

Current Report No. 12/2017

Date of preparation: 28 April 2017

Subject: Recommendation of the Management Board regarding payment of dividend from the 2016 profit

Legal Basis: Art. 56.1.2 of the Act on Public Offering - current and periodic information

Content:

The Management Board of Lubelski Węgiel BOGDANKA S.A. (“Company”) with registered office in Bogdanka, hereby announces that on 28 April 2017 it adopted a resolution on a motion to the General Shareholders Meeting regarding distribution of net profit for the financial year 2016.

The Management Board proposes to distribute the net profit generated by the Company in 2016 in the amount of **PLN 175,896,313.75** (one hundred seventy-five million eight hundred ninety-six thousand three hundred and thirteen zlotys 75/100) as follows:

1. **PLN 34,013,590.00** (thirty-four million thirteen thousand five hundred and ninety zlotys 00/100) – for a dividend, i.e. **PLN 1.00** (one zloty 00/100) per share.
2. Allocate the remaining amount, i.e. **PLN 141,882,723.75** (one hundred forty-one million eight hundred eighty-two thousand seven hundred and twenty-three zlotys 75/100) for the Company’s reserve capital.

The above proposal is in line with the dividend policy as announced by the Company in the Development Strategy of LW Bogdanka S.A. Mining Area of the Enea Group until 2025 (under the 2030 framework).

Once the Supervisory Board gives its approval, the Management Board will make a request (along with substantiation) to the General Shareholders Meeting to adopt a resolution on profit distribution. A final decision regarding distribution of 2016 profit will be made by the Annual General Shareholders Meeting of Lubelski Węgiel BOGDANKA S.A.

Legal basis for submitting the report: Article 38.1.11 of the Regulation of the Minister of Finance on the Stock Exchange