

Current report No 1/2018

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Abbreviated name of the issuer: POLIMEX-MOSTOSTAL

Subject: Execution of a substantive supply contract by a subsidiary

Legal basis: Article. 17(1) of the 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

The Management Board of Polimex-Mostostal SA with its registered office in Warsaw (the “**Company**”) announces that today, a Company’s subsidiary - Mostostal Siedlce Spółka z ograniczoną odpowiedzialnością Spółka komandytowa, with its registered office in Siedlce (“**MS**”) executed an agreement for the supply of zinc in 2018 with Glencore International AG with its registered office in Switzerland (the “**Agreement**”).

The price for individual deliveries under the Agreement provides for its calculation based on the average settlement price in the delivery month, on the basis of quotations of zinc on the London Metal Exchange (London Metal Exchange LME), which will be increased by a premium. The estimated value of the Agreement amounts to about USD 18.5 million net. The Management Board underlines that because of the element of price calculation, i.e. the value of zinc quotations/trading value on the LME, it is not possible to indicate the exact value of the Agreement at the time of its execution.

All payments under the Agreement will be made in US dollars. The applicable law for the Agreement is the law of England and Wales, excluding the UN Convention on Contracts for the International Sale of Goods (CISG).

The Agreement is subject to the Incoterms 2010 terms and conditions.

Other terms and conditions of the Agreement do not diverge from standard terms and conditions for such type of agreements.