



**Management Board By-Laws
TAURON Polska Energia S.A.
with its seat in Katowice**

I. General provisions.

§1.

1. Management Board of Tauron Polska Energia Spółka Akcyjna, henceforth called "the Management Board", acts on the basis of the Code of Commercial Companies and other regulations of law, resolutions of the Articles of Association as well as other provisions of these present by-laws.
2. In the performance of their duties the members of the Management Board follow the principles defined in the Code of Best Practices of WSE Listed Companies in force.

§2.

The by-laws of the Management Board define:

- 1) division of competences between the Members of the Management Board,
- 2) way of the Management Board's operation,
- 3) organisation of the Management Board's meetings.

II. Division of competences of the Members of the Management Board.

§3.

1. The work of the Management Board is managed by the President of the Management Board, who chairs the meetings of the Management Board and coordinates the implementation of tasks carried out by individual Members of the Management Board.
2. Members of the Management Board are jointly responsible for managing the Company. They cooperate with one another and inform one another about all material issues connected with the statutory activity of the Company.

§4.

1. Irrespective of the joint responsibility referred to under §3, each Member of the Management Board manages and supervises the work of subordinate organisational units and independent work positions directly assigned to him, specified in the Company's Organisational By-Laws. Assigning of organisational units and independent work positions directly reporting to individual Members of the Management Board is done by the Management Board in the form of a resolution.
2. The internal division of tasks and responsibilities for particular organisational units and independent work positions directly reporting to Members of the Management Board should be in line with the provisions of the Company's Organisational By-laws.
3. Each Member of the Management Board is obliged to prepare and refer at the Management Board's meetings the issues resulting from the scope of work of organisational units and independent work positions they supervise.

§5.

The Management Board may, by means of a resolution, appoint proxies and special and specific proxies defined in § 9 section 1 item 3). Appointment of a proxy requires a unanimous resolution of all members of the Management Board. Each member of the Management Board may revoke the procuration.

§6.

The Management Board may, shall the need arise, appoint program and task teams. Directors, proxies, advisors and other employees take part in the Management Board's meetings by invitation.

III. Method of the Management Board's operation.

§7.

1. The Management Board conducts the Company's issues and represents the Company in all judicial and non-judicial proceedings.
2. All issues connected with managing the Company not restricted by the regulations of law and provisions of the Company's Articles of Association for the General Meeting or Supervisory Board are within the competences of the Company's Management Board.

§8.

1. Cooperation of two Members of the Management Board or one Member of the Management Board together with a proxy is required to submit statements on behalf of the Company. Shall the Management Board be single-person, one Member of the Management Board or a proxy is authorized to submit statements on behalf of the Company.
2. Documents connected with conducting the Company's business as a part of regular management, not resulting in obligations and other financial or legal effects, are signed by one person by Members of the Management Board.

§9.

1. All issues which exceed the regular management of Company's matters require Management Board's resolutions, especially matters defined in §14 section 2 of the Company's Articles of Association as well as:
 - 1) adopting the basic internal regulations concerning the operation of the Company's enterprise, not reserved to the Supervisory Board,
 - 2) defining the directions of financial and credit policy as well as remuneration policy in the Company,
 - 3) appointing special and specific proxies, except for special and specific proxies authorized to perform specific legal actions and procedural powers,
 - 4) appointing and dismissing Executive Directors under the Organisational

- Regulations of the Company,
- 5) appointing and dismissing members of bodies of companies in which TAURON Polska Energia S. A. holds stocks or shares as well as other legal persons and organisational units on the basis of special powers of TAURON Polska Energia S. A. defined in agreements or articles of association of these entities,
 - 6) designating candidates of TAURON Polska Energia S. A. for members of supervisory bodies of companies in which Tauron Polska Energia S. A. holds stocks or shares as well as other legal persons and organisational units,
 - 7) recommending changes in the composition of the Management Board of the Subsidiary (or another company in which TAURON Polska Energia S.A. holds shares), if the governing body implementing the change is the Supervisory Board of the Subsidiary,
 - 8) recommending changes in the composition of the bodies of the Companies in which the Subsidiaries hold shares and have an impact on changes in the composition of the bodies,
 - 9) converting registered shares into bearer shares,
 - 10) summoning the General Meeting as well as submitting a written proposal to summon the Supervisory Board meeting,
 - 11) all issues whose examination by the Supervisory Board or the General Meeting is asked for by the Management Board,
 - 12) issues whose examination in the form of a resolution is required by inter-company regulations,
 - 13) appointing a person who will be carrying out activities in the scope of labor law,
 - 14) other issues, under the condition that the Management Board considers them justified to be examined in this way.
2. The Management Board performs activities defined in section 1 subject to appropriate competences of the Supervisory Board as well as the Shareholders' General Meeting defined in Articles of Association as well as in separate regulations.

§10.

