

Current Report No. 12/2013

Date of preparation: 17 April 2013

Subject: Conclusion of an Agreement with Caterpillar Mining sp. z o.o. and the Volumes of Trading with Caterpillar Global Mining Europe GmbH and its Subsidiaries per value of the Significant Agreement

General legal basis: Art. 56.1.2 of the Act on Public Offering – current and periodic information

Content:

The Management Board of LW BOGDANKA S.A. with registered office in Bogdanka (the “Company”, the “Client”) hereby informs you that on 16 April 2013 it entered into an agreement with Caterpillar Global Mining sp. z o.o. (ul. Fabryczna 6, 41-404 Mysłowice) for the supply of factory-new spare components for the ploughing systems made by BUCYRUS and CATERPILLAR, which operate in underground mining plants extracting hard coal from places under risk of methane and coal dust explosion. In light of the above, the volumes of trading and the value of the agreements concluded between the Company and Caterpillar Global Mining Europe GmbH with registered office at Industriestrasse 1, 44534 Lünen, Germany (the “Supplier”) and its subsidiaries within the last 12 months, i.e. until 16 April 2013, amounted to approx. PLN 266.6 million.

The Agreement of the highest value is the one concluded between the Company and the Supplier on 7 February 2013. It was the agreement for the supply of the longwall ploughing system EXW the mine in Bogdanka (the “Agreement”).

The total value of the Agreement (the price of the ploughing system) amounts to EUR 47 million. Therefore, the estimated value of the Agreement calculated at the average exchange rate announced by the National Bank of Poland on the date of concluding the Agreement amounts to PLN 196.8 million.

The time-limit for the performance of the agreement is 30 June 2014.

1. The Client may charge the Supplier with liquidated damages if:

a) the Supplier delays the supply of a given part of the Subject Matter of the Agreement and a complete set of documents listed in the Agreement, excluding the equipment, subject to the following:

— until 1 August 2013 in the case of the first part of the Subject Matter of the Agreement — in the amount of 0.5% of EUR 5.4 million for each commenced week of delay. However, in total not more than 5% of EUR 5.4 million;

— until 30 June 2014 in the case of the second part of the Subject Matter of the Agreement — in the amount of 0.5% of EUR 41.59 million for each commenced week of delay. However, in total not more than 5% of EUR 41.59 million;

b) the Supplier delays the removal of any removable defects identified during the final acceptance of a given part of the Subject Matter of the Agreement for a period of at least 5 business days (setting another time-limit for removal of defects requires that appropriate arrangements be made between the Parties)

— in the amount of 0.1% of the net price, depending on the part of the Subject Matter of the Agreement (EUR 5.4 million in the case of the first part of the Subject Matter, and EUR 41.59 million in the case of the second part of the Subject Matter), for each commenced day of delay;

however, in total not more than 5% of the net price, depending on the part of the Subject Matter of the Agreement (EUR 5.4 million in the case of the first part of the Subject Matter of the Agreement, and EUR 41.59 million in the case of the second part of the Subject Matter of the Agreement);

- c) the Supplier delays the removal of defects and/or failure of a given part of the Subject Matter of the Agreement covered by a quality guarantee, and delays the removal of defects and/or failure within the guarantee period to such an extent which renders it impossible to use a given part of the Subject Matter of the Agreement, in accordance with applicable law, within the period of the quality guarantee and warrantee for defects — in the amount of PLN 1,000 for each commenced hour of delay in relation to the set time-limits; however, in total not more than 2.75% of the net price, depending on the part of the Subject Matter of the Agreement (EUR 5.4 million in the case of the first part of the Subject Matter of the Agreement, and EUR 41.59 million in the case of the second part of Subject Matter of the Agreement);
- d) the Client withdraws from the Agreement for reasons attributable to the Supplier — in the amount of 10% of the net price, depending on the part of the Subject Matter of the Agreement (EUR 5.4 million in the case of the first part of the Subject Matter of the Agreement, and EUR 41.59 million in the case of the second part of the Subject Matter of the Agreement).

2. The Supplier may charge the Client with liquidated damages in the amount of 10% of the net price, if the Supplier withdraws from the Agreement for reasons attributable to the Client, depending on the part of the Subject Matter of the Agreement (EUR 5.4 million in the case of the first part of the Subject Matter of the Agreement, and EUR 41.59 million in the case of the second part of the Subject Matter of the Agreement).

3. The Parties may seek damages in excess of the liquidated damages specified in the Agreement.

The PLN equivalent of EUR 41.59 million calculated at the average exchange rate announced by the National Bank of Poland on the date of concluding the Agreement amounts to PLN 174.2 million, while the PLN equivalent of EUR 5.4 million is PLN 22.6 million.

Other terms and conditions do not differ from the market standards.

The criterion for deeming the concluded agreements to be significant is that the volume of trading with the Supplier and its subsidiaries within the period of 12 months exceeded 10% of the value of the Company shareholders' equity.

Legal basis for submitting the report: Article 5.1.3 of the Regulation of the Minister of Finance on the Stock Exchange