

Subject: Execution of material financial agreement

Current Report no. 52/2015

In reference to the current report no. 29/2015 of June 30, 2015 and the current report no. 42/2015 of August 10/2015, the Management Board of Pfeiderer Grajewo S.A. (the "**Company**" or "**Grajewo**") hereby reports that in relation to the reorganization (the "**Corporate Reorganization**") of the Pfeiderer capital group (the "**Group**"), on October 5, 2015, Grajewo and other companies from the Group, i.e. Pfeiderer GmbH, Pfeiderer Service GmbH, Pfeiderer Holzwerkstoffe GmbH, Pfeiderer Neumarkt GmbH, Pfeiderer Leutkirch GmbH, Pfeiderer Gütersloh GmbH, Pfeiderer Arnsberg GmbH, Pfeiderer Baruth GmbH, JURA Spedition GmbH, Pfeiderer Vermögensverwaltung GmbH & Co. KG, Pfeiderer Prospan S.A., Pfeiderer MDF sp. z o.o. and Silekol sp. z o.o. entered into the amendment agreement (the "**Amendment Agreement**") relating to the super senior revolving credit facility agreement, dated July 4, 2014 (such agreement, as amended by the Amendment Agreement, the "**Revolving Credit Facility Agreement**"), with Commerzbank Aktiengesellschaft, Deutsche Bank AG Filiale Deutschlandgeschäft, KfW, BNP Paribas S.A. Niederlassung Deutschland, Powszechna Kasa Oszczędności Bank Polski S.A., Alior Bank S.A., Bank Zachodni WBK S.A., Bank Millennium S.A. (as mandated lead arrangers), Commerzbank International S.A. (as facility agent, the "**Agent**") and Commerzbank Aktiengesellschaft, Filiale Luxemburg (as security agent, the "**Security Agent**").

All of the amendments to the Revolving Credit Facility are subject to and will become effective substantially concurrently with the completion of the Corporate Reorganization (the "**Effective Date**"), but not later than (if at all) March 31, 2016. Upon the Effective Date, Grajewo, Pfeiderer Prospan S.A., Pfeiderer MDF sp. z o.o. and Silekol sp. z o.o. (in addition to Pfeiderer GmbH and Pfeiderer Holzwerkstoffe GmbH) will become borrowers under the Revolving Credit Facility Agreement (the "**Borrowers**"). Furthermore, subject to satisfaction of certain conditions, Grajewo may request that its subsidiaries accede to the Revolving Credit Facility Agreement as additional borrowers.

Pursuant to the Revolving Credit Facility Agreement an additional tranche of PLN 200 million will be added to the original amount of EUR 60 million of the revolving credit facility. The facilities will be available for utilization by way of drawing of loans in EUR and PLN and by way of the Ancillary Facilities (as defined below), from and including the date on which all conditions precedent under the Amendment Agreement are satisfied, until the date falling one month prior to the termination date, i.e. April 30, 2019 (the "**Termination Date**") (in case of the Ancillary Facilities until the Termination Date at the latest). Subject to the satisfaction of certain conditions, a lender (or its affiliates) may make available to a borrower all or part of that lender's undrawn commitment under the Revolving Credit Facility Agreement by way of ancillary facilities (such as overdraft facilities, guarantees, bonding, documentary or standby letter of credit facilities, short-term loan facilities or any other facility or accommodation required in connection with the business of Grajewo and its subsidiaries and which is agreed between Grajewo and the relevant lender (or its affiliate)) to aggregate limits of EUR 20 million (in the case of the EUR tranche) and PLN 120 million (in the case of the PLN tranche) (the "**Ancillary Facilities**").

Borrowings under the Revolving Credit Facility Agreement will be used to finance the general corporate and working capital purposes of the Group, but not for the redemption, repayment, prepayment, purchase or defeasance of the 7.875% Senior Secured Notes issued by Pfeiderer GmbH on July 7, 2014 (the "**Notes**") or any other pari passu debt (the "**Pari Passu Debt**") under the intercreditor agreement dated 4 July 2014 which is to be amended by, among other, Pfeiderer GmbH, Grajewo and the other parties thereto (subject to certain exceptions).

