

Current report No 25/2019

Date of issue: 13 September 2019

Issuer short name: POLIMEX MOSTOSTAL

Subject: Conclusion of an significant agreement by a subsidiary of the Issuer

Legal basis: Article 17(1) of the Market Abuse Regulation (MAR) – confidential information.

Content of the report:

The Management Board of Polimex Mostostal S.A. with the registered office in Warsaw (the “Company”) informs that on 13 September Mostostal Siedlce Sp. z o.o. sp.k. with the registered office in Siedlce (a subsidiary of the Issuer) (“MS”) concluded an agreement (the “Agreement”) with GE Power Sp. z o.o. with the registered office in Warsaw (the “Ordering Party”). The subject of the Agreement is the manufacturing and delivery by MS of steel structures (the “Assignment”) for the Ordering Party for the purpose of implementing the “Construction of the Ostrołęka Power Plant C with the capacity of approximately 1000 MW”.

The net remuneration for the performance of the Assignment amounts to PLN 41.995.340,39. The payments will be made on a stage-by-stage basis, as indicated in the Agreement. The Agreement stipulates that MS is obliged to complete the Assignment by 30 June 2020.

In order to cover any potential claims from the Ordering Party, MS will provide the Ordering Party with a security for the proper performance of the Agreement and a security for the removal of faults and defects in the form of bank or insurance guarantees in the amount of 10% of the contractual remuneration for each guarantee. In the event of a failure to provide the Ordering Party with a relevant security for the proper performance of the Agreement within the period specified in the Agreement, the Ordering Party is entitled to proportionately deduct the deposit from the part of the remuneration transferred to MS to the total amount of 10% of the remuneration of MS for the performance of the Assignment.

The Agreement provides for contractual penalties, however the total amount of contractual penalties for MS in case of a failure to meet contractual deadlines cannot exceed 15% of the contractual remuneration.

Pursuant to the Agreement, MS will provide the Ordering Party with a guarantee for the subject of the Agreement for the period of 24 months.

The remaining provisions of the Agreement do not deviate significantly from standard provisions contained in this type of contracts.