

Current Report No. 40/2016

Date of preparation: 6 December 2016

Subject: Concluding an annex to the long-term agreement with Zakłady Azotowe Puławy S.A.

General legal basis: Article 17.1 of the MAR Regulation - Inside Information

Content:

The Management Board of LW Bogdanka S.A. with registered office in Bogdanka (“Company”) hereby announces that on 6 December 2016 an Annex was signed to the Long-Term Agreement on the Sale of Thermal Coal of 8 January 2009, concluded between the Company and Grupa Azoty Zakłady Azotowe Puławy S.A. with registered office in Puławy.

The Agreement was referred to in Current Reports Nos. 29/2009 of 25 November 2009, 26/2011 of 5 December 2011, 55/2012 of 28 December 2012, 21/2013 of 10 June 2013, 20/2014 of 17 December 2014, and 48/2015 of 25 November 2015.

The subject matter of the Agreement is the supply-sale of thermal coal to Zakłady Azotowe Puławy S.A.

The Annex extends the term of the Agreement until the end of 2021 (previously the Agreement was in effect until the end of 2019) and sets out new terms and conditions of thermal coal supplies during the term (prices and volumes).

As a result of concluding the Annex, the current value of the Agreement (without regard to possible increases, deviations and tolerance) totals PLN 1,001 million net (i.e. 16.5% more than specified in Report No. 48/2015 of 25 November 2015) - out of which the value for the years 2017-2021 will amount to PLN 343 million net.

Other terms and conditions of the Agreement remain unchanged and do not differ from market standards applied in such agreements.

The Management Board treats the above information as significant given the fact that the term of the long-term agreement has been extended and there has been a major change in its value.

Legal basis of the Report: Article 17.1 of the MAR Regulation - Inside Information