



**STATEMENT OF THE MANAGEMENT
BOARD
ON THE ACTIVITIES OF KOPEX
S.A.
FOR THE YEAR 2015**

KATOWICE, APRIL 2016

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1. GENERAL INFORMATION ABOUT THE COMPANY

- Company name and address of the Issuer: **KOPEX Spółka Akcyjna,
ul. Grabowa 1, 40-172 Katowice**
- Tel. No: **+48 32 604 70 00;**
- Fax No: **+48 32 604 71 00;**
- E-mail: **kopex@kopex.com.pl**
- Corporate website address: **www.kopex.com.pl**
- Statistical TAX number (REGON): **271981166;**
- Tax identification number (NIP): **634-012-68-49;**
- National Court Register: *The company is registered in the Register of Entrepreneurs of the National Court Register kept by the District Court Katowice-East in Katowice, VIII Commercial Division of the National Court Register under the number KRS 0000026782;*
- The share capital of the Issuer: *PLN 74.332.538,00 and divides into 74.332.538 ordinary bearer shares with a nominal value of PLN 1.00 . each. All shares are fully paid.*
- Auditor: **PricewaterhouseCoopers Sp. z o.o.**

1.1. HISTORY OF THE ISSUER

On 4 November 1961 KOPEX enterprise was established under the name Przedsiębiorstwo Budowy Zakładów Górniczych za Granicą –KOPEX, as a state- owned enterprise , basing on the Regulation No. 128 of the Minister of Mining and Power Industry. On 01 January 1962, after entering the register of state enterprises, it commenced business as a general supplier of mining facilities and equipment for export. In May 1971 the enterprise obtained permission to operate independently in foreign trade, including to export and import of mining and drilling machinery and equipment and of complete mining facilities, on the exclusivity basis. From 01 January 1989, after reorganization of the entities operating in the mining sector, KOPEX was a state-owned enterprise was Przedsiębiorstwo Eksportu i Importu KOPEX w Katowicach. /KOPEX Export and Import Enterprise based in Katowice.

On 19 November 1993 there was signed a transformation act of the state- owned enterprise, into one-person joint-stock company of the State Treasury Joint-Stock Company ,under the name Przedsiębiorstwo Eksportu i Importu KOPEX Spółka Akcyjna .On 3 January 1994 KOPEX S.A. entered the commercial register under number RHB 10 375.

The first ever listing of KOPEX S.A. shares on the Warsaw Stock Exchange based in Warsaw was on 4 June 1998.

On 23 October 2003 the company registered its altered name KOPEX Spółka Akcyjna, and abbreviation: KOPEX S.A. in the National Court Register and since then, this name has been used by the company.

On 16 December 2004, 64.64% shares of KOPEX S.A. were made by the State Treasury as a contribution in kind to Krajowa Spółka Cukrowa S.A., in exchange for shares in that company subscribed by the State Treasury in connection with the increase of its share capital.

The sale of all the shares of KOPEX S.A. held by Krajowa Spółka Cukrowa S.A. on 9 February 2006, was the turning point in the history of privatisation of KOPEX S.A. The transaction was effected after announcement the outcome of a public tender offer for the sale of shares which were acquired by an industry investor- Zabrzeńskie Zakłady Mechaniczne S.A., based in Zabrze, hereinafter referred to as ZZM S.A.. It resulted in the establishment of the ZZM - KOPEX Group, Poland's largest industrial group in the sector of manufacturers and suppliers of mining machinery, equipment and services, whose integrated potential made it possible to offer comprehensively mining equipment and services and to become the ZZM- KOPEX Group one of the leading partners of the global mining industry.

The next significant stage of transformation was issue of 47,739,838 KOPEX S.A. B-series bearer shares addressed to the shareholders of ZZM S.A. in the second half of 2007, and the reverse takeover transaction of ZZM S.A. by "KOPEX S.A.

Following this transaction, KOPEX S.A. became a holding company and a leader in the KOPEX S.A. Group, comprising companies established in Poland and abroad.

At the end of 2009 there was a successful issue of 6,700,000 KOPEX S.A. C- series bearer shares.

On 01 December 2009 there was registered increase of the share capital, that currently amounts to PLN 74,332,538. and divides into 74.332.538 ordinary bearer shares with a nominal value of PLN 1.00 . each. All shares are fully paid.

In 2009 the Group name was changed from previously used "ZZM-Kopex Group" to the new name "Kopex GROUP" with the simultaneous adoption of the new graphic symbols.:

1.2. SUBJECT AND SCOPE OF ACTIVITIES

„KOPEX” S.A. - Scope of activities of the Company, in accordance with the Polish Classification of Activities (PKD), is determined in details in Par. 6 of the Articles of Association - “Wholesale of machineries used for mining, construction and civil and water engineering sectors- PKD No. 4663Z is the predominant activity of KOPEX S.A. , in accordance with the Polish Classification of Activities (PKD 2007).

For 51 years of its existence KOPEX S.A. has been specialised in international trade and has transformed over time into a general contractor and supplier of machinery, equipment and specialised services for underground and open-cast mining. With a wealth of experience and a team of highly qualified specialists "Kopex" SA intends to become a world-class expert in the mining of coal and other minerals, as well as a global company, providing the highest quality service for the mining and other industries.



The Group’s capabilities cover the whole investment process in the mining industry::

- ⇒ easibility study of the project,
- ⇒ supervising works regarding geological surveys of the mining area and assessment of reserves,
- ⇒ elaborating deposit mining technology,
- ⇒ designing mining plants,
- ⇒ manufacture, supply and assembly of machines, equipment and technological systems, ⇒ construction, development, modernization , mining execution and liquidation of mines ⇒ staff training and engineering support during project execution..

Mining machinery and equipment offered by KOPEX Group :

- longwall systems,
- powered roof supports of many types,
- longwall shearers,
- roadheaders,
- scraper and belt conveyors for mining,
- power and control hydraulics for roof supports,
- units of electrical power and control,
- mining electronics,
- automation systems,
- methane-measuring devices and means of communication,
- control and measuring apparatus,
- excavators, spreaders, stackerreclaimers, belt conveyors for open-cast mining,
- shuttle cars (Waracar).

as well as maintenance services and the supply of necessary spare parts used by the customer for mining machinery and equipment.

1.3 The rules of the organization "KOPEX” S. A.

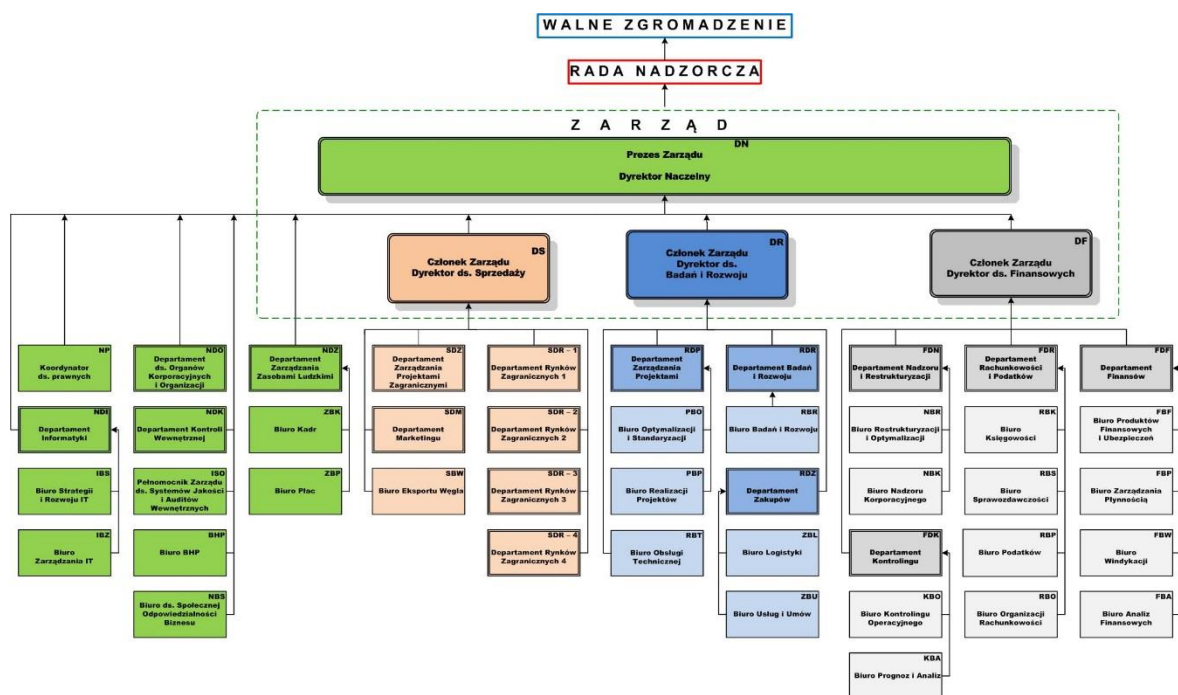
Rules for the organisation of the company "KOPEX S. A. sets out in detail the" organisational chart of the undertaking Company KOPEX joint stock company "(organisational chart) and, in particular, lays down precisely the organisational structure of the company i.e. organizational units and positions, generally depending on the functional and hierarchical relationships between themselves and their scopes of action. In addition, describes the General legal basis for the activities of "KOPEX S. A. , rules representation of a company and signature creation policy and the issue of internal acts. An integral annex to the rules of procedure of the organization chart is chart showing graphically the structure hierarchical - organizational enterprise company.

The management board represents the company and take all decisions related to running the company's Affairs, not reserved by law or the provisions of the articles of Association to the competence of the general meeting or the Supervisory Board. The organisation and mode of operation of the company's Management Board shall set out in detail the rules of the Board.

Each Member of the Board in addition to the corporate role in the Management Board of the company fully at the same time, the Director of the Division, which performs the directing in the ordinary course of the Board referred to the rules of the Organization of the company's business areas assigned to complex by directors and managers of organizational units.

Resolution No. 45V/2016 of Apr 04, the year the Board of Directors has made a new Division of the operating function of the management between the current members of the Board "KOPEX S. A. and has adopted a new model of the organisational structure of the company – the company in accordance with the new organization chart below" KOPEX S. A. where four organizational, directed by the members of the Board of Directors acting at the same time, the functions of Directors of these pieces.

Organization chart "KOPEX S. A. as of the date of this report



1.4. EMPLOYMENT AND REMUNERATION

Personnel changes resulted from the implementation of the company's current tasks and took into account the demand for qualified staff in the various organizational units of the company.

Employment was as follows:

	31.12.2015	31.12.2014	PERSON
White-collar workers	249	225	
Blue-collar workers	36	37	
TOTAL	285	262	

Employment costs:

	2015	2014	PLN thou
REMUNERATION	30.382	30.1011	
SOCIAL INSURANCE AND OTHER BENEFITS	5.794	5.777	
TOTAL	36.176	35.878	

2. BASIC ECONOMIC AND FINANCIAL DATA

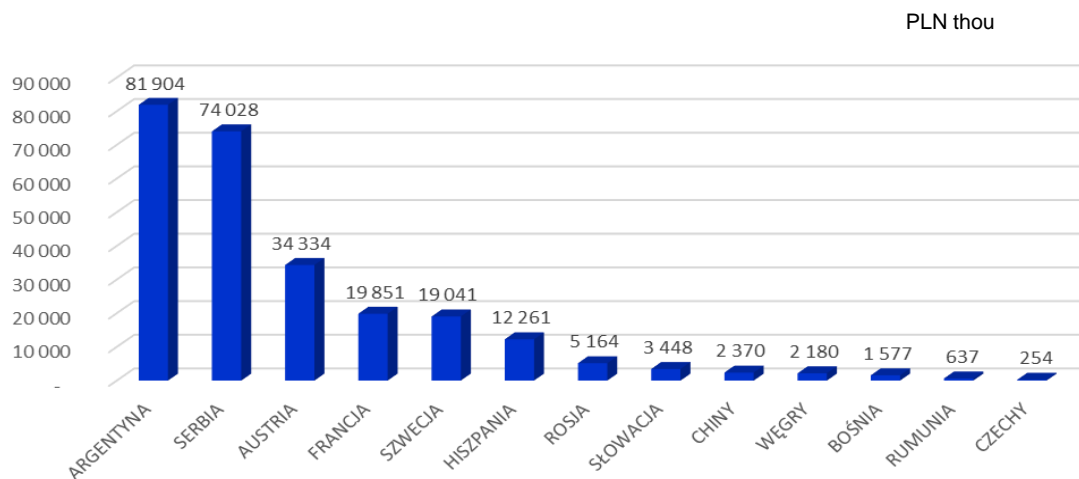
2.1. SEPARATE PROFIT AND LOSS ACCOUNT

In 2015 sales revenues of the Issuer reached PLN 276.486 thousand and were lower than the execution in 2014 by PLN 88.541 thousand, ie. 24,3%.

For the period of 2015 the Issuer generated revenues from export sales in the amount of PLN 257.049 thousand. The main items are:

- Sales of mining machinery and equipment to Argentina, Bosnia and Hercegovina, China, Romania and Serbia amounting to PLN 165.670 thousand;
- Sales of bulk raw materials (coal) in the amount of PLN 71.264 thou to Austria, Spain, Slovakia, Sweden and Hungary;
- Mining services in amount of PLN 19.851 thou rendered in France;
- Other services in Czech Republic and Romania in amount of PLN 264 thousand.

Below shows the geographical structure of the Issuer's export for the period January-December 2015:



In the domestic market for the period January-December 2015, the Issuer achieved sales revenue in the amount of PLN 19.437 thousand consisting of:

- Sales of mining machinery and equipment amounting to PLN 348 thousand;
- Other sales (lease, rental, accounting, financial services, information services, logistics services, internal control, licensing agreements, advisory services) in amount of PLN 19.089 thousand.

Supplementary information concerning the operating segments by industry and geography included in section 14 of the financial statements Kopex S.A.

Gross profit on sales in 2015 amounted to PLN 21.127 thousand, compared to the result obtained in the same period of 2014 it decreased by PLN 14.707 thousand, i.e. by 41,0%.

Costs of sales in 2015 amounted to PLN 9.313 thousand and compared to the result obtained in the same period of 2014 it decreased by PLN 50 thousand, i.e. by 0,5%.

General and administrative expenses in 2015 amounted to PLN 23.805 thousand and are lower than those incurred in 2014 by PLN 2.558 thousand, ie. 9,7%.

Other income and expenses and profits (losses) in the period are as follows (in PLN thousands):

- Other revenues:

	01.01.2015 TO 31.12.2015	01.01.2014 TO 31.12.2014
Dividends	52.477	107.989
Grants	1.194	1.982
Reversed impairment of the revaluation of assets	402	-
Damages, penalties, legal costs	167	859
Cancelled liabilities	20	95
Other	254	233
TOTAL	54.514	111.158

- other costs

	01.01.2015 TO 31.12.2015	01.01.2014 TO 31.12.2014
The write-offs due to revaluation of receivables	5.168	2.164
The penalties, legal costs, compensation	130	343
Reserves established	30	186
Receivables written off	-	516
Other	172	505
TOTAL	5.500	3.714

- other profits (losses)

	01.01.2015 TO 31.12.2015	01.01.2014 TO 31.12.2014
Result from sale of fixed assets	4.949	-13
Foreign exchange differences (except for loans)	1.423	1.010
The result on foreign exchange transactions (for which no hedge accounting is carried out)	852	1.852
Result from sales of financial assets (stocks, bonds)	-471	-7.590
Valuation of foreign currency transactions (for which no hedge accounting is carried out)	-692	-2.029
Revaluation of investments (valuation of loans, long-term settlements, shares)	58	-856
Other	-10	-
TOTAL	6.109	-7.626

In 2015, the issuer has made write-downs of shares and shares of PLN -597.132 thousand.

Loss from operations in 2015 was PLN -554.000 thousand.

Financial revenue and costs in the reporting period are as follows (in PLN thousands):

- Financial revenue:

	01.01.2015 TO 31.12.2015	01.01.2014 TO 31.12.2014
Interest from loans granted	7.784	6.765
Fees from sureties, warranties	1.562	4.391
Interest on lease	1.549	2.806
Exchange rate differences on loans and advances	681	1.440
Other interest	229	1.605
Other financial revenues	7	9
TOTAL	11.812	17.016

- Financial costs:

	01.01.2015 TO 31.12.2015	01.01.2014 TO 31.12.2014
Write-downs on loans	96.279	806
Interest on credits and loans	3.511	6.414
Fees on sureties, guarantees, credits	735	1.901
Interest on lease	705	72
Other interest	298	233
Other financial costs	101	49
TOTAL	101.629	9.475

Issuer for 2015 years generated net loss of PLN -637.612 thousand.

Ability to meet obligations

Economic and financial situation of the Company is reflected in the indicators of liquidity, which are respectively:

	31.12.2015	31.12.2014
<ul style="list-style-type: none"> Current liquidity (current assets / current liabilities decreased by reserves and accruals) 	0,81	1,30
<ul style="list-style-type: none"> Quick liquidity (Current assets - inventories / current liabilities decreased by reserves and accruals) 	0,81	1,29
<ul style="list-style-type: none"> Cash liquidity (cash / current liabilities decreased by reserves and accruals) 	0,03	0,13

On 25. 02. 2016 was published current report for 4th quarter 2015, which showed a reduction of the financial results of the company. On 25 and 26 February 2016 banks that support the company blocked the availability of credit limits, the warranty and treasury, lowering the height limits for the amounts used on day of 25. 02. 2016 r. Situation in very seriously has shaken the company's ability to conduct normal business (block warranty limits) and the liquidity of the company.

The company shall take remedial action involving the distribution of the relevant payment on installments, on an accelerated acquisition of resources from dividends within a group, the recovery of loan, and also undertook extensive restructuring measures (cost reduction, reduction of employment).

2.2. COMMENTARY ON THE FINANCIAL SITUATION

The value of total assets at end 2015 amounted to PLN 1.144.323 thousand and compared to the end of 2014 it decreased by PLN 699.499 thousand, ie. 37,9%. The main factors causing changes in the balance sheet total was an decrease in the value of assets in the group of assets by PLN 576.363 thousand, ie. 37,7% and decrease in long-term lease receivables by PLN 123.136 thousand, ie. 38,9%. In obligations and the equity reducing capital in the group is being taken down for the PLN 665.838 thousand and deterioration of non-current liabilities for the PLN 18,722 thousand, i.e. the 52,0% and reducing current liabilities by the 14,939 thousand PLN.

Detailed values and structure of the balance sheet items as at the end of 2015 and 2014 have been posted on p. 3. Of the Financial Statements of Kopex SA.

2.3. SELECTED FINANCIAL AND ECONOMIC INDICATORS

The following table shows the development of selected financial and economic indicators for the period 2014 against 2013.

