

Current report no. 36/2017

Prepared on: 2017-06-01

Subject: Conclusion of a significant agreement with the Bank

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

Content of the report:

Management Board of ACTION S.A. in restructuring (the Company, the Issuer), hereby informs that today has established the content of Agreement No. 2017/149 / DDF with Bank Polski Kasa Opieki Spółka Akcyjna with its registered office in Warsaw for the opening of lines for guarantees and letters of credit. Based on this agreement, the Bank has committed itself to opening for the Company a revolving line for the issuance of bank guarantees and the opening of letters of credit in domestic and foreign transactions up to a maximum total amount of 21 000 000,00 PLN for the purpose of granting by the Bank: the purchase of goods or services from the suppliers of goods, or services, hereinafter referred to as "Supplier Warranties", and guarantees issued to the European Organization for Nuclear Research in Geneva ("CERN"), up to a maximum total of 500 000.00 USD as well as documentary letters for payment for goods or services purchased from the payer.

On the basis of the agreement the Company may request the guarantees submission and request to issue letters of credit by Bank in the period from the date of availability of the Line Limitation specified in the Agreement until 31 January 2018.

The validity period of the Guarantee and the expected final maturity date and payment for the Open Letter of Credit may last up to: maximum 12 months for the Supplier's Warranty and may not exceed 31 January 2019, for a CERN warranty maximum up to 36 months and may not exceed beyond 31 January 2021, for other Letter of Credit - up to 3 months and may not exceed 30 April 2018.

Under this agreement, the Bank may issue an annex to the warranties which will extend the validity of the Guarantee for a further period or change the conditions of an open letter of credit, provided that the respective maturity date of the Guarantee or the expected maturity date and payment for the opened letter of credit do not exceed the appropriate date specified paragraph 3 of the Agreement. The Bank undertakes to issue the above- Guarantees in Polish Zloty and also in USD, EUR.

Securing the future receivables that will be available to the Bank are:

- 1) power of attorney to the account of the Principal maintained at the Bank
- 2) the transfer to the Bank of 100% of the sum of each Guarantee / Open Letter of Credit in the currency of the relevant Guarantee / Letter of Credit ("Deposit") in accordance with § 2 point 5 of this Agreement. The maximum total value of the deposit established to cover the Guarantee and Letter of Credit is in the amount of 21 000 000,00 PLN. Cash transferred to the Bank's property as a deposit can only be used by the Bank in order to satisfy the Bank's claims arising from the issued Guarantee and the Letter of Credit. The Bank can not deduct other claims from the deposits which are different than receivables arising from these Guarantees and Liabilities.

At the same time the Issuer indicates that the conclusion of this Agreement was made on the basis of the consent of the Board of Creditors included in:

- 1) protocol no. X GRs 8/16 of the Creditors' Meeting of 17 March 2017 according to which the Board of Creditors of the Principal in Resolution No. 2/2017 has agreed to establish a financial security of 100% of the guarantee amount for Bank guarantees and letters of credit provided by Bank to the Comapny's suppliers, taking into account the reservations and terms described in the aforementioned resolution of the Board of Creditors of the Principal, and
- 2) protocol no. X GRs 8/16 of the Board of Creditors' Meeting of 28 April 2017 according to which the Board of Creditors in Resolution No. 2 agreed to grant financial security up to the amount of 500,000.00 USD to bank guarantees granted to CERN.