Mr Zvezdan Kalmar Serbian coordinator for CEE Bankwatch Network, CEKOR, Korzo 15/13, 24000 Subotica, Serbia

14 February 2012

Subject: EPS Kolubara Environmental Improvement Project Stakeholder Engagement Plan

Dear Mr Kalmar.

Thank you for your letter of 26 January. We have consulted with EPS on the questions raised in your letter concerning the Stakeholder Engagement Plan for the EPS Kolubara Environmental Improvement Project, and have the following answer to these questions:

1. Progress with the Stakeholder Engagement Plan, next steps and targets for 2012

EPS is continuing to work on the implementation of the agreed Stakeholder Engagement Plan, and has formed a SEP team of 13 people covering environment, health and safety, integrated management system, personnel, legal, and public relations to directly work on the implementation of the SEP.

2. Did EPS/Kolubara branch established liaison people- team or individual, and when they were introduced to the community?

EPS have informed us that the appointed manager of the SEP team, Zoran M. Markovic, Director of Legal, Personnel and General Issues Department of the Surface Pits branch of the Kolubara mining subsidiary, is the person known to the local community in terms of expropriation complaints, and the public is in the process of being notified that he is now the person to address regarding all other questions and complaints. His contact details are:

E-mail: sep@rbkolubara.rs
Telephone: +381 11 8123 130

3. Did EPS set up a complaint policy or employ a complaint officer/team, and if yes, did they inform the community about the grievance options?

The public has been notified about the existing complaints procedure. However the SEP team will review the existing procedure and if considered necessary, will improve the procedure and notify the public on such improvements. EPS suggest that the public should address the Manager of the SEP team, Zoran Markovic, with complaints, and he will forward the complaint to the appropriate member of the SEP team, in accordance to the nature of the complaint.

4. Is there any communication between EPS/ Kolubara branch with directly impacted communities, eg. in Barosevac, Vreoci, Medosevac, Zeoke, Veliki Crljeni on providing support for any community development programs?

EBRD have discussed the community development activities with EPS, and we understand that the local community representatives in each of the villages mentioned are aware of these development activities. However for specific details of such community development activities, please contact the SEP team manager at EPS directly.

If you have additional questions, do please let us know.

Best regards.

Yours sincerely,

Hildegard Gacek,

Parch

Director, EBRD Serbia.