	2015	2014
PROFITABILITY RATIOS		
Gross profit margin on sales (%) (gross profit / sales revenue) x 100	7,64	9,82
The operating profit margin (%) (operating profit / sales revenue) x 100	-200,37	24,99
EBITDA The operating profit margin (%) (operating profit + depreciation / sales revenue) x 100	-198,40	26,24
Net profit margin of sales (%) (net profit / sales revenue) x 100	-230,61	26,95
Return on equity (%) (ROE) (net profit / average equity) x 100	-52,90	6,59
The ROE total (%) (ROA) (net profit / average total capital) x 100	-42,68	5,50
LIQUIDITY RATIOS		
Current ratio (current assets / current liabilities, reserves and accruals)	0,81	1,30
Increased liquidity ratio (current assets - inventories / current liabilities, reserves and accruals)	0,81	1,29
Cash ratio (cash / current liabilities, reserves and accruals)	0,03	0,13
MANAGEMENT EFFICIENCY RATIOS		
Receivables turnover ratio in stripes (revenues from sales / receivables from supplies and services at the end of the period)	4,62	4,29
Receivables turnover in days (number of days in the period / receivables turnover ratio in stripes)	79	85
Liabilities turnover ratio occasions (revenues from sales / liabilities Trade payables at end of period)	8,21	3,29
Liabilities turnover in days (number of days in the period / turnover ratio of liabilities in stripes)	44	111
The inventory turnover ratio in stripes (revenues from sales / inventory at the end of the period)	467,04	114,39
Inventory turnover in days (number of days in the period / turnover ratio of stocks in stripes)	1	3
SOLVENCY INDICATORS		
Interest coverage in stripes (gross profit + interest / interest)	-141,63	15,70
Burden ratio Debt ratio (%) (total liabilities / total assets) x 100	23,76	16,57
Assets ratio Equity (%) (equity / assets) x 100	76,24	83,43
Ratio of liabilities to equity (%) (liabilities at end of period / shareholders' equity) x 100	31,17	19,87

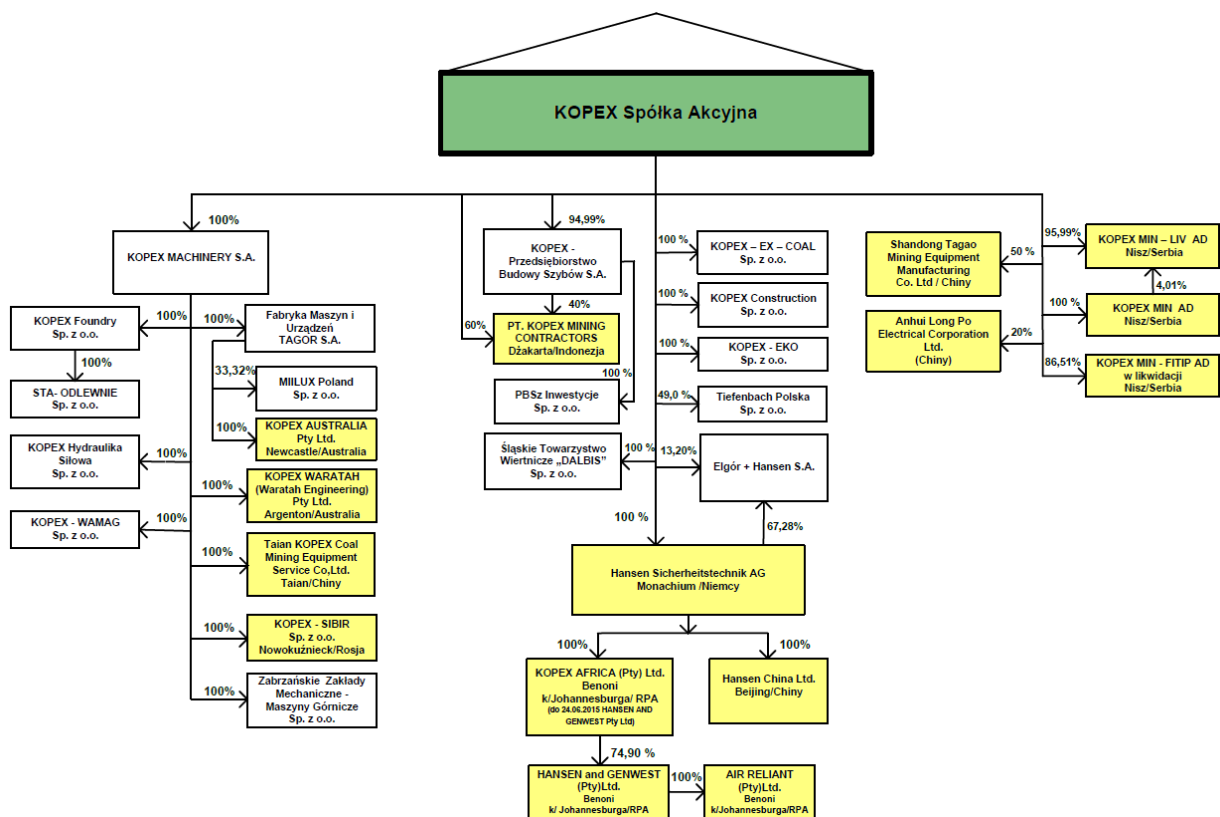
3. CAPITAL GROUP. INFORMATION ON ISSUER'S ORGANIZATIONAL OR CAPITAL CHANGES.

DETERMINATION OF MAJOR DOMESTIC AND FOREIGN INVESTMENTS

3.1. DESCRIPTION OF THE ORGANISATION OF THE ISSUER'S CAPITAL GROUP

The KOPEX S.A. Capital Group („KOPEX Group”, „Group”, „Issuer's Capital Group”) is composed of the parent company - KOPEX S.A. based in Katowice, the company listed on the Warsaw Stock Exchange and of several subsidiaries with associated entities. These subsidiaries are characterised by varying degrees of importance for business and significance of the composition of the KOPEX Group.

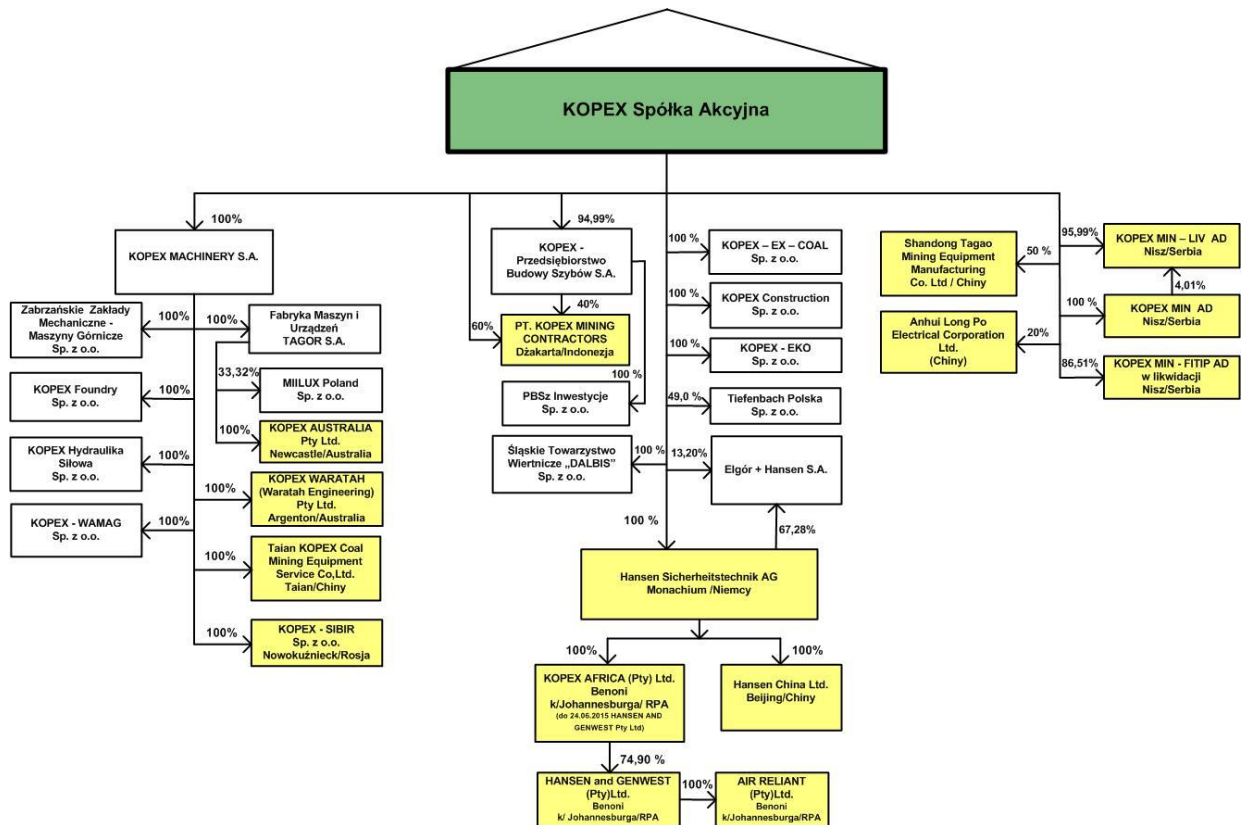
Organizational chart of KOPEX S.A. as at 31 December 2015



Notice: companies established abroad are indicted in yellow

Source: Company as at 31.12.2015

Organizational chart of KOPEX S.A. as of the date of this report



Notice: companies established abroad are indicated in yellow
 Source: Company

3.2. MARKET POSITION OF THE KOPEX GROUP

KOPEX Group is characterised by:

- complete range of products and technology for coal mining (underground mining, open-cast mining):
- individual treatment of every Client needs ➤ *diversified portfolio of customers:*
 - leading mining corporations in the world,
 - largest coal mines and power producers in Poland.
- own R & D base and office design, making it possible to work on the modern and high-tech products, adapted to different geological conditions and satisfying the most demanding business partners
- credibility and adherence to ethical and legal conduct of business rules, as a basis for conducting business activities and achieving sustained success,
- implemented and continually improved quality management systems certified with quality certificates according to ISO standards,
- a team of highly qualified and experienced specialists,
- multicultural working environment because of our presence in major mining markets in the world and accumulated 51 years of experience with the implementation in more than 50 countries around the world,
- implementation of the strategy of corporate social responsibility CSR.

3.3 THE ISSUER'S CAPITAL GROUP CHANGES IN THE STRUCTURE OF THE COMPANY, INCLUDING MERGERS, ACQUISITIONS OR SALE OF UNITS, LONG-TERM INVESTMENTS, DIVISION, RESTRUCTURING AND DISCONTINUED OPERATIONS

KOPEX Group continues taken at the end of 2013, projects under the "Organizational restructuring programme Group" KOPEX" S. A. for the years 2013-2016 "and" optimisation programme Assets key Group companies "KOPEX S. A. for the years 2013-2015", which the issuer shall transmit information throughout the year 2015 in the published reports. For the purposes of the implementation of these programmes have been implemented to manage the project. Restructuring projects are carried out in accordance with the methodology developed by the international organization of the IPMA (International Project Management Association).

Organizational restructuring processes implemented in the „KOPEX” S.A. Capital Group consist of:

- incorporation / merger / consolidation of selected companies with the Kopex Group, serving the intention of building strong, specialized and product distinguished entities;
- elimination entities from the Kopex Group through the sale of their shares / stocks, for which the rate of return on investment and business risks do not justify further continuation taken in the past capital investment in these entities;
- elimination from entities the Group through the sale of their shares / stocks, in which entities the Issuer holds minority stakes and whose activity is not related to the "core business" of the Group;
- elimination of selected companies from the Group through liquidation processes, e.g. companies that have not started the actual business or companies that do not promise a lasting improvement;
- acquisition / acquiring stocks / shares in the new selected entities to strengthen the product offering of the Kopex Group and improve its competitiveness.

The Management Board after the analysis of the effects of the implementation of both the programs in 2014, he made the decision to upgrade them, and on 4 March 2015 has taken on the adoption of the resolution to the implementation of the updated "The organizational restructuring of the group" "KOPEX" S. A. for the years 2013-2016 "and the updated" optimisation programme assets key Group companies "KOPEX" S. A. for the years 2013-2015".

The effect of the existing measures is increasing organisational restructuring group, the cost of its business and improve management processes in the Group KOPEX. At the end of the year 2013 capital group "KOPEX" S. A. consisted of 43 companies, including 22 companies in Poland and 21 foreign companies. At the end of 2015, the number of companies decreased to 31 subsidiaries or associated with "KOPEX" S. A. within the framework of the restructuring measures in the year 2016 plans to continue steps to significantly reduce the number of players in the group "KOPEX" S. A. in the year 2015 also continued implementation of the optimization property, which has helped to further reduce the size of the assets unnecessary for the production (FA fixed assets , stocks).

In connection with the results of the Group KOPEX Q4 2015 and the related reaction of the banks financing the Group's activities, which informed the Company Kopex in current reports (from nr 13/2016 to 16/2016), it has become necessary to step up the activities and objectives of the restructuring Group KOPEX.

Given the above Group KOPEX proceeded to draw up a comprehensive restructuring programme, with the participation of renowned consulting company. At the present stage are carried out analytical activities that do not suspend the activities carried out so far under the restructuring.

In 2015 and to the date of publication of this report have occurred the following changes in the organizational structure of the capital group companies "KOPEX S. A. , arising from the restructuring measures and objectives Development Group KOPEX:

1) Purchase/subscribe for shares/shares by KOPEX S. A. or by other companies of the group "KOPEX" S. A. :

a) increase to 33,32% participations Fabryka Maszyn i Urządzeń „TAGOR” S.A. in Tarnowskie Góry in Miilux Poland SP. z o. o. in Tarnowskie Góry;

On June 6, 2014, the District Court in Gliwice X Economic Department of the national court register has made an entry into the register of entrepreneurs of the national court register company Miilux Poland SP. z o. o. based in Tarnowskie Góry, in which the company "TAGOR" S. A. took 33,00% participation in the share capital.

On 09. 01. 2015, registered has been increasing the share capital of the company Miilux Poland Sp. z o. o. , the Finnish partner Miilux Oy has a total of 172.560 shares, representing 66,68% in the share capital and the company TAGOR S. A. has raised a total of 86.240 shares, which represents 33,32% participation in the share capital of the company.

b) assumption through "KOPEX " S.A. of new shares in the increased share capital of the company Węgliki Spiekane "BAILDONIT " Sp. z o.o. with registered office in Katowice;

On the day of 29. 01. 2015. Extraordinary general meeting of the company cemented carbide "BAILDONIT" SP. z o. o. has taken a resolution to increase the share capital of the company from the amount of PLN 10,2 million to the amount of PLN 12.404.000 i. e. the amount of PLN 2.204.000 by establishing 4,408 new shares with a nominal value of PLN 500 each. After the registration of the capital increase KOPEX S. A. owned 8.204 shares representing 33,07% participation in the share capital, and the other Partner had 16.604 shares, which accounted for 66,93% of the share in the share capital of the company. This action was due to the implementation of the agreement between the members of the agreement setting out the strategy for the further development of the company cemented carbide "BAILDONIT" SP. z o. o.

c) assumption by the company HANSEN AND GENWEST (Pty) Ltd in Johannesburg/ SOUTH AFRICA of the 100% of shares KOPEX HOLDINGS (Pty) Ltd with the registered office in Johannesburg/RPA;

On December 17, 2014, was created at the initiative of the company HANSEN AND GENWEST (Pty) Ltd based in Johannesburg/SOUTH AFRICA (currently KOPEX AFRICA (Pty) Ltd) a new management company in SOUTH AFRICA under the company KOPEX HOLDINGS (Pty) Ltd with target of the intention of its accession due to the market conditions to Government of BBBEE (Broad-Based Black Economic Empowerment Act, 2003). After joining this program KOPEX HOLDINGS (Pty) Ltd. will obtain the ability to accede to public tenders and to apply for government contracts in South Africa. The objective of this programme is to support and economic stimulation and activation of the indigenous peoples, historically, which foresee Negro population. On the day of 23. 04. 2015. company KOPEX HOLDINGS (Pty) Ltd has acquired on the basis of the carried out external audit (BEE Rating report) the verification certificate (BEE status level 3) confirming the deployment of BBBEE.

On August 6, 2015 registered was change company KOPEX HOLDINGS (Pty) Ltd on HANSEN AND GENWEST (Pty) Ltd in connection with the resolution of 03 July 2015, about the change of the company. The immediate reason for the changes was the need to use a recognizable brand on the market through this company leading out the basic business in South Africa. Currently in connection with transactions described in the following section 2 a) shareholders of the company HANSEN AND GENWEST (Pty) Ltd are KOPEX AFRICA (Pty) Ltd (74. 9% share) and HANSEN AND GENWEST BEE TRUST (25. 1%).

d)) The transfer of ownership of 13.20% of the shares of the company Elgor + Hansen S. A. with its registered office in Chorzów on "KOPEX" S. A. in Katowice;

On the basis of the agreement of 18. 06. 2015 r. between companies of Zabrzeńskie mechanical plant-mining machines SP. z o. o. and KOPEX Machinery S. A. company Zabrzeńskie mechanical plant-mining machines SP. z o. o. has divested to KOPEX Machinery S. A. 743.450 shares of the company Elgor+Hansen S.A. in Chorzów. These actions were 8.65% participation in the share capital Elgor+Hansen S.A. pursuant to and in the implementation of the resolution No 20 general meeting KOPEX Machinery S.A. of 22 June 2015 on the allocation of the net profit for the year 2014, it was decided to withdrawal for the shareholder "KOPEX" S. A. a part of the profit to the title of dividend for year 2014 in the form of in-kind benefits through the transfer by the company KOPEX Machinery S.A. for "KOPEX" S.A. ownership of a total of 1.135. 040 shares of the company under the company : Elgor+Hansen S.A. with its registered office in Chorzów. Transfer above action Elgor+Hansen S.A. "KOPEX" S.A. took place on Marc Chandler. These actions constitute 13,20% participation in the share capital and give as many votes at the general meeting of company Elgor+Hansen S.A. in Chorzów. These transactions are one of the organizational restructuring process carried out in the Group KOPEX.

e) Acquisition by KOPEX MIN A. D. (the subsidiary "KOPEX" S. A.) 4.072 shares in a company KOPEX MIN-LIV A. D. (also a subsidiary of "KOPEX" S. A.) forming 4,01% of the total number of shares KOPEX MIN-LIV A. D.

According to information provided by the Serbian brokerage Euro Fineks Broker AD based in Belgrade, on 17.08.2015 the acquisition of 2,000 shares of KOPEX MIN-LIV AD by KOPEX MIN AD was concluded, while on 20.08.2015 KOPEX MIN AD acquired a further 2,072 shares of KOPEX MIN - LIV AD. The Kopex MIN A.D. and KOPEX MIN-LIV A.D. are subsidiaries of Kopex SA. As a result of the above transactions, capital commitment of Kopex SA in the company KOPEX MIN-LIV A.D. (together with its subsidiary KOPEX MIN-AD) increased to 93.75% (a total of 95,163 shares, of which 91,091 is the property of Kopex SA and 4072 shares are KOPEX MIN AD owned). The above-mentioned transactions are carried elements of the organizational restructuring carried out in the Kopex Group.

f) increase to 100% of the capital commitment of the company "KOPEX" S. A. in company KOPEX MIN A.D. with headquarters in Nis/Serbia;

On 18 December 2015, the Extraordinary General Meeting of KOPEX MIN A.D. with headquartered in Nis/Serbia at the request of "KOPEX" SA which is the majority shareholder of the company KOPEX MIN A.D. , holding 437.776 shares representing 93.48% of the share capital has taken the resolution forced buyout of the remaining company shares 30.545 belonging to minority shareholders. On the day of 28. 12. 2015. in accordance with the decision of the central register and deposit of securities in Belgrade finished the process of sell-out 30. 545 company KOPEX MIN A.D., resulting in the company "KOPEX" S. A. is the sole shareholder of KOPEX MIN A. D. with the 468. 321 shares of the company.

g) increase to 100% of the capital commitment of the company "KOPEX" S. A. in company KOPEX MIN-LIV A.D. with headquarters in Nis/Serbia;

On 18 December 2015, the Extraordinary General Meeting of KOPEX MIN-LIV A.D. with headquartered in Nis/ Serbia at the request of "KOPEX" SA which is the majority shareholder of the company KOPEX MIN-LIV A.D. holding 95 163 shares of KOPEX MIN-LIV A.D. which including 93.75% participation in the share capital of the company (of which 91 091 was owned by "KOPEX" S.A. , and ownership of 4 072 KOPEX MIN A.D.) took the resolution forced buyout of the remaining action 6 343 KOPEX MIN-LIV A.D. belonging to the minority shareholders. On the day of 25 December 2015 in accordance with the decision of the central register and deposit of securities in Belgrade finished the process of sell-out 6 343 company KOPEX MIN-LIV A.D., as a result of which capital involvement "KOPEX" S.A. company KOPEX MIN-LIV A. D. (together with its subsidiary KOPEX MIN A. D.) rose to the level of 100% (a total of 101 506 shares, of which 97 434 belong directly to "KOPEX" S. A. and representing 95.99% of the share capital and 4 072 belonging to KOPEX MIN A. D. and forming 4.01% of the share capital).

h) The combination of the company DOZUT-TAGOR Sp. z o.o. based in Zabrze (the acquiring company) and the company HS Lubań Sp. z o.o. based in Lubań (the company being acquired) and change the company to KOPEX Hydraulika Siłowa Sp. z o.o.

Extraordinary general meeting of the company DOZUT-TAGOR Sp. z o.o. and Extraordinary General meeting of the company HS Lubań Sp. z o.o. have taken on resolutions on 30 November 2015 to combine the companies in article 492 § 1 point 1 Ksh. through the transfer of all assets of the company HS Lubań Sp. z o.o. company DOZUT-TAGOR Sp. z o.o. The merger was registered by the Registry Court on 31 December 2015. The increased share capital of the acquiring company (DOZUT-TAGOR Sp. o.o.) newly created shares were acquired by the existing shareholder of the acquired company, ie. Kopex MACHINERY S.A. With the registration of the merger on 31 December 2015 was also registered the company change DOZUT-TAGOR Sp. z o.o. on KOPEX Hydraulika Siłowa Sp. z o.o.

