

**Subject: Creating security interests over assets of significant value**

Current Report no. 57/2015

The Management Board of PfeidererGrajewo S.A. (the **"Company"**) hereby gives notice that in connection with the corporate reorganization of the Pfeiderer group (the **"Group"**), the execution of an amendment agreement (the **"Amendment Agreement"**) to the super senior revolving credit facility agreement dated July 4, 2014, (taking into account the amendments from the Amendment Agreement, the **"Revolving Credit Facility Agreement"**) and in connection with the execution on October 16, 2015, by among others, Pfeiderer GmbH (a member of the Group) of an amendment agreement to the intercreditor agreement (the **"Amendment to the Intercreditor Agreement"**) of July 4, 2014 (taking into account amendments from the Amendment to the Intercreditor Agreement, the **"Intercreditor Agreement"**), on October 21, 2015, the Company and its subsidiaries i.e. PfeidererProspan S.A., Pfeiderer MDF sp. z o.o. and Silekol sp. z o.o. (the **"Core East Guarantors"**) entered into agreements and undertook certain actions in relation to the establishment of collateral (the **"Collateral"**). Information about execution of the Amendment Agreement was disclosed by the Company in current report no. 52/2015 dated October 5, 2015.

The Collateral secures the claims under the parallel debt obligations, due to Commerzbank AktiengesellschaftFiliale Luxemburg, as the security agent (the **"Security Agent"**) pursuant to the Intercreditor Agreement, in an amount each time equal to the amounts then due to the secured parties from the Core East Guarantors under the debt documents (i.e. principal amount of EUR 321.7 million under the 7.875% senior secured notes issued by Pfeiderer GmbH on July 7, 2014, due in 2019, principal amount of up to EUR 60 million and up to PLN 200 million under the Revolving Credit Facility Agreement, plus interest, certain fees and hedging liabilities).

The Core East Guarantors and the Security Agent executed and signed agreements and other documents including establishment of the following Collateral: (i) the financial and registered pledges over shares (representing 100% of the share capital and entitling to have 100% votes on the general meetings of each company) of, respectively, PfeidererProspan S.A., Pfeiderer MDF sp. z o.o. and Silekol sp. z o.o., (the aggregated nominal value of the pledged shares amounts to PLN 527.0 million); (ii) the powers of attorney to exercise corporate rights from the pledged shares in, respectively, PfeidererProspan S.A., Pfeiderer MDF sp. z o.o. and Silekol sp. z o.o. held by the Company; (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; and (vii) the mortgage declarations (*oświadczenie o ustanowieniuhipoteki*) of the Core East Guarantors regarding the following real properties: a) real property, located in KoloniaKonopki and Grajewo, commune Grajewo, land and mortgage register book no. LM1G/00021237/8; real property, located in Grajewo, commune Grajewo, land and mortgage register book no. LM1G/ 00023663/7; real property, located in Grajewo, commune Grajewo, land and mortgage register book no. LM1G/00024415/1; real property, located in Grajewo, commune Grajewo, land and mortgage register book no. LM1G/00016833/8 and real property, located in Rajgrad, commune Rajgrad, land and mortgage register book no. LM1G/00015686/5 – the Company is perpetual usufructuary of these real properties; b) real property, located in Wieruszów, Pieczyska and Klatka, commune Wieruszów, land and mortgage register book no. SR1W/00085678/9; and real property, located in Klatka, commune Wieruszów, land and mortgage register book no. SR1W/00087135/5 - PfeidererProspan S.A. is perpetual usufructuary of these real properties; c) real property, located in Klatka, commune Wieruszów, land and mortgage register book no. SR1W/00088780/8; real property, located in Wieruszów, commune Wieruszów, land and mortgage register book no. SR1W/00083375/1; and real property, located in Wieruszów, commune Wieruszów, land and mortgage register book no. SR1W/00085575/7 - PfeidererProspan S.A is owner of these real properties; d) real property, located in Grajewo, commune Grajewo, land and mortgage register book no. LM1G/00034414/7 – Pfeiderer MDF sp. z o.o. is owner of this real property; and e) real property, located in Kedzierzyn-Kozle, commune Kedzierzyn-Kozle, land and mortgage register book no. OP1K/00054262/8 – Silekol sp. z o.o.

The Collateral was established for the benefit of the Security Agent. As at June 30, 2015, estimated total value of the assets, on which the Collateral is established, in the account books of the Core East Guarantors amounts to approximately PLN 2.3 billion.

There are no connections between the Company and its management or supervisory persons and the Security Agent and its management persons. Pledged assets were classified as assets of important value, considering the fact that their total estimated value exceeds 10% of the Company's own capital.

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This report was prepared pursuant to Article 56 Section 1 Item 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 1 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 21, 2015

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