



GRUPA PBG

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

**DATE: December 12th 2014**

**Subject:** Execution of significant conditional agreement by RAFAKO subsidiary

**Text of the report:**

Current Report No. 51/2014

The Management Board of RAFAKO S.A. of Racibórz (the “**Company**” or “**RAFAKO**”) hereby announces that on December 11th 2014 E003B7 Sp. z o.o. (the “**SPV**”) (a wholly-owned subsidiary of RAFAKO) and Emerson Process Management Power And Water Solutions spółka z ograniczoną odpowiedzialnością of Warsaw (the “**Subcontractor**”) executed an agreement for the performance of works related to the supercritical 910 MW generating unit at the Jaworzno III Power Plant – Power Plant II (the “**Agreement**”) in connection with the ‘Development of new coal-fired generation capacities at Tauron Wytwarzanie S.A. (the “**Employer**”) – Construction of supercritical 910 MW generating unit at the Jaworzno III Power Plant – Power Plant II’ (the “**Jaworzno Project**”) implemented by RAFAKO and the SPV.

The Agreement was executed on the following terms:

1. The Subcontractor undertakes to design, deliver, set up, and start up electrical and C&I equipment along with the DCS control system.
2. The value of the Agreement for the performance of the full scope of works is PLN 252,000,000 (VAT-exclusive).
3. The Agreement caps the aggregate value of contractual penalties imposed on the Subcontractor at 25% of its value (VAT-exclusive).
4. If the cost of damage resulting from non-performance or improper performance of works under the Agreement exceeds the amount of contractual penalties, the SPV may seek additional compensation on general terms, in compliance with the Polish Civil Code.
5. The Subcontractor’s total liability (compensation, claims and demands) may not exceed 100% of the value of the Agreement.

The Agreement will become effective provided it is approved by:

- a) the guarantors, i.e. PKO BP S.A., BGK, and PZU S.A. (the “**Guarantors**”),
- b) the Employer (with respect to the terms and conditions of the Agreement).

As at the issue date of this Current Report, the SPV had obtained the Guarantors' consent to enter into the Agreement.

The Agreement 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 Dusiko, Vice-President of the Management Board