



## Signing a document covering the commitment of banks to provide financing - *Mandate Letter*

Reference is made to the current reports of 29 March 2017 (No. RB-06) and 24 April 2017 (No. RB-09) regarding, *inter alia*, the intention of the management board of Cognor Holding S.A. (the "**Issuer**", "**Cognor**") to refinance indebtedness of the Issuer's group arising from senior secured bonds with a nominal value as at 31 December 2016 of EUR 80,887,290 issued by Cognor International Finance PLC, a subsidiary of the Issuer (the "**Bonds**"). The management board hereby announces that on 25 May 2017 it obtained a mandate letter signed by certain financial institutions, i.e. mBank S.A. and Bank Polska Kasa Opieki S.A. (the "**Lenders**"), under which the Lenders committed to provide a company from the Issuer's group, i.e. Cognor S.A. (the "**Borrower**"), with the following financing: (i) a term loan facility of up to EUR 50,000,000 to be used to refinance the Bonds (the "**Term Facility**"); and (ii) an overdraft revolving facility of up to PLN 80,000,000 to be used to finance the day-to-day operations of the Borrower and the day-to-day operations of the Issuer and other companies from the Issuer's group and which will guarantee the obligations under the above-mentioned financing (the "**Guarantors**"), including to replace the existing revolving facilities of such entities (the "**Additional Facility**" and jointly with the Term Facility, the "**Facilities**") (the "**Mandate Letter**"). The commitment to grant financing is subject to satisfaction of the conditions precedent provided in the Mandate Letter, including a condition precedent regarding the negotiating and signing of the financial documents satisfactory to the parties thereto.

The financing will be provided by a consortium, with each of the Lenders having an equal share therein.

A term sheet is attached as an appendix to the Mandate Letter (the "**Term Sheet**").

Pursuant to such document, the Term Facility and the facilities extended under the Additional Facility will accrue interest equal to the sum of the relevant WIBOR or EURIBOR rate and the Lenders' margin, which will not be greater than any standard margins that apply in similar types of transactions, and interest will be charged, for the Term Facility, in three-month interest periods, and for the facilities extended under the Additional Facility, in monthly interest periods.

The Borrower will have the right to draw the Term Facility within the designated availability period and it will be repaid in equal quarterly instalments, except for the last instalment, which could amount to up to 33% of the value of Term Facility, starting from 31 December 2017 until the final repayment date, i.e. 30 June 2022. Pursuant to the Term Sheet the early repayment of all or some of the Term Facility is possible on the condition of the payment of a prepayment fee with respect thereto. The amount of the prepayment fee does not differ from any standard commission charged in connection with such type of financing and will be determined as a certain percentage of the prepaid amount of the Term Facility.

The Additional Facility may be drawn until the date of the final repayment thereof, i.e. until 30 June 2019.

The Term Sheet provides that the Facilities may be drawn upon the satisfaction of certain conditions precedent, including the delivery of documentation confirming that an equity

contribution has been made to the Issuer in a specific manner and in the amount necessary for the total repayment of the Bonds.

The undertakings under the Facilities will be guaranteed by the Issuer and other Guarantors and, in addition, to secure the performance of those undertakings certain other collateral will be provided in the form of, *inter alia*: (i) registered pledges over the Borrower's and the Guarantor's enterprises; (ii) registered and financial pledges over shares held by the Borrower and the Guarantors (excluding the shares in the Issuer); (iii) mortgages on key real properties owned by the Borrower and the Guarantors; (iv) registered and financial pledges over the bank accounts of the Borrower and the Guarantors; (v) powers of attorney to the bank accounts of the Borrower and the Guarantors; and (vi) the assignment of insurance policies covering assets (excluding insurance policies regarding the insolvency of debtors) and the assignment of receivables under factoring agreements concluded with any entities other than the Lenders.

The extension of the Facilities will involve certain customary financial and operating restrictions being imposed on the Borrower and the Guarantors.

In connection with the extension of the Facilities, the Lenders will be entitled to standard commission fees applied to such type of financing.