2) Sale of shares by KOPEX S.A. or by other subsidiaries of the KOPEX Group, suspension of activities, or liquidation processes of the subsidiaries of the KOPEX Group that were undertaken within the framework of the restructuring and organizing processes of the subsidiaries "Kopex" S.A. Capital Group:

a) disposal by company „HANSEN AND GENWEST” (Pty) Ltd in Johannesburg/RSA of 25,1% shares of company KOPEX HOLDINGS (Pty) Ltd based in Johannesburg/RPA in favor of HANSEN AND GENWEST BEE TRUST and transferrin the business activities of HANSEN AND GENWEST Pty Ltd (currently KOPEX AFRICA Pty Ltd) to the company KOPEX Holdings (Pty) Ltd (currently) HANSEN AND GENWEST Pty Ltd);

As a result of the accession of the company KOPEX HOLDINGS (Pty) Ltd based in Johannesburg/SOUTH AFRICA (now HANSEN AND GENWEST Pty Ltd) to the implementation of the described above in section 1 c) of BBBEE (Broad-Based Black Economic Empowerment Act, 2003) was on March 1, 2015. the agreement between HANSEN AND GENWEST Pty Ltd (now KOPEX AFRICA Pty Ltd) and HANSEN AND GENWEST BEE TRUST whereby HANSEN AND GENWEST Pty Ltd (now KOPEX AFRICA Pty Ltd) has the disposal of 25. 1% of the shares of the company KOPEX HOLDINGS (Pty) Ltd (now HANSEN AND GENWEST Pty Ltd) on behalf of HANSEN AND GENWEST BEE TRUST (which was one of the main conditions in/in). However, by agreement between HANSEN AND GENWEST Pty Ltd (now KOPEX AFRICA Pty Ltd) and KOPEX HOLDINGS (Pty) Ltd (now HANSEN AND GENWEST Pty Ltd) moved the whole business HANSEN AND GENWEST Pty Ltd to the company KOPEX HOLDINGS (Pty) Ltd (now HANSEN AND GENWEST Pty Ltd) along with shares of the company AIR RELIANT (Pty) Ltd. these transactions were caused by existing in SOUTH AFRICA the conditions of doing business and a constant desire to increase the competitiveness of the Group company KOPEX on the South African market. On the day of 23. 04. 2015. company KOPEX HOLDINGS (Pty) Ltd (now HANSEN AND GENWEST Pty Ltd) obtained on the basis of the carried out external audit (BEE Rating report) the verification certificate (BEE status level 3) confirming the deployment of BBBEE and thus the company was granted the status of an entity that can receive public tenders and apply for government contracts in South Africa.

b) transfer of the ownership of HS Lubań Sp. z o.o. 1 510 shares by STA-Odlewnie Sp. z o.o. for redemption;

In implementing Resolution No. 2 of the Extraordinary General Meeting of Shareholders of HS Lubań Sp. z o.o. dated 07.05. 2015 and on the basis of the Agreement, of transfer of ownership of the shares for redemption, on 18 May 2015 occurred the transfer of 1,510 shares in the company HS Lubań Sp. z o.o. held by the company STA-Odlewnie Sp. z o.o. to the company HS Lubań Sp. z o.o. for redemption (after prior reduction in the share capital of the company). These shares accounted for 91.52% of the share capital of HS Lubań Sp. z o.o. and they gave the same number of votes at the general meeting of the company HS Lubań Sp. z o.o. On 10.15.2015 the District Court for Wrocław-Fabryczna in Wrocław registered the reduction of the share capital of the HS Lubań Sp. zoo. and the related redemption of the aforementioned 1.510 shares acquired by the Company for redemption. Consequently, the sole shareholder of the HS Lubań Sp. z o.o., is currently the company Kopex Machinery SA. The above mentioned transaction is one of the stages of the organizational restructuring carried out in the Kopex Group, providing for, among others, the incorporation of the company HS Lubań Sp. zoo., the company DOZUT-TAGOR Sp. zoo. Then the company HS Lubań

SP. z o. o. has been connected with the company DOZUT-TAGOR Sp. z o. o. that has been described above.

c) Disposal by "Kopex" SA of all shares of the company MIN PROIZVODNJA AD, in liquidation;

On 24.09.2015 the agreement was concluded of sale of all owned by Kopex SA Proizvodnja shares of the company MIN AD, in liquidation (ie. 4388 shares of the company) to an entity outside the Kopex Group. These shares accounted for 87.76% of the share capital and the same number of votes at the general meeting of the company Kopex Proizvodnja AD, in liquidation. The decision to liquidate the company was taken on November 5, 2012 by the Extraordinary General Meeting of Kopex Proizvodnja AD due to adverse economic developments on the Serbian market, resulting in the suspension of investments and a drop in demand in the area of products of the company and consequently increasingly difficult financial situation. On 10/05/2015, as a result of registration of the sale by the Serbian Central Securities Depository, the transfer of ownership rights to their purchaser took place.

d) Disposal by the company KOPEX MACHINERY S. A. in Zabrze, 100% of the shares of the company STA-Odlewnie Sp. z o. o. based in Tarnowskie Góry on the company KOPEX Foundry Sp. z o. o. in Stalowa Wola.

On 31.12.2015 on the basis of the sales contract shares the company KOPEX MACHINERY S. A. has the disposal of 100% of the shares of the company STA-Odlewnie Sp. z o.o. company KOPEX Foundry Sp. z o.o. The transaction described above is part of the organizational restructuring process carried out in a KOPEX Group.

e) Reduction of capital commitment "KOPEX" S. A. in the subsidiary KOPEX-Przedsiębiorstwo Budowy Szybów S. A. with registered office in Bytom

On the basis of the contract of sale of the shares of 30.12.2015 company "KOPEX" S.A. has the disposal of a subsidiary to KOPEX MACHINERY S.A. 444 shares of the company KOPEX-Przedsiębiorstwo Budowy Szybów SA representing 0.01% of the share capital. Thus, the direct participation of "KOPEX" S. A. capital KOPEX-Przedsiębiorstwo Budowy Szybów S.A. decreased to the level of 94,99%.

f) Disposal by KOPEX "S. A. 3,300 shares in Węgliki Spiekane BAILDONIT SP. z o. o. based in Katowice

On 30. 12. 2015 of the year between the company "KOPEX" S.A. and a legal person (unrelated entity) has concluded the contract of sale by "KOPEX" S.A. 3.300 shares Węgliki Spiekane BAILDONIT Sp. z o.o. Sold shares were 13. 30% of the share capital of the company Węgliki Spiekane BAILDONIT SP. z o.o.

g) Disposal of the organized part of the company Fabryka Maszyn I Urządzeń TAGOR S.A.

Extraordinary general meeting of the company Fabryka Maszyn I Urządzeń TAGOR S.A. on year 31.12.2015 has taken a resolution to consent to the disposal of part of the existing company organised under the name of "Zakład Hydrauliki" based in Zabrze to the company KOPEX Hydraulika Siłowa Sp. z o.o. in Zabrze. The contract of sale was concluded part of the organised on 31. 12. 2015. This transaction constitutes an element of the ongoing organizational restructuring programme KOPEX S.A. Group concentration in the field of hydraulic actuators in one company entity KOPEX Hydraulika Siłowa Sp. z o.o.

h) Complete the process of liquidation the company Hansen Xuzhou Electric Equipment Ltd. in liquidation/Chin

Formal and legal procedure for the liquidation of the company Hansen Xuzhou Electric Equipment Ltd./Chiny (a subsidiary of HANSEN Sicherheitstechnik AG) was completed. In accordance with the notice you received, the Office of the Special Economic Zone administrative control Market Technical-

XUZHOU company has been deleted from the register as of 28.12.2015 year. On the winding-up process starts, the issuer informs 2010 annual report published on 02.05.2011.

3) Other events within the Group that occurred in the period from January until the date of publication of this half-year report:

a) change of the company name HSW Odlewnia Sp. z o.o. based in Stalowa Wola for KOPEX Foundry Spółka z ograniczoną odpowiedzialnością;

The Extraordinary General Meeting of Shareholders HSW Odlewnia Sp. z o.o. in Stalowa Wola on 26.03.2015 passed a resolution to change the company's name to KOPEX Foundry Spółka z o.o. Changing the company's name was entered on 01.06.2015 in the National Court Register competent for the company.

b) Change of the company HANSEN AND GENWEST (Pty) Ltd based in Johannesburg/RSA to KOPEX AFRICA (Pty) Ltd;

On 9 May 2015 a resolution was passed by a shareholder HANSEN AND GENWEST (Pty) Ltd to change the company's name to Kopex Africa (Pty) Ltd., which on 24 June 2015 was registered.

c) Change of company Poland Investments 7 Sp. z o.o. based in Wałbrzych to KOPEX-WAMAG Spółka z o.o.

On 09.04.2015 the Extraordinary Meeting of Shareholders of Poland Investments 7 Sp. z oo adopted a resolution to change the company's name to Kopex-WAMAG company with limited liability. The currently ongoing formal and legal procedures related to the registration of the change of the company.

d) Starting procedure for amending the legal form of Serbian companies KOPEX MIN A.D. and KOPEX MIN-LIV A.D. (subsidiaries "KOPEX" S. A.)

Extraordinary general meeting of the company KOPEX A. D. and Extraordinary General meeting of the company KOPEX MIN-LIV A.D. (both based in Niš/Serbia) on of the year 05. 02. 2016 have taken the resolution of intention to begin procedures to change the legal form of each of these companies through the transformation into a limited liability company. At the same time, general meetings of both companies listed have made resolutions to withdraw company KOPEX MIN A.D. and company KOPEX MIN-LIV A.D. to trading on a regulated market (MTP Belgrade stock exchange A.D.) These actions are the next stage of organizational restructuring of the Capital Group companies run "KOPEX" S. A.

e) Connection KOPEX Foundry Sp. z o.o. with the company "STA-Odlewnie" Sp. z o.o.;

On Apr 03, the District Court in Rzeszów, 12TH commercial Division of the national court register, register the merger KOPEX Foundry SP. z o. o. with its registered office in Stalowa Wola (the acquiring company) and "STA-Foundry" SP. z o. o. in tarnowskie Góry (acquired company). The connection has occurred pursuant to art. 492 § 1 paragraph 1) of the commercial code. through the transfer of all assets of the company being acquired to the acquiring company (merger by acquisition) subject to the provisions of the article. 516 § 6 of the commercial code and without increasing the share capital of the acquiring company.

4) Investments Kopex S. A.

The issuer in 2015 has made investments to the amount of 2. 520 thousand. . Main expenditure targeted to purchase shares, and play in the field of machinery and equipment.

The issuer in 2015, with the exception of loans, not invest outside its holding company. Investments were financed from its own resources and from external sources of financing (Bank loans).

4. STATEMENT OF CORPORATE GOVERNANCE IN KOPEX SA IN 2015

In accordance with § 91 section 5 point. 4) Regulation of the Minister of Finance dated 19 February 2009 on current and periodic information published by issuers of securities and conditions for recognizing as equivalent information required by laws of non-member state (Journal of Laws. Laws of 2009 No. 33, item. 259 as amended), as well as discharging its duties under Resolution No. 1013/2007 of the Management Board of the Stock Exchange in Warsaw of 11 December 2007 on the scope and structure of the report on the application of corporate governance rules by listed companies in connection with § 2 of Resolution No. 718/2009 of the Management Board of the Stock Exchange in Warsaw of 16 December 2009 on the submission of reports by listed companies regarding the application of the principles of corporate governance - the Issuer notifies the following statement on the application of corporate governance principles in "KOPEX" SA in 2015, which includes in its content the information required above the required regulations.

a) Indication of the set of corporate governance rules governing the Issuer or which the Issuer can use freely and the place where the set is publicly available;

In the period from January 1, 2015 to 31 December 2015 KOPEX S. A. was subject to a set of corporate governance principles contained in the document "good practices for WSE listed companies" (annex to resolution No. 19/1307/2012 Council Warsaw Stock Exchange S. A. dated 21 November 2012). This document is available to the public on the official website of the issuer of the www.kopex.com.pl in the section dedicated to the shareholders of the "investor relations" / "corporate governance".

From 1 January 2016, the issuer is subject to a set of principles of best practice companies listed on the WSE 2016 "(annex to resolution No. 26/1413/2015 of the Supervisory Board of the stock exchange in Warsaw of 13 October 2015).

The text of the statement of principles of "best practice companies listed on the WSE 2016" is available to the public on the official website of the Warsaw Stock Exchange S. A. dedicated to the issues of corporate governance of listed companies on the main market of the WARSAW STOCK EXCHANGE UR www.corp-gov.gpw.pl and on the issuer's website www.kopex.com.pl in the section dedicated to the shareholders of the "investor relations" / "corporate governance".

The Management Board of the issuer has donated to the public in a report the EIB no. 1/2016 of 13.04.2016 of the year "a report on the scope of application of the good practices of listed companies on the Warsaw Stock Exchange 2016" with attached to it "information on the State of the application by KOPEX S. A. recommendations and principles of corporate governance contained in the document" good practices for WSE listed companies 2016 ". This information was also posted on the issuer's website www.kopex.com.pl in the section dedicated to the shareholders of the "investor relations" / "corporate governance".

b) an indication to the extent that the issuer of the departed from the provisions of the set of principles of corporate governance contained in the document "good practices for WSE listed companies" with an indication of those provisions and the reasons for the withdrawal;

The issuer of recognizing the principles of corporate governance as the ethical standards of conduct, forming relationships listed companies with a market environment as well as recognizing them in accordance with the principles of morality merchant and make the company more transparent to the capital market has adopted from the beginning to use the vast majority of rules from the document "good practices for WSE listed companies" in the wording proposed by the Warsaw Stock Exchange S. A. , the issuer in accordance with the "comply or explain" approach with regard to the few rules that the company is not (in part or in whole) and to appeal will not be used to publish current reports, and refer to them in the "corporate governance statements in" KOPEX S. A. "listed in the reports of the issuer for the years 2009 to 2014.

Information about corporate governance rules, and reports the EIB corporate governance Company, the issuer shall make publicly available on its website at www.kopex.com.pl under the tab "Investor relations" / "Corporate Governance".

The issuer in 2015 do not apply, as in the year 2014, in part or in its entirety the following recommendations and principles of corporate governance from a set of rules published in the "good practices for WSE listed companies" that were in force until 31 December 2015:

Section I. „Recommendations for Best Practice for Listed Companies”;

Rule I.1

„ A company should pursue a transparent and effective information policy using both traditional methods and modern technologies ensuring fast, secure and broad access to information. Using such communication methods to the broadest extent possible, a company should ensure adequate communication with investors and analysts, enable on-line broadcasts of General Meeting over the internet, record General Meeting, and publish the recordings on the company’s website”;

Explanation

Taking into account the current shareholding structure of the Company, the technical - organizational possibilities, weak domestic market experience in the field of broadcasts of General Meetings over the Internet and a number of reservations of a legal nature, as well as the disproportionate costs associated with the organization to carry out transmission of "live" session of the General Assembly on the Internet, Issuer's Management Board considered it inexpedient to broadcasts the General Meetings over the Internet.

In the opinion of the Issuer the legislation on the organization of general meetings of public companies and disclosure obligations of listed companies changed in the second half of 2009 sufficiently oblige the Company to a broad range of publishing extensive and detailed information related to general meetings in current reports and by placing certain required extensive information and documentation addressed to the General Meeting on the Company's corporate website under "Investor Relations" / "the General Meeting of Shareholders "and under current reports addressed to the public. For communication with the Company in all matters related to the general meeting, the Company also provides email wza@kopex.com.pl.

It should also be noted that the Issuer makes effort to ensure information policy is transparent and efficient and provide the broadest possible communication with investors. This is achieved also by redesigned investor service on the Issuer's website www.kopex.com.pl. in the "Investor Relations" tab.

However, in connection with changes in DPSN in force from 2013, consisting in the introduction to Chapter II. "Good Practice for Management Boards of Listed Companies" in principle "1. The Company maintains a corporate website and publish on it, in addition to the information required by law: "(...) a new subparagraph 9a) record of the proceedings of the general meeting, in the form of audio or video," the Issuer decided that from 2013 recordings of the proceedings of the General Meeting in audio form would be posted on the corporate website "KOPEX" SA.

Rule I.5.

„The company should have a remuneration policy and rules of defining. The remuneration policy should in particular determine the form, structure and level of remuneration of members supervisory and management authorities. In determining the remuneration policy for members of supervisory and management company should apply to the European Commission Recommendation of 14 December 2004 on fostering an appropriate regime for the remuneration of directors of listed companies (2004/913 / EC), supplemented by a recommendation from the Commission of 30 April 2009. (2009/385 / EC).

Explanation

- In determining the remuneration of members of supervisory and managing bodies the Issuer uses existing provisions of the Commercial Companies Code Act and the Articles of Association of the Company in this regard.

According to the current Articles of Association of the Company the remuneration of members of the Supervisory Board shall be determined by resolution the General Meeting of Shareholders. Currently,

the rules applied together with the amount of remuneration of the members of the Supervisory Board are set out in detail in Annex 1 "Principles of Remuneration Members of the Supervisory Board of Kopex SA" to the Resolution No. 19 of the Ordinary General Meeting of Shareholders of "Kopex" SA dated 24.06.2010, amended with the provisions of Resolution No. 24 of the Ordinary General Meeting of "KOPEX" SA of 18 June 2014 concerning amendments to the remuneration for the members of the Supervisory Board of "Kopex" SA.

The remuneration and its components for the members of the Management Board is determined in each case in the resolutions taken by the Supervisory Board of the Issuer relevant to its competences and applicable regulations of Articles of Association. The amount of remuneration depends on the individual responsibilities of members of the Management Board and responsibilities entrusted to individual members of the Board and relevant to the financial situation of the Company.

The issuer shall make public annually in the Company's annual report information on the salaries of managers and supervisors in accordance with the requirements of § 91 paragraph. 6 point 17 Regulation of the Minister of Finance dated 19 February 2009 on current and periodic information published by issuers of securities and conditions for recognizing as equivalent information required by laws of non-member state (Journal of Laws. Laws of 2009 No. 33, item. 259, as amended).

Rule I.12.

„The company should provide shareholders with the opportunity to perform in person or by proxy right to vote during the general meeting, outside the place of the general meeting, by means of electronic communication.”

Explanation

When it comes to ensuring that the Company provide the ability to perform in person or by proxy right to vote during the general meeting, outside the place of the general meeting, using electronic means of communication, The Issuer expressed its statement later in this statement with explanations of Chapter IV of the Good Practices relating to the principle IV.pkt.10. DPSN.

Section II. „Best Practice for Management of listed companies”:

II. Rule 1 section. 7) (partial exemption)

„1. The Company maintains a corporate website and publish on it, in addition to the information required by law:

.....

"7) shareholders' questions on issues on the agenda submitted before and during a General Meeting together with answers to those questions "

Explanation

The Issuer will put on its corporate website answers to shareholders' questions on issues on the agenda only in relation to the questions asked by the shareholders in writing. Furthermore, in connection with changes of DPSN in force from 2013, the Issuer in accordance with the principle of II.9) publishes recordings from the proceedings of the General Meeting in audio form (after completion) on its website.

II. Rule 1 sect. 11)

„1. The Company maintains a corporate website and publish on it, in addition to the information required by law:

.....

"11) information known to the Management Board based on a statement by a member of the Supervisory Board on any relationship of a member of the Supervisory Board with a shareholder who holds shares representing not less than 5% of all votes at the company's General Meeting"

Explanation the Issuer informs the public on CV and career of a new member of the Issuer's Supervisory Board, and in the Issuer's opinion, this information is sufficient for judgement if the person

appointed is capable of exercising his/her function. Such information shall be included in current reports and on the Issuer's website www.kopex.com.pl, tab Company / Authorities of the Company and shall contain information such as relationship of a member of the Supervisory Board with a shareholder who holds shares representing not less than 5% of all votes at the company's General Meeting.

Section III. – „Best practices applied by members of supervisory boards”

III. Rule 2.

" A member of the Supervisory Board should submit to the company's Management Board information on any relationship with a shareholder who holds shares representing not less than 5% of all votes at the General Meeting. This obligation concerns financial, family and other relationship which may affect the position of the member of the Supervisory Board on issues decided by the Supervisory Board."

Explanation

The Issuer informs the public on CV and career of a new member of the Issuer's Supervisory Board, and in the Issuer's opinion, this information is sufficient for judgement if the person appointed is capable of exercising his/her function. Such information shall be included in current report as well as on the Issuer's website www.kopex.com.pl, tab Company / Authorities of the Company and shall contain information such as relationship of a member of the Supervisory Board with a shareholder who holds shares representing not less than 5% of all votes at the company's General Meeting", if such situation occurs.

III. Rules 6 and 8.

Due to the current EIB report on No. 5/2013 published on 28.06.2013, in which the Issuer informed about a resolution adopted by the ZWZA „KOPEX” S.A. on June 26, 2013, about reducing the number of Supervisory Board members of "KOPEX" SA of the existing (7) members to (5) members and on adoption by the Supervisory Board of the resolution on the incorporation of Audit Committee responsibilities within the scope of competence of the Supervisory Board and to apply by the Company with effect from 28.06.2013 until further notice principles of corporate governance referred to in Chapter III. point 6, as well as in Chapter III. Section 8. "The Best Practices of WSE Listed Companies".

III. Rule 6.

" At least two members of the Supervisory Board should meet the criteria of being independent from the company and entities with significant connections with the company. The independence criteria should be applied under Annex II to the Commission Recommendation of 15 February 2005 on the role of non-executive or supervisory directors of listed companies and on the committees of the (supervisory) board. Irrespective of the provisions of point (b) of the said Annex, a person who is an employee of the company, a subsidiary or an associated company cannot be deemed to meet the independence criteria described in the Annex. In addition, a relationship with a shareholder precluding the independence of a member of the Supervisory Board as understood in this rule is an actual and significant relationship with any shareholder who has the right to exercise at least 5% of all votes at the General Meeting".

