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Bogdanka, 28 May 2013

Annual General Shareholders Meeting of Lubelski Węgiel Bogdanka S.A.

MOTION ON AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF LUBELSKI WĘGIEL BOGDANKA S.A.

On 20 May 2013, the Management Board of Lubelski Węgla Bogdanka S.A. ("**Management Board**") adopted Resolution No. 696/VII/2013 on the adoption of draft amendments to the Articles of Association ("**Articles of Association**") of Lubelski Węgiel Bogdanka S.A. ("**Company**") and convened an Annual General Shareholders Meeting to be held on 27 June 2013, with the agenda for the meeting covering, *inter alia*, the said amendments.

It is proposed that the Articles of Association be amended by including provisions regarding a conditional increase in the Company's share capital; a change of the number of particular types of shares resulting from the admission and introduction, to and into a regulated market, of a stake of shares in the Company issued to the Company's employees free of charge; an advance payment of the expected dividend to shareholders in the Company; the movement of certain provisions relating to organising the work of the Supervisory Board from the Articles of Association to the Supervisory Board Rules of Procedure; that certain provisions of the Articles of Association which relate to the Company's decision-making processes be amended; and that editing and text organisation changes be made to the Articles of Association.

The Management Board proposes that the Articles of Association of the Company be amended as follows:

1. Provisions regarding a conditional increase in the Company's share capital (**Articles 8.2 and 8.3 of the Draft Articles**)

Substantiation:

The inclusion of provisions regarding a conditional increase in the Company's share capital is expected to enable the Company to carry out its Management Options Programme in 2013-2018, which includes the issue of series A subscription warrants with the exclusion of pre-emptive rights. A conditional increase in the Company's share capital is essential to enable the holders of such warrants to exercise their rights to acquire shares in the Company.

2. Provisions regarding the number of particular types of shares in the capital of the Company **(Article 8b of the Draft Articles)**

Substantiation:

The proposed amendment is the result of the admission to and introduction into a regulated market, of a stake of shares in the Company issued to the Company's employees free of charge. Moreover, the process of issuing shares in the Company to its employees free of charge has been completed. Therefore, it is necessary to make changes to the Articles of Association with regard to the number of particular types of shares in the capital of the Company.

3. The inclusion, in the Articles of Association, of provisions regarding an advance payment of the expected dividend to shareholders in the Company **(Articles 22.2.10, 32.2.9 and 59.4 of the Draft Articles)**

Substantiation:

The amendment involves the inclusion of provisions on the powers of the Management Board and of the Supervisory Board authorising making an advance payment of the expected dividend to shareholders in the Company.

4. Provisions regarding the organisation of the work of the Supervisory Board (deletion of Articles 40.5-9, amending Article 40.1 of the Articles of Association)

Substantiation:

The purpose of the proposed amendment is to ensure an appropriate distribution of the matters covered by the Articles of Association and those covered by the Supervisory Board Rules of Procedure by removing, from the Articles of Association, the provisions regarding detailed rules for organising the work and meetings of the Supervisory Board, as these should be included in the Supervisory Board Rules of Procedure. In addition, it is proposed that the frequency of meetings of the Supervisory Board be changed.

5. Provisions regarding the Company's decision-making processes (the Supervisory Board's consent to make certain transactions) **Articles 23, 32.2.2a-c, 32.3 and 32.6 of the Draft Articles.**

Substantiation:

The proposed amendments involve:

- (i) changing the limits for certain transactions (e.g. the acquisition and/or disposal of fixed assets, the creation of security interests, the conclusion of contracts/agreements) that require the consent of the Supervisory Board, in order to reflect the scale of the Company's business;
- (ii) removing from the Articles of Association tasks which, due to their specific nature, will not be included in the business plan, thus reflecting the Company's business plan in the Articles of Association;
- (iii) making it precise that the Supervisory Board's consent will not be required to perform tasks provided for (but not described) in the business plan, taking into account the nature and detail of the document.

The above amendments will allow the Company to minimise its doubts regarding the classification of such tasks as requiring or not requiring the Supervisory Board's approval.

6. Provisions regarding certain powers of the General Shareholders Meeting and of the Supervisory Board (**deletion of Article 52.5 of the Articles of Association**)

Substantiation:

Certain powers related to the Company's participation in other undertakings (establishing companies and transactions involving shares in other companies) are granted to the General Shareholders Meeting and to the Supervisory Board in the Articles of Association. For the avoidance of doubt regarding such powers, and considering the fact that the matters in question should be controlled by the Supervisory Board, it is proposed that the above provisions relating to the General Shareholders Meeting be removed from the Articles of Association.

7. Editing and text organisation changes (**Articles 25.1, 25.3, 32.1.1, 32.2.8, 32.3.7-8, 32.6, 34.8, 43.2, 45, 46.2, 54 and Articles 60.6-7 of the Draft Articles**).

Given the above, the Company's Management Board hereby moves and recommends that the General Shareholders Meeting adopt the proposed amendments to the Company's Articles of Association.