

## **Current Report No. 3/2013**

Date of preparation: 15 January 2014

### **Subject: Conclusion of an Annex and Significant Agreements with ENEA Wytwarzanie S.A.**

General legal basis: Article 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”) hereby announces that on 15 January 2014 it concluded with ENEA Wytwarzanie S.A. with registered office in Świerże Górne, 26-900 Kozienice 1:

- a) An Annex to the Annual Agreement concerns coal supplies for power coal in 2013 which is attached to the Long-Term Agreement No. UW/LW/01/2010 as Appendix 4 and
- b) An Annual Agreement concerns coal supplies for power coal in 2014 which is attached to the Long-Term Agreement No. UW/LW/01/2010 as Appendix 5 and
- c) An Annual Agreement concerns coal supplies for power coal in 2015 which is attached to the Long-Term Agreement No. UW/LW/01/2010 as Appendix 6.

Long-Term Agreement was referred to in Current Report No. 5/2010 of 5 March 2010, No. 44/2010 of 20 December 2010, No. 31/2011 of 27 December 2011, No. 3/2013 of 15 January 2013 and No. 9/2013 of 29 March 2013 (the “Long-Term Agreement”).

An annex to the Annual Agreement for 2013 extends the term of the Agreement until 31 March 2014 and sets forth the terms and conditions of supplies in the period from 1 January 2014 to 31 March 2014. The value of the Annual Agreement for 2013 decreased by PLN 3.5 million as compared to the original value.

The Annual Agreement for 2014 is valid from 1 January 2014 to 31 December 2014 and concerns the terms and conditions of coal supplies in 2014 for the ENEA Wytwarzanie S.A. power plant in Kozienice, as per the Long-Term Agreement, which are to be made following completion of supplies under the Annual Agreement for 2013. The value of said Agreement as per current prices amounts to PLN 767 million net.

The Annual Agreement for 2015 is valid from 1 January 2015 to 31 December 2015 and concerns the terms and conditions of coal supplies in 2015 for the ENEA Wytwarzanie S.A. power plant in Kozienice, as per the Long-Term Agreement. The value of said Agreement as per current prices amounts to PLN 773 million net.

Under an Annex and Agreements, the Long-Term Agreement currently amounts to PLN 10,677 million net.

Agreements provide for the following liquidated damages: a Party to the Annual Agreement failing to collect or supply the contracted volume of coal on quarterly basis will pay liquidated damages to the other Party in the amount of 20% of the value of coal which has not been collected or supplied.

Other terms of the Annual Agreement do not differ from the market standards applied in agreements of this type.

The criterion for deeming the Agreement material is that it exceeds 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.