

POLISH FINANCIAL SUPERVISION AUTHORITY

Current Report No.

48

/

2017

Date: June 29th 2017

Abbreviated issuer name

FAMUR S.A.

Subject

Management Boards of FAMUR S.A. and Kopex S.A. agree on plan of demerger of Kopex S.A.

Legal basis

Art. 17.1 of MAR – Inside information

Text of the report:

Further to Current Report No. 19/2017 of May 9th 2017, the Management Board of FAMUR S.A. announces that today, on June 29th 2017, the Management Boards of FAMUR S.A. and Kopex S.A. have agreed on and signed a plan of demerger of Kopex S.A. by spinning off and transferring part of its assets to FAMUR S.A.

Appendices

| File | Description |
|-----------------------------|--------------------------------|
| Plan podziału Kopex S.A.pdf | Plan of demerger of Kopex S.A. |

| | |
|-----------------------------------|--|
| FAMUR Spółka Akcyjna | (full issuer name) |
| FAMUR S.A. | Electromechanical (ele) |
| (abbreviated issuer name) | (sector according to the WSE) |
| 40-698 | Katowice |
| (postal code) | (city/town) |
| Armii Krajowej | 51 |
| (street) | (number) |
| +48 32 359 63 00 | +48 32 359 66 77 |
| (phone) | (fax) |
| sekretariat@famur.com.pl | www.famur.com |
| (email) | (www) |
| 634-012-62-46 | 270641528 |
| (Tax Identification Number – NIP) | (Industry Identification Number – REGON) |

SIGNATURES OF AUTHORISED REPRESENTATIVES

| Date | Full name | Position | Signature |
|----------------|-------------------|-----------------------------------|-----------|
| June 29th 2017 | Mirosław Bendzera | President of the Management Board | |
| June 29th 2017 | Olga Panek | Commercial Proxy | |

PLAN OF DEMERGER OF KOPEX S.A. OF KATOWICE

THROUGH THE TRANSFER OF A PART OF ASSETS IN THE FORM OF AN
ORGANISED PART OF BUSINESS TO AN EXISTING COMPANY – FAMUR
S.A. OF KATOWICE

(demerger through a spin-off in accordance with Art. 529.1.4
of the Commercial Companies Code)

DATED JUNE June 29th 2017

FAMUR



Pursuant to Art. 533 et seq. of the Commercial Companies Code of September 15th 2000 (**the Commercial Companies Code**), in connection with an intended demerger through a spin-off in accordance with Art. 529.1.4 of the Commercial Companies Code, on the terms defined below, Kopex Spółka Akcyjna of Katowice, with its registered office at ul. Grabowa 1, 40-172 Katowice, Poland, entered in the Business Register of the National Court Register maintained by the District Court for Katowice-Wschód in Katowice, 8th Commercial Division of the National Court Register, under No. (KRS) 0000026782, with Tax Identification Number (NIP) 634-012-68-49 and Industry Identification Number (REGON) 271981166 (**KOPEX** or **Demerged Company**) and Famur Spółka Akcyjna of Katowice, with its registered office at ul. Armii Krajowej 51, 40-698 Katowice, Poland, entered in the Business Register maintained by the District Court for Katowice-Wschód in Katowice under No. (KRS) 0000048716, with Tax Identification Number (NIP) 634-012-62-46 and Industry Identification Number (REGON) 270641528, have agreed on this Plan of Demerger.

Pursuant to Art. 529.1.4 of the Commercial Companies Code, the demerger will be effected through the transfer of part of KOPEX's assets in the form of an organised part of business including in particular the operating assets and shares in companies involved in the manufacture, maintenance and distribution of mining machinery (the "Machinery Business") to an existing company: Famur Spółka Akcyjna (**FAMUR** or **Acquirer**), which represents demerger through a spin-off. The spin-off will be effected in accordance with Art. 530.2 of the Commercial Companies Code on the day of registration of the increase in the Acquirer's share capital (the "Demerger Date"). The demerger will be registered following the registration of a reduction in the share capital of KOPEX in accordance with this Plan of Demerger.

The main objective of the demerger is for the Demerged Company and the Acquirer to closely integrate within a single entity the production business (manufacturing of machinery) related to underground mining that has been so far conducted separately at FAMUR and KOPEX.

