

**CURRENT REPORT FILED WITH
THE POLISH FINANCIAL SUPERVISION AUTHORITY**

DATE: January 17th 2014



EMAS
VERIFIED
ENVIRONMENTAL
MANAGEMENT
REG. NO. PL 24-001-5



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KIS.VZ.200132

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Subject: [Termination of reportable significant agreement by the Company.
Disclosure of commercial terms of reportable significant agreement
previously withheld from release.](#)

Text of the report:

Current Report No. 4/2014

In reference to Current Report No. 31/2013 of August 5th 2013, in which RAFAKO S.A. (the "**Company**" or "**RAFAKO**") reported that on August 4th 2013, RAFAKO and MOSTOSTAL WARSZAWA S.A. ("**MOSTOSTAL WARSZAWA**") executed an amended and restated consortium agreement concerning the Jaworzno Project (the "**Amended Consortium Agreement**") and an additional agreement (the "**Additional Agreement**"), setting out commercial terms for the new framework of co-operation between RAFAKO and MOSTOSTAL WARSZAWA on the Jaworzno project, the Company hereby reports that on January 17th 2014, RAFAKO terminated the Additional Agreement, thus causing the Additional Agreement to expire. The Additional Agreement was terminated by RAFAKO after the Company and TAURON Wytwarzanie S.A. (the "**Employer**") had failed to sign a contract for execution of the Jaworzno Project by the date of this report.

Following the expiry of the Additional Agreement, disclosure of its commercial terms no longer affects the Company's business interests; therefore, the Company presents the commercial terms of the Additional Agreement.

Under the Additional Agreement:

- a) RAFAKO agreed to pay PLN 130m + VAT to MOSTOSTAL WARSZAWA for the reduction of MOSTOSTAL WARSZAWA's share in the remuneration and the scope of work under the Jaworzno Project to 0.01%. The amount was to be paid in three instalments, depending on the date of execution of the contract for the Jaworzno Project with the Employer and on receipt of prepayments for the contract from the Employer;
- b) RAFAKO agreed to be solely responsible towards the Employer for the performance of the contract, and to release MOSTOSTAL WARSZAWA from any responsibility towards the Employer for the performance of the contract;
- c) RAFAKO agreed to offer and negotiate in good faith subcontracts for the Jaworzno Project with MOSTOSTAL WARSZAWA and entities indicated by MOSTOSTAL WARSZAWA, for a total amount of PLN 360 million; and
- d) RAFAKO granted the entities indicated by MOSTOSTAL WARSZAWA the last matching right (i.e. the entities indicated by MOSTOSTAL WARSZAWA were entitled to make a final offer at the same, or lower, price as the price offered by subcontractors previously selected by RAFAKO in competitive tenders) for the agreed scope of work on the Jaworzno Project, for a total amount of PLN 140 million.

The Additional Agreement is considered a reportable significant agreement as the amount of remuneration payable to MOSTOSTAL WARSZAWA exceeds 10% of the RAFAKO Group's revenue generated in the last four quarters.

Legal basis: Art. 56.1.2 of the Public Offering Act.

Jarosław Dusiło, Vice-President of the Management Board
Paweł Mortas, President of the Management Board