

Current report no. 5/2017

Date of issue: 2017-01-31

Abbreviated name of Issuer: DEKPOL S.A.

Subject: Conclusion of Agreement concerning construction of storage hall in Municipality Tczew

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

Content:

Management Board of DEKPOL S.A. („Company”, „Contractor”) informs that on 31st January 2017 has entered into Agreement with one of bigger producers of wooden and wooden-aluminum windows in Poland („Client”) concerning construction of storage hall along with office-social premises and required infrastructure on the territory of production complex Window Village in the village Wędkowy in Municipality Tczew („Agreement”).

For execution of works, the Company will receive net remuneration in the amount of 6% of sales revenues of Dekpol Capital Group for the year 2015. Construction works shall be accomplished in September 2017, and the obtainment of use permit shall be finalized until the end of the year.

Conditions of Agreement concluded provide for a number of contractual penalties, e.g. for the delay in execution of works or correction of defects, breach of health and safety at work guidelines or provisions regarding confidentiality break. Beyond contractual penalty, Client is entitled to claim compensation based on general rules resulting from default on a contract made by Contractor. Client is also entitled to claim compensation from Contractor in a higher amount as agreed for contractual penalty, and, Contractor is obliged to finalize its obligation even though the contractual penalty securing this obligation was paid.

Contractual parties are entitled to terminate an Agreement in case of essential failure in quality of works or delay in final hand over of work, as well as in case of lack of obtainment of use permit – due to reasons attributable to other party and in case of appearance of repeated essential breach of obligations arising from Agreement by other party.