1. TYPE, NAME AND REGISTERED ADDRESS OF EACH OF THE COMPANIES INVOLVED IN THE DEMERGER

The companies involved in the demerger are:

1.1. Demerged Company:

KOPEX Spółka Akcyjna with its registered office at ul. Grabowa 1, 40-172 Katowice, entered in the Business Register of the National Court Register maintained by the District Court for Katowice-Wschód in Katowice, 8th Commercial Division of the National Court Register, under No. (KRS) 0000026782, with Tax Identification Number (NIP) 634-012-68-49 and Industry Identification Number (REGON) 271981166.

The Demerged Company is a public company within the meaning of the Commercial Companies Code.

1.2. Acquirer:

FAMUR Spółka Akcyjna with its registered office at ul. Armii Krajowej 51, 40-698 Katowice, entered in the Business Register of the National Court Register maintained by the District Court for Katowice-Wschód in Katowice, 8th Commercial Division of the National Court Register, under No. (KRS) 0000048716, with Tax Identification Number (NIP) 634-012-62-46 and Industry Identification Number (REGON) 270641528.

The Acquirer is a public company within the meaning of the Commercial Companies Code.

The Demerged Company and the Acquirer are hereinafter referred to as the “Demerger Participants”.

2. SHARE EXCHANGE RATIO BETWEEN DEMERGED COMPANY SHARES AND ACQUIRER SHARES AND POSSIBLE CASH PAYMENTS

- 2.1. The demerger of the Demerged Company will be effected through the transfer of part of the Demerged Company's assets in the form of an organised part of business including in particular the operating assets and shares in companies involved in the manufacture, maintenance and distribution of mining machinery, as well as manufacturing or investment processes other than those specified in Section 8.16, in particular: companies (Zabrze Shearers, Ryfama Conveyors Zabrze Branch, currently operating in Zabrze and Rybnik as part of KOPEX S.A., KOPEX S.A. Hydraulics Zabrze Branch, KOPEX S.A. Tagor Roof Support Zabrze Branch), all real property other than the real property owned by related parties of the Demerged Company whose shares are indicated in Section 8.16, and all shares in foreign and domestic companies, excluding those indicated in Section 8.16, described in detail in Section 8 below (the "Machinery Business" or the "Spun-Off Business"), to the Acquirer (demerger through a spin-off), in accordance with Art. 529.1.4 of the Commercial Companies Code.
- 2.2. Following the demerger of the Demerged Company and transfer of part of its assets to the Acquirer, the Acquirer's share capital will be increased by PLN **153.227.12** (one hundred and fifty-three thousand, two hundred and twenty-seven złoty, twelve grosz), from PLN **5,594,405.00** (five million, five hundred and ninety-four thousand, four hundred and five złoty)¹ to PLN **5,746,632.12** (five million, seven hundred and forty-six thousand, six hundred and thirty-two złoty, twelve grosz), by creating **15,322,712** (fifteen million, three hundred and twenty-two thousand, seven hundred and twelve) new Series F ordinary bearer shares in the Acquirer, with a par value of PLN 0.01 (one grosz) per share (the "Demerger Shares").
- 2.3. Demerger Shares will be allotted pro rata to all existing shareholders of the Demerged Company, applying the following share exchange ratio between Demerged Company Shares and Acquirer Shares for each Demerged Company's shareholder: 0.76 (nought point seventy-six) share in the Acquirer will be allotted for 1 (one) cancelled share in the Demerged Company (the "Share Exchange Ratio").
- 2.4. The Share Exchange Ratio has been determined using the book value (net asset value) method as at May 1st 2017, in accordance with Art. 534.2.3 of the Commercial Companies Code, based on the average prices of the Demerged Company and the Acquirer shares in the three months preceding the date (May 1st 2017) as at which data for this Plan of Demerger were adopted, that is PLN 3.94 for one Demerged Company share and PLN 5.16 for one Acquirer share.

¹ The increased share capital amount and share series designation have been determined taking into account the share capital increase at the Acquirer, provided for in Resolution No. 3 of the Acquirer's Extraordinary General Meeting of June 5th 2017 (FAMUR's Current Report No. 27/2017), assuming that the increase is registered by the registry court before the Demerger Date.



3-month average price^{*} : PLN 3.94

3-month average price¹: PLN 5.16

Share exchange ratio = 0.7636
(0.7636 FAMUR share for 1 KOPEX share)

**3-month average computed based on the following formula: arithmetic mean of average daily prices weighted by trading volume, for the period from February 1st to April 30th 2017.*

2.5. Net assets attributable to the Spun-Off Business represent approximately 79% of the Demerged Company's total net asset value, which was reflected in the amounts of reduction of the Demerged Company's share capital and increase in the Acquirer's share capital.