The Revolving Credit Facility Agreement bears interest at a rate per annum equal to EURIBOR or WIBOR increased by a margin, subject to a margin ratchet based on the adjusted leverage (as defined in the Revolving Credit Facility Agreement) at each quarter end commencing from the date falling 6 months after the Effective Date. In addition, the Company is also required to pay a specified commitment fee and upfront fees and certain other fees to the Agent and the Security Agent in connection with the Revolving Credit Facility Agreement.

Each loan will be repaid on the last day of its interest period, subject to a netting mechanism against amounts to be drawn on such date. Any amount outstanding at the Termination Date must be repaid in full on or prior to that date. Subject to certain conditions, the Company may voluntarily prepay

utilizations and/or permanently cancel all or part of the available commitments under the Revolving Credit Facility Agreement by giving five business days' prior notice to the Agent (provided that such prepayment or cancellation must be, if in part, in a minimum amount of EUR 5 million or PLN 10 million). Amounts repaid may (subject to the terms of the Revolving Credit Facility Agreement) be reborrowed.

Furthermore, the Revolving Credit Facility Agreement requires mandatory cancellation and, if applicable, prepayment in full or in part, in specific, if: (i) it becomes unlawful for any lender to perform any of its obligations under the Revolving Credit Facility Agreement, with respect to any lender; (ii) a change of control occurs (as defined in the Revolving Credit Facility Agreement), with respect to any lender which so requires; (iii) subject to certain criteria, from the proceeds of asset dispositions (as defined in the Revolving Credit Facility Agreement) of members of the Group.

The liabilities under the Revolving Credit Facility Agreement are guaranteed by Pfeiderer GmbH, Pfeiderer Service GmbH, Pfeiderer Holzwerkstoffe GmbH, Pfeiderer Neumarkt GmbH, Pfeiderer Leutkirch GmbH, Pfeiderer Gütersloh GmbH, Pfeiderer Arnsberg GmbH, Pfeiderer Baruth GmbH, JURA-Spedition GmbH and Pfeiderer Vermögensverwaltung GmbH & Co. KG (the **"Core West Guarantors"**) With effect from the Effective Date, the Revolving Credit Facility Agreement will be also guaranteed by Grajewo, Pfeiderer Prospan S.A., Pfeiderer MDF sp. z o.o. and Silekol sp. z o.o. (the **"Core East Guarantors"**, together with the Core West Guarantors the **"Guarantors"**, and such guarantees collectively the **"Guarantees"**). Each Guarantor irrevocably, unconditionally and jointly and severally (subject to certain customary limitations and agreed security principles) guarantees for the benefit of each of the financing parties under the Revolving Credit Agreement Facility to pay any amount of principal, interest, costs, expenses or other amount under or in connection with Revolving Credit Facility Agreement and other finance documents executed in relation thereto that has not been fully and irrevocably paid by a borrower. Neither the period of the Guarantees nor the remuneration for the Guarantees has been specified in the Revolving Credit Facility Agreement.

In addition, the liabilities under the Revolving Credit Facility Agreement (before giving effect to the Amendment Agreement) are secured by the same collateral as the Notes. This means that the said liabilities are currently secured by a first-priority security interest over (i) the issued share capital (or partnership interests, as applicable) of the Core West Guarantors; (ii) certain receivables of the Core West Guarantors, respectively, including intercompany receivables; (iii) certain real property; (iv) certain intellectual property; (v) certain bank accounts; and (vi) certain fixed and current assets.

In addition, pursuant to the Amendment Agreement, the Revolving Credit Facility Agreement will be also secured (on a first-priority basis) by: (i) the financial and registered pledges over shares in the Core East Guarantors (save for Grajewo); (ii) the powers of attorney to exercise corporate rights from the pledged shares in the Core East Guarantors (save for Grajewo); (iii) the financial and registered pledges over receivables under bank account agreements of the Core East Guarantors; (iv) the powers of attorney to block and disburse the funds from bank accounts of the Core East Guarantors, (v) the registered pledge over assets (whole business, including trademarks) of the Core East Guarantors; (vi) the security assignment over receivables under insurance policies and material contracts (including intercompany loan agreements) of the Core East Guarantors; (vii) the mortgage declarations (*oświadczenie o ustanowieniu hipoteki*) of the Core East Guarantors; and (viii) submissions to enforcement of the Core East Guarantors.

Furthermore, under the Revolving Credit Facility Agreement any material company (as defined in the Revolving Credit Facility Agreement) and any subsidiaries required to satisfy the guarantor coverage test (as specified in the Revolving Credit Facility Agreement) must become a guarantor under the Revolving Credit Facility Agreement and grant security, as the Agent may require (subject to the agreed security principles).