1. In all matters not requiring a resolution of the Management Board, each member of the Management Board may independently conduct the affairs of the Company, subject to the principle of joint representation and these Regulations to the extent that arises from the division of tasks and responsibilities for individual organisational units and independent work positions directly reporting to Members of the Management Board. In the case of an objection by at least one member of the Management Board, the decision is withheld until the case is settled by means of the Management Board's resolution, subject to §8.
2. Member of the Management Board should avoid engaging in professional

or other activity that might lead to a conflict of interest or have negative impact on their reputation as a member of the Company's governing body, and in the case of a conflict of interest they should immediately disclose it.

3. Performing a function in the Management Board of the Company is the main area of professional activity of a Member of the Management Board. A member of the Management Board should not undertake additional professional activity if the time devoted to such activity prevents him from reliably performing his duties in the Company.
4. Member of the Management Board should not accept benefits that might affect their impartiality and objectivity when it comes to taking decisions or that might have negative impact on the independence of their opinions and judgements.

IV. Organisation of the Management Board's meetings.

§11.

Management Board's meetings are organised by the organisational unit responsible for supporting the governing bodies of TAURON Polska Energia S.A.

§12.

1. President of the Management Board or the Vice President of the Management Board appointed by him convenes the meetings of the Management Board.
2. Management Board's meetings are also convened upon the motion of the majority of Vice Presidents of the Management Board, as well as the Chairperson of the Supervisory Board.
3. Motions to examine issues during the meeting of the Management Board are submitted together with documents pertaining to them to the organisational unit responsible for supporting the Company's governing bodies at least four days before the meeting of the Management Board during which they are to be examined. The subject motion shall include an appropriate justification.
4. Persons managing organisational units reporting directly to the Management Board and persons holding other independent work positions submit the motions to examine issues at the meeting of the Management Board to the Member of the Management Board responsible for the given type of issues or to whom a given organisational unit or independent work position is subordinate. Materials to be examined by the Management Board should be prepared in a concise way and include suggestions concerning settling the issue as well as define financial results of the suggested settlement.
5. Motions to examine an issue during the Management Board's meeting are examined by organisational units competent for legal matters and controlling, and in the event that the subject of the application concerns the issuance of internal or intra-corporate regulations, the motion is additionally reviewed by the organisational unit responsible for regulations, subject to the

provisions of section 6.

6. Detailed rules for issuing opinions on the motions referred to in section 5, are specified in the Rules for submitting motions and referring matters for consideration by the Company's governing bodies, adopted by the Management Board.

§13.

1. Meetings of the Management Board take place in the Company's seat, on the date established by the person convening the meeting, subject to provisions of §15 and 16.
2. In justified cases meetings of the Management Board may take place outside the Company's seat.
3. Participation in the meeting of the Management Board using means of direct remote communication shall be made possible.
4. In case of submitting a motion to convene a meeting by the majority of the Vice Presidents of the Management Board, meeting of the Management Board shall be convened not later than seven days from the day of submitting the motion unless the motion allows for convening it later.

§14.

1. Draft of the agenda of the Management Board's meeting shall be prepared by the organisational unit responsible for supporting the governing bodies of TAURON Polska Energia S.A. on the basis of submitted motions and submitted for acceptance to the President of the Management Board and shall he be absent – to a Vice President appointed by him.
2. Members of the Management Board shall be informed in writing or electronically by the President of the Management Board or an authorized Vice President of the Management Board through the organisational unit responsible for supporting the governing bodies of TAURON Polska Energia S.A. about the date of the meeting and the agenda at least two days before the day of the meeting.
3. Members of the Management Board are obliged to take part in meetings and works of the Management Board. A Member of the Management Board is obliged to inform the President of the Management Board about obstacles preventing him from taking part in the meetings.

§15.

In justified cases the President of the Management Board may convene the meeting by urgent procedure without observing the two-day period of notification. In such a situation the By-laws shall be applied appropriately.

§16.

1. President of the Management Board or Vice President of the Management Board appointed by him, henceforth called the Chairperson, shall chair

meetings of the Management Board.

2. The Chairperson of the meeting acknowledges the correctness of convening the meeting, and then presents the agenda of the meeting.
3. In justified cases Members of the Management Board have the right to submit a motion to examine an issue not included in the agenda. The Management Board shall examine the submitted motions, and then, by means of voting shall adopt the agenda.
4. The Chairman shall hold the meeting in accordance with the adopted agenda.
5. Having exhausted the agenda the Chairman shall conclude the meeting of the Management Board.

§17.

1. Drafts of resolutions are subject to voting. The voting shall be preceded by a discussion on the draft of the resolution.
2. Drafts of the Management Board's resolutions shall include:
 - 1) title of the resolution,
 - 2) number of the resolution, composed of:
 - a) subsequent number of resolution in the given year (in Arabic numerals),
 - b) number of the term of office of the Management Board (in Roman numerals),
 - c) year.
 - 3) date of passing the resolution,
 - 4) legal basis,
 - 5) substantial content,
 - 6) indicating Company's organisational units or persons obliged to execute the resolution,
 - 7) indicating persons exercising supervision over the execution of the resolution,
 - 8) date of entering into force of the resolution or its period of validity or execution.