The above value results from a comparison of the assets attributable to the Spun-Off Business with the Demerged Company's total net asset value as at May 1st 2017:

| | | | |
|---|--------------------|---|-------------------|
| net asset value of the Spun-Off Business | PLN 253,376,460.50 | | |
| total net asset value of the Demerged Company | PLN 320,897,963.45 | = | 0.789585754 = 79% |

2.6. The excess of the net assets attributable to the Spun-Off Business over the total nominal value of the share capital increase at the Acquirer, i.e. excess of PLN 253,223,233.38 (two hundred and fifty-three million, two hundred and twenty-three thousand, two hundred and thirty-three zloty, thirty-eight grosz), will be reflected by increasing the Acquirer's statutory reserve funds or capital reserves by an appropriate amount.

2.7. As part of the Demerger Shares issue, the Acquirer will not subscribe for its own shares in exchange for the cancelled 79% of the 48,932,015 shares it holds in the Demerged Company.

2.8. The demerger will be effected with the reduction of the Demerged Company's share capital by PLN 58,722,705.00 (fifty-eight million, seven hundred and twenty-two thousand, seven hundred and five zloty), from PLN 74,332,538.00 (seventy-four million, three hundred and thirty-two thousand, five hundred and thirty-eight zloty) to PLN 15,609,833.00 (fifteen million, six hundred and nine thousand, eight hundred and thirty-three zloty), through the cancellation of:

- 79% of Series A ordinary bearer shares in the Demerged Company, i.e. 15,715,233 (fifteen million, seven hundred and fifteen thousand, two hundred and thirty-three) Series A ordinary bearer shares in the Demerged Company, with a par value of PLN 1.00 (one zloty) per share;
- 79% of Series B ordinary bearer shares in the Demerged Company, i.e. 37,714,472 (thirty-seven million, seven hundred and fourteen thousand, four hundred and seventy-two) Series B ordinary bearer shares in the Demerged Company, with a par value of PLN 1.00 (one zloty) per share;
- 79% of Series C ordinary bearer shares in the Demerged Company, i.e. 5,293,000 (five million, two hundred and ninety-three thousand) Series C ordinary bearer shares in the Demerged Company, with a par value of PLN 1.00 (one zloty) per share.

2.9. The Demerger Participants will notify the Central Securities Depository of Poland of the cancellation of shares registered with the securities depository on the day of issue of a relevant

Current Report. Documents based on which the cancelled shares are to be withdrawn from the securities depository will be submitted to the Central Securities Depository of Poland promptly after their cancellation.

2.10. If the carrying amount of net assets attributable to the Spun-Off Business should change before the Demerger Date, such change will be reflected by increasing or decreasing the Demerged Company's capital reserves or statutory reserve funds by an appropriate amount.

2.11. Demerged Company shareholders who will not receive fractional parts of Acquirer shares as a result of the rounding of the number of allotted Acquirer shares to the nearest integer (as referred to in Section 3.2), will have the right to receive cash payments from the Acquirer instead. The cash payments will be made within 45 days as of the Demerger Date.

The amount of cash payment due to a given shareholder will be calculated as the product of (i) the fractional part of Acquirer share that has not been delivered to the shareholder and (ii) the higher of the average closing price of the Acquirer shares on the regulated market of the WSE during 14 days from the Reference Date referred to in Section 3.2 or the issue price of one Demerger Share, i.e. PLN 16.59.

The cash payments will be made from the Acquirer's statutory reserve funds. Where applicable, the cash payment amount will be reduced by the amount of income tax. Eligible shareholders will receive cash payments through the Central Securities Depository of Poland.

2.12. The Acquirer will seek admission and introduction of all Demerger Shares to trading on the regulated market of the Warsaw Stock Exchange (the "WSE"). To this end, the Acquirer will prepare and make available, with the participation of an investment firm, an information memorandum, and will submit it to the Polish Financial Supervision Authority in accordance with the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies of July 29th 2005, will file a request to execute an agreement to register Demerger Shares with the Central Securities Depository of Poland (the "CSDP"), and will apply to the WSE for introduction of all Demerger Shares to trading on the regulated market. Therefore, the demerger resolution passed by the Acquirer's General Meeting will include a consent to conversion of all Demerger Shares into book-entry form and authorisation for the Acquirer's Management Board to enter into the agreement on the registration of all Acquirer shares, including Demerger Shares, with the CSDP, and to seek admission and introduction of all Demerger Shares to stock-exchange trading. The demerger resolution will also include other provisions related to the introduction of all Demerger Shares to trading on the regulated market, if required under regulations applicable as at the date of the resolution.

