

Current report No. 9/2014

Date prepared: 24.01.2014

Issuer's abbreviated name
POLIMEX-MOSTOSTAL

Subject:

Conclusion by a subsidiary company with the PKO BP SA bank of an agreement on granting a guarantee to the OPOLE contract and issuing guarantee by PKOBP SA

Legal basis:

Article 56 (1) (1) of the Act on Public Offering – confidential information

With reference to current report no. 188/2013 dated 17.12.2013, the Management Board of Polimex-Mostostal S.A. with its registered office in Warsaw at ul. Czackiego 15/17 (the "Company") informs that on 23 January 2014 a subsidiary company Polimex Projekt Opole Sp. z o.o. with its registered office in Warsaw ("Polimex Projekt Opole") signed with PKOBP S.A. bank an Agreement on granting a guarantee ("Agreement") to the contract for the construction of power units nos. 5 and 6 in PGE Elektrownia Opole S.A. on 15 February 2012 concluded between PGE Górnictwo i Energetyka Konwencjonalna S.A. with its registered office in Belchatów ("the Ordering Party") and the Company ("Main Contract").

Pursuant to the terms and conditions of the Agreement, the bank will issue, by order of Polimex Projekt Opole, an advance payment bank guarantee for the amount of PLN 199,161,600.00 valid until 15.05.2019 and performance bond bank guarantee for the amount of PLN 199,161,600.00 valid until 30.08.2018 the beneficiaries of which will be the Ordering Party.

The guarantees were issued to the Ordering Party on 24 January 2014.

Issuing the guarantee to the Ordering Party depended on fulfilling a number of conditions typical for this kind of Agreement, including, among others, receipt by the Bank of duly signed agreements regarding the collaterals listed in point (1), (2), (4) and (6) below.

Pursuant to the Agreement, Bank's collaterals were/will be secured by:

- 1) guarantee in accordance with the provisions of the Civil Code issued by the Company to the Bank;
- 2) joint mortgage with the highest priority of satisfaction (equal to Kozielnica mortgage and New Guarantee Line mortgage) which will be established on the real properties of the Company and the entities from the Company's Group.
- 3) the transfer to secure the rights of advance payment guarantee and performance bond guarantee obtained by the Company from the subcontractors of the Company in the scope, in which such guarantees will be issued by order of the subcontractors of the Company with respect to the Main Contract, duly concluded between the Bank and the Company, the form and content of which is satisfactory for the Bank;
- 4) registered pledges: (i) for the collaterals against the Ordering Party for passing down the collaterals of the Company against the Ordering Party for payment of the remuneration pursuant to the Main Contract; and (ii) for the collaterals against the Company for the subcontracting agreement for performance of the Main Contract concluded by Polimex Projekt Opole and the Company on 25 October 2013;
- 5) the transfer to secure the rights of advance payment guarantee and performance bond guarantee obtained by Polimex Projekt Opole from the subcontractors of Polimex Projekt Opole in the scope, in which such guarantees will be issued by order of the subcontractors of Polimex Projekt Opole with respect to the Main Contract;
- 6) transferring to the Bank's ownership of the funds of Polimex Projekt Opole credited to the account of the project and cash security pursuant to the Agreement regarding the account of project and cash security;
- 7) Polimex Projekt Opole statement of submitting itself to collection proceedings under the Article 97 of the Banking Law under this Agreement; and
- 8) Company's statement of submitting itself to collection proceedings with respect to Opole mortgages

The amount of commission and other conditions of the Agreement do not differ from market terms for this kind of agreements.

This information has been deemed significant due to the fact that it regards the Agreement the value of which exceeds 10% revenues from sale of Capital Group of the Company for the period of last four working quarters.

Signatures of persons representing the Company:
Robert Kosmal - Manager of the Shareholder Supervision Office