§18.

1. The Management Board shall vote in an open ballot, unless the law stipulates otherwise. The result of the voting shall be recorded in the minutes of the meeting.
2. Resolutions of the Management Board are passed by an absolute majority of votes in the presence of at least a majority of the Members of the Management Board. In the case of an equal number of votes the vote of the President of the Management Board shall be decisive.
3. Member of the Management Board should inform the Management Board about the occurrence or a possibility of occurrence of a conflict of interest and shall not take part in examination of the matter or voting over resolution on a matter in relation to which a conflict of interest might occur involving that Member of the Management Board.

4. The Management Board may pass resolutions in a written mode or by means of direct remote communication. The resolution is valid when all Members of the Management Board have been notified of the content of the draft resolution and at least the majority of Members of the Management Board participated in adopting the resolution.
5. Voting in modes defined in section 4 is ordered by the President of the Management Board or a Member of the Management Board appointed by him, defining the deadline of voting by the Members of the Management Board.
6. Notification about the voting, in modes defined in section 4, together with the motions and drafts of resolutions is presented to all Members of the Management Board in the written form and delivered by a courier, or by means of fax or electronic mail at the address of the personal corporate e-mail.
7. Voting in the writing mode is based on the fact that each Member of the Management Board, having received the draft of the resolution votes by writing "for", "against" or "abstain" under the content of the draft of the resolution, signing and writing the date of voting next to the signature.
8. Voting by means of direct remote communication takes place when the Members of the Management Board are not present in one place, but they can communicate and discuss the submitted draft of the resolution by means of a telephone (phone conference), electronic mail, Internet communicator or every other technical means providing direct communication which is available to the Members of the Management Board.
9. Receiving a vote from Members of the Management Board during the voting by using means of direct remote communication shall take place in a way indicated by the President of the Management Board, where there are no obstacles to establish various means of communication for receiving votes in one voting. In the case of doubts it is decided that while communicating by the phone, phone conference or video conference, Members of the Management Board shall give their votes orally to the President of the Management Board, whereas while communicating by using electronic mail or fax, Members of the Management Board shall give their vote through these means of communication. Giving a vote by means of electronic mail or fax, a Member of the Management Board indicates clearly what vote he is giving by indicating "for", "against" or "abstain". Next to indicating the vote, the Member of the Management Board shall sign (fax) or shall give his surname (mail) together with the date of voting.
10. Minutes from the written voting or voting by means of direct remote communication, including resolutions passed in this way shall be signed by the President or a Member of the Management Board who ordered the voting, and then they shall be presented at the first coming meeting of the Management Board with presenting the result of the voting.

11. Change in the content of the resolution requires passing a new resolution.

§19.

1. Resolutions of the Management Board shall be signed by all Members of the Management Board present at the meeting.
2. Enclosures attached with Resolutions of the Management Board and approved by the Management Board shall be signed by the Director responsible for supporting the governing bodies of the Company.
3. Members of the Management Board voting against a resolution may submit a dissenting opinion to the minutes. It shall be recorded in the minutes together with justification.
4. Decisions of the Management Board, which are rulings on current issues, not requiring passing a resolution, are recorded only in the minutes.
5. If a Member of the Management Board is of the opinion that the decision taken by the Management Board is against the interest of the Company, they shall request that their dissenting opinion on this matter be included in the minutes of the Management Board meeting.

§20.

1. Minutes from the meeting of the Management Board are prepared by the organisational unit responsible for supporting the governing bodies of TAURON Polska Energia S.A.
2. The minutes shall include subsequent number of the minutes in a given year (in Arabic numerals), number of the Management Board's term of office (in Roman numerals), year, date and place of the meeting, names and surnames of Members of the Management Board present at the meeting as well as persons invited, the agenda, declarations submitted to the minutes, number of votes given for particular resolutions as well as dissenting opinions. The minutes shall include the content of the passed resolutions, opinions and recommendations. Content of the resolutions as well as documents pertaining to them shall be attached to the minutes.
3. The minutes shall be signed by the Members of the Management Board present at the meeting as well as the absent ones unless they lodge an appeal to it.
4. Minutes of the meeting as well as original copies of the resolutions are kept in the Book of Minutes and Resolutions of the Management Board.

§21.

1. Organisational unit responsible for supporting the governing bodies of TAURON Polska Energia S.A. shall immediately forward the resolutions passed at the meeting as well as excerpts from the minutes of the meeting including opinions and recommendations of the Management Board to

organisational units responsible for their realisation.

2. Every Member of the Management Board or a Director responsible for supporting the governing bodies of the Company shall have the authority to certify signatures or excerpts from the minutes of the Management Board's meetings.

§22.

Persons invited by the Members of the Management Board, especially persons mentioned in § 5 and 6 of the By-laws may be invited to the Management Board's meetings.