3. RULES GOVERNING THE ALLOTMENT OF ACQUIRER SHARES

3.1. The Demerger Shares in the Acquirer will be allotted through the CSDP to all Demerged Company shareholders other than the Acquirer, in accordance with Section 2.8 above. The allotment of shares in the Acquirer will be made pro rata to the number of shares in the Demerged Company held by its shareholders as at the date which, in accordance with applicable regulations, is set as the reference date (the "Reference Date"), subject to the Share Exchange Ratio referred to in Section 2.4 above.

3.2. The number of shares in the Acquirer to be allotted to shareholders of the Demerged Company will be the product of 79% of shares held by a shareholder in the Demerged Company as at the Reference Date and the Share Exchange Ratio. Entities that have Demerged Company shares registered in their securities accounts on the Reference Date will be entitled to receive the

Demerger Shares. If the product referred to above is not a whole number, it will be rounded down to the nearest integer.

| | | | | |
|-----------------------------------|---|---|---|--|
| NUMBER OF NEW FAMUR SHARES | Number of shares held by KOPEX minority shareholders | 25,400,523 | | = 15,322,712 new FAMUR shares, or approx. 2.65% of all FAMUR shares³ |
| | Number of minority shareholders' shares to be cancelled – 79% of shares held by KOPEX minority shareholders | 20,066,413.16 after rounding 20,066,413 | | |
| | Share of machinery business in KOPEX net assets ² | 79% | | |
| | Share exchange ratio | 0.7636 | | |
| | Number of FAMUR shares delivered to KOPEX minority shareholders | 20,066,413 x | 0.7636 = | |
| | Number of minority shareholders' shares to be cancelled | Share exchange ratio | Number of FAMUR shares delivered to KOPEX minority shareholders | |

The graphic below shows the computation formula for a shareholder holding 100 KOPEX shares.

| | | | | |
|--|----|--|---|--|
| 79% | of | 100 | = | 79 |
| Percentage of the value of net assets spun off from the Demerged Company | | Number of shares held by the shareholder | | Number of Demerged Company shares to be cancelled, held by the shareholder |
| 79 | x | 0.7636 | = | 60.32 ≈ 60 |
| Number of Demerged Company shares to be cancelled, held by the shareholder | | Share exchange ratio | | Number of FAMUR shares delivered to the KOPEX shareholder in exchange for the cancelled KOPEX shares |
| 100 | - | 79 | = | 21 |
| Initial number of shares held by the KOPEX shareholder | | Number of Demerged Company shares to be cancelled, held by the shareholder | | Number of Demerged Company shares held by the shareholder after the demerger |

² As at May 1st 2017

³ The increased share capital amount and share series designation have been determined taking into account the share capital increase at the Acquirer, provided for in Resolution No. 3 of the Acquirer's Extraordinary General Meeting of June 5th 2017 (FAMUR's Current Report No. 27/2017), assuming that the increase is registered by the registry court before the Demerger Date.

| Before demerger | After demerger | |
|------------------|-----------------|---------------------|
| 100 KOPEX shares | 60 FAMUR shares | and 21 KOPEX shares |

3.3. Within 45 days from the Demerger Date, the Management Board of the Acquirer will take steps to procure that the Demerger Shares left unallotted to the Demerged Company shareholders because of the rounding made pursuant to Section 3.2 are acquired by an entity selected by the Management Board for a price equal to the higher of (i) average closing price of the Acquirer shares on the regulated market of the WSE during 14 days from the Reference Date referred to in Section 3.2 or (ii) the issue price of 1 Demerger Share, i.e. PLN 16.59.

4. RULES GOVERNING THE CANCELLATION OF DEMERGED COMPANY SHARES

4.1. The cancellation of shares in the Demerged Company will be made pro rata to the number of shares in the Demerged Company held by its shareholders as at the date which, in accordance with applicable regulations, is set as the reference date (the "Reference Date").

