(Translation from the Polish language)

FINANCIAL SUPERVISORY COMMISSION

Current report No 87/2016

Date: 14 October 2016
Issuer's shortened name: KOPEX SA

Subject: **Approval of the Merger Plan with four subsidiaries.**
Legal basis: Art. 17, Par.1 MAR – confidential information

Contents of the report:
The Management Board of KOPEX SA (the Issuer) informs that on on 14 October 2016 has adopted a resolution on approval and signature of the Merger Plan of KOPEX SA with the following companies, which at the date of the report are the Issuer subsidiaries („companies being acquired"):

1) KOPEX Machinery SA based in Zabrze,
2) Zabrzańskie Zakłady Mechaniczne – Maszyny Górnicze sp. z o.o. based in Zabrze,
3) Fabryka Maszyn i Urządzeń TAGOR SA based in Tarnowskie Góry,
4) KOPEX Hydraulika Siłowa sp. z o.o. based in Zabrze.

KOPEX Machinery SA, Zabrzańskie Zakłady Mechaniczne – Maszyny Górnicze sp. z o.o. and Fabryka Maszyn i Urządzeń TAGOR SA are among the key companies in the Capital Group of the Issuer. In 2015 the companies were collectively responsible for almost 20% of the Group's sales revenues (5th, 6th and 7th place in the Group in terms of sales revenues). KOPEX Hydraulika Siłowa sp. z o.o was created by merge of DOZUT-TAGOR sp. z o.o. (1.99% of the KOPEX Group's revenue in 2015) and HS Lubań sp. z o.o. (1.52% of the KOPEX Group's revenue in 2015), together with the change of the company name to KOPEX Hydraulika Siłowa sp. z o.o., which was registered by the registry court on 31 December 2015.
The contents of the resolution on the approval and signature of the Merger Plan outlines that the companies shall merge by way of transferring the entire assets of the companies being acquired onto the acquiring company, in a simplified manner in accordance with art. 516 par. 6 of the Commercial Companies Code, without increasing the share capital of the acquiring company pursuant to art. 515 par. 1 of the CCC.
The Issuer encloses the Merger Plan together with attachments to this current report. The basis of the merger shall be: resolution of the General Meeting of the Issuer, as well as resolutions of the General Meetings of Shareholders of the companies being acquired. The draft resolutions are presented in the attachments to the Merger Plan.
The banks financing the Kopex Group's activity, ie. Bank BGŻ BNP Paribas SA, Bank Polska Kasa Opieki SA, Deutsche Bank Polska SA, HSBC Bank Polska SA, ING Bank Śląski SA, Powszechna Kasa Oszczędności Bank Polski SA, Raiffeisen Bank Polska SA (hereinafter: the banks), which are parties to the Agreements signed with KOPEX SA and selected companies belonging to the KOPEX Group, of which the Issuer informed in the current reports RB77/2016 and RB79/2016, has agreed to start the merger process. Finalization of this process will depend on the conclusion of the restructuring agreement with the Banks or on separate Bank's approval. According to the art.14 (5) of the Act of 16 February 2007 on

competition and consumer protection, the merger involving entities belonging to the same capital group is not the concentration notifiable to the Chairman of the Office of Protection of Competition and Customers.

The planned merger is a part of activites aimed at significantly reducing the number of entities belonging to the KOPEX Group, of which the Issuer informed in the Reports on the activities of the Capital Group in 2015 and the first half of 2016. The merger is also related to the ongoing restructuring of the Issuer and its subsidiaries, in particular to the financial debt restructuring, which is currently under preparation. The planned merger will allow the clarifying of complex structure of the financial debt of the merged companies. It will also prepare the companies for the restructuring of this debt, which is planned as a part of restructuring agreement with the Banks (currently under preparation). Most of the financial debt of the KOPEX Group will be accumulated in KOPEX SA and part of intra-group obligations will be eliminated. Moreover, the merger will simplify the Group's organizational structure and reduce its operational costs. In the opinion of the Issuer's Management Board the merger is desirable in terms of operational, cost and strategic. Concentrated assets, efficient management and optimal organizational structure will reinforce the position of the merged companies.