

Current report no. 19/2016

Date of issue: 2016-08-03

Abbreviated name of Issuer :DEKPOL S.A.

Subject: conclusion of contract on construction works with COFFEE PROMOTION Sp. z o.o.

Legal basis: Art. 17 sec. 1 MAR (Market Abuse Regulation) – inside information

Content of report:

Management Board of Dekpol S.A. ("Company", "Contractor", "Issuer") informs that on 3 August 2016 was concluded an agreement with COFFEE PROMOTION Sp. z o.o. ("Purchaser"), on construction of coffee roasting and mixing plant in Koniecwałd ("Agreement").

Parties agreed that the completion of works will take place within 10 months from the date of commencement of construction works. For the execution of Agreement Purchaser will pay the Company net salary of approx. 6% of net sales revenues of Dekpol Capital Group for the year 2015. Contractor is entitled to entrust the execution of a part of the scope of agreement to subcontractors.

The agreement contains provisions relating to contractual penalties, according to which the Contractor will pay the Purchaser a penalty for delay in execution of the agreement and removal of defects. Contracting parties have right to demand payment of contractual penalty for withdrawal from the contract for reasons attributable to other side in the amount of 10% of total net remuneration. Maximum sum of contractual penalties foreseen to be paid by Contractor cannot exceed 10% of net salary. Contracting parties are entitled to claim damages in excess of contractual penalties in entirety, on general principles.