

Current Report CR No 17 – Notification on the Dissolution of the Shareholders' Agreement (29.06.2018)

The Management Board of STALPRODUKT S.A. (hereinafter referred to as the "Issuer") informs that on 29 June 2018 it received a notification from the Shareholders: STP Investment S.A. based in Bochnia, Stalprodukt – Profil S.A. based in Bochnia, Stalnet sp. z o.o. based in Bochnia, Piotra Janeczek (hereinafter also referred to as the: Shareholders), referred to in Art. 87 par.1a in connection with art. 69 par.1 of the Act on Public Offering, on Conditions for the Introduction of Financial Instruments to the Organized Trading System and on Public Companies (hereinafter referred to as the "Act"), on the dissolution on 29 June 2018 of the agreement concluded by the Shareholders on 30 June 2016 regarding the acquisition of shares under the company name of STALPRODUKT S.A. based in Bochnia, consensual voting at the Company's General Meetings and pursuing a common policy in respect of the Company.

The a/m notification is provided below.

THE NOIFICATION REFERRED TO IN ART. 69 PAR.1 IN CONNECTION WITH ART. 87. PAR.1A OF THE ACT ON PUBLIC OFFERING, ON CONDITIONS FOR THE INTRODUCTION OF FINANCIAL INSTRUMENTS TO THE ORGANIZED TRADING SYSTEM AND ON PUBLIC COMPANIES

We, the undersigned, Shareholders, fulfilling our obligation referred to in Art. 69 par.1 in connection with Art. 87 par. 1a of the Act on Public Offering, on Conditions for the Introduction of Financial Instruments to the Organized Trading System and on Public Companies (hereinafter referred to as the "Act"), notify on the dissolution effected on 29 June 2018 of the agreement concluded by us on 30 June 2016, regarding the acquisition of shares under the business name of STALPRODUKT S.A. based in Bochnia (hereinafter referred to as the "Company"), consensual voting at the Company's General Meetings and pursuing a common policy in respect of the Company in order to execute the call for tender offers for the sale of the Company's shares enabling the Shareholders to jointly meet the threshold of 66% of the general number of the Company's votes (hereinafter referred to as the "Agreement").

In connection with the fulfillment of the Agreement's goal and considering the take-over i.e. the dominating entity status obtained by the Shareholder 4 also over the Shareholder 2 and Shareholder 3 (jointly with the person referred to in Art. 87 par.4 subpar. 1 of the Act) on 29 June 2018, recognizing the further continuation of the Agreement as irrelevant, we dissolved it by mutual agreement.

Before the dissolution of the Agreement, the Shareholders had jointly held:

a) 1,384,430 Issuer's bearer shares accounting for 24.81 % of the share capital and authorizing to 1,384,430 votes at the Issuer's General Meeting, accounting for 11.35 % of the general number of votes,

b) 1,446 of registered non-preference shares accounting for 0.026 % of the share capital and authorizing to 1,446 votes at the Issuer's General Meeting, accounting for 0.012 % of the general number of votes,

c) 1,317,519 of Issuer's registered shares with preference as to the right of vote (in the proportion of 5 votes per share) accounting for 23.61 % of the share capital and authorizing to 6,587,595 at the Issuer's General Meeting, accounting for 54.00 % of the general number of votes,

i.e. the total of 2,703,395 Company's shares, representing 48.45 % of the Company's share capital, authorizing to 7,973,471 shares at the Company's General Meetings, accounting for 65.36 % of the Company's general number of votes.

Considering that before the dissolution of the Agreement, the individual Shareholders had held:

a) Shareholder 1

(i) directly:

- 816,371 Issuer's bearer shares accounting for 14.63 % of the share capital and authorizing to 816,371 votes at the Issuer's General Meeting, accounting for 6.69 % of the general number of votes,
- 1,355 registered non-preference shares accounting for 0.024 % of the share capital and authorizing to 1,355 votes at the Issuer's General Meeting, accounting for 0.011% of the general number of votes,
- 1,011,593 Issuer's registered shares with preference as to the right of vote (in the proportion of 5 votes per share) accounting for 18.12 % of the share capital and authorizing to 5,057,965 votes at the Issuer's General Meeting, accounting for 41.46 % of the general number of votes,

i.e. the total of: 1,829,319 Issuer's shares accounting for 32.78% of the share capital and authorizing to 5,875,691 votes at the Issuer's General Meeting, accounting for 48.17 % of the general number of votes,

(ii) indirectly (i.e. through the F&R Finanse sp. z o.o. company based in Jawornik): 43,807 Issuer's bearer shares accounting for 0.79 % of the share capital and authorizing to 43,807 votes at the Issuer's General Meeting, accounting for 0.36 % of the general number of votes,

i.e. the total of 1,873,126 Issuer's shares accounting for 33,57 of the share capital and authorizing to 5,919,498 votes at the Issuer's General Meeting, accounting for 48.53 % of the general number of votes,

b) Shareholder 2:

- 450,692 bearer shares accounting for 8.08% of the Company's share capital and authorizing to 4520,692 votes at the Company's General Meeting, which accounts for 3.69 % of the general number of votes in the Company, and
- 1 (one) registered non-preference share accounting for 1.79203E-05 % of the share capital and authorizing to 1 (one) vote at the Company's General Meeting, which accounts for 8.19771E-06 % of the general number of votes,
- 128,959 registered shares with preference as to the right of vote (in the proportion of 5 votes per share), accounting for 2.31% of the Company's share capital and authorizing to 644,795 votes at the Company's General Meeting, which accounts for 5.29% of the general number of votes in the Company,

i.e. the total of 579,652 Issuer's shares accounting for 10.39 % of the share capital and authorizing to 1,095,488 votes at the Issuer's General Meeting, accounting for 8.98 % of the general number of votes,

c) Shareholder 3:

