

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

DATE: April 17th 2014



VERIFIED  
ENVIRONMENTAL  
MANAGEMENT  
REG. NO. PL 1.24.003-5



SVTI  
ASIT  
KIS.VZ.200132



Subject: [Signing of Jaworzno Project contract with Tauron Wytwarzanie S.A. \(execution of significant agreement\)](#)

Text of the report:

Current Report No. 21/2014

The Management Board of RAFAKO S.A. of Racibórz (the "**Company**" or "**RAFAKO**") announces that on April 17th 2014, RAFAKO, acting as the Leader of a consortium consisting of RAFAKO and Mostostal Warszawa S.A. ("**Mostostal Warszawa**" or jointly with RAFAKO as the "**Contractor**"), executed a contract with Tauron Wytwarzanie S.A. (the "**Employer**") for the construction of a supercritical 910 MW power generation unit at Jaworzno III Power Plant - Power Plant II: steam generator, turbine generator set, main building, electrical and I&C systems (the "**Contract**").

The Contract has been executed on the following terms:

1. The subject matter of the Contract is design and delivery by the Contractor, on a turn-key basis, of a supercritical 910 MW power generation unit consisting of steam generator, turbine generator set, main building, electrical and I&C systems.
2. Remuneration due to the Contractor for performing the contract is PLN 4,399,038,500, VAT exclusive, to be increased by applicable VAT. The Contractor's remuneration is fixed for the entire scope of the contracted deliveries. In accordance with the consortium agreement (see Current Report No. 31/2013), RAFAKO is responsible for the performance of 99.99% of the scope of work and deliveries under the Contract, and is entitled to receive remuneration reflecting this share.
3. The time for performing the Contract is 59 months as of its date.
4. The Contractor is entitled to receive a prepayment equal to 10% of its remuneration under the Contract (VAT inclusive).
5. The Contractor is obliged to provide the Employer with: (i) the advance payment guarantee equal to the amount of the received prepayment, and (ii) a performance bond in the amount of 10% of the Contractor's remuneration (VAT inclusive). The Contractor provided the required security documents in the form of bank and insurance guarantees as well as in cash, in the amount sufficient to satisfy the Conditions Precedent. Once the Unit has been commissioned for use, the performance bond will be reduced to 3% of the Contractor's remuneration (VAT inclusive) and will serve as the Employer's security for claims under the defect warranty for a period of 24 months following the commissioning of the Unit for use, with the proviso that some structural elements of the Unit will be covered by a longer warranty period of 60 months.
6. The Employer may charge contractual penalties for improper performance of the Contract by the Contractor, up to 25% of the Contractor's remuneration. The Employer

may also seek compensation in excess of the contractual penalties provided for in the Contract.

7. The Contractor will be responsible for the proper performance of the Contract by Subcontractors hired to perform this task.

The Contract is considered a reportable significant agreement as the value of RAFAKO's remuneration under the Contract 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.

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