



EXPLANATORY NOTES TO DRAFT RESOLUTIONS
of the Ordinary General Meeting of Shareholders of KOPEX S.A. in Katowice convened on 03 June 2015

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With regard to the agenda of the Ordinary General Meeting KOPEX S.A. to be held on 03 June 2015, adoption of the following resolutions has been proposed:

Item 2 of the agenda

- Adoption of Resolution No. 1 on the election of Chairperson of the General Meeting

Item 4 of the agenda

- Adoption of Resolution No. 2 on the adoption of the agenda

Item 5 of the agenda

- Adoption of Resolution No. 3 on the approval of the Report of the Management Board on KOPEX S.A. activity in Fiscal Year 2014
- Adoption of Resolution No. 4 on the approval of the Financial Statements of KOPEX S.A. for Fiscal Year 2013

Item 6 of the agenda

- Adoption of Resolution No. 5 on the approval of the Report of the Management Board on KOPEX S.A. Financial Group activity in Fiscal Year 2014
- Adoption of Resolution No. 6 on the approval of the Financial Statements of KOPEX S.A. Financial Group for Fiscal Year 2014

Item 7 of the agenda

- Adoption of Resolution No. 7 on the distribution of net profit for Fiscal Year 2014

Item 8 of the agenda

- Adoption of Resolution No.8 on subsidizing the "Special Donation Fund"

Item 9 of the agenda

- Adoption of Resolutions from No.9 to No.13 on granting exonerations to the Management Board Members for performing their duties in Fiscal Year 2014.

Item 10 of the agenda

- Adoption of Resolutions from No.14 to No.19 on granting exonerations to the Supervisory Board Members for performing their duties in Fiscal Year 2014.

EXPLANATORY NOTES

Explanatory Notes to Draft Resolutions No. 1 and No. 2

The aforesaid resolutions are of a procedural nature of the General Meeting of Shareholders, under provisions of the Commercial Companies Code, the Statutes of Association and By-Laws of the General Meeting.

Explanatory Notes to Draft Resolutions from No. 3 to No.7 and from No. 9 to No.19

All the above draft resolutions relate to issues obligatorily considered annually by the Ordinary General Meeting at the end of Fiscal Year, and in particular referred to in the provisions of Art. 395 Par. 2 Item 1), 2) and 3) as well as Par. 5 of the Commercial Companies Code.

Explanatory Notes to Draft Resolution No. 7 on the distribution of net profit for Fiscal Year 2014 as well as determination of Dividend D- Day and Dividend Payout Date

Presented draft resolution results from provisions included in the Resolution No.64/VII/2015 dated 4 May 2015 adopted by the Supervisory Board on the of evaluation by the Management Board of the proposal on the distribution of net profit for Fiscal Year 2014 and motion of the Supervisory Board submitted to the General Meeting. In the opinion of the Supervisory Board, distribution of net profit for Fiscal Year 2014, ie. partially with the purpose of paying out dividend is a compromise approach as to the allocation of net profit for the year 2014.

Currently the Supervisory Board is considering it necessary to meet also expectations and demands reported by minority Shareholders with regard to dividend payout to Shareholders, considering the practice of several past years to allocate entire net profit for spare capital and keep financial assets for the Company. The Supervisory Board has therefore considered as appropriate and reasonable to payout the Shareholders a part of net profit for Fiscal Year 2014 dividend, ie. the amount of PLN 29,622,415.20 (say: twenty nine million six hundred twenty two thousand four hundred fifteen zlotys and twenty groszes), ie. PLN 0.40 per share, representing 30.11% of total net profit. The Company has no preferred shares in terms of dividend rights and, therefore, each share carries the same dividend value. Pursuant to Art. 348 Par. 1 of the Commercial Companies Code, a quantity of 276 500 own shares have been excluded from dividend accrual basis.

The remaining amount of net profit, the Supervisory Board proposed to allocate for development purposes, as in the motion of the Management Board, ie. to increase spare capital, in accordance with explanatory notes of the Management Board. A proposal of allocating a part of net profit for 2014 to spare capital submitted to the General Meeting is required to ensure financial assets for further development of the KOPEX Group by intensifying actions aimed at increasing sales of machinery and equipment manufactured by companies included in the KOPEX Group in selected foreign markets as well as on research & development of new products technologically advanced aimed at building competitive advantage. It is particularly important in the current situation when financial conditions of mining companies in the Poland's mining market are getting worse and worse due to a drop in coal sales prices and falling investments in the mines. In the opinion of the Management Board, the aforementioned objectives fully justify allocation of a part of the profit in the Company.

Dividend D- Day and Dividend Payout Date included in the draft resolution are consistent with guidelines and regulations for the Polish National Depository for Securities for the Polish issuers of securities.

Explanatory Notes to Draft Resolution No.8 on subsidizing the "Special Donation Fund"

The Management Board has turned to the General Meeting of Shareholders of KOPEX S.A. for passing a resolution on the consent to subsidize the "Special Donation Fund " by the amount of PLN 1,000,000 (say: one million zlotys) with cash from spare capital, i.e. with the Company's net profits earned in previous years, according to the resolution of the Management Board No. 058/2015 dated 27 April 2015.

Corporate Social Responsibility is one of the most important elements of the strategy implemented in KOPEX S.A. It is a response to the inner need to become an element of the community, both locally and globally. Initiating, supporting and developing social initiatives based on the Company's values reflect this need. Social, environmental and ethical areas are included in CSR activities.

On 26 June 2013, the Ordinary General Meeting of Shareholders of KOPEX SA at the request of the Management Board, following a favourable opinion by the Supervisory Board, passed a resolution No. 8 on the creation of Special Donation Fund for financing KOPEX S.A.'s social projects and on subsidizing this Fund.

Pursuant to Par. 1 Cl.1 of this resolution, it was decided that.: "will be subsidized from the Company's spare capital created from the Company's net profits earned in previous years."

Within social area, Special Donation Fund, is a means of carrying out dialogue, building relationships with social partners and local authorities, cooperating within partnership projects and implementing financial support in accordance with the guidelines.

Rules of managing funds by the Company are set forth in "Rules of managing funds of the Special Donation Fund" in force since 20 August 2013. Scope of activities accomplished with the use of funds of this Fund is submitted in the attached document "Report to the Company's Shareholders on the use of funds of the Special Donation Fund in the year 2014" and on the Company's website under "Corporate Responsibility" where diverse activities of the Company in this area are presented.

In the opinion of the Management Board, accomplishing the KOPEX Group's development goals based on assumptions of Corporate Social Responsibility (CSR), especially through responsible and ethical attitude to local communities which stick to the values the Group KOPEX SA identifies with, in a long term should contribute both to the growth of the Company's goodwill and its image perception by social environment. The Management Board puts forward this motion to the Company's Shareholders and expects that it will meet their understanding and approval.

The above proposal of the Management Board has been positively reviewed by the Supervisory Board of KOPEX SA

Management Board Member
Chief Sales Officer

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Piotr Broncel

Management Board Member
Chief Research and
Development Officer

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Andrzej Meder

Management Board Member
Chief Financial Officer

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Joanna Węgrzyn

Management Board President
Chief Executive Officer

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Józef Wolski

