

ENEA S.A.  
80-201 Poznań, ul. Górecka 1  
www.enea.pl

Tax Reg. No. (NIP): 777-00-20-640  
Industry Id. No. (REGON): 630139960

Poznań, 14 February 2017

**To:** **Management Board**  
**Lubelski Węgiel "Bogdanka" S.A.**  
with registered office in Bogdanka  
21-013 Puchaczów

**From:** **ENEA S.A.**  
ul. Górecka 1  
60-201 Poznań

Dear Sir/Madam,

Acting on behalf of ENEA S.A., a holder of a 64.57% share in the share capital of Lubelski Węgiel Bogdanka S.A. ("Company"), we hereby submit, pursuant to Article 401.1 of the Commercial Companies Code, a request to introduce additional items to the agenda of the Extraordinary General Shareholders Meeting to be held on 7 March 2017 after item 4 of the agenda proposed by the Management Board of the Company:

5. Adopting a resolution on amendment to the Rules of Procedure of the General Shareholders Meeting.
6. Adopting a resolution on the rules for determining the remuneration of Management Board members.
7. Adopting a resolution on the rules for determining the remuneration of Supervisory Board members.

Accordingly, we also request that current items 5, 6 and 7 of the agenda be re-designated as items 8, 9 and 10, respectively.

ENEA Spółka Akcyjna  
Vice-President of the Management Board  
for Corporate Affairs  
Wiesław Piosik

ENEA Spółka Akcyjna  
Vice-President of the Management Board  
for Commercial Affairs  
Piotr Adamczak

Appendix: draft resolutions of the Extraordinary General Shareholders Meeting with justification.

**Resolution No. ....**

**of the Extraordinary General Shareholders Meeting of the Company under the business name:**

**Lubelski Węgiel Bogdanka Spółka Akcyjna with registered office in Bogdanka**

**of 7 March 2017**

**on amendment to the Rules of Procedure of the General Shareholders Meeting**

Article 1.

The Extraordinary General Shareholders Meeting of Lubelski Węgiel Bogdanka S.A. in Bogdanka, acting under Article 12.1 of the Articles of Association of the Company, resolves to amend the Rules of Procedure of the General Shareholders Meeting of Lubelski Węgiel Bogdanka S.A. adopted by virtue of Resolution No. 4 of the Extraordinary General Shareholders Meeting of the Company of 17 August 2016 so that in Article 12.9 of the Rules of Procedure the second sentence, having the following wording: "The Chairman will then read out the resolution which has been adopted," is deleted.

Article 2.

The Resolution will enter into force on the day of its adoption.

**Resolution No. ....**

**of the Extraordinary General Shareholders Meeting of the Company under the business name:**

**Lubelski Węgiel Bogdanka Spółka Akcyjna with registered office in Bogdanka**

**of 7 March 2017**

**on the rules for determining the remuneration of Management Board members**

Acting under Article 378.2 of the Commercial Companies Code, the Extraordinary General Shareholders Meeting of Lubelski Węgiel Bogdanka Spółka Akcyjna with registered office in Bogdanka ("Company" or "LWB Bogdanka") hereby resolves as follows:

Article 1.

1. An agreement for the provision of management services shall be signed with a Member of the Management Board of the Company for the time corresponding to the Member's term of office ("Agreement") and will include a duty of personal performance whether or not the Member acts as a business entity.
2. The wording of the Agreement shall be determined by the Supervisory Board in accordance with this Resolution.

Article 2.

5. The total remuneration of a Member of the Management Board of the Company shall consist of a fixed part, which is the monthly basic remuneration ("Fixed Remuneration"), and a variable part, which is the additional remuneration for a financial year of the Company ("Variable Remuneration").
6. The amount of the monthly Fixed Remuneration of a Member of the Management Board shall be determined as an amount of money by the Supervisory Board, provided that:
  - a) The Fixed Remuneration of the President of the Management Board shall be determined as a multiple of the average remuneration in the corporate sector excluding bonuses from

profits in the fourth quarter of the previous year as announced by the President of the Central Statistical Office of Poland using a multiplier between ... and ...;

- b) The Fixed Remuneration of any of the other Members of the Management Board shall be determined as a multiple of the average remuneration in the corporate sector excluding bonuses from profits in the fourth quarter of the previous year as announced by the President of the Central Statistical Office of Poland using a multiplier between ... and ...;

