Current Report No. 50/2017 Wysogotowo, October 24th 2017

Subject: Agreement on terms of sale of individual pre-emptive rights on Series K shares in RAFAKO and conclusion of cooperation agreement concerning RAFAKO.

The Management Board of PBG S.A. (the "Company" or "PBG") announces that on October 24th 2017 the Company and FUNDUSZ INWESTYCJI POLSKICH PRZEDSIĘBIORSTW FUNDUSZ INWESTYCYJNY ZAMKNIĘTY AKTYWÓW NIEPUBLICZNYCH of Warsaw ("FIPP FIZ AN"), managed and represented by Towarzystwo Funduszy Inwestycyjnych BGK S.A., agreed the terms of sale by PBG and its subsidiary Multaros Trading Company Limited of Cyprus ("Multaros") to FIPP FIZ AN of individual pre-emptive rights on Series K shares ("IPR") in RAFAKO S.A. of Racibórz ("RAFAKO"), which will be granted to the Company and Multaros if RAFAKO undertakes the planned public offering of up to 42,500,000 Series K ordinary bearer shares with a par value of PLN 2 per share ("Series K Shares"), with existing shareholders granted pre-emptive rights. FIPP FIZ AN intends to acquire all the IPR granted to the Company and part of the IPR granted to Multaros (the "Transaction"). As agreed by the parties, the Transaction will be concluded between PBG, Multaros and FIPP FIZ AN not earlier than after the record date for the pre-emptive rights as defined in the prospectus drawn up and published by RAFAKO in connection with the planned public offering of Series K Shares, and not later than on the last day of listing of the IPR on the regulated market operated by the Warsaw Stock Exchange. In the Transaction, FIPP FIZ AN will acquire such number of IPR from PBG and Multaros which will entitle it to acquire 12,615,768 Series K Shares. The sale price per IPR in the Transaction will be PLN 0.20 (twenty grosz), assuming that the issue price of Series K Shares set by the RAFAKO management board in the planned planned public offering of Series K Shares will be PLN 4 (four złoty) per Series K Share. The Transaction will be governed by an IPR sale agreement to be made between PBG, Multaros and FIPP FIZ AN, in performance of which the parties will issue instructions necessary to transfer the IPR to FIPP FIZ AN's brokerage account.

With the terms of the Transaction agreed between the parties, on October 24th 2017 PBG, Multaros and FIPP FIZ AN (the "Parties") entered into a cooperation agreement concerning

RAFAKO, being an agreement within the meaning of Art. 87.1.6 of the Act of July 29th 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies (the "Act"; the "Agreement").

In the Agreement, the Parties agreed to cooperate, on the terms set out therein, in the appointment to the RAFAKO supervisory board of a person designated by FIPP FIZ AN as long as FIPP FIZ AN holds RAFAKO shares representing at least 5% (i.e. 5% + one share) of total voting rights at the RAFAKO general meeting. In particular, in the Agreement PBG agreed to cooperate by procuring that a person designated by FIPP FIZ AN is appointed, at the FIPP FIZ AN's request, to the RAFAKO supervisory board (particularly by procuring that a general meeting of RAFAKO is convened and that all shares held by the Company and Multaros are voted in favour of the resolution to appoint the person designated by FIPP FIZ AN to the RAFAKO supervisory board), on the condition that Series K Shares acquired by FIPP FIZ AN in exercise of the IPR acquired in the Transaction representing at least 5% (i.e. 5% + one share) of total voting rights are registered in FIPP FIZ AN's investment account. If FIPP FIZ AN's share in total voting rights at the RAFAKO general meeting falls below 5% (i.e. 5% + one share) of total voting rights and remains below that threshold for at least 30 days, PBG will have no obligation to procure that a person designated by FIPP FIZ AN is appointed to the RAFAKO supervisory board and will have the right to vote in favour of removing from the RAFAKO supervisory board of a person previously designated by FIPP FIZ AN and appointed to the RAFAKO supervisory board.

The Parties provided for the payment of a financial penalty for any breach of the Agreement.

In the Agreement, the Parties also agreed the terms of cooperation in the performance of obligations arising under Section 4 of the Act. In the event of a breach by either Party (with PBG and Multaros treated as one party and their liability being joint and several) of the obligations set out in the Agreement relating to the performance of the obligations arising under Section 4 of the Act, the breaching Party will be obliged to remedy any damage sustained by the other Party to the Agreement, to indemnify it under Art. 392 of the Polish Civil Code, and to pay a financial penalty to the other Party. Should such a breach result in the exclusion of voting rights conferred by RAFAKO shares held by the Parties to the Agreement, the breaching Party will be obliged to acquire from the other Party, upon its

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National Court Register Number KRS 0000184508, Industry Identification Number (REGON) 631048917, Tax Identification Number (NIP) 777 21 94 746, share capital: PLN 16,081,011.82 paid up in full.
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written request, all RAFAKO shares held by such Party at a price determined in accordance with Agreement, with the proviso that this obligation will be contingent on the fulfilment of the following condition: (i) for PBG and Multaros – obtaining relevant consent from the bondholders of Series D, E, F, G, H, I, D1, E1, F1, G1, H1 and I1 bonds issued by PBG; and (ii) for FIPP FIZ AN – obtaining relevant consent from all FIPP FIZ AN certificate holders (FIPP FIZ AN being a closed-end investment fund of non-public assets).

In addition to the provisions set out above, the Agreement contains standard clauses found in agreements of this type.

The Agreement entered into force as of its date and is for an indefinite period, with the proviso: (i) if the share of voting rights represented by RAFAKO shares held (directly or indirectly) by FIPP FIZ AN in total voting rights at the RAFAKO general meeting falls below 5% (i.e. 5% + one share) and remains below that threshold for at least three months; or (ii) if after November 1st 2025 the aggregate share of voting rights represented by RAFAKO shares held by PBG and Multaros falls below 33% of total voting rights at the RAFAKO general meeting and remains below that threshold for at least three months, the Agreement will expire.

Legal basis:
Art. 17(1) of the MAR

For the Company:
Magdalena Eckert

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