The Revolving Credit Facility Agreement provides for customary representations and warranties (subject to certain agreed thresholds and qualifications). In addition, The Revolving Credit Facility Agreement provides for specific affirmative and negative covenants and a financial covenant. The financial covenant requires compliance with a maximum ratio of total net debt to Adjusted EBITDA (as defined in the Revolving Credit Facility Agreement), which varies from 3.25:1 to 4.00:1 in the relevant periods.

The Revolving Credit Facility Agreement contains customary events of default, the occurrence of

which would allow the Agent to accelerate all or part of the outstanding loans or terminate the commitments or declare all or part of the loans payable on demand or declare that cash cover in respect of ancillary facilities is immediately due and payable or exercise any of its rights and remedies under the Revolving Credit Facility Agreement and other related finance documents.

The Amendment Agreement is governed by German law.

The Amendment Agreement is considered material because its value exceeds 10% of the Company's equity.

This report was prepared pursuant to Article 56 Section 1 Item 1 and 2 of the Act of July 29, 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organized Trading and Public Companies. (consolidated text: Dz. U. of 2013, Item 1382) and § 5 Section 1 Item 3 and 7 of the Regulation of the Minister of Finance on current and periodic information to be published by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state of February 19, 2009 (consolidated text: Dz. U. of 2014, Item 133).

October 05, 2015

Disclaimer:

*This report constitutes fulfilment of the reporting obligations of Pfeiderer Grajewo S.A. (the "**Company**"), is for informational purposes only and under no circumstances shall constitute an offer or invitation, or form the basis for a decision, to invest in the securities of the Company. The prospectus (the "**Prospectus**") which should be prepared in connection with the offering and admission of the Company's securities to trading on the Warsaw Stock Exchange will be the sole legally binding document containing information about the Company and the offering of its shares in Poland (the "**Offering**"). The Company will be authorized to carry out the Offering to the public in Poland once the Prospectus has been approved by the Polish Financial Supervision Authority. For the purposes of the Offering in Poland and admission of the Company's securities to trading on the Warsaw Stock Exchange, the Company will make the Prospectus available on the Company's website <http://www.pfleiderer.pl>.*

*The publication of this report does not constitute the making available of information to promote the purchase or acquisition of securities or an inducement of their purchase or acquisition within the meaning of Article 53 section 1 of Polish Act of 29 July 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organized Trading, and Public Companies, as amended (the "**Act on Public Offering**"), and does not constitute a promotional campaign within the meaning of Article 53 section 2 Act on Public Offering.*

*This report (and the information contained herein) does not contain or constitute an offer of securities for sale, or a solicitation of an offer to purchase securities, in the United States, Australia, Canada or Japan, or any other jurisdiction where such an offer or solicitation would be unlawful. The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold in the United States, unless registered under the Securities Act or unless an exemption from the registration requirements set forth in the Securities Act applies to them. No public offering of the securities will be made in the United States and the Company does not intend to make any such registration under the Securities Act.*

*In the United Kingdom, this communication is being distributed only to and is directed only at "qualified investors" within the meaning of section 86 of the Financial Services and Markets Act 2000 who are (a) persons who have professional experience in matters relating to investments falling within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**"), (b) high net worth entities falling within Article 49(2)(a) to (d) of the Order and (c) other persons to whom it may be lawfully communicated (all such persons*

together being referred to as “relevant persons”). The securities will be available only to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities will be only with, relevant persons. Any person who is not a relevant person should not act or rely on this communication or any of its contents.

This material does not constitute a recommendation within the meaning of the Regulation of the Polish Minister of Finance Regarding Information Constituting Recommendations Concerning Financial Instruments or Issuers Thereof dated October 19, 2005.

Statements contained herein may constitute “forward-looking statements”. Forward-looking statements are generally identifiable by the use of the words “may”, “will”, “should”, “aim”, “plan”, “expect”, “anticipate”, “estimate”, “believe”, “intend”, “project”, “goal” or “target” or the negative of these words or other variations on these words or comparable terminology. Forward-looking statements involve a number of known and unknown risks, uncertainties and other factors that could cause the Company’s or its industry’s actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. The Company does not undertake publicly to update or revise any forward-looking statement that may be made herein, whether as a result of new information, future events or otherwise.