

Current report no. 52/2016

Date prepared: 28.09.2016

Issuer's abbreviated name: POLIMEX-MOSTOSTAL

Subject: The conclusion of a material agreement

Legal basis: Article 17(1) of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC.

Referring to current report no. 116/2015, the Management Board of Polimex-Mostostal S.A. having its registered address in Warsaw (hereinafter referred to as the "**Company**") announces that Polimex Energetyka Sp. z o.o. (a subsidiary of the Company) (hereinafter referred to as the "**Contractor**") and Amec Foster Wheeler Energia Polska Sp. z o.o. having its registered address in Warsaw (hereinafter referred to as the "**Subcontractor**") have concluded today an agreement the subject matter of which concerns deliveries and services as part of the upgrade of boilers in power units 1-3 at the Turów Power Plant being the subject matter of the agreement described in current report no. 116/2015, excluding the construction works that will be the subject of a separate agreement concluded between the Contractor and the Subcontractor (hereinafter referred to as the "**Contract**" and "**Works Agreement**").

The net price of the Contract for the proper, complete and timely performance of the subject of the agreement has been determined as a lump price pursuant to Article 632 §1 of the Civil Code and amounts in total, for all 3 stages of the Contract, to PLN 176,700,000.00 (in words: one hundred and seventy-six million seven hundred thousand zlotys zero grosz) (hereinafter referred to as the "**Price**"). The remuneration will be paid after the Employer have accepted all the stages of Contract execution provided for in the Contract. The Price of the Contract in zlotys is fixed and not subject to any changes, except for adjustments provided for in the Contract.

The Contract provides for contractual penalties, including but not limited to penalties for: (i) a delay in the execution of the Contract in the amount of 0.2% up to 1.29% of the value of a given stage of the Contract for each week of delay, depending on the type of stage, (ii) for not meeting the guaranteed technical parameters indicated in the Contract at the specified level in the amount of 0.39% up to 1.29% of the value of a given stage of the Contract, for each exceedance of a parameter by a specified value. The Contractor will be entitled to charge contractual penalties to the Subcontractor, including a situation where the Employer charges the Contractor with a contractual penalty as provided for in the Main Contract due to the same circumstance that is the basis for charging a contractual penalty to the Subcontractor.

The total contractual and tort liability for damages of the Subcontractor and its further Subcontractors towards the Contractor and the Employer for each given stage of the Contract resulting from any claims, including claims arising from a breach of obligations specified in law or in the Contract, including contractual penalties, or from liability for damage to a person or object, should not exceed 100% of the Price for a given stage of the Contract. The limitation does not apply to willful damage.

The Contractor is required to obtain a cash performance guarantee, bank or insurance guarantee in the amount of 3% of the Price for a given stage of the Contract during the execution of the Contract and in the amount of 0.9% of the Price for a given stage of the Contract during the warranty period.

The Contractor is required under the Contract to issue a quality warranty, separately for each stage of the Contract, for a period of up to 24 or 36 months, depending on the type of possible defects. The period of the Contractor's liability resulting from implied warranty for defects coincides with the basic guarantee period and covers 36 months.

The Contract enters into force on 27 September 2016.

The Agreement is deemed to be material considering that the amount of remuneration due to the Contractor exceeds the value of at least 2% of the consolidated sales revenues of the Company's capital group for the last four quarters.

Signatures of persons representing the Company:

Joanna Białas – Disclosure Requirement Fulfilment Coordinator

