

Current report no. 52/2017

Date prepared: 31.05.2017

Issuer's abbreviated name: POLIMEX-MOSTOSTAL

Subject: Conclusion of a conditional credit contract with respect to guarantee lines and related revolving and non-revolving credits

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. 7/2017 of 19 January 2017, the Management Board of Polimex-Mostostal S.A. having its registered office in Warsaw (hereinafter referred to as the "**Company**") informs that, on 31 May 2017, Naftoremont - Naftobudowa sp. z o.o., Polimex Energetyka sp. z o.o. and Polimex Budownictwo spółka z ograniczoną odpowiedzialnością sp.k. as the obligors (hereinafter referred to as the "**Obligors**") and Bank Gospodarstwa Krajowego (hereinafter referred to as the "**Bank**") as the guarantee issuer and the borrower entered into a credit contract with respect to guarantee lines and related revolving and non-revolving credits (hereinafter referred to as the "**Contract**").

Based on the Contract, the Bank has granted the Obligors as debtors a guarantee line up to the amount of 140,000,000 zlotys. The condition for the provision of a guarantee by the Bank is to fulfil the conditions described in the Contract, in particular to provide documents confirming that the property of the Obligor is free of all prohibited encumbrances and to sign documents concerning securities for the Company's debts resulting from the Contract. At the same time, the Bank is ready to consider providing the Obligors with an additional guarantee line based on which additional bank guarantees may be issued up to the total amount of 240,000,000 zlotys, including the guarantees issued under the Contract. The guarantee limit shall be subject to reduction during the term of the Contract, where the final expiry date of the guarantees issued under the Contract has been set for 31 December 2023.

Until the Bank's claims are satisfied in full, every Obligor is jointly and severally liable in such a way that the Bank may demand all or a part of performances from all the Obligors jointly, from several of them or each of them individually. The guarantees are secured by security deposits established from the credits granted under the Contract.

The Contract provides for cases where obligatory early repayment of the credits granted in accordance with the Credit Contract is required.

The interest on the amount of credits disbursed for each interest period is an annual interest rate, which is a sum of the applicable margin and the base rate (based on WIBOR).

The Obligors have disclosure requirements towards the Bank concerning, inter alia, provision of information about the financial statements of the Obligors, contracts concluded and other significant events. Further, the Contract provides for, inter alia, limitations on the object of activity (e.g. no changes in the principal object of activity), concerning trade in assets and securities, as well as concerning cash flows (dividends, credits and equities).

In case of the specified breach of contract, the Bank has the right to, inter alia, terminate the Contract, suspend the availability of the guarantee line or demand new securities.

Other Contract securities constitute security interests established on the property of the Obligors and the companies from their capital group, as well as security interests established with respect to financial contracts as part of the Contract, in particular: (i) assignments or pledges on the rights from financed contracts, (ii) additional deposits, (iii) pledges on bank accounts and (iv) declarations on submission to execution and powers of attorney to bank accounts.

The Contract has been concluded on the condition that the Bank will enter into the contract between the creditors dated 11 September 2014.

At the same time, referring to current reports no. 33/2017 of 31 March 2017, current report no. 37/2017 of 13 April 2017 and current report no. 40/2017 of 8 May 2017, the Company informs that the Contract is the first of the documents that are due to be concluded in execution of the Agreement of 19 January 2017. The Company will notify about the conclusion of successive contracts in a separate report.