4.2. The number of Demerged Company shares to be cancelled will be the product of 79% of shares held by a shareholder in the Demerged Company as at the Reference Date. If the product referred to above is not a whole number, it will be rounded down to the nearest integer. Fractions of shares held by minority shareholders that result from the above calculation method will be aggregated and cancelled from the pool of the Demerged Company shares held by the Acquirer.

| | | |
|-------------------------------------|---|--|
| CANCELLATION OF KOPEX SHARES | Number of shares held by KOPEX minority shareholders | 25,400,523 |
| | Number of minority shareholders' shares to be cancelled – 79% of shares held by KOPEX minority shareholders | 20,066,413.16 * after rounding 20,066,413 |
| | Share of machinery business in KOPEX net assets ⁴ | 79% |
| | Share exchange ratio | 0.7636 |

x* If the result is not a whole number, it is rounded down to the nearest integer. The remaining fractions of shares will be added to the shares that are not cancelled. Fractions of shares held by minority shareholders that result from the above calculation method will be aggregated and cancelled from the pool of the Demerged Company shares held by the Acquirer.

⁴ As at May 1st 2017.

| | | | | | |
|--|---|---|----------------------|---|---|
| | Number of FAMUR shares delivered to KOPEX minority shareholders | 20,066,413 x | 0.7636 | = | 15,322,712.97 after rounding 15,322,712 |
| | | Number of minority shareholders' shares to be cancelled | Share exchange ratio | | Number of FAMUR shares delivered to KOPEX minority shareholders |

5. DATE AS OF WHICH ACQUIRER SHARES CONFER THE RIGHT TO SHARE IN DISTRIBUTIONS OF THE ACQUIRER'S PROFIT

The Demerger Shares will confer the right to share in distributions from the Acquirer's profit as of the financial year in which the Demerger Date took place.

6. RIGHTS GRANTED BY THE ACQUIRER TO THE DEMERGED COMPANY SHAREHOLDERS AND PERSONS HOLDING SPECIAL POWERS IN THE DEMERGED COMPANY

No persons hold any special powers in the Demerged Company and no special powers are expected to be granted by the Acquirer to the Demerged Company shareholders or to any other persons.

7. SPECIAL BENEFITS, IF ANY, FOR MEMBERS OF THE GOVERNING BODIES OF THE DEMERGED COMPANY AND OF THE ACQUIRER AND FOR OTHER PERSONS PARTICIPATING IN THE MERGER

No special benefits are expected to be provided to members of the governing bodies of the Demerged Company or of the Acquirer, or to any other persons participating in the merger.

8. DESCRIPTION AND COMPOSITION OF ASSETS AND LIABILITIES, INCLUDING PERMITS, CONCESSIONS AND RELIEFS, TO BE ALLOCATED TO THE DEMERGED COMPANY AND TO THE ACQUIRER

8.1. In connection with the demerger of the Demerged Company, the following section presents assets and liabilities, including without limitation permits, concessions and reliefs, to be allocated to the Acquirer, subject to the terms and conditions laid down below.

8.2. The assets and liabilities to be allocated to the Acquirer have been determined based on accounting records kept in compliance with applicable laws and regulations and with the Demerged Company's accounting policies.

8.3. Any assets or liabilities of the Demerged Company which are not identified in this Plan of Demerger as assets or liabilities of the Acquirer are deemed to remain assets or liabilities of the Demerged Company, unless they are related to assets or liabilities allocated to the Acquirer in connection with the demerger by reason of their intended use or actual previous use by the Demerged Company in operations which, following the demerger, are to be carried out by the Acquirer, in particular if such assets and liabilities are economically and effectively related to and used in the organised part of business of the Demerged Company which is allocated to the Acquirer

in connection with the demerger. Where this is the case, such assets and liabilities are deemed to have been allocated to the Acquirer.

