



GRUPA PBG

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

DATE: July 14th 2016

Subject: [Execution of significant conditional agreement by RAFAKO S.A.'s subsidiary](#)

Text of the report:

Current Report No. 24/2016

The Management Board of RAFAKO S.A. of Racibórz (the "Company" or "Rafako") hereby announces that on July 13th 2016 E003B7 Sp. z o.o. (the "SPV"), wholly-owned by Rafako, and POLIMEX Energetyka Sp. z o.o. of Warsaw (the "Subcontractor") executed an agreement for assembly of the boiler's pressurised section, performance of tests and participation in the start-up (the "Agreement"), in connection with the project '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") carried out by RAFAKO and the SPV. The estimated value of the Agreement for performance of the full scope of works is PLN 118,750,000 (VAT exclusive), and its completion date is April 2018.

The Parties agreed that the amount of contractual penalties to be imposed on the Subcontractor for a delay in performing obligations under the Agreement may not exceed 15% of the Agreement's value (VAT exclusive). If the Agreement is terminated due to circumstances attributable to the other party, the penalty is 10% of the Agreement's value (VAT exclusive).

Payment of the contractual penalties does not preclude the Parties' right to seek compensation in excess of these amounts, with the proviso that the Parties' liability for non-performance or improper performance of this Agreement may not exceed 100%. The Agreement will become effective provided that the guarantors (PKO BP S.A., PZU S.A., BGK and mBank), RAFAKO and the Investor grant consent for the SPV to execute the Agreement.

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

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

The Agreement has been classified as a reportable significant agreement due to its value.

Legal basis: Art. 17.1 of MAR – Inside information

Agnieszka Wasilewska-Semail - President of the Management Board

Jarosław Dusiło – Vice President of the Management Board