Explanation

The Issuer's General Meeting of Shareholders elects a members of the Supervisory Board in accordance with regulations of the Commercial Companies Code and the Company's Statutes of Association, with subject resulting from the provisions of § 35 paragraph. 4 Articles of Association of the Company, that in the event of dismissal, resignation or death of a member of the Supervisory Board during the term of office, a shareholder holding at least 51% of the total votes has the right to appoint a new person to the Supervisory Board in order to complete its composition.

III. Rule 8

" Annex I to the Commission Recommendation of 15 February 2005 on the role of non-executive or supervisory directors (...) should apply to the task and the operation of the committees of the supervisory Board.."

Explanation

The Issuer is of the opinion that forming committees within the Supervisory Board is not justified. The Supervisory Board works and takes decisions on the issues within its competence jointly. Members of the Supervisory Board are persons of proper qualifications and competence in this field.

5-person Supervisory Board "of KOPEX" S.A. at its meeting on 28 June 2013 passed a resolution No. 32 / VII / 2013 on the incorporation of Audit Committee responsibilities within the scope of competence of the Supervisory Board, with effect from 28 June 2013. In the above resolution of the Supervisory Board, acting pursuant to Art. 86 paragraph. 3 and paragraph 7 of the Act of 22 May 2009 on auditors and their self-government, entities authorized to audit financial statements and public supervision (Dz. U. of 2009 No. 77, item. 649) stated that, quoted.:

"

- 1) The Supervisory Board of "of KOPEX" S.A. bearing in mind that the Annual General Meeting of KOPEX SA on 26 June 2013 adopted a resolution on reducing the number of Supervisory Board members of KOPEX SA from (7) seven to five (5) and, therefore, now consists of no more than 5 members of the Board resolves that within the Supervisory Board of KOPEX S.A. there will be no separate Audit Committee operating.
- 2) The tasks of the Audit Committee referred to in Article 86 section 7 of the Act cited above and in § 4 section 4 of the Rules of the Supervisory Board of KOPEX SA will be implemented by the Supervisory Board. These tasks include:
 - a) monitoring the financial reporting process;
 - b) monitoring the effectiveness of internal control systems, internal audit and risk management;
 - c) monitoring the performance of financial audit;
 - d) monitoring the independence of the auditor and the entity authorized to audit financial statements; "

Section IV. – „Best practices applied by shareholders”**IV. Rule 10.**

„10. A company should enable its shareholders to participate in the General Meeting by means of electronic communication, involving the:

- 1) transmission of the general meeting in real time,*
- 2) two-way communication in real-time within which shareholders may take the floor during a General Meeting from a location other than the General Meeting”.*

Explanation

The Issuer in connection with the amendment principles of "Good Practices of WSE Listed Companies" made by Resolution No. 19/1307/2012 of the Council of the Stock Exchange in Warsaw of 21 November 2012, after conducting a thorough analysis decided not to accept the application of corporate governance principles contained in section IV, paragraph 10. DPSN. Formal and legal obstacle of not accepting the application of this principle are the current provisions of the Statute of the Issuer which would not be permitted to attend, speak and exercise of voting rights by shareholders at the General Meeting by means of electronic communication. In the opinion of the Issuer applying that rule, taking into account the market little experience in this area, may pose real threats that could have a significant impact on the organization and interference-free course of that meeting, and could consequently affect the enforcement of shareholders present at the venue of such general meeting relating to the effective resolutions or possibly making them sued. In the opinion of the Issuer, current rules of participation in general meetings are in accordance with the applicable provisions of the Commercial Companies Code and Articles of Association, and the organization of their course adequately protects the interests of all shareholders. The Issuer also expresses the view that the current shareholding structure of the Company does not justify the economic point of incurring additional significant costs associated with the organization of technical protection participation in the general Meeting by means of electronic communication and the conducting of transmission of the general meeting in real time. The course of the general meeting is however recorded on audio media and shall appear to the public after serving the general meeting on www.kopex.com.pl companies's corporate website under "Investor Relations" / General Meeting of Shareholders" tab.

c) description of the main features of the Issuer's Capital Group internal control and risk management in relation to the process of preparing financial statements and consolidated financial statements;

Legal principles of the system of internal control and risk management have been settled to the Company's internal acts ie. Internal orders of the Issuer for the adoption of the Company's accounting policies, instructions: preparing, circulation and control of financial and accounting documents, conducting inventory, manual cash and debt collection and procedures and instructions within the framework of functioning Quality Management System according to ISO 9001. The current organization of the Company secures the separation of jurisdiction for financial and accounting functions, which are implemented through separate organizational units Financial Centre and the Centre for Accounting.

Under the system of internal control and risk management, process of financial reporting is carried out in accordance to the company's above-mentioned formal and legal regulations. Data security is guaranteed by system based on the international standard ISO 27001- "Safety Management System Information" and by operating in Company Information Security Forum supporting this system Data security is guaranteed by the company's system of restrictions on access rights and password security to the financial accounting system, as well as by the binding procedures for backup and its storage defined by own IT departments.

The internal control system of the company is a tool to ensure regularity of accomplishment and registration of business processes and regularity of their accounting records, monitoring, making correct documentation in the fields of: purchase, invoice payment, sale, receivables proceeds, cost calculation system, product pricing, salaries, remaining costs and income.

In terms of the turnover of the property inventory of assets is carried out in the scope and terms required by the provisions of the Act of 29 września 1994r. Accounting (Dz. U. of 2009. No. 152, item. 1223, as amended. d.). Accounting documents are checked by the staff in terms of content, formal and accountancy.

The Controlling Office takes an important role in the chain of internal control and risk management in the Company. With the use of statistical tools it collects numerical database files in order to transform them into result information, which are used eg. in financial reporting and analysis, the monitoring of specific areas in order to identify risks early and to interpret the phenomena associated with the activity carried out, in particular to prepare and present information to a specific audience, in particular, the Supervisory Board and Management Board for the control and management.

The issuer prepares its financial statements in accordance with International Accounting Standards and International Financial Reporting Standards and related interpretations announced in the form of European Commission regulations, and to the extent not covered by those standards in accordance with the provisions of the Act of 29 września 1994r. Accounting (Dz. U. of 2009. No. 152, item. 1223, as amended. d.) and issued on the basis thereof, as well as meet the requirements of the Regulation of the Minister of Finance of 19 February 2009. on current and periodic information published by issuers of securities and conditions for recognizing as equivalent information required by laws of nonmember state (Dz. U. of 2009. No. 33, pos. 259 with later. d.). The annual financial statements of the companies of the Kopex Capital Group and annual financial statements of the Issuer (separate and consolidated) are each time audited by an independent qualified chartered accountant elected each year by the Supervisory Board of the Issuer, after analyzing auditors offers submitted to the Issuer. The financial statements in each case are also subject to thorough evaluation by the Supervisory Board in accordance with its specific obligations laid down in the Code of Commercial Companies. The results of the study and assessment of financial statements by the Supervisory Board are presented to the Company's Shareholders at the annual general meeting before a decision of approving the financial by the general meeting. Halfyearly financial reports are reviewed by the auditor.

It has already become a good and established practice that the members of the Supervisory Board invite the auditor for a meeting before and after the test to discuss the financial statements of the annual audit plan, the issue of unified accounting standards within the Group, key accounting issues

followed by research results of the auditor and the auditor's observations and conclusions of their review and audit of financial statements, separate and consolidated.

d) indication of the shareholders having direct or indirect shareholdings, together with an indication of the number of shares held by shareholders, their percentage of the share capital, number of votes arising from them and their percentages of the total number of votes at the general meetings;

In the period from 1 January 2014 until the date of publication of this annual report, the share capital of „KOPEX” S.A. did not change and it amounts to **PLN 74.332.538,00** and divides into 74.332.538 ordinary bearer shares with a nominal value of PLN 1.00 each, including:

- a) 19.892.700 ordinary bearer shares series A,
- b) 47.739.838 ordinary bearer shares series B, and
- c) 6.700.000 ordinary bearer shares series C.

There are no privileged shares to voting.

From 4 June 1998, the shares of "Kopex" SA are listed on the Stock Exchange - Giełda Papierów Wartościowych w Warszawie S.A. (KPX PLKOPEX00018, Industrial Machinery, Segment: basic, Index: mWIG80)



According to the information held by the Issuer on the date of publication of the half year report, the following shareholders held directly or indirectly, at least 5 per cent of the total number of votes at the General Meeting of KOPEX S.A.:

SHAREHOLDER	Number of shares held	Percentage shareholding in the share capital of „KOPEX” S.A.	Total number of votes at the General Meeting	Percent of votes at the General Meeting
Krzysztof Jędrzejewski (with subsidiaries)	43 586 675 ¹⁾	58,64%	43 586 675	58,64%
TDJ S.A. (indirectly through subsidiaries)	7 433 000 ²⁾	9,99%	7 433 000	9,99%
Nationale – Nederlanden OFE	4 029 002 ³⁾	5,42%	4 029 002	5,42%
Other shareholders – Free Float	19 283 861	25,95%	19 283 861	25,95%
Total	74 332 538	100,00%	74 332 538	100,00%

Source: Company

Notice:

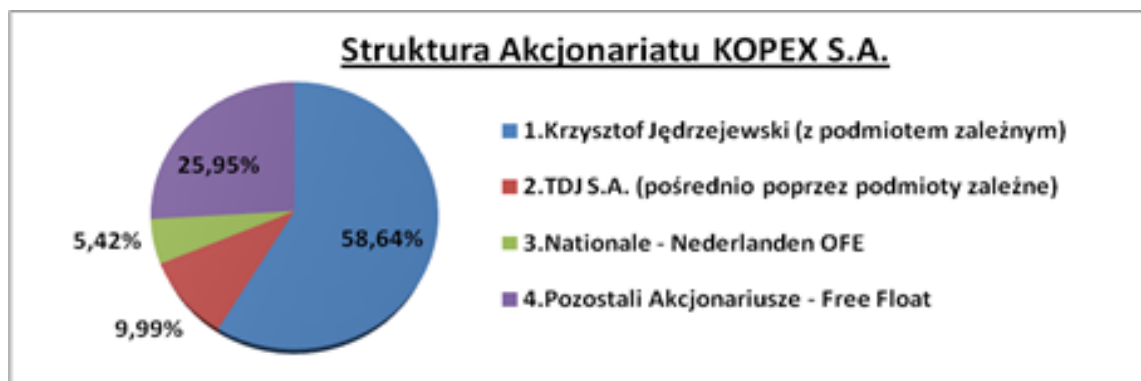
- 1) The total holdings of shares "KOPEX S. A. by the majority shareholder of Mr Krzysztof Jędrzejewski, together with a subsidiary (directly and indirectly) in accordance with the notice of suspended since 19. 11. 2013 he received from Mr. Krzysztof Jędrzejewski (current report No. 75/2013 of 19 November 2013) and statement of December 31 of the year, including:
 - **direct action** 43. 310. 175 has which 58,27% participation in the share capital KOPEX S. A. and to 43.310.175 votes at the general meeting KOPEX S. A. , which represents 58. 27% of the total number of votes;
 - **indirectly** it has through company KOPEX S. A. 276.500 (bought by KOPEX S. A. shares), which represent 0,37% participation in the share capital,
- 2) TDJ company S. A. located in Katowice, including has indirectly through its subsidiaries 7.433.000 "KOPEX S. A. , constituting the 9,999% participation in the share capital" KOPEX "S. A. and to 7.433.000 votes at the general meeting" KOPEX S. A. , which is 9. 999% of the total number of votes, including:

- the company GALANTINE SP. z o. o. holds 7.433.000 shares "KOPEX S. A. , constituting the 9.999% participation in the share capital" KOPEX "S. A. and to 7.433.000 votes at the general meeting" KOPEX S. A. , which is 9,999% of the total number of votes;

The majority shareholder of the Company TDJ S.A. is Mr Tomasz Domogała, who indirectly through the above mentioned subsidiaries of TDJ S.A. owns 7.433.000 shares of „KOPEX” S.A., representing 9,99% in the share capital of the Company and entitling to 7.433.000 000 votes at the General Meeting and representing 9,999% of total votes.

Above the State holding of shares, the issuer shall in accordance with the received on 30. 12. 2015. a notice from the company GALANTINE SP. z o. o. and report current KOPEX S. A. No 37V/2015 of 30 December, 2015.

³⁾ state of „KOPEX” S.A. shares held by **Nationale – Nederlanden OFE** based in Warsaw according to the notice of the Shareholder (Current Report No. 2/2015 of 05 January 2015.).



e) indication of the holders of any securities with special control rights and a description of those rights;

All rights arising from the securities of KOPEX SA are the same and does not give any special control rights.

f) indication of any restrictions on voting rights, such as restrictions on voting rights of the holders of a given percentage or number of votes, deadlines for exercising voting rights or records, according to which, in cooperation with the company, the financial rights attaching to securities are separated from the holding of securities;

Restrictions on the exercise of voting rights of holders of the KOPEX SA shares are not known, except under provisions of Article 364 § 2 of Commercial Companies Code which refers to own shares purchased under the acquisition/buy back of own shares programme i.e. total purchased of 276.500 shares of the KOPEX SA, representing 0,37% of the share capital. In accordance with Article 364 §2 of the Commercial Companies Code, the company does not exercise the rights of its own shares, except the power to its disposal or to carry out activities which seek to preserve those rights, therefore they do not entitle to vote at the general meeting.

g) indication of any restrictions on the transfer of ownership of the Issuer's securities;

The Issuer's Statues of Association does not contain restrictions on alienation or acquisition Issuer's shares. Restrictions on the transfer of ownership of Issuer's securities are not known, except the general rules under applicable law.

h) descriptions of the rules of appointing and recalling of managing authorities and their rights, in particular the right to decide on shares issue or redemption of shares;

he rules of appointing and recalling members of the Board are governed by the provisions of the Commercial Companies Code and the provisions of Company's Statues of Association. The current

Statutes of Association of the KOPEX SA was adopted by the General Meeting on 13 August 2015 and is available on the Issuer's website www.kopex.com.pl, tab Company / Rules and information required.

In accordance with §25 of the company's Statutes of Association, members of the Board shall appoint and recall the Supervisory Board. The Management Board is composed from two (2) to five (5) members. Number of the members is determined by the body the Management Board is appointed by. Term of the office lasts for five (5) years. The common term shall not apply for members of the Board.

In accordance with §20 of the Company's Statutes of Association, the Management Board manages the Company's business in any judicatory and non-judicatory actions. Any issues related to managing the Company's business are in the scope of the Management Board, unless they are subject to the legal regulations or stipulations of Statutes of Association for General Meeting of Shareholders or for the Supervisory Board. Cooperation of two Management Board members or the Management Board member together with a proxy is necessary to make declarations on behalf of the Company. In all agreements between the Company and members of the Board and in disputes with them, Company is represented by the Supervisory Board, which may authorize by a resolution one or more members to undertake such legal action.

In accordance with § 22 of the Issuer's Statutes of Association the Management Board is authorized to pay the shareholders an advance payment for dividend anticipated at the end of the fiscal year, under the rules of Commercial Companies Code.

Rules of activity of the Issuer's Board are described in detail in clause k), subclause 1.1 of this statement. The right to decide on shares issue or redemption of shares is governed by the provisions of the company's Statutes of Association which are the same as the generally applicable law, including Commercial Companies Code. In the matter of redemption of own shares the Board of the Issuer has only the authority granted by resolution No. 1 of the Extraordinary General Meeting of KOPEX SA Shareholders, dated 11 December 2008, on the consent and determination of conditions for the acquisition of own shares by the Company in order to offer their employees and subsidiaries to acquire and resolution No. 2 of the Extraordinary General Meeting of KOPEX SA Shareholders on the grant to Company's Board authorization to acquire own shares under article 362 § 1 clause 8 of the Commercial Companies Code. These authorizations pursuant to the provisions cited above NWZA resolutions expired on 11 December 2013.

Besides, the Management Board, under the §11a of the Statutes of Association, is authorised to raise the Company's share capital by the value not exceeding the amount of PLN 10.500.000,- untill 14 March 2017 on the terms and conditions established by the provisions of Resolution No. 9 of NWZA „KOPEX” S.A. dated 14.03.2013 regarding the change in § 11a of the Company Articles of Association. ¹⁾

Notice:

1) *Change in § 11a of the Articles of Association of the Company was adopted by Resolution No. 9 of NWZA "Kopex" SA on March 14, 2014 and registered by the competent Court. The Issuer in Current Report No. 36 of 02 April 2014, corrected on 10 April 2014, informed on the abovementioned resolutions appeal by one of the shareholders. Litigation remains pending; On 11 March 2015 a hearing was held before the District Court in Katowice, in the case brought by ING OFE with its seat in Warsaw against the Issuer to repeal resolutions No. 6 and 7 of the Extraordinary General Meeting of Shareholders adopted on February 20, 2014 and brought by Galantine Sp. z o.o. with its seat in Warsaw for annulment, or to repeal resolutions No. 2, 5, 6, 7 and 9 of the Extraordinary General Meeting of Shareholders adopted on 20 February 2014 and on 14 March 2014. The court announced partial verdict concerning the scope of the claim for annulment of the abovementioned resolutions. The court in the interlocutory judgment dismissed the claim of Galantine Sp. z o.o. for the annulment of these resolutions. The objective partial verdict is not final it remains with the right to appeal. After validation of partial judgment in this regard, the Court will recognize the claim of Galantine Sp. z o.o. and ING Otworthy Fundusz Emerytalny on a claim for annulment of the resolutions.*

i) description of rules of changes in the Issuer's statutes of association;

In accordance to §54 paragraph 2 clause 1 of Statues, any changes of the Issuer's Statues requires the adoption of a resolution by the General Meeting. The resolution required a majority of $\frac{3}{4}$ of votes present at the general meeting. In addition, resolutions on the Statues increasing the shareholders benefits or decreasing the rights granted every shareholder personally require consent of all the

shareholders involved. Resolution on changes in the subject of the activities of the Company shall be effected without redemption, referred to in Art. 416 § 4 of the Commercial Companies Code if it is adopted by a majority of 2/3 of the votes, in the presence of shareholders holding at least half of the the share capital. Changing the Issuer's Statues becomes effective upon its registration by the court.

Detailed rules of changing the Issuer's Statues stick to the commonly applicable law, including the provisions of the Commercial Company Code.

j) mode of action of the general meeting and its essential rights, description of the rights of shareholders and the manner of their execution, in particular the rules stemmed from by-laws of the general meeting, if such by-laws was adopted and if informations in question does not arise directly from the law

Basic rules regarding convene, organization, competence and proceedings of the Issuer's General Meeting are contained in the Issuer's Statues. Detailed organizational and ordinal conditions of the Issuer's General Meeting are contained in the By-Laws of General Meeting of KOPEX SA. The current By-Laws of General Meeting of KOPEX S.A. was adopted on 20 February 2014 and is available on the website www.kopex.com.pl, tab Company / Rules and information required.

According to § 46 of the Statues of Association (in force at the date of publication of the report), the Ordinary General Meeting of Shareholders is convened by the Management Board of the Issuer on its own initiative and at the request of the Supervisory Board if the annual Ordinary General Meeting of Shareholder wasn't held within the statutory period of six months after the financial year.

The Extraordinary General Meeting is convened by the Issuer's Management Board or the Supervisory Board, if convening is found advisable. Shareholders representing at least half of the share capital or at least half of the votes in the Company are also authorized to convene the Extraordinary General Meeting of Shareholders.

According to the Issuer's Statues, a shareholders representing at least one twentieth of the share capital may demand convening the Extraordinary General Meeting of Shareholders. Demand to convene the General Meeting should be submitted to the Management Board either in writing or electronically.

The General Meeting is convened by publishing a notice on the Company's website (www.kopex.com.pl/ tab „General Meetings of Shareholders“) and in manner requested for conveying current information in pursuance of the law on public offer and conditions for admitting financial instruments to the organized system of trading and on publicly traded companies. The notice should be published at least twenty six days prior to the date of the General Meeting.

A shareholder or shareholders representing at least one twentieth of the share capital may require placing specific issues on the agenda of the nearest General Meeting. The demand should be submitted to the Management Board not later than twenty one days prior to the date fixed for the holding of the General Meeting and should include a justification or a draft resolution on the proposed item in the agenda. The demand may be submitted electronically. The Management Board is obliged immediately but not later than eighteen days prior to date fixed for the holding of the General Meeting, to announcing changes in the agenda implemented on demand of the shareholders, in a manner suitable for convening General Meetings. If the afore-mentioned demand is submitted later than twenty one days prior to the date fixed for the holding of the General Meeting, it will be treated as a motion on convening an Extraordinary General Meeting an placed in the agenda of the General Meeting.

