subsidiaries, changes in the participation, encumbrance of shares and termination of participation in such entities, and conclusion of cooperation agreements;
 - 18) resolution of other matters of the Company's day-to-day activities in compliance with resolutions and documents approved by of the General Meeting of Shareholders, the Board of Directors as well as other issues brought before the Management Board by the General Director.