

Bogdanka, 11 March 2016

**Extraordinary General Shareholders
Meeting of
Lubelski Węgiel Bogdanka S.A.**

**REQUEST FOR REVISION OF THE ARTICLES OF ASSOCIATION OF
LUBELSKI WĘGIEL BOGDANKA S.A.**

On 10 March 2016, the Management Board of Bogdanka S.A. resolved Resolution to adopt draft amendments of the Articles of Association (“Articles of Association”) of Lubelski Węgiel Bogdanka S.A. (“Company”) and convened an Extraordinary General Shareholders Meeting of the Company to be held on 12 April 2016, with the agenda including the said amendments.

The proposed amendments to the Articles cover the purpose of the Company, the related duties of the Management Board, as well as the term and the remuneration for members of the Supervisory Board.

Reasons for the proposed revision of the Articles of Association of Lubelski Węgiel Bogdanka S.A. Extraordinary General Shareholders Meeting convened for 12 April 2016

Initial wording	Final wording	Reasons
I. General Provisions		
<p style="text-align: center;">Article 5</p> <p>The Company shall be governed by the Commercial Companies Code of 15 September 2000 (Dz.U. No. 94, item 1037, as amended) and these Articles of Association.</p>	<p style="text-align: center;">Article 5</p> <p>1. The Company's purpose is to conduct operations in order to pursue the mission and strategy of the ENEA Group, which shall prevail for the benefit of the ENEA Group.</p> <p>2. While the mission and strategy of the ENEA Group are pursued, the reasonable interests of the Company's minority shareholders cannot be impaired, in accordance with the principle of equal treatment of shareholders in the same circumstances within the meaning of Article 20 of the Polish Commercial Companies Code, with due consideration of best practices of the WSE listed companies.</p>	<ul style="list-style-type: none"> • Each company is, by its nature, formed for a lawful purpose and with concern for the common interests of all its shareholders. The shareholders in a company are statutorily free to decide on the purpose of the company. • The meaning of the 'interest' of the shareholders in a company is determined by the statutory definition of the 'interest of a company'. This is a mental shortcut and in fact means a 'union of the interests of the shareholders'. Accordingly, the interest of a company may not be defined in isolation from the interest of its shareholders. This is confirmed by, for example, the Polish Supreme Court's judgment of 5 November 2009 (Case Reference: I CSK 158/09). • If a company has more than one shareholder, the interest of the company is seen as a compromise over frequently conflicting interests of the company's majority and minority shareholders, reflecting the interests of both these groups. • This compromise over the conflicting interests of shareholders can only be properly understood by referring to the corporate mechanism of determining corporate actions. This mechanism of determining, or shaping, the actions (or intent) of a company is realised through the act of voting. The interest of a company as a compromise of interests is, in principle, somehow genetically linked with the interest of the company's majority shareholder, being the most powerful of all shareholders. Therefore, the interest of a company is determined by its majority shareholders, in keeping with the principle that who has the power to decide how the company should act and who should hold this or that position in it has the power to decide what interests the company will pursue, i.e. what its "own" interest is. This is because under the Polish company law, it is the shareholders accepting the highest investment risk (or, typically, holding the largest portion of the company's capital and, as a result, the largest number of the voting rights) that have the power to decide which way the company

		<p>should go in its development.</p> <ul style="list-style-type: none"> • Therefore, the process of reaching such a compromise must, naturally, involve weighing up the interests of the individual shareholders in order to identify the most powerful one. This, of course, does not mean ignoring the interests of minority shareholders, but rather giving weight to their interests in proportion to their investment in the company. • Given the above, the purpose of the proposed change of this provision is to validate, in the Articles of Association of Lubelski Węgiel Bogdanka S.A. (“LWB”), those factors that determine the Company’s interests at present. • As was mentioned above, the interest of LWB is determined by, predominantly, the precedence of the majority shareholder. It is in the interest of the majority shareholder to ensure – above all - that LWB is managed in line with the mission and strategy of the ENEA Group. The interest of the majority shareholder is, therefore, validated in paragraph 1 of this Article. However, the interest of LWB as described above may not fail to take into account the legitimate interests of LWB’s minority shareholders to the extent that these interests are part of the said compromise over the interests of all the shareholders of LWB (in proportion to the capital investment in the company). Consequently, it is confirmed in paragraph 2 of this Article that the pursuit of the mission and strategy of the ENEA Group may not prejudice the reasonable interests of the Company’s minority shareholders, in accordance with the statutory principle of equal treatment of all shareholders under the same circumstances (Article 20 of the Commercial Companies Code) and the good practices expected of the companies listed on the Warsaw Stock Exchange.
V. Governing Bodies		
None.	<p style="text-align: center;">Article 20</p> <p>4. The Company’s Management Board is obliged to handle the Company’s affairs in order to attain its goal.</p>	<ul style="list-style-type: none"> • It is a primary responsibility of the management board of a company to act for the interests of the company. Failure to comply with this principle may result in statutory liability for action to the detriment of the company (Article 483 in conjunction with Article 486 of the Commercial Companies Code, and Article 293 in conjunction with Article 295 of the same Code). One of the grounds for a member of the governing body of a company to be held liable to compensate the company for damage, i.e. wilful misconduct on the part of that member (relative illegality), will only be satisfied if that member has infringed the interest of the company. In other words, a member of the governing body of

		<p>a company may only be held liable for damages if the company's interest has been infringed.</p> <ul style="list-style-type: none"> The introduced provision is only declarative and a consequence of the definition of the purpose of the Company in Article 5 of the Company's Articles of Association. As the purpose of LWB has been defined as "operating in line with the mission and strategy of the ENEA Group which determine the interests of the ENEA Group", the intention behind this change is to confirm that the actions of LWB's Management Board as the body responsible for the day-to-day operation of the Company should also aim to achieve the purpose of the Company.
<p>Article 34</p> <p>2. The Supervisory Board shall be appointed for an individual terms of office lasting three years.</p>	<p>Article 34</p> <p>2. The Supervisory Board shall be appointed for a joint term of office lasting three years.</p>	<ul style="list-style-type: none"> The intention behind this change is to introduce the principle that the Supervisory Board should be appointed for a joint term of office. As a result of the change, the term becomes the term of this governing body (the Supervisory Board), not the term of each of its individual members (if a member is appointed before the end of the term of the Supervisory Board, the appointment will continue for the length of the appointments of the other members). This will help manage the structure of the governing bodies of the ENEA Group companies more efficiently.
<p>Article 43</p> <p>3. Members of the Supervisory Board shall be entitled to monthly remuneration in the amount defined by the General Shareholders Meeting.</p>	<p>Article 43</p> <p>3. Members of the Supervisory Board may be granted monthly remuneration in the amount defined by the General Shareholders Meeting.</p>	<ul style="list-style-type: none"> The intention behind this change is to introduce the principle that the remuneration for the members of the Supervisory Board is optional. As a result of the change, the General Shareholders Meeting will have the power and discretion to decide, in each case, on the remuneration of the members of the Supervisory Board. This discretion is particularly important if separate remuneration rules are to be introduced (or a 'no remuneration' decision is to be made) with regard to those members of the Supervisory Board who are already paid for their work by other ENEA Group companies.