The General Meeting of Shareholders is held in Warsaw, Zabrze or in the seat of the Company and may adopt resolutions only on the issues included in the detailed agenda, subject to Art. 404 of the Commercial Companies Code. To adopt a resolution on removing or ceasing a matter from the agenda of the General Meeting on the motion of shareholders, a majority of 75% votes is required and consent of all the present shareholders who have submitted this motion. Resolutions of the General Meeting shall be adopted by an ordinary majority of votes unless otherwise stated in the Statutes of Association or in law. The General Meeting is valid regardless of the number of shares represented therein, subject to the necessity of obtaining a quorum for the adoption of certain resolutions as provided by law and the Issuer's Statues.

Right to participate in the General Meeting have, pursuant to Art. 406 of Commercial Companies Code, only those who are shareholders of KOPEX SA sixteen days before the General Meeting, i.e. the day called „Record date“.

In order to participate in the General Meeting, shareholders entitled from dematerialized bearer shares should request the operator of a securities account to issue a personal certificate of right to participate in the General Meeting not earlier than after the notice on convening the General Meeting and not later than the first weekday after the „Record date“.

The list of shareholders entitled to participate in the General Meeting is made by the Company on the basis of a list of registered shareholders, which is made available to the Company by the KDPW not later than one week before the General Meeting. The list is available in the seat of the Company, for 3 weekdays before the General Meeting (as required by Art. 407 § 1 of the Commercial Companies Code).

The General Meeting is opened by the Chairman of the Supervisory Board or Vice Chairman of the Supervisory Board and further, the Chairman of the General Meeting is elected out of the persons entitled to participate in the General Meeting. If those persons are absent, the General Meeting is opened either by the Chairman of the Management Board or a person appointed by the Management Board.

Company's Statutes does not allow:

- a) to participate in the General Meeting through means of electronic communication,
- b) to speak out during the General Meeting through means of electronic communication,
- c) to exercise voting rights by shareholders at the General Meeting through correspondence or means of electronic communication.

In accordance with the provisions of § 50 paragraph 3 of the Statute, the General Meeting shall be considered valid if in the meeting there were shareholders participated representing at least 50% of the share capital. ¹⁾

Voting on draft resolutions and motions shall take place in order of their submission. In accordance to §54 of the Issuer's Statutes, resolutions of the General Meeting shall be adopted by an ordinary majority of votes unless otherwise stated in Statutes or in the Commercial Companies Code.

This majority is particularly required in the issues as follows:

- 1) consideration and approval of the Statement of the Management Board on the Company's activities and Financial Statement for the previous fiscal year,
- 2) adopting a resolution on profit distribution and loss coverage,
- 3) granting exoneration to the members of the bodies of the Company for performing their duties.

Resolutions of the General Meeting are adopted by $\frac{3}{4}$ majority of votes on the issues as follows:

- 1) changes in the Statutes, including new shares issue,
- 2) securities issue,
- 3) sale of the enterprise of the Company,
- 4) consolidation of the Company with another company,
- 5) dissolution of the Company.

Resolution on changes in the subject of the activities of the Company shall be effected without redemption, referred to article 415 §4 of the Commercial Companies Code if it is adopted by a majority of $\frac{2}{3}$ of the votes, in the presence of shareholders holding at least half of the share capital.

Resolutions on the increasing the shareholder benefits or decreasing the rights granted every shareholder personally require consent of all the shareholders involved.

The General Meeting may offer a person who performed duties as a member of the Supervisory Board or as a member of the Management Board to cover costs or loss that this person may be required to

pay the third party and that resulted in connection with performing duties by this person, if this person acted in good faith and in a manner, which according to this person's opinion was best for the Company's business in specific circumstances.

The Statutes of the Issuer, by modifying the general rules of the Commercial Companies Code, provides that no resolution of the General Meeting is required to acquire or sell real estates, in hereditary tenure or share in real estate.

Besides, the Issuer provides electronic mail address: wza@kopex.com.pl to communication between the shareholders and the Company, on matters relating to the organization of the General Meeting and transmission of documents.

Notice:

- 1) *Change in § 11a of the Articles of Association of the Company was adopted by Resolution No. 9 of NWZA "Kopex" SA on March 14, 2014 and registered by the competent Court. The Issuer in Current Report No. 36 of 02 April 2014, corrected on 10 April 2014, informed on the above-mentioned resolutions appeal by one of the shareholders. Litigation remains pending; On 11 March 2015 a hearing was held before the District Court in Katowice, in the case brought by ING OFE with its seat in Warsaw against the Issuer to repeal resolutions No. 6 and 7 of the Extraordinary General Meeting of Shareholders adopted on February 20, 2014 and brought by Galantine Sp. z o.o. with its seat in Warsaw for annulment, or to repeal resolutions No. 2, 5, 6, 7 and 9 of the Extraordinary General Meeting of Shareholders adopted on 20 February 2014 and on 14 March 2014. The court announced partial verdict concerning the scope of the claim for annulment of the abovementioned resolutions. The court in the interlocutory judgment dismissed the claim of Galantine Sp. z o.o. for the annulment of these resolutions. The objective partial verdict is not final it remains with the right to appeal. After validation of partial judgment in this regard, the Court will recognize the claim of Galantine Sp. z o.o. and ING Otwarty Fundusz Emerytalny on a claim for annulment of the resolutions.*

k) composition and changes that have occurred there over the past fiscal year and a description of the supervisory and managing authorities and their committees;

1. THE MANAGEMENT BOARD OF THE ISSUER

In accordance with § 21 section 1 of the Articles of Association of the Company, the Board consists of two (2) to five (5) persons. The number of members is determined by the appointing authority. The term of a member of the Board shall be five (5) years. In accordance with § 25 of the Articles of Association, the members of the Board are appointed and dismissed by the Supervisory Board.

On 03 June 2015 the Ordinary General Meeting of KOPEX SA granted exoneration to all members of the Management Board of KOPEX SA in respect of the performance of their duties during the financial year 2014.

The Supervisory Board on meeting held on 01 February 2016 has determined the composition of the KOPEX SA Management Board to from 5 (five) to 4 (four) members.

In the period from 01 January 2015 to 31 December 2015 the Company's Management Board functioned in the composition given below, taking account of changes (vide the comments below the table) over the last fiscal year:

Composition of the Management	Function in Management	Date of appointment	Comments
Józef WOLSKI	Chairman of the Board Chief Executive Officer	28.06.2013	(from 01.10.2009 to 28.06.2013 Vice President, Chief Financial Officer)
Piotr BRONCEL	Member of the Board Director of Sales	01.02.2014	
dr inż. Andrzej MEDER	Member Of The Board Director of Research and Development	01.02.2012	
Joanna WĘGRZYN	Member Of The Board Chief Financial Officer	28.06.2013	
Michał ROGATKO	Member Of The Board Director of. Restructuring and optimization	25.11.2012 ¹⁾	

Source: Company

Comments:

- 1) The Supervisory Board KOPEX S. A. at its meeting on 25 November 2015, has appointed Mr. Michael Rogatko in the composition of the Management Board of the company on the function of Member of the Board of Directors;

The composition of the Board "KOPEX" S. A. in the period from 1 January 2016, to the date of this annual report, taking into account the study of the changes in this period (vide the comments below the table).

Composition of the Management	Function in Management	Date of appointment	Comments
Bogusław BOBROWSKI	Chairman of the Board Chief Executive Officer	12.01.2016 r. ⁴⁾	
Piotr BRONCEL	Member of the Board Director of Sales	01.02.2014 r.	
Marek USZKO	Member Of The Board Director of Research and Development	12.01.2016 r. ⁵⁾	
Krzysztof ZAWADZKI	Member Of The Board Chief Financial Officer	01.02.2016 r. ⁶⁾	
Józef WOLSKI	Chairman of the Board Chief Executive Officer	28.06.2013 r.	until 12.01.2016r. ²⁾
dr inż. Andrzej MEDER	Member Of The Board Director of Research and Development	01.02.2012 r.	until 12.01.2016r. ³⁾
Joanna WĘGRZYN	Member Of The Board Chief Financial Officer	28.06.2013 r.	until 01.02.2016r. ⁷⁾
Michał ROGATKO	Member Of The Board Director of. Restructuring and optimization	25.11.2015 r.	until 11.01.2016r. ¹⁾

Source: Company

Comments :

- 1) Mr. Michał Rogatko submitted to the supervisory board a written statement of resignation on 11 January with the functions of a member of the Board of Directors of the company;
- 2) Board of Directors at its meeting on KOPEX S. A. 12 January 2016 appealed Mr. Józef Wolski from the composition of the Management Board and President of the Board of Directors;
- 3) Board of Directors at its meeting on KOPEX S. A. 12 January 2016 appealed Mr. Andrzej Meder with the composition of the Management Board and of the functions of a member of the Board of Directors;
- 4) Board of Directors at its meeting on KOPEX S. A. 12 January 2016 has appointed Mr. Bogusław Bobrowski in the composition of the Management Board of the company on the function of Chairman of the Board of Directors;
- 5) Board of Directors at its meeting on KOPEX S. A. 12 January 2016 has appointed Mr. Mark Dam in the composition of the Management Board of the company on the function of Member of the Board of Directors;
- 6) the Supervisory Board KOPEX S. A. at its meeting on 27 January 2016 has appointed Mr. Krzysztof Zawadzki on 1 February 2016 in the composition of the Management Board of the company on the function of Member of the Board of Directors;
- 7) Mrs Joanna Węgrzyn submitted to the supervisory board a written statement of resignation with effect from 1 February 2016 of the functions of a member of the Board of Directors of the company;
- 8) with effect from 1 February 2016, the Supervisory Board "KOPEX" S. A. has established the number of members of the Board of Directors of the company on the (4) four members.

1.1. RULES OF PERFORMANCE OF THE MANAGEMENT AUTHORITY OF THE ISSUER

The Management Board of the Issuer performs as an Company's authority on the basis of: (I) Commercial Companies Code, (II) Company's Statutes, (III) By-Laws of the Management Board and (IV) other generally binding rules. The current Statutes of Association and By-Laws of the Management Board of the Issuer are available on the website www.kopex.com.pl, tab Company / Rules and information required.

Rules of appointing and recalling the Issuer's Management Board are described in detail in paragraph h) of this statement.

In accordance with § 20 of the Statutes of Association of the Company the Management Board manages the Company's business in any judicatory and non-judicatory actions. Any issues related to managing the Company's business are in the scope of competence of the Management Board, unless they are subject to the legal regulations or stipulations of this Statutes of Association for the General Meeting or for the Supervisory Board.

Proceeding mode of the Management Board is specified in By-Laws of Management Board adopted by the Board and approved by the Supervisory Board. According to § 4 of the By-Laws, each member of the Management Board may conduct, without any prior resolution of the Board, the issues which not exceed the scope of the normal management of the Company. According to the Issuer's Statutes, resolutions of the Management Board are adopted by an absolute majority of votes of members present at the board meeting. A unanimous resolutions of all the Board of Directors members is requested to appoint a proxy. In the event of an equal number of votes, the casting vote has the Chairman of the Board. The Management Board may adopt resolutions by using means of direct remote communication (teleconference, fax, email).

In accordance with § 7 of the By-Laws of the Management Board, all issues beyond the scope of ordinary activities of the Board require a resolutions of the Management Board, in particular:

- a) convening of the General Meetings and determining their agenda,,
- b) adopting of annual statements, i.e. statement on the Company's activities and the Company's financial statement and annual consolidated financial and activities statement of the capital group KOPEX SA and other periodic statements of the Company and the Capital Group,
- c) preparing motions on profit distribution or loss coverage,
- d) appointing the Company's proxy,
- e) internal operating division of functions between the the Management Board members,
- f) adopting Organizational Regulations or its variation,
- g) establishing the draft of the By-Laws of the Management Board,
- h) other issues reserved for the exclusive competence of the Board under the Statutes of Association and legal regulations.

Besides, according to the Statutes of Association, the Management Board of the Issuer is obliged to obtain approval of the Supervisory Board prior to taking up any of the activites as follows (beyond the issues reserved to the competence of the General Meeting or the Supervisory Board):

- a) consent to transactions involving the sale or purchase of shares or other property, renting, mortgaging, mortgaging or other encumbrance or disposal of property by way of a single operation, if the value of the transaction exceeds 15% of the net assets, according to the last annual balance sheet,
- b) raising a credit or a loan, if liability amount resulting from a specific action exceeds 15% of net assets value, according to the latest annual balance sheet,
- c) granting a credit or a loan if liability amount 15% of net assets value, according to the latest annual balance sheet.

2. THE SUPERVISORY BOARD OF THE ISSUER

In accordance with § 35 of the Articles of Association, the Supervisory Board of KOPEX SA consists of five (5) to nine (9) people. The number of members of the Supervisory Board of the term is determined by the General Assembly. The term of the Supervisory Board is five (5) years. The term of office of members of the Supervisory Board is joint.

The Ordinary General Meeting "KOPEX" S.A. On June 26, 2013 determined the number of members of the Supervisory Board of the seventh term from (7) seven people to (5) five members of the Supervisory Board.

On 03 June 2015 the Ordinary General Meeting of KOPEX SA granted exoneration to all members of the Supervisory Board of KOPEX SA in respect of the performance of their duties during the financial year 2014.

In the period from 01 January 2015 to 31 December 2015 the Company's Supervisory Board functioned in the composition given below, taking account of changes (vide the comments below the table) over the last fiscal year:

Supervisory Board of seventh term	Function	Date of appointment	Comments
Krzysztof JĘDRZEJEWSKI	Chairman of the Supervisory Board	27.06.2012r.	
Michał ROGATKO	Vice Chairman of the Supervisory Board	27.06.2012r.	until 18.11.2015r. ³⁾
Bogusław BOBROWSKI	Vice Chairman of the Supervisory Board	27.06.2012r. ⁵⁾	
Daniel LEWCZUK	Secretary of the Supervisory Board	29.01.2015r. ^{2) 5)}	
prof. zw. dr hab. inż. Józef DUBIŃSKI	Member of the Supervisory Board	20.02.2014r.	
prof. zw. dr hab. nauk prawnych Janusz A. STRZĘPKA	Member of the Supervisory Board	18.11.2015r. ⁴⁾	
dr inż. Andrzej SIKORA		26.06.2013r.	until 20.01.2015r. ¹⁾

Source: Company

Comments:

- 1) on 20 January 2015, Member of the Supervisory Board, Mr. Dr. inż. Andrzej Sikora filed a written statement of cancellation during the term of Office of the Member of the Supervisory Board "KOPEX S. A. ;
- 2) on 29 January, 2015 has been established in section 35 (4) of the Statute of the issuer of the new Member of the supervisory board-Mr. Daniel Coats to supplement five due composition Supervisory Board KOPEX S. A.
- 3) on 18 November 2015, Vice-Chairman of the Supervisory Board, Mr. Michael Rogatko filed a written statement of cancellation during the term of Office of the Member of the Supervisory Board "KOPEX S. A. ;
- 4) on 18 November 2015 has been established in section 35 (4) of the Statute of the issuer of the new Member of the supervisory board Mr. prof. zw. dr hab. nauk prawnych Janusz A.STRZĘPKA to supplement five due composition Supervisory Board KOPEX S. A. ;
- 5) Board of Directors at its meeting on 25 November 2015 in conjunction with regard to personal changes in the composition of the Supervisory Board has decided on the choice of Mr. Bogusław Bobrowski for the Vice-President of the Supervisory Board (the current Secretary of the SUPERVISORY BOARD), and a member of the Supervisory Board of Mr Daniel Chorzów on the Secretary of the Supervisory Board.

Composition of the Supervisory Board of "KOPEX" S.A. in the period from 1 January 2016 to the date of this annual report with regard to personnel changes which have taken place during this period was as follows:

Supervisory Board of seventh term	Function	Date of appointment	Comments
Krzysztof JĘDRZEJEWSKI	Chairman of the Supervisory Board	27.06.2012r.	
Bogusław BOBROWSKI	Vice Chairman of the Supervisory Board	27.06.2012r.	untill 12.01.2016 ¹⁾
Michał ROGATKO	Vice Chairman of the Supervisory Board	12.01.2016r. ²⁾	
Daniel LEWCZUK	Secretary of the Supervisory Board	29.01.2015r.	
prof. zw. dr hab. inż. Józef DUBIŃSKI	Member of the Supervisory Board	20.02.2014r.	
prof. zw. dr hab. nauk prawnych Janusz A. STRZĘPKA	Member of the Supervisory Board	18.11.2015r.	

Source: Company

Comments:

- 1) On 11 January 2016, the Vice-Chairman of the Supervisory Board, Mr Bogusław Bobrowski filed a written statement of resignation on 12 January of the year during the term of Office of the Member of the Supervisory Board "KOPEX" S.A. in connection with the intent to take on new tasks in GK KOPEX;
- 2) On 12 January he was part of the Supervisory Board KOPEX S. A. Mr. Michael Rogatko in section 35 (4) of the Statute of the Issuer to complete five due composition Supervisory Board KOPEX S. A. ; At the same time, the Supervisory Board at its meeting on 12 January has chosen Mr. Michael Rogatko on the function of Deputy Chairman of the Supervisory Board of KOPEX S. A.

2.1. Rules of performance of the supervisory authority of the Issuer and its committees

The Supervisory Board of the Issuer performs as an Company's authority on the basis of: (I) Commercial Companies Code, (II) Company's Statutes of Association, (III) By-Laws of the Supervisory Board and (IV) other generally binding rules.

In accordance with §35 of the Company's Statutes of Association, the Supervisory Board is composed from five (5) to nine (9) members. The number of members of the Supervisory Board is determined by the General Meeting. Term of office lasts for five years and it is a mutual term.

Members of the Supervisory Board are appointed by the General Meeting, subject to §35 Item 4 of the Statutes of Association that in situation of recalling, resignation or death of a Member of the Supervisory Board during a term of office, a shareholder who holds at least 51% of votes has a right to appoint a new Member of the Supervisory Board, to complement its composition.

The organization and mode of performance of the Supervisory Board of the Issuer are specified in detail in the By-Laws of the Supervisory Board, which is adopted by the Supervisory Board of the Issuer. The current ByLaws of the Supervisory Board of the Issuer, adopted by the Supervisory Board with a resolution no. 73/VI/2010 dated 13 May 2010 is available on the website www.kopex.com.pl, tab Company / Rules and information required.

Under the Company's Statutes, resolutions of the Supervisory Board are adopted by an absolute majority of votes of members present at the meeting of the Supervisory Board.

Pursuant to § 19 paragraph 3 of the Company's Statutes, Chairman of the Supervisory Board has a casting vote in the event of a tie in voting on the adoption of the resolution of the Supervisory Board.¹⁾

The Supervisory Board adopts resolutions if at least half of its members are present at the session and all of them have been invited. Besides, the Supervisory Board may adopt resolutions in writing or using means of direct remote communication, subject to restrictions defined in the Commercial Companies Code. A resolution is valid if all the members of the Supervisory Board are informed on the content of this resolution.

According to the Company's Statutes of Association, competences of the Supervisory Board are as follows::

1. appraising financial statements for the previous fiscal year and securing their auditing by a chartered accountant designated by the Supervisory Board,
2. appraising Statement of the Management Board on the Company's activities for the previous fiscal year and securing its auditing by a chartered accountant designated by the Supervisory Board,
3. giving consent for concluding an agreement with a sub-issuer referred to in Art. 433 of the Commercial Companies Code,
4. appraising motions of the Management Board on profit distribution or loss coverage, including opinion on the amount of money designated for dividend and dividend payment dates or on offered basis for covering loss, 33
5. submitting the General Meeting an annual report in writing on the results of the actions taken and referred to in Items 1,2 and 4,
6. giving consent for transactions including sale or acquisition of shares or other property, sale, letting, pledge, hypothecation or other burdens or disposal of property by one action, if its amount exceeds 15% of net assets value, according to the latest annual balance sheet,
7. appointing, suspending and recalling members of the Management Board,
8. delegating members of the Supervisory Board to execute activities of the Management Board in situation of suspending or recalling the whole Management Board or when the Management Board is incapable to act due to other reasons,
9. adopting By-Laws of the Supervisory Board determining its organisation and proceeding.

Besides, the Management Board is obliged to obtain approval of the Supervisory Board prior to taking up any of the activities as follows:

1. raising a credit or a loan if liability amount resulting from a specific action exceeds 15% of net assets value, according to the latest balance sheet,

2. granting a credit or a loan if liability amount 15% of net assets value, according to the latest annual balance sheet.

The Supervisory Board, designates the chartered accountant on the basis of the current rules of law, in particular the regulations contained in the resolution dated 22 May 2009 on chartered accountants and their self-government, entities entitled to audit financial statements and public supervision (Dz. U 2009 nr 77 pos. 649) and on the basis of the provisions of the „By-Laws on the designating the chartered accountant to audit the financial statements, consolidated and unit“, which determines the proceedings of the Management Board and Supervisory Board in designating the chartered accountant.