- 8.4. Any assets or liabilities of the Demerged Company which cannot be unambiguously attributed to an organised part of the Demerged Company's business based on their economic purpose and intended or actual use are deemed to remain assets or liabilities of the Demerged Company as of the Demerger Date.
- 8.5. If any Demerged Company claims are revealed between the date of signing of this Plan of Demerger and the Demerger Date, including court proceedings to which the Demerged Company is a party or claims which are being enforced in enforcement proceedings against the Demerged Company or the Demerged Company's debtors, such claims will be included in the Acquirer's assets or liabilities if they are related to the organised part of business spun off to the Acquirer. In accordance with the foregoing and subject to other provisions of this Plan of Demerger, each of the Demerger Participants will, as of the Demerger Date, become entitled to or liable for claims related to an asset or liability allocated to it under this Plan of Demerger, without prejudice to laws and regulations providing for joint and several liability of the Demerger Participants for obligations.
- 8.6. If any rights, things, burdens or liabilities of the Demerged Company are revealed between the date of signing of this Plan of Demerger and the Demerger Date, such rights, things, burdens or liabilities will be included in the Acquirer's assets and liabilities if they are related to the organised part of business spun off to the Acquirer. In accordance with the foregoing and subject to other provisions of this Plan of Demerger, the Acquirer will, as of the Demerger Date, assume obligations related to assets or liabilities allocated to it under this Plan of Demerger.
- 8.7. If the Demerged Company transfers or loses any assets allocated to the Acquirer under this Plan of Demerger, the Acquirer will be deemed exclusively entitled to any payments, including without limitation any equivalent performance or compensation, received in consideration of such assets.
- 8.8. Between the date of signing of this Plan of Demerger and the Demerger Date, the Demerged Company will carry out its business on a regular basis, which means that in that period there will be changes to the composition and structure of assets and liabilities detailed in this Plan of Demerger. All new rights, obligations or financial resources arising or acquired as a result of exercise of rights or performance of obligations allocated to the Acquirer under this Plan of Demerger will become assets or liabilities of the Acquirer. All new rights, obligations or financial resources arising or acquired otherwise than as a result of exercise of rights or performance of obligations already allocated to the Acquirer under this Plan of Demerger will become assets or liabilities of the Acquirer if such rights, obligations or financial resources are related to assets or liabilities allocated to it under this Plan of Demerger.
- 8.9. Assets, liabilities, permits, concessions and reliefs of the Demerged Company will be allocated in accordance with the foregoing rules as follows: the following assets and liabilities comprising an organised part of business as at May 1st 2017 will be allocated to the Acquirer:
 - 8.9.1. Intangible assets specified in Section 1 of Appendix 4;
 - 8.9.2. Other assets specified in Section 2 of Appendix 4;
 - 8.9.3. Other provisions and liabilities specified in Section 3 of Appendix 4;
 - 8.9.4. Property, plant and equipment specified in Section 4 of Appendix 4;
 - 8.9.5. Technical documentation specified in Section 5 of Appendix 4;
 - 8.9.6. Patents and trademarks specified in Section 6 of Appendix 4;

- 8.9.7. Rights and obligations under contracts and purchase orders specified in Section 7 of Appendix 4;
 - 8.9.8. Rights and obligations resulting from court proceedings specified in Section 8 of Appendix 4;
 - 8.9.9. Rights and obligations resulting from bids placed in bidding procedures, public procurement procedures or other procedures, specified in Section 9 of Appendix 4;
 - 8.9.10. Guarantees issued and received, specified in Section 10 of Appendix 4;
 - 8.9.11. Administrative decisions, permits, concessions, licenses, certificates and reliefs specified in Section 11 of Appendix 4;
 - 8.9.12. Inventories specified in Section 12 of Appendix 4;
 - 8.9.13. Non-current assets held for sale specified in Section 13 of Appendix 4;
 - 8.9.14. Investment property specified in Section 14 of Appendix 4;
 - 8.9.15. Shares in companies specified in Section 15 of Appendix 4.
- 8.10. All knowledge, expertise, reputation and know-how acquired as result of provision of services and supply of goods in connection with the operations of the Spun-Off Business, as well as all related documents confirming proper provision of such services or proper supply of such goods, including credentials and all rights to refer to such documents and expertise acquired by the Demerged Company as a result of carrying out the said business will be allocated to the Acquirer.
- 8.11. The Acquirer will also assume all rights and obligations under notes issued by the Demerged Company pursuant to the Management Board's resolution of November 30th 2016 and Extraordinary General Meeting's Resolution No. 4 of November 30th 2016 on a Notes Programme.
- 8.12. In connection with the demerger, the Acquirer will assume rights and obligations arising from employment relationships, and employees of the Demerged Company who perform work mostly for or in relation to the Machinery Business will, on the Demerger Date, become employees of the Acquirer under Art. 23¹ of the Labour Code. Employees of the Demerged Company transferred to the Acquirer in connection with the demerger will be notified of this fact in accordance with the required procedures and at the required time.
- Cash accumulated in the Social Benefits Fund will be divided between the Demerged Company and the Acquirer pursuant to Art. 7 of the Act on the Company Social Benefits Fund. Provisions for employee benefits attributable directly to employees who will become the Acquirer's employees on the Demerger Date will be allocated to the Acquirer.
- 8.13. As of the Demerger Date, the Acquirer will assume all rights and obligations related to persons working for the Demerged Company in connection with the Spun-Off Business under civil law contracts, including with regard to data administration and correspondence with such persons and relevant authorities.
- 8.14. Subject to the foregoing terms and conditions, any assets and liabilities that are not allocated to the Acquirer will remain part of the Demerged Company's assets and liabilities which are not being spun off and which comprise an organised part of business operating as KOPEX S.A.
- 8.15. Assets and liabilities which are being spun off from the Demerged Company comprise an organised part of the Demerged Company's business within the meaning of the Act on Income Tax and of the Act on Goods and Services Tax (VAT).
- 8.16. Following the demerger, the Demerged Company will carry out business related to mining and other services, which includes the following:

