

CR No 15 - Final decision on imposing a penalty by the Polish Financial Supervision Authority on the President of the Issuer's Management Board as its shareholder (confidential information disclosed on 17th December 2019, at 11:56 hrs.)

The Issuer announces that today it has been notified that on 3 December, 2019 the Polish Financial Supervision Authority issued a final decision regarding the imposition of an administrative fine on the President of the Issuer's Management Board, Piotr Janeczek.

- a) based on Art.104 of the Act of 14 June 1960 the Code of Administrative Procedure (the Polish Journal of Laws of 2018, item 2096, as amended), Art. 11 sections 1 and 5 of the Act of 21 July 2006 on supervision of the financial market (the Polish Journal of Laws of 2019, item 298, as amended) art. 97 section 1 item 5 of the Act on public offerings and conditions governing the introduction of financial instruments to organized trading, and on public limited companies (the Polish Journal of Laws of 2019, item 623, as amended, hereinafter referred to as 'the Act on Public Offering') in the wording applicable before the entry into force of the Act of 10 February 2017 on amending the Act on trading financial instruments and certain other acts (the Polish Journal of Laws item 724, hereinafter referred to as the "amending act"), in relation to art. 73 section 2 of the Act on the offer, in the amount of PLN 990,000 (in full: nine hundred and ninety thousand zlotys) in connection with the finding by the Polish Financial Supervision Authority of the violation by Piotr Janeczek of Art. 73 section 2 of the Act on Public Offering in connection with failure to announce, within 3 months of exceeding 33% of the total number of votes in Stalprodukt S.A. with its registered office in Bochnia, i.e. since 29 June 2016, of calls to sign up for the sale or exchange of shares of this company in a number resulting in reaching 66% of the total number of votes, nor the non-disposal of Stalprodukt S.A. shares within that period in a number resulting in no more than 33% of the total number of votes,
- b) based on Art.104 of the Act of 14 June 1960 the Code of Administrative Procedure (the Polish Journal of Laws of 2018, item 2096, as amended), Art. 11 sections 1 and 5 of the Act of 21 July 2006 on supervision of the financial market (the Polish Journal of Laws of 2019, item 298, as amended) art. 97 paragraph 1 item 9a of the Act on the offer in the version applicable before the entry into force of the amending Act, in connection with art. 88 of the Act on Public Offering, in the amount of PLN 10,000 (ten thousand zlotys) in connection with the finding by the Polish Financial Supervision Authority of a violation by Piotr Janeczek of Art. 88a of the Act on the offer, due to the fact that being obliged to perform the obligations specified in art. 73 section 2 of the Act on Public Offering, he indirectly purchased shares of Stalprodukt S.A. on 30 June, 2016.

According to the information held by the Issuer, Piotr Janeczek does not agree with the position of the Polish Financial Supervision Authority in principle, i.e. that alleged violations of the provisions of the Act on the Public Offering have actually occurred and as to the amount of the financial penalty imposed on him.

First of all, Piotr Janeczek disagrees with the position of the Polish Financial Supervision Authority that he has not fulfilled his obligation referred to in art. 73 paragraph 2 of the Act, because in his opinion he fulfilled this obligation as to the call to subscribe for the sale of shares announced on 13 September 2016 together with his subsidiary, i.e. STP Investment SA, the Stalprodukt - Profil S.A. and Stalnet sp. z o. o. at the price of PLN 330.00 (three hundred and thirty zlotys) for each share, which was carried out on 25 October, 2016 (current report No. 36/2016 of 28 October, 2016).