

## **Current Report No. 8/2016**

(2 June 2016).

*Legal basis: Art. 56.1.2 of the Act on Public offering – current and periodical disclosure*

### **Conclusion of a material agreement by the Issuer and its subsidiary company with BZ WBK S.A.**

The Management Board of AB S.A. with its registered office in Magnice (“Issuer”), pursuant to Art. 5.1.3 of the Regulation of the Minister of Finance of 19 February 2009 on *current* and periodical disclosures by issuers of securities and conditions to recognise as equivalent the information that is required by the law in non-member states (consolidated text, Journal of Laws of 2014, item 133), informs that on 1 June 2016 the Issuer received a signed Multiline Agreement (Agreement) concluded by the Issuer and its subsidiary company Rekman sp. z o.o. with its registered office in Magnice (Company) with Bank Zachodni WBK Spółka Akcyjna (Bank) with its registered office in Wrocław.

Under the Agreement, the Bank grants the Issuer and the Company a credit limit of up to PLN 123,000,000.00 (Limit) that may be used:

1. by the Issuer:
  - a) as part of a current and foreign currency account overdraft up to the amount of PLN 102,000,000.00 with a possibility to utilise the overdraft in several currencies (in PLN up to PLN 102,000,000.00, in EUR up to EUR 8,000,000.00, and in USD up to USD 5,000,000.00)
  - b) as part of an L/C limit up to USD 4,500,000.00 (in USD, EUR, PLN);
  - c) as part of a limit for bank guarantees up to PLN 21,000,000.00 (in PLN, USD, EUR)
  
2. by the Company:
  - a) as part of a current and foreign currency account overdraft up to the amount of PLN 25,000,000.00 with a possibility to utilise the overdraft in several currencies (in PLN up to PLN 25,000,000.00, in EUR up to EUR 100,000.00, and in USD up to USD 100,000.00)
  - b) as part of a limit for Letters of Credit up to the amount of USD 4,000,000.00 (in PLN, USD, EUR).

The Limit may be jointly utilised by the Issuer and the Company up to maximum PLN 123,000,000.00. The limit was granted until 31 May 2017; however, the total repayment of the overdraft and any other amounts due to the Bank will be made by 31 May 2017 (for the PLN foreign currency account overdraft) and by 16 March 2018

(for the L/C limit).

Interest, depending on the credit currency, accrues on the basis of WIBOR, EURIBOR, or LIBOR reference rates for one-month interbank deposits plus a margin of the Bank.

The provisions of the Agreement do not differ from standard provisions used in agreements of this type.

The collateral to the Limit granted is as follows:

- registered pledge on the selected inventories (goods for sale) owned by the Issuer with a value of at least PLN 24,000,000.00 along with assignment of receivables from the insurance contract for the registered pledge;
- assignment of selected trade receivables of the Issuer amounting to minimum PLN 28,000,000.00
- registered pledge on inventories (goods for sale) owned by the Company along with assignment of receivables from the insurance contract for the registered pledge
- assignment of selected trade receivables of the Company amounting to minimum PLN 3,000,000.00
- the Issuer's statement on submission to enforcement pursuant to Art. 777.1.5 of the Code of Civil Procedure
- the Company's statement on submission to enforcement pursuant to Art. 777.1.5 of the Code of Civil Procedure
- the Issuer's promissory note issued with a promissory note agreement
- the Company's promissory note issued with a promissory note agreement

Subject to the terms and conditions set forth in the Agreement, the L/Cs and bank guarantees to be opened pursuant to the previous agreements between the Issuer and the Company, and the Bank (of the extension of which the Issuer informed with Current Reports No. 6/2016 and 7/2016) were covered with the Agreement. The debt under the loan agreements concluded by Issuer and the Company with the Bank (of the extension of which the Issuer informed with Current Reports No. 6/2016 and 7/2016), pursuant to the Agreement will be incorporated in the current account overdraft and FX loan, granted to the Issuer or the Company respectively, pursuant to the Agreement.

The criterion used to determine whether the Agreement is material is its value exceeding the equivalent of 10% of the Issuer's equity capital.