

**Resolution No. [•]  
of the Annual General Shareholders Meeting  
of Lubelski Węgiel Bogdanka Spółka Akcyjna of 27 June 2013  
regarding: issue of series A subscription warrants with the exclusion of a pre-emptive right,  
conditional increase in the Company's share capital with the exclusion of a pre-emptive right,  
consent to carry out the Management Options Scheme in 2013-2017**

**Article 1**

1. Acting under Article 453.2 of the Commercial Companies Code of 15 September 2000 (Dz. U. of 2000, No. 94, item 1037) ("**Code**") and under Articles 52.3.4-5 of the Articles of Association of Lubelski Węgiel Bogdanka S.A. with its registered office in Bogdanka ("**Company**"), subject to registration, by the relevant registration court, of an increase in the Company's share capital, the Company's Annual General Shareholders Meeting hereby resolves to issue up to 1,360,540 (one million three hundred sixty thousand five hundred and forty) registered series A subscription warrants ("**Warrants**").
2. The Warrants will be offered to the members of the Company's Management Board and to senior management members of key importance for the Company's development, i.e. to employees of the Company and of its subsidiaries as named in a list prepared by the Management Board and approved by the Supervisory Board ("**Eligible Persons**") accounting for less than 150 people, as a result of the exercise of options allocated by the Company's Supervisory Board ("**Options**") as part of the Management Options Scheme in place at the Company in 2013-2017 ("**Scheme**"). The Warrants may not be acquired by any member of the Supervisory Board.
3. The Warrants will be offered in a private placement.
4. The Warrants will be issued in the form of documents and may be issued as collective warrant certificates.
5. The Warrants will be issued free of charge.
6. Each Warrant will carry the right to acquire one Series D Share.
7. The right to acquire Series D Shares under the Warrants may be exercised not later than on 27 June 2023.
8. The Warrants for which the right to acquire Series D Shares is not exercised by the date specified in Article 1.7 will expire.
9. The Warrants may be acquired by the Eligible Persons under the terms and conditions set forth in the Scheme and only for the purpose of exercising the Options.
10. All Warrants are non-transferable.
11. The Warrants are inheritable.
12. The Annual General Shareholders Meeting hereby authorises the Management Board to do the following:

- (a) to do anything that may be necessary in connection with the issue of the Warrants, which includes deciding on the content of the Warrant document and the collective Warrant certificate,
- (b) to do anything that may be necessary in connection with the issue of the Warrants to the Eligible Persons in accordance with the rules contained in this Resolution and the Scheme (except for the actions reserved, in this Resolution, for the Supervisory Board), which includes, without limitation, setting the closing date for the issue of the Warrants to Eligible Persons and concluding an agreement with a financial institution under which that institution would perform certain services connected with keeping the Warrants.

## **Article 2**

The Company's Annual General Shareholders Meeting appreciates the incentive nature of the option to acquire shares in the Company by Eligible Persons and, therefore, approves the Scheme for implementation at the Company and authorises the Supervisory Board to define detailed terms and conditions of the Scheme, respecting the following provisions:

1. The Company may allocate up to 1,360,540 (one million three hundred sixty thousand five hundred and forty) Options for Eligible Persons to acquire the Warrants free of charge, divided into portions over a period of 5 years.
2. The number of Options to which all Eligible Persons are entitled in each year of the Scheme will not exceed 272,108 (two hundred seventy-two thousand one hundred and eight).
3. Each Option allocated by the Company will carry the right to the number of Warrants equal to the product of the intrinsic value of the Option divided by the market price of shares in the Company determined as at the date of exercising the Option.
4. The intrinsic value of an Option will be equal to the difference between the market price of shares in the Company as at the date of exercising the Option and the exercise price of the Option.
5. The market price of shares in the Company will be equal to the closing price of the Company shares as at the date of exercising the Option or the next trading day immediately following the date of exercising the Option, if on the date of exercising the Option the trading session at the Warsaw Stock Exchange is not held.
6. The exercise price of any Option will be equal to the base price less the cumulative dividend paid by the Company: (i) until the date of exercising the Option, calculated on a per-share basis, starting from the dividend for 2012 – in relation to Options allocated on the date of the adoption, by the Supervisory Board, of detailed terms and conditions of the Scheme, and (ii) from the date of allocating the Option until the date of exercising the Option, calculated on a per-share basis — in other cases. The base price on the Option allocation date will equal the average price of the Company's shares for 3 months before: (i) the date of adopting this Resolution by the General Shareholders Meeting – in relation to Options allocated on the date of the adoption, by the Supervisory Board, of detailed terms and conditions of the Scheme, and (ii) the Option allocation date – in other cases. In each consecutive calendar month the base price will be indexed by 0.35%. The average price of shares in the Company will be calculated based on the closing prices of shares in the Company.

