

## **Information of the Management Board of Lubelski Węgiel Bogdanka S.A. on the selection of the audit firm to audit the annual financial statements**

*(prepared in accordance with the requirement of Article 70.1.7 of the Regulation of the Minister of Finance on current and periodic information published by issuers of securities and the conditions for deeming equally important the information required by provisions of law of a country which is not a Member State of 29 March 2018)*

The Management Board of Lubelski Węgiel Bogdanka S.A. (Company, Issuer), on the basis of the declaration of the Company's Supervisory Board dated 25 March 2020 on the selection of the audit firm to audit the annual financial statements, hereby informs you as follows:

– on 5 January 2018, the Supervisory Board, acting in accordance with the applicable laws and on the basis of rules and regulations applicable at Lubelski Węgiel Bogdanka S.A., i.e. the relevant policies and the procedure for the selection of an audit firm, on the basis of a recommendation made by the Audit Committee, selected PricewaterhouseCoopers Sp. z o.o. (currently PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k.) with its registered office in Warsaw at ul. Polna 11, entered in the list of entities authorised to audit financial statements, kept by the Polish National Council of Chartered Auditors under entry No. 144, in order to do the following:

- review the interim separate financial statements of Lubelski Węgiel Bogdanka S.A. and the interim consolidated financial statements of the Lubelski Węgiel Bogdanka Group prepared as at 30 June of a given year (2018, 2019 and 2020), in accordance with IFRS EU and draw up a review report in Polish and English.
- audit the annual separate financial statements of Lubelski Węgiel Bogdanka S.A. and the annual consolidated financial statements of the Lubelski Węgiel Bogdanka Group prepared as at 31 December of a given year (2018, 2019 and 2020), in accordance with IFRS EU and draw up an audit report in Polish and English.

Irrespective of the above, on the basis of the concluded agreement, the above audit firm will provide additional permitted services, including verification activities relating to the indicated financial aspects as well as an audit of regulatory statements within the meaning of the provisions of Energy Law.

- the audit firm referred to above and the members of the team conducting the audit met the conditions required to draw up an impartial and independent report on the audit of the annual financial statements for the financial year 2019 in accordance with the applicable laws, professional standards and principles of professional ethics;
- Lubelski Węgiel Bogdanka S.A. complies with the applicable laws relating to the rotation of the audit firm and the key chartered auditor and the obligatory grace periods;
- Lubelski Węgiel Bogdanka S.A. has a policy on the selection of an audit firm and a policy on the provision of additional, non-audit services, including services conditionally exempt from the prohibition against providing certain services by the audit firm for the benefit of Lubelski Węgiel Bogdanka S.A. by the audit firm, an entity affiliated with the audit firm or a member of its network.

**President of the Management Board**

**Artur Wasil**

**Vice-President of the Management Board, Employee and Social Affairs**

**Adam Partyka**

**Vice-President of the Management Board, Economic and Financial Affairs**

**Artur Wasilewski**

**Vice-President of the Management Board, Development**

**Dariusz Dumkiewicz**