



GRUPA PBG

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

DATE: November 12th 2015

Subject: **Execution of significant conditional agreement by RAFAKO S.A.'s subsidiary**

Text of the report:

Current Report No. 40/2015

The Management Board of RAFAKO S.A. of Racibórz (the "**Company**" or "**RAFAKO**") announces that on November 12th 2015 E003B7 Sp. z o.o. (RAFAKO's wholly-owned subsidiary) ("**SPV**") and a Consortium comprising

KOPEX S.A. of Katowice (Consortium Leader) and **STAL-SYSTEMS S.A.** of Wólka Pełkińska (Consortium Partner) (jointly the "**Subcontractor**") concluded a contract for the supply and assembly of the steel structure of the turbine house, boiler house, bunkering room, LUVU and SCR, assembly of coal bunkers, as well as hoisting and laying of steam blowers (the "**Contract**") in connection with the project 'Development of new coal-fired generation capacities at Tauron Wytwarzanie S.A. (the "**Employer**") – Construction of a 910 MW supercritical power generating unit at the Jaworzno III Power Plant – Power Plant II', (the "**Jaworzno Project**") implemented by RAFAKO and the SPV.

The Contract has been executed on the following terms:

1. The value of the full scope of work under the Contract is PLN 179,952,200.00 (VAT exclusive) plus VAT.
2. Under the Contract, the amount of contractual penalties imposed on the Subcontractor for a delay in the Contract's delivery may not exceed 15% of the Contract's value (VAT inclusive). The SPV may incur a penalty equal to 15% of the Contract's value (VAT inclusive) for terminating the Contract for any reason for which the SPV is responsible.
3. If any damage resulting from non-performance or improper performance of the Contract exceeds the amount of contractual penalties, the SPV may seek additional compensation pursuant to general provisions of the Polish Civil Code, in an amount of up to 100% of the Contract's value.

The Contract stipulates no other specific provisions and its terms and conditions do not differ from those appearing in contracts of this type.

The Contract will take effect subject to the following conditions precedent:

- a) the guarantors, that is PKO BP S.A., BGK and PZU S.A. ("**Guarantors**"), give their consent to the conclusion of the Contract,
- b) the Employer gives its consent to the approval of the terms and conditions of the Contract,

c) RAFAKO gives its consent.

The Contract is considered a reportable significant agreement as its value 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.

Agnieszka Wasilewska-Semail, President of the Management Board
Jarosław Dusiło, Vice-President of the Management Board