#### Article 3.

1. Variable Remuneration shall depend on the degree of accomplishment of Management Goals and may not exceed... of Fixed Remuneration.
2. A general list of Management Goals is determined as follows:
  - a) .....
  - b) .....
  - c) .....
3. The following additional Management Goals are hereby determined with their time to completion not later than 30 June 2017:
  - a) implement remuneration rules, which must be in accordance with the provisions of the Act of 9 June 2016 on *the rules for determining the remuneration of persons managing certain companies* ("Act"), for members of management and supervisory bodies in all subsidiaries of LWB Bogdanka;
  - b) ensure such composition of the supervisory board of each of the subsidiaries of LWB Bogdanka so that their members are entitled to be on respective supervisory boards, which must be confirmed by a positive result of the examination for candidates for members of supervisory boards, or are exempt by law from such examination, and, in particular, have a scientific degree of doctor of economics or law or are on the list of legal counsels, attorneys at law, chartered auditors or investment advisers.
4. The Supervisory Board shall be authorised to define any Management Goals more specifically with identification of weights for those Goals and objective and measurable indicators of their accomplishment and acceptance (Key Performance Indicators, KPI), taking into account that:
  - a) A Member of the Management Board shall be entitled to receive Variable Remuneration after approval of the directors' report on operations of the company and financial statements of the company for the previous financial year and after discharging the Member of his or her duties by the General Shareholders Meeting;
  - b) The payment of part of Variable Remuneration may be deferred, for a period not longer than 36 months, until the relevant conditions are met within the specified time limit and in accordance with the determined Management Goals, when that part of Variable Remuneration may be paid in its entirety or in part as at the end of a settlement period;
  - c) Variable Remuneration shall be recalculated *pro rata* to the number of days on which a Member of the Management Board provided services in a financial year;
  - d) The Supervisory Boards confirms if individual Members of the Management Board for whom Management Goals were set for a given financial year and who held their functions in a financial year under assessment meet the conditions of payment of their Variable Remuneration and determines the amounts due, on the basis of the financial statements verified by the auditors and other documents depending on the Goals set.

5. The expiration of a mandate subject to assessment in terms of accomplishment of Management Goals shall not revoke the right to Variable Remuneration, on the conditions set out in Articles 3.1 to 3.4 above, provided that the time over which the function was held in the financial year under assessment was longer than 6 (six) months.

#### Article 4.

1. Under the Agreement, a Member of the Management Board shall be obliged to notify an intent to become the member of a governing body of another commercial-law partnership or company or the acquisition of shares in such partnership or company or to obtain the approval of the Supervisory Board for the above activities and may be prohibited from holding any function on any governing bodies of another commercial-law partnership or company or may be subject to other restrictions on additional activities of such Member of the Management Board.
2. A Member of the Management Board may not earn any remuneration for performance of duties of the member of a governing body in any subsidiary of the Company in the group of companies within the meaning of Article 4.14 of the Act of 16 February 2007 on the protection of competition and consumers.
3. The Supervisory Board shall be authorised to determine the prohibitions and restrictions mentioned in Articles 4.1 and 4.2 above, the reporting obligations related to compliance with the above and the sanctions to be applied in the case of non-compliance.

#### Article 5.

The Supervisory Board shall determine in the Agreement the scope and principles on which a Member of the Management Board may use the technical equipment and resources owned by the Company which are required to perform his or her function and may determine limits of costs, or the manner of their determination, which will be covered by the Company in connection with the provision to and use by the Member of the Management Board of such equipment and resources for business purposes.

#### Article 6.

1. In the event of expiration of mandate, especially as a result of death, dismissal or resignation, the Agreement shall be dissolved on the last day on the Management Board without any additional actions.
2. Each of the Parties shall have a right to terminate the Agreement without notice in the event of gross breach of the Agreement by the other Party.
3. Each of the Parties shall have a right to terminate the Agreement for any reasons other than those specified in Article 6.2 upon 3 (three) months' notice at maximum, provided that if an event mentioned in Article 6.1 occurs during the notice period leading to dissolution of the Agreement as a result of discontinuance of holding the function, the Agreement will be dissolved in accordance with Article 6.1.
4. In the event of dissolution or termination of the Agreement by the Company due to any reasons other than those set out in Article 6.2, the Member of the Management Board may be granted a severance pay not higher than 3 (three) times his or her Fixed Remuneration, provided that the Member of the Management Board held his or her function for at least 12 (twelve) months before the Agreement was dissolved or terminated.
5. A Member of the Management Board shall not be entitled to receive the severance pay mentioned in Article 6.4 in any of the following cases:
  - a) The Agreement is terminated, dissolved or amended as a result of change of the function held by the Manager on the Management Board;

- b) The Agreement is terminated, dissolved or amended as a result of appointment of the Manager for the next term of office of the Management Board;
- c) Appointment as member of the management board of a company within the Enea Group;
- d) Resignation from the function held.

Article 7.

