

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

DATE: December 23rd 2021

VERIFIED
ENVIRONMENTAL
MANAGEMENT
REG. NO. PL 2 24-001-S**Subject: Agreement on terms and conditions of annex to contract with JSW KOKS S.A. [Current Report No. 50/2021].****Text of the report:**

The Management Board of RAFAKO S.A. of Racibórz (the “**Company**”), further to Current Report No. 47/2021 of December 15th 2021 announcing a preliminary agreement between the Company and JSW KOKS S.A. of Zabrze (“**JSW KOKS**”) on the rules of procedure for the intended mediation between them, hereby announces that on December 23rd 2021 the Company and JSW KOKS initialled the terms and conditions of an annex (the “**Annex**”) to Contract No. NR/18/U/2019 of June 12th 2019, under which the Company is performing for JSW the investment project ‘Improvement of energy efficiency at JSW KOKS S.A. – Construction of a coke gas power generation unit’ at JSW KOKS S.A. KKZ Branch – Radlin Coking Plant (the “**Contract**” and “**Project**”, respectively).

As at the date of this Current Report, the terms and conditions of the Annex have been agreed, with its execution being subject to securing the required corporate consents and approvals.

The key provisions of the Annex are as follows:

1. certain payment milestones under the Contract, as specified in the Annex, shall be broken down into stages, with the proviso that the execution of the Annex shall not affect the existing Contract Performance Schedule, i.e. it shall not modify the deadlines for completing any of the works comprising the payment milestones under the Contract;
2. the Company shall enter into subcontracts or agreements relating to subcontracts with subcontractors/entities eligible under the relevant criteria defined in the Annex;
3. the Company shall take measures to accelerate the performance of certain works under the Project, including increasing the number of areas within the construction site available for performing construction activities as well as the number of employees, subcontractors and sub-subcontractors involved in the Project;
4. the Company shall, to the extent possible, proceed to developing such designs and other documents as are necessary for effectively extending or modifying the scope of the Project as provided for in the Annex, with the proviso that:
 - i. the question of whether the Company will be contracted to perform further works under the Project following extension or modification of its scope, as well as the terms of such contract if any, shall be decided in the course of further talks to be held between the Company and JSW KOKS as part of the mediation process referred to in Current Report No. 47/2021 of December 15th 2021 (the “**Mediation**”);

- ii. the purpose of the provision of the Annex referred to in Section 4 above is to ensure that throughout the Mediation proper mobilisation and other preparatory work is carried out so that if an agreement is reached as a result of the Mediation, the commencement of works necessitated by extension or modification of the scope of the Project will not have to be postponed;
- iii. if as a result of the Mediation an agreement is reached on contracting the Company to perform further works under the Project following extension or modification of its scope, the terms and conditions of such contract shall be specified in a separate annex to the Contract;
- iv. if no agreement is reached in the course of the Mediation on contracting the Company to perform further works under the Project following extension or modification of its scope, any products of the works referred to in Section 4 above that are necessary for effectively extending or changing the scope of the Project shall remain the Company's property, and the fact that the Company performed such works shall not give rise to any claims by the Company against JSW KOKS, including, without limitation, claims for reimbursement of any costs or expenses incurred by the Company or for compensation for any work commenced by the Company to develop such designs or documents as are referred to in Section 4 above;

If executed, the Annex will not:

1. resolve any disputes that have arisen between the Company and JSW KOKS;
2. imply that either the Company or JSW KOKS has dropped its case or conceded the claims made by the other Party to the Contract;
3. terminate the Mediation;
4. waive the effects of previous communication between the Parties to the Contract;
5. operate as a waiver by either the Company or JSW KOKS of any rights they may enjoy under the Contract or applicable laws or regulations.

Legal basis:

Article 17(1) of the Market Abuse Regulation – inside information.

Radosław Domagalski-Łabędzki, President of the Management Board

Maciej Stańczuk, Vice President of the Management Board