Comment:

- 1) *Change in § 19 of the Articles of Association of the Company was adopted by Resolution No. 5 of NWZA "Kopex" SA on February 20, 2014 and registered by the competent Court. The Issuer in Current Report No. 36 of 02 April 2014, corrected on 10 April 2014, informed on the abovementioned resolutions appeal by one of the shareholders. Litigation remains pending; On 11 March 2015 a hearing was held before the District Court in Katowice, in the case brought by ING OFE with its seat in Warsaw against the Issuer to repeal resolutions No. 6 and 7 of the Extraordinary General Meeting of Shareholders adopted on February 20, 2014 and brought by Galantine Sp. z o.o. with its seat in Warsaw for annulment, or to repeal resolutions No. 2, 5, 6, 7 and 9 of the Extraordinary General Meeting of Shareholders adopted on 20 February 2014 and on 14 March 2014. The court announced partial verdict concerning the scope of the claim for annulment of the abovementioned resolutions. The court in the interlocutory judgment dismissed the claim of Galantine Sp. z o.o. for the annulment of these resolutions. The objective partial verdict is not final it remains with the right to appeal. After validation of partial judgment in this regard, the Court will recognize the claim of Galantine Sp. z o.o. and ING Otwarty Fundusz Emerytalny on a claim for annulment of the resolutions*

THE AUDIT COMMITTEE

The Supervisory Board of "KOPEX" S.A. at its meeting on 28 June 2013 passed a resolution No. 32 / VII / 2013 concerning incorporation of Audit Committee responsibilities within the scope of competence of the Supervisory Board. In the resolution, the Supervisory Board, acting pursuant to Art. 86, paragraph 3 and section 7 of the Act of 22 May 2009 on auditors and their self-government, entities authorized to audit financial statements and public supervision (Dz. U. of 2009 No. 77, item. 649), stated that:

- 1) The Supervisory Board of "KOPEX" S.A. bearing in mind that The Ordinary General Meeting "KOPEX" SA On 26 June 2013 adopted a resolution decreasing the number of Supervisory Board members of "KOPEX" SA from (7) seven to five (5) and, therefore, consists of no more than 5 members of the Board resolves that in the framework of the Supervisory Board "KOPEX" SA no Audit Committee will operate.
- 2) The tasks of the Audit Committee referred to in Article 86 section 7 of the Act cited above and in § 4 section 4 of the Regulations of the Board of "KOPEX" SA are implemented by the Supervisory Board. These tasks include:
 - a) monitoring the financial reporting process;
 - b) monitoring the effectiveness of internal control systems, internal audit and risk management,
 - c) monitoring performance of auditing;
 - d) monitoring the chartered accountant's independence and the entity authorized to audit financial statements.

5. ADDITIONAL INFORMATION

5.1. ASSESSMENT OF FINANCIAL RESOURCES MANAGEMENT

The financial situation of the Company as at 31.12.2015 is as follows:

- credit liabilities at 31.12.2015 amounted to PLN 166.527 thou,
- capital at 31.12.2015 amounted to PLN 7.674 thou.

Cooperation with banks funding the activities of the Office of the company proceeded correctly. With obligations to funders KOPEX S. A. meets the in a timely manner, without interference in the dealer support included loan agreements both in terms of timely repayment of the debt and credit interest and commissions.

The company in the year 2015 through the effective management of financial resources secured the smooth financial liabilities and other financial obligations.

To this end, the company used its own cash as well as the use of external financing (loans). In 2015, the company has acquired additional cash from dividends of PLN 23.840 thousand.

The Company has credit limits in banks in the amount of PLN 290.103 thousand (PKO BP, ING Bank Śląski, Pekao S.A. and HSBC), additionally guarantee lines with various banks for a total amount of PLN 627.527 thousand.

Company constantly regulates its credit interest liabilities to the banks. There are no overdue trade and public-law liabilities in the Company.

Overdue debt collection was carried out intensively, contract payments were ongoing monitored and recovered.

Occuring excess of the capital were deposited into the banks (overnight deposits).

Liquidity ratio and liability ratio are constantly monitored, in order to keep them at a safe level.

The Company's entities prepares and monthly updates projected cash flow for a period of six months, which allows to respond flexibly to current and future financial needs of members of the Group.

Cost conditions for obtaining credit and guarantee lines are the result of individual negotiations, aimed at the lowest possible financial burdens.

The Company shall be protected against currency risk using forward-type derivatives. The Company manages hedge accounting and natural hedging. Did not apply and does not apply speculative transactions.

On the day of 31 December 2015 The Company secured the right to finance commercial transactions and finance acquisition planned for 2016 by the availability to the unused credit lines and promissory notes granted by the banks.

The Company has many guarantee and insurance lines (required by domestic and foreign clients – bid bonds, advance payment guarantees, performance bonds and payments guarantees).

It should be emphasized that a good financial standing as well as access to bank lines of credit allows the Group to participate in many national and international tenders, in which one of the conditions is sufficiently high revenue potential of the offerer.

In the second half 2015, in view of the deteriorating situation on the market of mining and a significant decline in anticipated revenue there has been a significant decline in core indicators.

On 25. 02. 2016 was published current report for 4th quarter 2015, which showed a reduction of the financial results of the company.

On 25 and 26 February 2016 banks that support the company blocked the availability of credit limits, the warranty and treasury, lowering the height limits for the amounts used on the day of 25. 02. 2016, i. e. :

BANK NAME	CREDIT	GUARANTEE
PKO BP	129 713 029,37 PLN	5 982 307,67 PLN
		538 571,54 EUR
Pekao SA	27 679 664,71 PLN	9 827,03 EUR
ING Bank Śląski		30 987 768,84 PLN
		2 105 208,74 EUR
		8 577,77 RON
Raiffeisen Bank		4 323 080,00 PLN
		512 311,02 EUR
Deutsche Bank		3 030 157,26 EUR
BGŻ BNP Paribas		156 107,90 PLN
		221 749,75 EUR
		5 644 000,00 EUR
HSBC	9 195 940,80 PLN	29 626,10 EUR

As a matter of urgency the Company joined in the conversation at the participation of an outside financial adviser and the outside law firm with all banks in order to agree and of the conclusion of a contract restructuring which among others would resolve the issue of unblocking the apprehended persons by banks of influences to the Company after 25.02.2016, issue of establishing new securities and would stabilize the payment situation of the Company establishing the schedule of being cleared of liability for her debts based on financial projections of the Company and acquiring new financing for the realization of current commercial contracts.

The existing situation in the very serious grade shook with ability of the Company to conduct the normal business activity (blocking guarantee limits) and liquidities of the Company.

The company picked up anticipation measures consisting in apportioning essential commercial payments to instalments, on precipitated acquiring centres from dividends inside the Group, on the collection of repayments of loans, as well as took widely snitch restructuring measures

5.1.1. INFORMATION ON BANK CREDITS

In the reporting period KOPEX SA financed its activities using the credit overdrafts. State of debt in individual banks as at 31.12.2015 is presented in the table below.

PLN THOU						
No.	BANK NAME	TYPE OF CREDIT	PERIOD OF CREDIT		GRANTED AMOUNT OF CREDIT / LINE (IN ACCORDANCE WITH AGREEMENT)	USE OF CREDIT AS AT 31.12.2015
1.	PKO BP SA	overdraft	30.06.2006	29.07.2016	179.000	86.352
		revolving credit	29.05.2012		20.000	20.000
		bank guarantees and letters of credit	30.06.2006		42.000	8.277
2.	PKO BP SA	not renewable revolving credit in Polish currency (purposeful)	19.12.2011	09.06.2016	110.235	11.203

3.	ING BSK SA	overdraft	28.06.2011	20.08.2016	39.900	39.135
		bank guarantees and letters of credit			10.050	9.955
4.	HSBC SA	overdraft	25.06.2015	15.02.2018	10.000	8.179
		bank guarantees			50.000	-
5.	Pekao SA	overdraft	25.02.2015	23.02.2018	30.000	1.658
		bank guarantees			30.000	-
TOTAL					521.185	184.759

In the year 2015 the following events occurred:

- KOPEX S. A. holds with PKO BP S. A. credit agreement in the form of multi-purpose credit limit since 30.07.2014 r. In the year 2015 was signed a few additions. Use and repayment of the loan falls on day 29.07.2016. At the end of the year 2015 credit limit for KOPEX SA was PLN 241.000 thousand. Within the limit, KOPEX S. A. uses:
 - 1) overdraft facility in the amount of PLN 179.000 thousand,
 - 2) working capital revolving credit in the amount of PLN 20.000 thousand,
 - 3) limit for bank guarantees and letters of credit in domestic and foreign markets in the amount of PLN 42.000 thousand

Given the specificity of the Company's operations it is extremely beneficial to use flexible and individual adjustment of the structure of banking instruments (various types of loans, guarantees, letters of credit) under "multi-purpose credit." The interest rate on the loan is WIBOR 1M plus a bank margin.

- As of 28.06.2011, the company uses multi-product agreement concluded with ING Bank Śląski S.A. In 2014 several annexes to the Agreement were signed. Under the agreement with ING Bank Śląski company KOPEX SA uses a credit limit in the amount of PLN 42.000 thousand, and with limit for bank guarantees and letters of credit in the amount of PLN 7,950 thousand. The credit line can be used for current economic activity in the form of working capital credit in a credit account, revolving credit in the a bank account or as a limit to use in order to secure the bank's claims under guarantees or letters of credit. The loan bears interest at a variable interest rate WIBOR 1M plus the bank margin. The credit limit is available until 20/08/2016.
- KOPEX SA also uses non-revolving working capital credit, which was made available by Bank PKO BP SA under the agreement concluded on 19.12.2011. The credit amounts to PLN 110 235 thousand. The agreement was concluded for the day 09/06/2016. Funds obtained under the above mentioned credit were used to finance the contract signed with KHW S.A. for the delivery of scrap conveyors, section of roof support, crushers and electrical equipment for use in the longwalls for KHW S.A. KWK Mysłowice-Wesoła. The loan bears interest based on variable WIBOR 1M plus the bank margin.
- On 03.09.2013 an agreement was concluded with Raiffeisen Bank Poland SA on multipurpose credit limit. The credit limit in the current account is the equivalent of EUR 6,000 thousand and the amount of the allocated limit for bank guarantees is equivalent to EUR 4,750 thousand. The loan bears interest at a variable interest rate WIBOR 1M plus the bank margin. The repayment date is the date 26.02.2016.

- On the day of 25. 02. 2015 was a credit agreement and a contract for a guarantee line from Bank Pekao SA. Under the credit agreement the company KOPEX SA uses the credit limit in the amount of PLN 30.000 thousand, while within the warranty line contract was awarded to a limit of PLN 30.000 thousand. Line of credit can be used on current economic activity. Credit interest is by variable interest rate WIBOR 1 m plus the Bank margin. The credit limit was released by 23.02.2018.
- On 25. 06. 2015 it was concluded the agreement on credit limit multipurpose bank HSBC SA. Within the framework of the agreement with HSBC SA company KOPEX SA uses the credit limit of PLN 10,000 thousand and the limit on bank guarantees in the amount of PLN 50.000 thousand. Line of credit can be used on current economic activity or as a limit to the use of warranty. Credit interest is by variable interest rate WIBOR 1 m plus the Bank margin. The credit limit was released by 15.02.2018.

Under the current KOPEX SA policy terms of bank loans and credit costs were in each case negotiated with banks. Among the offers made by banks the best offers for the company were selected for implementation both in terms of price, as well as the legal safeguards required by the banks to repay and the specificity of the Company's operations.

5.1.2. INFORMATION ON GRANTED AND RECEIVED LOANS SECURITIES AND GUARANTEES – AS AT 31.12.2015

- **Loans taken by KOPEX S.A.**

In 2015 the company Kopex S. A. does not received any loans.

- **Loans granted by KOPEX S.A.**

At the end of 2014 balance of loans granted by KOPEX SA (without interest) was respectively:

- The loans granted in PLN → PLN 186.005 thousand,
- The loans granted in EUR → EUR 12.537 thousand,
- The loans granted in USD → USD 2.150 thousand.

PLN THOU						
no.	BORROWER	DATE OF LOAN	LOAN AMOUNT	DEBT BALANCE AS AT 31.12.2015	WRITE-DOWN	REPAYMENT DATE
1.	AUTOKOPEX	10.04.2012	3.000	2.907	-	31.08.2018
2.	AUTOKOPEX	22.05.2012	17.962	16.456	-	31.08.2018
3.	PROMACK	09.10.2014	17.000	5.200	-	30.09.2016
4.	PROMACK	13.10.2014	9.000	9.000	-	30.09.2016
5.	PROMACK	14.07.2015	11.000	11.000	-	30.09.2016
6.	PROMACK	28.12.2012	1.800	150	-	30.09.2016
7.	KOPEX FOUNDRY	03.12.2012	4.300	4.300	-	30.12.2017
8.	PROMACK	17.01.2013	450	450	-	30.09.2016
9.	PROMACK	30.01.2013	2.000	2.000	-	30.09.2016
10.	KOPEX-EKO	28.03.2013	1.973	-	1.973	31.12.2019

no.	BORROWER	DATE OF LOAN	LOAN AMOUNT	DEBT BALANCE AS AT 31.12.2014	WRITE-DOWN	REPAYMENT DATE
11.	KOPEX- EX COAL	23.05.2013	5.000	5.000	-	30.06.2018
12.	KOPEX-FAMAGO	18.07.2013	13.000	13.000	-	31.12.2016
13.	PROMACK	10.10.2013	1.100	1.100	-	30.09.2016
14.	KOPEX- EX COAL	18.04.2014	7.500	7.500	-	30.06.2018
15.	KOPEX- EX COAL	12.11.2014	3.500	3.500	-	30.06.2018
16.	KOPEX-FAMAGO	29.04.2014	8.750	6.172	-	31.12.2016

17.	KOPEX-FAMAGO	12.05.2014	13.000	11.397	767	31.12.2016
18.	KOPEX-FAMAGO	12.05.2014	16.300	16.300	-	31.12.2016
19.	KOPEX-FAMAGO	15.07.2014	37.015	-	37.015	01.04.2020
20.	KOPEX- EX COAL	12.02.2015	4.500	4.500	-	30.06.2018
21.	KOPEX- EX COAL	15.06.2015	9.000	9.000	-	31.12.2018
22.	KOPEX- EX COAL	05.11.2015	12.800	4.300	-	30.06.2018
23.	KOPEX FOUNDRY	16.02.2015	3.000	3.000	-	30.09.2018
24.	STAL-SYSTEMS SA	15.06.2015	10.000	10.000	-	31.07.2016
25.	PRACOWNICZA	30.06.2015	20	17	-	10.08.2019
TOTAL			212.970	146.249	39.755	

EUR THOU

no.	BORROWER	DATE OF LOAN	LOAN AMOUNT	DEBT BALANCE AS AT 31.12.2014	WRITE-DOWN	REPAYMENT DATE
1.	KOPEX MIN	31.10.2007	1.900	-	1.900	31.12.2016
2.	KOPEX MIN	25.05.2009	1.100	-	1.100	31.12.2016
3.	KOPEX MIN	15.07.2009	126	-	126	31.12.2016
4.	KOPEX MIN	27.01.2010	60	-	60	31.12.2016
5.	KOPEX MIN	17.08.2010	600	-	600	31.12.2016
6.	KOPEX MIN	17.08.2010	300	-	300	31.12.2016
7.	KOPEX MIN	17.08.2010	200	-	200	31.12.2016
8.	KOPEX MIN	04.11.2011	5.500	-	5.500	31.12.2016
9.	KOPEX MIN LIV A.D.	10.04.2008	500	500	-	31.12.2016
10.	KOPEX MIN LIV A.D.	25.05.2009	35	35	-	31.12.2016
11.	KOPEX MIN	15.07.2009	40	40	-	31.12.2016
12.	KOPEX MIN	14.08.2013	1.100	1.100	-	31.12.2016
13.	KOPEX MIN	21.01.2014	93	93	-	31.12.2016
14.	KOPEX MIN LIV A.D.	10.02.2014	100	-	100	31.12.2016
15.	KOPEX MIN	17.12.2014	200	-	200	30.06.2017
16.	KOPEX MIN LIV A.D.	17.12.2014	183	-	183	31.12.2016
17.	KOPEX MIN.	30.06.2015	500	500	-	Instalments until 30.06.2017
TOTAL			12.537	2.268	10.269	

USD THOU

no.	BORROWER	DATE OF LOAN	LOAN AMOUNT	DEBT BALANCE AS AT 31.12.2014	REPAYMENT DATE
1.	KOPEX MINING CONTRACTORS INDONESIA	24.03.2011	2.000	2.000	31.12.2016
2.	KOPEX MINING CONTRACTORS INDONESIA	17.08.2012	500	100	31.12.2016
3.	KOPEX MINING CONTRACTORS INDONESIA	19.06.2015	50	50	31.12.2016
TOTAL			2.550	2.150	

Following loan repayment terms were prolonged:

- „KW” Promack S.K.A. loans in the total outstanding amount of PLN 28.900 thousand were prolonged until 31.09.2016
- KOPEX Foundry („KW” Promack STA-Odlewnie) loan in the amount of PLN 4.300 thousand were prolonged until 30.12.2017
- KOPEX-Eko loan equivalent to the PLN 1.973 thousand was extended to 31.12.2019 - for the 31.12.2015 day they made the yr of write-off equivalent to the PLN 1.973 thousand.
- KOPEX-Famago loans in the total outstanding amount of PLN 37.015 thousand were prolonged until 01.04.2020, - for the 31.12.2015 day they made the yr of write-off equivalent to the PLN 37.015 thousand.
- Kopex Mining Contractors Indonezja – loans of total amount of USD 2.100 thousand were prolonged until 31.12.2016
- OPEX Min and Kopex Min Liv-loans totalling EUR 11. 654 thousand have been prolonged to r 31.12.2016 - for the 31.12.2015 day they made the yr of write-off equivalent to the PLN 9.886 thousand.

LIST OF SURETIES GRANTED

PLN THOU

No.	SURETY DATE	ENTITY FOR WHICH SURETY WAS AWARDED	ENTITY FOR WHOM SURETY WAS GIVEN	AMOUNT OF SURETY OR GUARANTEE	AMOUNT REMAINING FOR SETTLEMENT	PURPOSE OF AMOUNTS COVERED BY THE SURETY	SURETY VALIDITY DATE
1.	22.02.2011	KOPEX MACHINERY	PKO BP SA	19.743	2.157	the surety of the credit agreement	31.07.2016
2.	01.03.2011	KOPEX-FAMAGO	mLEASING	3.715	423	the surety of the lease	15.06.2016
3.	21.04.2011	KOPEX-FAMAGO	mLEASING	1.589	442	the surety of the lease	16.04.2016
4.	13.12.2013	KOPEX-FAMAGO	KOPEX-PBSz	5.000	5.000	surety loans	bezterminowo
5.	23.07.2012	KOPEX-FAMAGO	mLEASING	836	222	surety the Bills of the leasing contract	31.10.2015
6.	31.01.2012	ELGÓR + HANSEN	mBank	11.000	11.000	the surety of the credit agreement	20.03.2016
7.	20.07.2015	KOPEX-FAMAGO	Multimet sp. z o.o.	100	100	Security cooperation agreement	15.12.2015
8.	22.05.2012	KOPEX-PBSz	ING LEASE	10.150	1.614	surety agreement	22.05.2016
9.	28.05.2012	KOPEX MACHINERY	ING LEASE	8.300	1.148	surety agreement	31.08.2016
10.	10.08.2015	TAGOR SA	Famur	16.187	16.187	Security agreement	28.08.2017
11.	17.05.2010	KOPEX FAMAGO	Ergo Hestia	615	615	the surety for Ergo	17.09.2016
TOTAL				77.235	38.908		

EUR THOU

No.	SURETY DATE	ENTITY FOR WHICH SURETY WAS AWARDED	ENTITY FOR WHOM SURETY WAS GIVEN	AMOUNT OF SURETY OR GUARANTEE	AMOUNT REMAINING FOR SETTLEMENT	PURPOSE OF AMOUNTS COVERED BY THE SURETY	SURETY VALIDITY DATE
1.	30.12.2015	SkyTech Reserch	Bank Spółdzielczy w Knurowie	144	144	Surety the security of any of the obligations	31.07.2021

2.	01.06.2011	KOPEX-FAMAGO	ALTA	853	77	Surety the security of any of the obligations, contracts	30.06.2016
TOTAL				4.649	1.298		

LIST OF SURETIES RECEIVED BY KOPEX SA

PLN THOU

No.	SURETY DATE	ENTITY THAT MADE SURETY FOR KOPEX SA	ENTITY FOR WHOM SURETY WAS GIVEN	AMOUNT OF SURETY OR GUARANTEE	AMOUNT REMAINING FOR SETTLEMENT	PURPOSE OF AMOUNTS COVERED BY THE SURETY	SURETY VALIDITY DATE
1.	19.12.2011	KOPEX MACHINERY	PKO BP SA	110.235	33.608	The surety of the credit agreement	09.06.2017
TOTAL				110.235	33.608		

EUR THOU

In 2015 sureties were granted in favor KOPEX SA, by Mr. Krzysztof Jędrzejewski for:

- loans granted to the company KW SP z o.o. Promack S.K.A on 14.07.2015 in the amount of PLN 11.000 thousand.