7. The Options will be allocated by the Supervisory Board, except that the Management Board's request will be required to allocate any Options to any Eligible Person other than a member of the Company's Management Board.
8. On the date of the adoption, by the Supervisory Board, of detailed terms and conditions of the Scheme ("**Terms and Conditions**"), the Supervisory Board will allocate 81% of the total number of the Options, in two equal portions, to the members of the Company's Management Board and to the Company's key personnel, with each member of the Management Board other than the President of the Management Board to receive 9% of the total number of the Options and with the President of the Management Board to receive 13.5% of the total number of the Options. If an Eligible Person loses his or her right to exercise all or any part of the above Options, then the Supervisory Board may allocate such Options to other Eligible Persons. The remaining 19% of the total number of the Options may be allocated by the Supervisory Board, in full or in part, in each year of the Scheme and at its discretion, provided that no member of the Management Board may, in any case, be allocated more than 9.5% of the above Options. Following the date on which the Terms and Conditions are adopted, Options will be allocated only to new Scheme participants, i.e. persons who are not Eligible Persons on the date specified above.
9. The exercise of the Options allocated will be conditional upon the satisfaction of certain business criteria consistent with the Company's strategic plans according to the following:
  - (a) (c) Earnings Per Share - the satisfaction of this criterion will entitle the holder to exercise 50% of the Options allocated. However, the value of this criterion for subsequent years of the Scheme will be determined as a percentage relation to the Earnings Per Share in 2012 and will not be less than the following:

EPS	2013	2014	2015	2016	2017
[Increase in relation to 2012]	10%	38%	55%	65%	72%

- (b) the amount of the Unit Cost of Coal Production in real terms (UCCPr) – the satisfaction of this criterion will entitle the holder to exercise 50% of the Options allocated. However, the value of this criterion for subsequent years of the Scheme will be determined as a percentage relation to the Unit Cost of Coal Production in 2012 and will not be less than the following:

UCCPr	2013	2014	2015	2016	2017
[Decrease in relation to 2012]	4%	5%	9%	11%	13%

The annual Consumer Price Index published by the Central Statistics Office will in each case be taken into account when assessing whether the criterion specified in Article 2.9(b) has been satisfied.

10. The values of the business criteria specified in Article 2.9 above will be identical for all Eligible Persons and will be determined by the Supervisory Board for each year of the Scheme on the date of adopting the Terms and Conditions. The values shall not be less

demanding than those specified above. Thereafter, the Supervisory Board may not further amend the criteria without consent of the General Shareholders Meeting.

11. An additional prerequisite for the exercise of the Options will be the employment of the Eligible Person in a position covered by the Scheme as at the last day of the calculation period for which the Supervisory Board will assess the satisfaction of the Option exercise criteria.
12. If any one or both of the Option exercise criteria specified in Article 2.9 above is not (are not) satisfied for a given calculation period, 50% of the Options for that period which cannot be exercised for such reasons will be added to the number of the Options that the Eligible Person will be entitled to exercise for the following calculation period, provided that if the Option exercise criteria are not satisfied for any subsequent calculation period, the number of the Options added to the number of the Options for subsequent calculation periods will, in each case, be reduced by 50%. The right to exercise Options which have accumulated during the previous calculation periods will be conditional upon the satisfaction of the criteria specified in Article 2.9 above in the previous periods, in accordance with the rules specified in the Terms and Conditions. The calculation period as part of the Scheme will be the Company's financial year, with the first such period to be the year 2013.
13. No Option may be exercised in the period between the date of allocating the Option and the date of confirmation, by the Company's Supervisory Board, of the satisfaction of the Option exercise criteria. During the period of three years following the expiry of the above period, the Eligible Person will be entitled to exercise the Option on dates specified in the Terms and Conditions, but in each case, outside the closed periods as defined in the Act on Trading in Financial Instruments of 29 July 2005 (Dz.U. of 2010, No. 211, item 1384, as amended). Eligible Persons who acquire Warrants as a result exercising the Options may not make a statement on the acquisition of Series D Shares before the lapse of three years from the Option allocation date, provided that the provisions of Article 2.15 below apply in relation to 50% of the Warrants acquired by the Eligible Person.
14. In the event that employment in the Company is terminated: (i) by an Eligible Person otherwise than by mutual agreement of the parties, or (ii) by the Company for reasons resulting in the loss of rights to the Options, the Eligible Person will be entitled to exercise the Options on the terms specified in this Resolution and in the Terms and Conditions, for the period from the Option allocation date until the end of the last full calculation period during which the Eligible Person was employed. In the event that the employment of the Eligible Person is terminated: (i) by the Company otherwise than for reasons resulting in the loss of rights to the Options, or (ii) by mutual agreement, the Eligible Person is entitled to exercise the Options in a number proportionate to the period from the Option allocation date to the employment termination date.
15. After each case of exercising an Option and acquiring Warrants, the right to acquire Series D Shares arising from a half of the Warrants acquired by the Eligible Person concerned ("**Loyalty Portfolio Warrants**") may not be exercised before the expiry of the earlier of the following: (i) three months before the lapse of 10 years from the date of adopting this Resolution by the General Shareholders Meeting, (ii) the date of termination of the Eligible Person's employment in a position covered by the Scheme. When shares are acquired as a result of exercising the rights arising from the Loyalty Portfolio Warrants ("**Loyalty Shares**"), the Eligible Person concerned will be entitled to begin disposing of his/her Loyalty Shares not earlier than after the date of termination of the Eligible Person's employment in a position covered by the Scheme, in three equal portions and on the following dates: (a) after the date of termination of the Eligible Person's employment in a position covered by the Scheme, (b) after one year from the date of termination of the Eligible Person's employment

