

Justification of suggested content of the resolutions of Extraordinary General Shareholders Meeting of „APATOR” SA

The Executive Board of „APATOR” S.A., acting according to the rule II. 5. „Best Practice for WSE Listed Companies”, presents the following justification of the resolutions of Extraordinary General Shareholders Meeting of „APATOR” S.A. to be held on the 23rd January 2012.

Justification of the draft of the resolution no 4/I/2012 of Extraordinary General Shareholders Meeting

The proposal of closing of the Programme for acquisition of own shares for their redemption and reduction of the share capital results of the shortening of the duration of the Programme and the intention to open a new Programme – gratuitous acquisition of own shares for their redemption without remuneration and reduction of the share capital.

Justification of the draft of the resolution no 5/I/2012 of Extraordinary General Shareholders Meeting

Further to closing of the Programme for acquisition of own shares for their redemption and reduction of the share capital, the Executive Board of Apator SA suggests to liquidate the fund for the redemption of shares.

Justification of the draft of the resolution no 6/I/2012 of Extraordinary General Shareholders Meeting

Apator Mining Sp. z o.o. (the company in 100% subsidiary of Apator SA) has 5,6 m shares of Apator SA. The above shares were acquired by Apator Mining Sp. z o.o. before the Polish Commercial Companies Code came into life. Apator Mining Sp. z o.o. has the shares of Apator SA according to the law (art. 613 of Polish Commercial Companies Code – protection of acquired rights).

The acquisition of shares was the long-term investment for example to finance the acquisitions.

Currently, Apator SA is the only public company quoted on Warsaw Stock Exchange which shares are in possession of the subsidiary. Moreover 15% of capital of Apator SA does not belong to external investor but it is the property of Grupa Apator. The shareholders are afraid that the decision of the sale of the above shares may be taken in every moment what in current lack of stability of the capital market could cause the drop of the price of shares of Apator.

The Executive Board of Apator SA, taking into account the opinion of investors and other participants of the capital market and the fact that the financial position of Grupa Apator allows to finance the acquisitions from own financial means or bank loan it suggests to acquire the shares gratuitously from Apator Mining Sp. z o.o. for their redemption without remuneration.

The Executive Board of Apator SA currently suggests acquisition and redemption only 2 m shares. The package of outstanding 3,6 m shares (10,25% of capital of Apator SA) has to remain in possession of Apator Mining Sp. z o.o., since:

- 2 m shares are the hedging of the liabilities of Apator SA due to loans and borrowings,
- according to the regulations of the act on income tax of legal entities, Apator Mining Sp. z o.o. is allowed to use the tax exemption on dividend and other income due to the share in profit of legal entities only when it has directly not less than 10% shares in share capital of Apator SA.

Justification of the draft of the resolution no 7/I/2012 of Extraordinary General Shareholders Meeting

The acquisition by Apator SA 2 m shares being in the possession Apator Mining Sp. z o.o. (for their redemption) is suggested through opening and the performance of the Programme dedicated to this transactions.