GUARRANTIES

State of guarantees granted by KOPEX SA at the date of 31.12.2015 amounted to PLN 68.542 thousand. These are tender guarantee, contractual (for the return of advance payments and performance bonds). Guarantees are issued in the following banks and insurance companies: Raiffeisen Bank Polska S.A.; PKO BP S.A.; ING Bank Śląski S.A.; BNP Paribas Bank Polska S.A.; Citi Bank Handlowy S.A.; Deutsche Bank Polska S.A.; HSBC SA, TU Allianz Polska S.A.; Deutsche Bank Germany.

5.1.3. ASSESSMENT OF FEASIBILITY OF INVESTMENT PLANS, INCLUDING CAPITAL INVESTMENTS, IN COMPARISON TO THE FUNDS AVAILABLE, INCLUDING POSSIBLE CHANGES IN THE STRUCTURE OF ACTIVITIES FINANCING IN 2015

In 2016, KOPEX SA provides for the implementation of investment plans such as:

- modernization of the audio-visual equipment
- the purchase of information technology equipment and means of transport
- the execution of the additional security of the premises IT
- raising the Windows Server (purchase new domain Active Directory)
- raising the software version of AuditPro

These investments will be financed mainly from KOPEX SA own resources and external sources of funding.

5.2. INSURANCE AGREEMENTS - AS AT 31.12.2015

- property insurance – TUiR WARTA S.A. , co-insurance: TUiR WARTA SA, ERGO Hestia SA, Uniqa TU S. A. ,
- liability insurance of business and property - TUiR WARTA S.A., Powszechny Zakład Ubezpieczeń PZU S.A.
- Members of company Authorities liability insurance – AIG Europe Limited Oddział w Polsce
- liability insurance for entities authorized to perform service activities in the field of bookkeeping and tax advisory services - Powszechny Zakład Ubezpieczeń PZU S.A.
- construction and assembly insurance - TUiR WARTA S.A.; Uniqa TU S.A.

- medical expenses and accident insurance for the employees on delegations and on foreign contracts - ERGO HESTIA S.A.
- accident insurance NNW on the territory of Republic of Poland – ERGO HESTIA S.A.
- insurance of goods in transport (cargo) - ERGO HESTIA S.A.
- motor insurance - BENEFIA TU S.A. VIENNA INSURANCE GROUP (currently Compensa TU S.A. Vienna Insurance Group), Powszechny Zakład Ubezpieczeń PZU S.A., Ergo Hestia S.A.,

5.3. INFORMATION ON TOTAL VALUE OF WAGES AND AWARDS PAID OR PAYABLE IN 2009 FOR MANAGERS AND SUPERVISORS OF THE ISSUER AND INFORMATIONS ON VALUE OF WAGES AND AWARDS RECEIVED FOR PERFORMING THEIR FUNCTIONS IN THE AUTHORITIES OF THE SUBSIDIARIES, CORRELATIVES AND AFFILIATED) IN 2014

Remuneration of Supervisors and Management at the Issuer are set out in section 20 of Financial Statements of Kopex S.A.

5.4. SIGNIFICANT RISK FACTORS. CHARACTERISTICS OF INTERNAL AND EXTERNAL FACTORS WHICH ARE IMPORTANT FOR THE COMPANY’S DEVELOPMENT. EVALUATION OF ATYPICAL FACTORS AFFECTING THE OUTCOME ON ACTIVITIES FOR THE FISCAL YEAR 2014

Significant risks and threats are presented in SWOT analysis below:

CHANCES	THREATS
<ul style="list-style-type: none"> - Persistent demand for complex supplies and services resulting from the development of underground mining in Poland and abroad; - Interest in underground and open-cast mining in several global markets; - Interest in feasibility study projects for mining industry; - Demand for mining services, also associated with mining of extraction of salt and other minerals; - A significant increase in quality of Polish industrial products and their attractive price; - Greater openness of Polish enterprises to activities in the global markets; - Increase in expenditures and requirements for environmental protection; - Implementation of the program to optimize asset management and production processes; - A further fall in the NBP reference rate. 	<ul style="list-style-type: none"> -Rapid consolidation processes of the major competitors of the Company; -Necessity of significant pre-financing, resulting from a very long time of return of investment in manufacture, supply and commissioning of the systems sold; -Strengthening positions of competitive Polish and foreign companies; - Risks related to the current geopolitical situation in Ukraine, Russia and Argentina; -Risk of executing works in the changing mining and geological conditions; - Delays in execution of certain contracts; - High demands to enter certain markets; - Increased costs associated of renewal of the machinery fleet; - Limits of use of the manufacture capacities; - Significant and unpredictable fluctuations in exchange rates; - The decline in financial standing and liquidity of Mining Companies; -Severe lack of specialists in typical industrial occupations; - A further block of receipts by banks that support company; - Not signing a contract restructuring with banks.

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> - Access to production facilities providing complex commercial offers; - Recognised position and trademark of the Company in Poland and abroad ; - Entry new sales markets, requiring advanced technologies; - Geographical diversification of products and services offered; - Stability of cooperation with customers; - Vast experience in running large investment projects all over the world; - Diversified portfolio of products and services offered; - Good orientation in demand of foreign customers and in manufacture capabilities of the Polish mining engineering industry; - Diversification of financial institutions that support group. 	<ul style="list-style-type: none"> - Dissipation of the Company's assets ; - Difficulties in attracting good staff on service projects in the country and abroad; - Significant dependence of the revenues from demand in the coal mining industry; - Poor condition of mining companies affect significant extend payment deadlines.

THE ISSUER - INTEREST RATE RISK

KOPEX S.A. finance their activities with interest-bearing loans according to a variable interest rate WIBOR 1 m + margin. On the day of 31 December 2015, the company had a hedging interest rate risk and use the current decline in the NBP reference rate and Wibor 1 m and on a regular basis to monitor the decisions of the Council of monetary policy in this regard.

THE ISSUER - CURRENCY RISK

The Company is exposed to currency risk mainly due to core activities such as sale and purchase of goods and services in foreign currencies (primarily in EUR and USD).

Foreign exchange forward contracts are the main financial instruments hedging currency risk.

To reduce the currency risk in accordance with the strategy adopted by the Board, the procedure of actual cash flow hedge is applied.

The Company does not conclude speculative transactions

In 2005 KOPEX S.A. adopted the " Currency risk and interest rate hedging strategies ", according to which signing a commercial contract, currency risk hedging transactions are concluded, i.e. in relation to the exchange rate adopted in the offer's calculation. In case of contracts for trading in coal, they are concluded upon placing an order shipment.

The Company applies hedge accounting (detailed description in accounting policies), and natural hedging.

As at 31.12.2015 the Company had open hedging foreign currency items in the following amounts:

- USD 2.292 thousand;
- EUR 42.972 thousand.

As at 31.12.2015 the fair value of the aforesaid transactions was estimated at a total amount of PLN: 2.108 thousand, of which PLN 569 thousand were realised hedging transactions held in equity until

the hedged forecast transaction incident, and PLN 1.539 thousand were unrealized transactions according to valuation models used by the banks in which the transactions were carried out.

The fair value of PLN 2.108 thousand consist of:

- the amount of PLN 2.496 thousand (This amount includes PLN 569 thousand of the realised transactions and PLN 1.927 of the unrealised transactions) was recognised as revaluation of equity,
- the amount of PLN -388 thousand in profit and loss account (This amount includes PLN -20 thousand of the transactions for which hedge accounting is conducted).

As at 31.12.2015 valuation of the Company's hedging transactions made by the banks was based on the following spot rates:

USD: 3,9011;

EUR: 4,2615.

Given the unlikely influences, and inability to maturity grace forward (zero transaction limits granted by the Banks), the Board of KOPEX SA in the month of March 2016 made the decision to close the transaction by utilizing short-term strengthening of the dollar versus the euro and USD.

The settlement of forward amount realized negative exchange rate differences amounted to PLN 192.632, 35.

On the day 31.03.2016 Company KOPEX SA had open transactions in the purchase of currency to the amount of 291. 755,-USD and selling of a currency in the amount of EUR 45.000,00.

5.5. DEVELOPMENT PROSPECTS OF THE ISSUER AND THE CAPITAL GROUP

The factors that, in the opinion of the Issuer may have a significant impact on the financial results to be earned within at least one year are:

- Decrease and persistent oversupply on world markets as a result of the sustained low oil prices, pressures and declining economic growth in China and the shale revolution in the United States. These factors increase the availability of hard coal in international trade, which then translates into lower realized revenues in the national mining sector, and further recourse investment expenditure, which in the year 2016 may continue to remain on a limited level, to equations that determine the level of current and projected carbon prices in the near future.
- Factor in support for the price of coal and the investment sentiment in the industry in the year 2016 and in perspektyw medium-term can be governmental decisions in China, concerning the limitation of coal about 500 million. tonnes in the next 3-5 years and the prohibition of the granting of permits for the construction of new coal mines by the end of the year 2019.
- factors related to the activities carried out by the European Union climate policy aimed at combating climate change. The consequences of actions can lead to an increase in the importance of renewable energy sources in the national energy mixes, energy efficiency improvements, and less consumption of energy and energy carriers. 2016 may be a period of continuation of the weak sentiment to carbon energy sector, both in terms of the national and European level, due to the carried out a policy of dekarbonizacji and pressures on the share of coal in the structure of the energy consumed in the EU countries.
- Although long-term prospects for the gradual growth of the demand for coal on global commodity markets, tightened European Union policies is not conducive to the development of coal energy now in Europe, and thus increased the demand for coal.
- An essential problem is still a matter of restructuring of the Polish mining industry. The final shape and the financial capacity of the Polish Mining Group, as well as other producers of coal in Poland, will have an impact on the maintenance of the level of the offer addressed to the Polish mining operators. Group Kopex looking for alternatives in foreign markets, as well as it diversifies its product offer.
- Risks connected with the restructuring of the mining industry on the financial sphere. Polish mining companies restrict shopping days and, in addition, extending in tendering terms of payment to 120, and even 150 days.

- Russia is one of the important business markets group. Geopolitical and economic turbulence observed in the region associated with the weakness of the Russian currency have a negative impact on the Russian economy. These events and the associated uncertainty and variability in the supply chain can have an impact on the Group's activities. Group Management Kopex leads intensive marketing efforts by adjusting the objectives of strategic potential fluctuations in demand, and in order to minimise the currency risk.
- Risks connected with the economic situation in Argentina is the third largest economy in Latin America. Group Kopex involved in mining projects in Argentina up to date analyses the market and offers the following solutions for the local mining industry.
 - Further verification of the activity of the group both in the geographical as well as product aspect, abandonment of unbound objectives closely with the basic Kopex activity of the group or about the low level of profitability. Structure of new competences on markets pose mining with exploiting wide competence of the capital group Mostostal Zabrze among others energy projects, train projects, projects concerning metal sheets with difficulty removable (production and processing).
- Continuation of optimizing the use of the Group's assets and capital optimization, as well as the optimization of production processes. Charged by the processes, liquidation sales and affect the cost of technical limitation in all aspects of the cost and the costs of general management.
- Dynamizowanie after sales service and maintenance services through competence development in China (Taian Kopex), expansion of the company Kopex Sibir in Russia, as well as the development of back-end aftermarket in the Vorkuta region.
- The use and expansion of the competence of the mining services segment provided by company Kopex-Kopex PBSz and Dalbis, supporting and stabilizing the group in a difficult macroeconomic environment Kopex.

5.6. INFORMATION ON BASIC PRODUCTS AND SERVICES OF THE CAPITAL GROUP

Product structure of sales income for 2015 compared to 2014 is presented in Section 2.1. of this report and in section 14 of the Financial Statements of Kopex SA.

5.7. KOPEX SA SALES MARKETS

KOPEX SA MAIN SALES MARKETS:

ABROAD:

- Argentina - export of machinery and mining equipment,
- Austria - coal export.
- Bosnia and Herzegovina - export of machinery and mining equipment,
- China - export of machinery and mining equipment,
- France - mining services,
- Spain - coal export.
- Russia - export of machinery and mining equipment,
- Romania - export of machinery and mining equipment,
- Serbia - export of machinery and mining equipment,
- Slovakia - export of coal,
- Sweden - export of coal,
- Hungary – export of coal.

DOMESTIC: services: information technology, accounting, leasing, financial, lease, rental and sale of commodity, including: machinery and equipment for underground mining.

The largest customers of the Issuer in 2015 were companies operating in the segment of sales: mining. The customers are located in Argentina, Russia, Bosnia and Herzegovina, China, France, Poland, Serbia and Romania. In the segment of coal sales the companies were located in Spain, Sweden, Slovakia, Austria and Hungary.

During the 2015 quantitative criterion defining the main customer has been achieved with two contractors. Revenues from the first contractor amounting to PLN 81.291 thousand were realized in the segment: mining; there is no capital link between the recipient and Kopex SA.

Revenues from the second contractor amounting to PLN 73.158 thousand were realized in the segment: mining; there is no capital link between the recipient and Kopex SA.

Revenues from the third contractor amounting to PLN 36.514 thousand were realized in the segment: coal sales; there is no capital link between the recipient and Kopex SA.

Largest suppliers of the issuer in 2015 in the mining and sale of coal are companies operating on the domestic market.

KOPEX SA act as central coordinator of the supply of materials for the whole Capital Group. The Group has developed network of supply, mainly based on domestic market.

The share of four of the suppliers exceeded 10% share in sales revenues in 2015.

In the first case it was a company operating in the segment sales: mining, whose share in sales amounted to 19,6%; above supplier is a direct subsidiary of Kopex SA

In the second case it was a company operating in the segment: coal sales, whose share in sales amounted to 15,3%; above supplier is not a subsidiary of Kopex SA

5.8. SIGNIFICANT AGREEMENT-EVENT FOR THE COMPANY AND THE CAPITAL GROUP

During the reporting period the issuer and subsidiaries carry out Office business.

Companies included in the Group during the reporting period also concluded a number of trade agreements, of which the main are:

- The Board KOPEX S.A. based in Katowice (the issuer) that on the day as he received information about the signature by KOPEX-Enterprise construction of Shafts in Bytom (a subsidiary of the issuer) Addendum dated 02.01.2015, to the substantial agreement of 05/07/2012, concluded between: KOPEX-Enterprise Construction Shafts S. A. -Manufacturer and KGHM Copper Poland S. A. -the contracting authority, concerning the implementation of paving workings in ZG Polkowice-Sieroszowice and Rudna. Under the amendment contained extended contract period to 2020 (previously to March) and the estimated remuneration in the amount of € 427.500.000,00 net for execution of works in the years 2015-2020. The final amount of remuneration depends on the actually realized the scope of the works. Until 31. 12. 2014. are robots with a total value of PLN 230.540.591,00 NET.
- The Board KOPEX S. A. based in Katowice (the issuer) that on the day of 25. 02. 2015, has information on the basis of which States that the issuer and the issuer's subsidiaries in the period 4 March 2014 have concluded with Kompania Węglowa S.A. with its registered office in Katowice and its subsidiary a number of agreements, whose total value exceeds 10% of the value of the equity of the issuer (to the State of the last published by the issuer's quarterly report QSr-4/2014 on 25 February 2015). The value of the equity of the issuer of the criterion is PLN 1.538. 273 thousand. The total value of the contracts concluded with the Kompania Węglowa S.A. and its subsidiary, of which the issuer took information, during the period from 4 March 2014 to 25 February 2015 is PLN 172.562.952,18 NET. Pursuant to § 2 (1) of paragraph 44), and § 2, paragraph 2, of the regulation of the Minister of Finance of 19 February 2009 on current and periodic information provided by issuers of securities, and the conditions for the recognition of equivalent to the information required by the law of the Member State which is not a Member State (i.e. OJ 2014. 133)-RMF, met criteria for the conclusion of a significant agreement. Agreement with the largest value contained in the aforementioned period of the contract is dated 03.02.2015 received on 25.02.2015 where the parties are Kompania Węglowa S.A. the ordering party and KOPEX MACHINERY S. A. (a subsidiary of the issuer) - Contractor. Subject to that effect. the contract is: Financial Leasing with the delivery of three

new conveyor type WAMAG PTD 1400 KOPEX production MACHINERY S.A. for the Kompania Węglowa S.A. Branch KWK "Marcel". Each conveyor is a separate subject of the lease. The total net value of the contract is PLN 24.199.999,98 (capital instalments + interest). Payment for the period of use of each of the leased asset has been spread over 36 monthly installments. Part of the finance charge will be determined on the basis of the rate WIBOR 1 m increase at a fixed margin. Any last 36 install may be for a different amount in order to compensate for differences arising from rounding calculation. Installing flush-mount. Lease payments will be processed per month starting from the last day of the following month, after the date on which the contracting authority will accept the subject of the lease to use based on the hand-over/receipt Protocol. At the time of the last installment in the lease arrangements and all fees due under the contract will be the sale of the leased asset to the customer for the amount of 1. 00 PLN NET.

- The Management Board of KOPEX SA with its registered seat in Katowice (the Issuer) announces that on 02.04.2015 it has been aware of concluding by KOPEX – Przedsiębiorstwo Budowy Szybów SA with its registered seat in Bytom (the Issuer's subsidiary) another annex to a significant agreement dated 30.07.2009 concluded between: KOPEX - Przedsiębiorstwo Budowy Szybów SA – Contractor and Jastrzębska Spółka Węglowa SA – Orderer. The subject of the agreement is execution of the shaft tube and double sided shaft inlet of the BZIE shaft 1 in Jastrzębska Spółka Węglowa SA, Borynia – Zofiówka – Jastrzębie Coal Mine, Area Zofiówka. An annex applies to additional works performed and changes in unit prices. As a result of the above mentioned changes the total value of the agreement has been increased to the total value of PLN net 264 236 419,30.

- The Kopex Group will deliver a longwall system with hydraulic roof support and electrical equipment , longwall shearer and a belt conveyor to coal mines in Kuznetsk Coal Basin. The total value of the three signed agreements on the Russian market amounts to more than 28 million euros (over 113 million PLN). The subject of the contracts is the delivery of thwo longwall shearers KSW460-NE. First of them, together with electrical equipment and roof support is meant for the mine Bierzowska (UKSK). The second shearer with electrical equipment and visualization system will be delivered to the mine Jubilejna (Topprom). The third agreement is the supply of longwall conveyor type Rybnik 750 to the mine Połosuchińska. All contracts will be realized in the second half of 2015. Subject of the largest contracts will be delivered to the mine Bierzowska the end of September 2015. The contracts were concluded by Polish companies belonging to Kopex Group through a company operating in Novokuznetsk - Sibir Kopex.

- The Board of KOPEX S.A. based in Katowice (the issuer) signing on 12. 11. 2015. significant contract (as consortium leader, which is discussed later) with the company E003B7 SP. z o. o. based in Warsaw, where the parties are: Consortium KOPEX S.A. (Consortium Leader) and company Stal-System S.A. based in Wólca Pełkińska (Consortium Partner) that occur together as a performer and E003B7 SP. z o. o. (a subsidiary of RAFAKO SA) acting as the contracting authority. The subject of the aforementioned the agreement is supply and installation of steel structure building, engine room, boiler room, bunkers room, LUVO, SCR, installation of coal bunkers, elevation and arrangement of steam blower for the energy Block with a capacity of 910 MWe gross pursued for Tauron Wytwarzanie S.A. power station squad Elektrownia Jaworzno III - Elektrownia II in Jaworzno. The estimated total value of the contract is PLN 179 952 200 NET + TAX. Duration of the agreement shall be 15 months from the date of entry into force. The agreement entered into force on 13 January 2016.

- The Management Board of KOPEX SA with its registered seat in Katowice (the Issuer) announces that 16.12.2015 it has been aware of receiving by KOPEX Machinery SA an signed agreement with Jastrzębska Spółka Węglowa SA dated 18.01.2016. The agreement is between: Consortium KOPEX Machinery SA (leader of a consortium) and a company FAMUR SA (member of a consortium) occurring together as a Contractor and Jastrzębska Spółka Węglowa SA as an Orderer. The subject of the agreement is : "Supply of 167 pieces of brand new FRS-18/46-2x3056 roof support units with a range of operation of not more than 2.0 m to not less than 4.5 m including high-pressure power pack designed for supplying of the powered roof support units, brand new armoured face conveyor RYBNIK 850, brand new beam stage loader GROT 850 together with a crusher and transmission gear for JSW SA, Knurów-Szczygłowice Coal Mine, Szczygłowice Area."