- A. 5,280,100 shares in PBSZ 1 Sp. z o.o. of Katowice, representing 100% of its share capital and conferring 100% of total voting rights at the General Meeting (PBSZ 1 Sp. z o.o. holds directly 4,430,032 shares in KOPEX - Przedsiębiorstwo Budowy Szybów Spółka Akcyjna of Bytom, representing 94.99% of its share capital and conferring 94.99% of total voting rights at the General Meeting);
- B. 444 shares in KOPEX - Przedsiębiorstwo Budowy Szybów Spółka Akcyjna of Bytom, representing 0.01% of its share capital and conferring 0.01% of total voting rights at the General Meeting;
- C. 16 shares in Śląskie Towarzystwo Wiertnicze DALBIS Spółka z ograniczoną odpowiedzialnością of Tarnowskie Góry, representing 100% of its share capital and conferring 100% of total voting rights at the General Meeting;
- D. Rights and obligations under a contract for the provision of services made on January 26th 2007 between KOPEX and Mines de Potasse d'Alsace of Wittelsheim, France (the "Contract");
- E. All assets and liabilities and employees of the KOPEX branch in France, which has all assets and liabilities required to perform the Contract;
- F. Those processes relating to sale of (trading in) coal which are currently run by KOPEX S.A within the existing KOPEX structure. The Zabrze Headquarters – Coal Exports Department with its employees and property, including contracts.

8.17. In connection with the demerger, the Demerger Participants may enter into such contracts/agreements as they may deem necessary to carry out the demerger and to ensure uninterrupted provision of services to their trade partners after the Demerger Date.

8.18. The Demerged Company undertakes to hand over to the Acquirer the Demerged Company's assets allocated to the Acquirer, including without limitation movables, real property and securities.

9. TERMS AND CONDITIONS OF THE ALLOTMENT OF ACQUIRER SHARES TO SHAREHOLDERS OF THE DEMERGED COMPANY

9.1. The Demerger Shares in the Acquirer will be allotted through the CSDP to all Demerged Company shareholders other than the Acquirer, in accordance with Section 2.8 above. The allotment of shares in the Acquirer will be made pro rata to the number of shares in the Demerged Company held by its shareholders as at the date which, in accordance with applicable regulations, is set as the reference date (the "Reference Date"), subject to the Share Exchange Ratio referred to in Section 2.4 above; 79% of shares in the Demerged Company held by its existing shareholders will be cancelled, in accordance with the calculations specified above

10. CONDITIONS FOR THE DEMERGER UNDER APPLICABLE LAWS AND REGULATIONS

10.1. Pursuant to Art. 530.2 of the Commercial Companies Code, the demerger will take effect as of the Demerger Date, i.e. as of registration of the increase in the Acquirer's share capital, subject to registration of a reduction in the Demerged Company's share capital prior to registration of the demerger.

The demerger is contingent on the Polish Financial Supervision Authority's approval of the Acquirer's information memorandum related to Demerger Shares in accordance with the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading and Public Companies of July 29th 2005.

The following appendices are attached to this Plan of Demerger:

Appendix 1 – Draft resolutions on the demerger for the General Meetings of the Demerged Company and of the Acquirer;

Appendix 2 – Draft amendments to the Acquirer’s Articles of Association;

Appendix 3 – Determination of the value of the Demerged Company’s assets;

Appendix 4 – Assets and liabilities of the spun off business.

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Signatures of the Demerged Company’s
Management Board members

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Signatures of the Acquirer’s
Management Board members