in a position covered by the Scheme, (c) after two years from the date of termination of the Eligible Person's employment in a position covered by the Scheme, subject to Article 338.1 of the Commercial Companies Code.

16. The issue price of the shares in the Company acquired as a result of exercising the rights under the Warrants will be paid as part of the additional consideration to be paid by the Company to the Eligible Persons on the date of exercising such rights, at the net amount equal to the nominal value of the acquired shares in the Company.

### **Article 3**

The Company's Annual General Shareholders Meeting hereby resolves:

1. to conditionally increase the Company's share capital by an amount not higher than PLN 6,802,700 (six million eight hundred two thousand and seven hundred zlotys) by issuing not more than 1,360,540 (one million three hundred sixty thousand five hundred and forty) ordinary bearer Series D shares with the nominal value of PLN 5.00 (five zlotys) each ("**Series D Shares**").
2. The conditional increase in the Company's share capital is made in order to grant the right to acquire Series D Shares to holders of the Warrants to be issued under this Resolution.
3. The right to acquire Series D Shares may be exercised by the date specified in Article 1.7 of this Resolution.
4. The issue price of Series D Shares is PLN 5.00 (five zlotys) each.
5. Series D Shares will be issued only for contribution in cash to those Warrant holders who submit a written statement on their acquisition of Series D Shares, in accordance with Article 451.1 of the Commercial Companies Code, and make payment of the issue price of the Series D Shares.
6. Series D Shares will carry the right to dividends under the following rules:
  - (a) The Series D Shares recorded in the Eligible Persons' securities accounts not later than on the record date specified in the Company's General Shareholders Meeting's resolution on the distribution of the Company's profit will carry the right to dividends out of the profit made in the financial year preceding the financial year in which the shares were recorded in the securities accounts, i.e. from 1 January of the financial year preceding the year in which the shares were recorded in the relevant securities accounts;
  - (b) The Series D Shares recorded in the Eligible Person's securities accounts after the dividend date specified in the Company's General Shareholders Meeting's resolution on the distribution of the Company's profit will carry the right to dividends starting from the dividend for the financial year in which the shares were recorded in the securities accounts, i.e. from 1 January of the financial year in which the shares were recorded in the relevant securities accounts.
7. Under Article 433.2 of the Commercial Companies Code, based on the Company's Management Board's written opinion specifying the reasons for depriving shareholders of the right to acquire Series D Shares and defining the rules for calculating the issue price of the above shares, the existing shareholders in the Company are hereby deprived, in the Company's interest, of all their rights to acquire Warrants and their rights to acquire Series D

Shares. The Management Board's opinion specifying the reasons for depriving shareholders of the right to acquire Series D Shares and defining the rules for calculating the issue price of the Shares is attached as an Appendix to this Resolution.

8. The Annual General Shareholders Meeting hereby resolves to apply for admission and introduction of Series D Shares to and into trading on the regulated market operated by Giełda Papierów Wartościowych w Warszawie S.A. with registered office in Warsaw (Warsaw Stock Exchange, "**WSE**").
9. The Annual General Shareholders Meeting hereby resolves to dematerialise Series D Shares.
10. The Annual General Shareholders Meeting hereby authorises and obligates the Management Board to do the following:
  - (a) to conclude an agreement to register Series D Shares with the securities depository maintained by Krajowy Depozyt Papierów Wartościowych S.A. with registered office in Warsaw (National Depository for Securities, the "**NDS**");
  - (b) to conclude agreements with a financial institution of its choice under which the institution would perform all or selected services connected with the issue, acquisition and registration of the Series D Shares with NDS and connected with the admission and introduction of the Series D Shares to and into trading on the WSE's regulated market.
  - (c) to do anything connected with the allotment of the Series D Shares to the Eligible Persons under the rules contained in this Resolution and in the Scheme, except for any actions connected with the allotment of the Series D Shares to the members of the Management Board, which actions will be performed by the Supervisory Board;
  - (d) to do anything that may be necessary to implement this Resolution, which will include anything that may be necessary to obtain registration of the Series D Shares with NDS, and the admission and introduction of the Series D Shares to and into trading on the WSE's regulated market.

#### **Article 4**

This Resolution shall become effective on the day of its adoption.