The contract period is 15 weeks from the date of the agreement. The price offered for the execution of orders: PLN 74 156 788 gross. The agreement entered into force on 18. 01. 2016.

- The Board of KOPEX S. A. based in Katowice (the issuer) shall inform, that on 26.02.2016 year, has two banks with whom the issuer is associated agreements, the letter notifying the occurrence of violations of the agreements and the effects of these cases: 1) Letter from ING Bank Śląski S.A. dated on the day of 25.02.2016, indicating that the occurrence of the event of a breach of the credit agreement, in which the failure to execute the obligation the obligation to maintain the IBD ratio/EBITDA at the specified level as a result, ING Bank Śląski S.A.: refuses to run all shared products within the available credit limit, refuses the implementation of complex, and not of the orders executed and refuses the implementation of the new orders, reduced in full with immediate effect the amount of available credit limit; 2) Letter of PKO BP S. A. dated on the day of 26.02.2016, indicating that the occurrence of the event of a breach of the credit agreement, in which the failure to execute the obligation the obligation to maintain the indicator Net Debt/EBITDA at the specified level, as a result, bank Universal Savings Bank Polish S. A. : limited amount placed at the disposal of the issuer of the limit to the amount of its current use and temporarily stopped the possibility of further use of the shared under the agreement limits declaring the time not to take further action regarding the limitations as to the amount and availability of the limit. The Bank at the same time, he expressed his conditional Declaration of not taking action related to the termination of the contract and debt collection activities. These notices are published on the effect of 25.02.2016 of the year by the issuer's quarterly report QSR for IV quarter of 2015 in which the issuer has presented financial results for four quarters, 2015. The issuer's management board points out that access to loans will impede the timely adjusting the current obligations of the issuer and its subsidiaries.
- The Board KOPEX S. A. based in Katowice (the issuer) shall inform, that on 29.02.2016 has three banks, with whom the issuer is associated agreements, the letter notifying the occurrence of violations of the agreements and the effects of these cases: 1) a letter from the Bank Polska Kasa Opieki S.A., dated on the day of 29.02.2016, announcing the reduction by the bank of Polska Kasa Opieki S.A. on 25 February 2016 the amount of the credit for the amounts already paid. The decision of his bank Polska Kasa Opieki S.A. has justified the deterioration, in his assessment, the credit rating of the issuer and the issuer's capital group, which were source stock reports showing the financial results of the issuer and Group Kopex S.A. for the year 2015. 2) a letter of Bank Zachodni WBK S. A. dated on the day of 29.02.2016 indicating that the occurrence of the event of a breach of the contract about the limit on bank guarantees, of non-commitment to the obligation to maintain the indicator Net Debt/EBITDA at the specified level, as a result, Bank Zachodni WBK S.A. has lowered the amount granted to the issuer and the unused limit on guarantees to the amount of EUR 0 with effect from 29.02.2016. At the same time, the Management Board of the issuer announces that on the day of 29.02.2016, the State of the use by the issuer of the guarantee limit in Bank Zachodni WBK S. A. amounted to EUR 0. 3) letter of Raiffeisen Bank Poland S. A. dated on the day of 29.02.2016, indicating that the occurrence of the event of a breach of contract claim limit of non-commitment to the obligation to maintain the indicator Net Senior Debt/EBITDA at the specified level, as a result, the Bank has made with effect from the date of 29.02.2016, raise the height of the margin in respect of guarantees and has blocked the possibility of the use of allocated limits. The issuer's management board points out that, as in the case of actions on the part of the banks Powszechna Kasa Oszczędności Bank Polski S.A. and ING Bank Śląski S.A. , the Issuer informs the in current report No. 13/2016 of 26.02.2016 year reduction by the bank of Polska Kasa Opieki S.A. on 25 February 2016 of the amount of the credit granted will impede the timely adjusting the current obligations of the issuer and its subsidiaries , however, will not prevent the issuer and his Group continued to conduct a business.
- The Board KOPEX S. A. based in Katowice (the issuer) shall notify that: 1) on 01.03.2016, produced the message sent to the company by email on 29.02.2016, in the evening, scans of letters from the Bank BGŻ S. A. , with whom the issuer is associated agreements, dating to the day 29.02.2016, notifiers of the occurrence of violations of agreements, consisting of:-missing the financial index net financial Debt/EBITDA as announced by the Issuer on 31 December 2015 in relation to the agreements, the level of occurrence of another event, that a reasonable assessment of the Bank can have a significant negative impact on the financial situation of the issuer's assets, or legal, to the extent that threaten the ability to perform obligations of any

contract concluded with the Bank finding cases of violations and suspend further use of shared on the basis of limits by the banks Powszechna Kasa Oszczędności Bank Polski S.A. and ING Bank Śląski S.A. , and of the consequences of these cases reduce with immediate effect amounts available credit limits to the sum of the measures already used on the day of 29.02.2016 and the denial of the future provision of new guarantee or issue new letters of credit on behalf of the issuer. At the same time, the Bank has expressed willingness to clarify the situation of the issuer and the agreements during a meeting. 2) on 01.03.2016 received the email a scan of the letter from the bank HSBC Bank Poland S. A. dated on the day 29.02.2016 with whom the issuer is associated loan agreement, the notifying of the occurrence of cases of breach of contract, consisting of:-crossing the financial index Net Debt [Net]/EBITDA and current liquidity over the values allowed in the contract-instance violations of agreements concluded by the issuer with other banks and financial institutions that may be the circumstances in which the debt of the issuer and its subsidiaries will become due and payable before the original deadline-the occurrence of circumstances which, in the assessment of the Bank significantly aggravates the economic and financial situation of the issuer and has a significant negative impact on the credit standing of the Issuer take action by banks ING Bank Śląski S. A. and PKO BP S.A. , the Issuer informs the in current report No. 13/2016 of 26.02.2016 and of the consequences of these cases. the refusal of the Bank available to the issuer and its subsidiaries total loan based on the credit agreement. At the same time, the issuer announces that the date of receipt of the letter from the Bank, the issuer and its subsidiaries has used part of the specific loan agreement. The issuer's management board points out that, as in the case of actions on the part of the banks Powszechna Kasa Oszczędności Bank Polski S.A. and ING Bank Śląski S.A. , the Issuer informs the in current report No. 13/2016 of 26.02.2016 and banks Polska Kasa Opieki SA, Bank Zachodni WBK S.A. and Raiffeisen Bank Poland S.A. , the Issuer informs the in current report No. 14/2016 on 29.02.2016 lowering on 29 February 2016 by bank BGŻ S. A. amounts granted to the limits, and refusal of credit by the Bank HSBC Bank Poland S. A. will impede the timely adjusting the current obligations of the issuer and its subsidiaries, however, will not prevent the issuer and his Group continued to conduct a business. The issuer is interested in as soon as possible to clarify the situation with the banks and the Board of the issuer has taken the talks with banks on terms of cooperation.

- The Board KOPEX S. A. based in Katowice (the issuer), in reference to current report No 13/2016 of 26 February 2016 informs that on 11 March 2016 to an issuer which is a party to the loan agreement with the bank Powszechna Kasa Oszczędności Bank Polski S. A. (Bank), which is the conclusion and subsequent changes to the issuer informs the current reports no. 60/2014 of effective no. 27/2015 dated on 03.08.2015 r. and no. 29/2015 dated on 25.09.2015, received the letter from Bank dated 9 March 2016 informing them of the reduction by the Bank from that date amount limit placed at the disposal of the issuer and its subsidiaries to the amount used per day 25 February 2016, i.e. to the amount of PLN 389.957.970,25 and on the termination of the credit limit in the remaining unused by the issuer the amount of PLN 155.042.029,20. As the reason for its decision, the Bank pointed out that information about the decision by other banks financing the issuer measures to satisfy their claims to reduce the available credit limits and guarantee. At the same time, the Bank said in its letter that it is consistently interested in the elaboration of solutions to credit Issuer to avoid activities related to the termination of the credit agreement and the compulsory investigation of claims the rights to the Bank in respect of the loan agreement. The issuer shall inform at the same time, that continues the conversation with financing banks on further conditions for cooperation, and these discussions-in the evaluation of the issuer-are a significant stage of advancement. Letter Bank PKO BP S. A. of 09.03.2016. is not in conflict with these negotiations.
- The Board "KOPEX" S.A. based in Katowice (the issuer), in reference to current report No 17V/2016 of 17 March 2016, shall notify the receipt on 17 March 2016, the information from Mr. Krzysztof Jedrzejewski majority shareholder" KOPEX" S. A. signed on 17 March 2016 conditional Agreement with a subsidiary of TDJ S. A. company of special purpose vehicle, which provides gain control over the majority share package "KOPEX" S. A. belonging to Mr. Krzysztof Jedrzejewski. According to the information provided to the Executive Board "KOPEX" S. A. , completion of the conditional Agreement that is subject to, among other things:
 - restructuring of debt Capital Group companies KOPEX S.A.

- o satisfactory results the study due diligence companies Group KOPEX S.A. ;

- o obtain the required consent of the antitrust authorities on the concentration. Further arrangements for the execution of the contract conditional, referred to above, the issuer will be informed in future reports.
- The Board of KOPEX S. A. based in Katowice (the issuer) shall notify, on 23 March 2016 received the information about the signature by KOPEX-PBSz in Bytom (a subsidiary of the issuer) the next amendment, dated 11 March 2016 to a significant agreement of 30.07.2009, concluded between: KOPEX-PBSz S.A. -Manufacturer and Jastrzębska Spółka Węglowa S. A. -the ordering party, the object of which is to perform a pipe shaft and two-sided szybowego intake recess 1 BZIE in Jastrzębskiej Spółki Węglowej S.A. KWK Borynia-Zofiówka-Jastrzębie Ruch Zofiówka. Signed Annex applies to works made, and changes in unit prices. In view of the above, the total value of the contract was increased to a total amount of PLN 264.870.760,70 NET. The issuer informs about above agreement last in current report No. 12/2015 dated on 02.04.2015.

All significant information for 2015 are available on the KOPEX SA website:

<http://www.kopex.com.pl/idm,3336,biezace.html>

5.9. A LIST OF INFORMATION ON SIGNIFICANT TRANSACTIONS CONCLUDED BY THE ISSUER OR ITS SUBSIDIARY WITH RELATED PARTIES ON OTHER CONDITIONS THAN MARKET CONDITIONS, TOGETHER WITH THEIR VALUE AND INFORMATION DEFINING THE NATURE OF TRANSACTIONS

According to our knowledge, KOPEX SA or its subsidiaries or indirect subsidiaries did not sign in 2015 the transactions with related parties on conditions other than the market

5.10. EXPLANATION OF DIFFERENCES BETWEEN THE FINANCIAL RESULTS DISCLOSED IN THE REPORT AND PREVIOUSLY PUBLISHED ESTIMATES OF THE RESULTS FOR 2015

KOPEX SA did not publish the estimates of the results for 2015.

5.11. STATEMENT ON THE NUMBER AND NOMINAL VALUE OF ALL KOPEX SA SHARES HELD BY MANAGEMENT AND SUPERVISORY BOARD OF KOPEX SA

- A. Determination of total number and nominal value of all the shares of the issuer and shares in affiliated undertakings of the issuer held by the managers of the issuer at the date of transfer of the annual report.

Name	Function in the Management Board	Total number of KOPEX SA shares held	Total nominal value of KOPEX SA shares held (PLN)	Changes in the shareholding of KOPEX S.A. shares since the latest quarterly report issue
Bogusław Bobrowski	Chairman of the Board Chief Executive Officer (since 12.01.2016)	No shares held	-----	no change ¹⁾
Piotr Broncel	Member of the Board Director of Sales (since 01.02.2014)	No shares held	-----	no change ¹⁾
Marek Uszko	Member Of The Board Director of Research and Development (since 12.01.2016)	No shares held	-----	no change ¹⁾
Krzysztof Zawadzki	Member Of The Board Chief Financial Officer (since 01.02.2016)	No shares held	-----	no change ¹⁾

Source: Company

Note:

¹⁾ no changes in the shareholding of the Issuer's shares since the publication of the latest quarterly report QSR-4/2014 on 25 February 2016.

The above mentioned management of the issuer does not have shares in affiliated undertakings of the issuer.

B. Determination of total number and nominal value of all the shares of the issuer and shares in affiliated undertakings of the issuer held by the custodians of the issuer at the date of transfer of the annual report.

Name	Position in the Supervisory Board of „KOPEX” S.A.	Total number of „KOPEX” S.A. shares held	Total nominal value of KOPEX SA shares held (PLN)	Changes in the shareholding of KOPEX S.A. shares since the latest quarterly report issue
Krzysztof Jędrzejewski	Chairman of the Supervisory Board	43.586.675 ¹⁾	43.586.675 ,- PLN	no change ²⁾
Michał Rogatko	Vice Chairman of the Supervisory Board	No shares held	-----	no change ²⁾
Daniel Lewczuk	Secretary of the Supervisory Board (since 29.01.2015)	No shares held	-----	no change ²⁾
prof. zw. dr hab. inż. Józef Dubiński	Member of the Supervisory Board (since 20.04.2014)	No shares held	-----	no change ²⁾
prof. zw. dr hab.n.prawnych Janusz A. Strzępka	Member of the Supervisory Board (since 18.11.2015)	No shares held	-----	no change ²⁾

Source: Company

Uwaga:

- ¹⁾ Total number of "KOPEX" SA shares held by Mr Krzysztof Jędrzejewski together with a subsidiary in accordance with the notification dated 19.11.2013 received from Mr. Krzysztof Jędrzejewski (Current Report No. 75/2013 of 19 November 2013) and a statement of 31.12.2014, including:
- directly held 43.310.175 shares representing 58,27% of the share capital of KOPEX S.A. and entitling to 43.310.175 votes at the general meeting of KOPEX S.A. which represents 58,27% of the total votes;
 - indirectly through „KOPEX” S.A. held 276.500 shares (purchased by "Kopex" S.A. own shares), representing 0,37% of the share capital,

- ²⁾ the Issuer's shareholding did not change in the period since the previous quarterly report QSR-4/2015 on 25 February 2016.

The above mentioned supervisors of the issuer does not have shares in affiliated undertakings of the issuer.

5.12. INFORMATIONS ON THE AGREEMENTS THAT MAY RESULT IN THE FUTURE CHANGES IN THE PROPORTIONS OF SHARES HELD BY PRESENT SHAREHOLDERS

Management board "KOPEX " S.A. referred in the current report to No. 17 / 2016 from 17 March 2016 to the public message classified information, of which handing over for entities which are being talked about in the Art. of 56 sec. of 1 act on the offer, was delayed on the base the Art. of 57 sec. of 1 act on the offer, but her contents read as follows:

“On the day of 9 March 2016 The management board of the Issuer obtained information from the majority shareholder, of Mr Krzysztof Jędrzejewski (farther "Shareholder") about making a decision on choice TDJ S.A. (farther "potential investor") as the potential strategic investor for the Issuer and about setting about by the Shareholder of negotiable terms of the contract of the share sale of the Issuer had by a Shareholder with representatives of potential investor. The management board of the Issuer was invited by the Shareholder to participate in negotiations with the potential investor.”

He handed over control of the Issuer on the same day to the public message (current report No. 18 / 2016 from 17.03.2016) information from Mr Krzysztof Jędrzejewski of the majority shareholder

"KOPEX " S.A. about signing on 17 March 2016 Of conditional contract from dependent from TDJ S.A. with special purpose vehicle (of dominating shareholder FAMUR S.A.) which predicts taking over the control of the majority interest "KOPEX " S.A. belonging to Mr Krzysztof Jędrzejewski. According to information handed over control "KOPEX " S.A., fulfilling the recalled conditional contract will depend, among others from:

- conducting the restructuring of the debt of companies of the capital group "KOPEX " S.A.;
- satisfying findings of the conducted examination due diligence of companies of the capital group "KOPEX " S.A.;
- obtaining a required consent of anti-monopoly bodies to the concentration.

In the above report "KOPEX " S.A. also advised, that about the further arrangements concerning the realization the Issuer will be informing the conditional contract mentioned above in next current reports.

Further to current reports mentioned above management Board "KOPEX " S.A. presented publicly placed on the side of corporate Company in the bookmark Relations press investment/announcements written statement from qtd. 17 March 2016: "the Long-term trend of the decline in prices of coal and the decrease accompanying him in investments in the mining are not only a problem in Poland, but constitutes the element of the appearing tendency on world marts. It is putting companies of surrounding the mining before brand new challenges. In the opinion of the management Board "KOPEX " S.A. joining the Group "KOPEX " S.A. with Grupa FAMUR S.A. is bringing strengthening the Polish sector of producers of machines and mining devices and service providers on the mining market. Products of both groups in the outstanding majority are complementing each other and are giving the possibility of offering to recipients the comprehensive offer as part of conducting widely understood investments in the sector - from designing main excavations through the execution of primary stone excavations for the selection and delivery optimum in given conditions of the exploitation and transport equipment. Management board "KOPEX " S.A. is convinced that the capital matrimony of both groups is in the current situation best at the possibility more distant of their functioning in conditions of the sharpened competition and at the limited access to the external financing.

Combining strength of Grupa " KOPEX " S.A. and Grupa FAMUR S.A. will let the new entity stable functioning on the domestic market, will provide the supplier of the high quality of machines, devices and services for the also Polish mining with the higher capital potential, greater financial abilities, as well as the strengthened resulting know-how from past experiences. The merger of both companies definitely will strengthen their competitive position on global markets as well as will enhance possibilities of the international expansion. As a result of the trade made plans he will come into existence strong and the modern Group which will be had a real potential in order to pay court to the name of the world leader in the manufacture of machinery and of devices for the mining industry. Up to the attention a management Board being an above position overcome "KOPEX " S.A. will be aspiring according to the legality for fulfilling by the Company conditions dependent on it of the entry into force of the agreement from 17 March 2016 between Mr Krzysztof Jędrzejewski and the dependent special purpose vehicle from TDJ S.A. "

5.13. AGREEMENTS OF KOPEX SA WITH AN ENTITY AUTHORIZED TO STUDY FINANCIAL STATEMENTS

The entity authorized to audit financial statements of KOPEX S.A. for 2015 is PricewaterhouseCoopers Sp. z o.o. based at Al. Armii Ludowej 14, 00-638 Warszawa. The agreement with PricewaterhouseCoopers Sp. z o.o. was signed on 29.02.2012 and relates to the review and audit of the standalone and the consolidated report of KOPEX SA for 2012. The agreement shall be automatically extended for subsequent years, up until 2016, subject to adoption by the Supervisory Board resolutions making the selection of PricewaterhouseCoopers Sp. z o.o. as the entity authorized to review and audit the reports of the Issuer.

The list of agreements signed with the above mentioned entity and the value of remuneration for 2015 is presented in the table below:

PLN	
SUBJECT OF THE AGREEMENT	REMUNERATION FOR THE YEAR 2014
Overview of the semi-annual separate and consolidated half-yearly report and the audit of the annual separate and consolidated financial statements	90.000,00
Other services	10.400,00
Total	100.400,00

The entity authorized to audit financial statements of KOPEX S.A. for 2014 was PricewaterhouseCoopers Sp. z o.o. based at Al. Armii Ludowej 14, 00-638 Warszawa. The list of agreements signed with the above mentioned entity and the value of remuneration for 2014 is presented in the table below:

PLN	
SUBJECT OF THE AGREEMENT	REMUNERATION FOR THE YEAR 2013
Overview of the semi-annual separate and consolidated half-yearly report and the audit of the annual separate and consolidated financial statements	90.000,00
Tax consultancy agreement	19.900,00
Other services	533.412,16
Total	643.312,16

5.14. PROCEEDINGS PENDING BEFORE COURT, COMPETENT ARBITRATION OR PUBLIC ADMINISTRATION

On the day of the report, the Issuer, nor any of the Issuer's Capital Group Companies are not the subject of proceedings before a court, competent authority for arbitration or a public authority the value of which constitutes at least 10% of the equity of the Issuer.

5.15. CHANGES IN THE BASIC PRINCIPLES OF MANAGEMENT THE ISSUER'S COMPANY

Changes in the basic management principles of the Issuer and the Group are presented in Section 3 of this report.

5.16. INFORMATION ON CONTROL SYSTEMS FOR EMPLOYEE PROGRAMS

On the day of publication of this Report the Company has no incentive programs for employees based on shares of the Company.

5.17. OTHER IMPORTANT EVENTS AFFECTING THE OPERATIONS OF THE COMPANY

No other significant events occurred in 2015, affecting the company's operations and which are not included in the Management Report.

5.18. STATEMENT OF THE MANAGEMENT BOARD

The Management Board states that the report on the activities of Kopex SA for 2015 contains a true picture of development and achievements of the Issuer and the Capital Group's situation including basic threats and risks.

SIGNATURES:

Member Of The Board

Member Of The Board

Member Of The Board

Chairman Of The Board

Piotr Broncel

Marek Uszko

Krzysztof Zawadzki

Bogusław Bobrowski

Katowice, 28.04.2016