1. The Supervisory Board may sign a non-compete agreement with a Member of the Management Board, which will be in force after the Member ceases to hold his or her function, provided that such agreement may only be concluded if the Member of the Management Board held his or her function by a period of at least 6 (six) months and its amount may not exceed 50% of his or her Fixed Remuneration mentioned in Article 2.2 of this Resolution.
2. It is forbidden to sign a non-compete agreement after dissolution or termination of an agreement for the provision of management services.
3. The non-compete period may not exceed 6 (six) months after a Member of the Management Board ceased to hold such function.
4. In the event of non-performance or undue performance of the non-compete agreement by a Member of the Management Board, such Member will be obliged to pay liquidated damages to the Company not lower than the amount of the compensation for the entire non-compete period.
5. The Supervisory Board shall be required to determine in a non-compete agreement at least the activities deemed competitive with the activities of the Company, the amount of compensation for compliance with the non-compete obligation, dates of payment of such compensation, disclosure requirements binding on the manager and the cases in which the non-compete obligation cease to apply, and may also determine the right of the Company to rescind the non-compete agreement or the rights of the parties to terminate the non-compete agreement.

Article 8.

The Resolution will enter into force on the day of its adoption.

**Resolution No. ....**

**of the Extraordinary General Shareholders Meetings of the Company under the business name:  
Lubelski Węgiel Bogdanka Spółka Akcyjna with registered office in Bogdanka of 7 March 2017  
on the rules for determining the remuneration of Supervisory Board members**

Acting under Article 392.1 of the Commercial Companies Code, the Extraordinary General Shareholders Meeting of Lubelski Węgiel Bogdanka Spółka Akcyjna with registered office in Bogdanka ("Company" or "LWB Bogdanka") hereby resolves as follows:

Article 1.

1. The monthly remuneration of members of the Supervisory Board is hereby determined as the product of the average monthly remuneration in the corporate sector excluding bonuses from profits in the fourth quarter of the previous year as announced by the President of the Central Statistical Office of Poland and the following multiplier:

- a) For the Chairman of the Supervisory Board: ...
  - b) For the other members of the Supervisory Board: ...
2. A member of the Supervisory Board shall be entitled to receive the remuneration mentioned in Article 1.1 irrespective of the number of the meetings convened.
  3. Members of the Supervisory Board who sit on the Audit Committee shall not be entitled to additional remuneration.
  4. In connection with the internal regulations of the Enea Group with respect to the rules of remuneration applicable to supervisory bodies of subsidiaries, the indicated representatives of the Enea Group who sit on the Company's Supervisory Board ("the Enea Group Representative") shall not be entitled to remuneration for holding a function in the Supervisory Board. Enea S.A. shall inform the Company which Supervisory Board members are the Enea Group Representatives within the meaning of this section.
  5. If a member of the Supervisory Board is appointed or dismissed during a calendar month, the remuneration specified in Article 1.1 above shall be calculated on a pro rata basis, in proportion to the number of days of their membership in a given month.
  6. The abovementioned remuneration shall be paid by the 10th day of the month following the month of holding the function.
  7. A member of the Supervisory Board shall not be entitled to remuneration for a given month if he or she did not attend any of the properly convened meetings and his or her absence has not been justified. It is the Supervisory Board that decides, by way of a resolution, whether a member's absence from a meeting will be rendered justified or unjustified.

#### Article 2.

1. Remuneration of the members of the Supervisory Board is charged to the Company's operating expenses.
2. The Company also covers, under Article 392.3 of the Commercial Companies Code, the costs incurred in connection with holding a function of a Supervisory Board member, in particular the costs of travel from the place of residence to the place of the Supervisory Board meeting and back, the costs incurred in connection with exercising individual supervision as well as the costs of allowances and accommodation.
3. In compliance with the Personal Income Tax Act, during the course of the year, the Company calculates and deducts advances on personal income tax on the salaries of the Supervisory Board members.

#### Article 3.

Resolution No. 5 of the Extraordinary General Shareholders Meeting of Lubelski Węgiel Bogdanka S.A. with registered office in Bogdanka of 17 August 2016 on the rules and amounts of remuneration of the Supervisory Board members shall be repealed.

#### Article 4.

The Resolution will enter into force on the day of its adoption.

### **Justification:**

Enea S.A., as a shareholder representing at least one twentieth of the share capital of the Company, requests that the agenda of the Extraordinary General Shareholders Meeting of LW Bogdanka S.A. to be held on 7 March 2017 be extended by adding items concerning the adoption of a resolution on amendment to the Rules of Procedure of the General Shareholders Meeting, a resolution on the rules for determining the remuneration of Management Board members of LW Bogdanka S.A. and a resolution on the rules for determining the remuneration of Supervisory Board members of LW Bogdanka S.A.

In performance of the obligations resulting from Article 3.3 of Resolution No. 3 of the *Extraordinary General Shareholders Meeting of the Company under the business name Enea Spółka Akcyjna* with registered office in Poznań of 15 December 2016, Enea S.A. requests that a resolution on the rules for determining the remuneration of members of the management body and members of the supervisory body be adopted by the General Shareholders Meeting of the Company.

The adoption of the resolution on amendment to the Rules of Procedure of the General Shareholders Meeting of Lubelski Węgiel Bogdanka S.A. by deleting, in Article 12.9 of that Rules, the second sentence: "The Chairman will then read out the resolution which has been adopted" is to improve the course of General Shareholders Meetings.