- 73,560 bearer shares accounting for 1.31% of the Company's share capital and authorizing to 73,560 votes at the Company's General Meeting, which accounts for 0.60% of the general number of votes in the Company, and
- 2 (two) registered non-preference shares accounting for 3.58406E-05% of the share capital and authorizing to 2 (two) votes at the Company's General Meeting, which accounts for 1.63954E-05 % of the general number of votes,
- 62,002 registered shares with preference as to the right of vote (in the proportion of 5 votes per share), accounting for 1.11% of the Company's share capital and authorizing to 310,010 at the Company's General Meeting, which accounts for 2.54% of the general number of votes in the Company,

i.e. the total of 135,564 Issuer's shares accounting for 2.43% of the share capital and authorizing to 383,572 votes at the Issuer's General Meeting, accounting for 3.14 % of the general number of votes,

d) Shareholder 4:

- directly
 - (i) 114,965 registered shares with preference as to the right of vote (in the proportion of 5 votes per share), accounting for 2.06 %

of the Company's share capital and authorizing to 574,825 votes at the Company's General Meeting, which accounts for 4.71 % of the general number of votes in the Company,

(ii) 88 registered non-preference shares accounting for 0.00158% of the Company's share capital and authorizing to 88 votes at the Company's General Meeting, which accounts for 0.00072 % of the general number of votes in the Company,

- indirectly (i.e. through Shareholder 1):

(i) 866,671 Issuer's bearer shares accounting for 15.53% of the share capital and authorizing to 866,671 votes at the Issuer's General Meeting, accounting for 7.10 % of the general number of votes,

(ii) 1,355 registered non-preference shares accounting for 0.024 % of the share capital and authorizing to 1,355 votes at the Issuer's General Meeting, accounting for 0.011% of the general number of votes,

(iii) 1,010,593 Issuer's registered shares with preference as to the right of vote (in the proportion of 5 votes per share) accounting for 18.11 % of the share capital and authorizing to 5,052,965 votes at the Issuer's General Meeting, accounting for 41.42 % of the general number of votes,

(iv) and through the F&R FINANSE sp. z o.o. company based in Jawornik: 43,807 Issuer's bearer shares accounting for 0.79 % of the share capital and authorizing to 43,807 votes at the Issuer's General Meeting, accounting for 0.36 % of the general number of votes,

- indirectly (i.e. through the Shareholder 2):

(i) 492,759 Issuer's bearer shares accounting for 8.83 % of the share capital and authorizing to 492,759 votes at the Issuer's General Meeting, accounting for 4.04% of the general number of votes,

(ii) 128,959 Issuer's registered shares with preference as to the right of vote (in the proportion of 5 votes per share) accounting for 2.31 % of the share capital and authorizing to 644,795 votes at the Issuer's General Meeting, accounting for 5.29 % of the general number of votes,

(iii) 1 (one) registered non-preference share accounting for 1.79203E-05 % of the share capital and authorizing to 1 vote at the Issuer's General Meeting, accounting for 8.19771E-06 of the general number of votes,

- indirectly (i.e. through the Shareholder 3) and jointly with the person referred to in Art. 87 par.4 subpar. 1 of the Act:

- (i) 73,560 Issuer's bearer shares accounting for 1.32 % of the share capital and authorizing to 73,560 votes at the Issuer's General Meeting, accounting for 0.60 % of the general number of votes,
- (ii) 62,002 Issuer's registered shares with preference as to the right of vote (in the proportion of 5 votes per share) accounting for 1.11 % of the share capital and authorizing to 310,010 votes at the Issuer's General Meeting, accounting for 2.54 % of the general number of votes,
- (iii) 2 (two) registered non-preference shares accounting for 3.58406E-05% of the share capital and authorizing to 2 votes at the Issuer's General Meeting, accounting for 1.63954E-05 of the general number of votes,

i.e. the total of: 2,703,395 Issuer's shares accounting for 48.45 % of the Issuer's share capital and authorizing to 7,973,471 votes at the General Meeting, accounting for 65.36 % of the general number of votes.

After the dissolution of the Agreement the number of shares held by the particular Shareholders was not subject to change.

Shareholder 4 is a dominating entity in respect of the all a/m entities i.e. Shareholder 1, Shareholder 2 and Shareholder 3 (in this case jointly with the person referred to in Art. 87 par.4 subpar. 1 of the Act). Moreover, Shareholder 4 is a dominating entity for the F&R FINANSE sp. z o.o. company based in Jawornik, which holds the a/m Issuer's bearer shares and is a subsidiary company indirectly dependent on Shareholder 1.

Apart from the above, there are no other subsidiary entities dependent on the Shareholders, which hold the Company's shares and no persons referred to in Art. 87 par. 1 subpar 3) letter item. c) of the Act.

The Art. 69 par. 4 subpar 6 -8 of the a/m Act on Public Offering, on Conditions for the Introduction of Financial Instruments to the Organized Trading System and on Public Companies – not applicable.

The total number of votes indicated pursuant to Art. 69 par.4 subpar. 2, 7 and 8 and its percentage share in the general number of votes were provided above.