



(TRANSLATION ONLY)

Current report No: 37/2021

Prepared on: 2021-10-06

Issuer's abbreviated name: TORPOL S.A.

Subject: Conclusion of a construction works agreement with the City of Łódź – Zarząd Inwestycji Miejskich

Legal Grounds:

Article 17(1) of MAR – Confidential Information

Contents of the Report:

In accordance with the current report No. 29/2021 of 23 July 2021 on the selection of the bidding offer submitted by TORPOL S.A. [the Issuer] as the most advantageous in an open tender procedure under the name: "*Construction and reconstruction of the tramway line in Wojska Polskiego Street on the section from Franciszkańska Street to Strykowska Street together with reconstruction of the road system and the necessary infrastructure as well as construction of a tramway connection along Strykowska Street with the tram stop in ŁKA Łódź Marysin, together with the reconstruction of water supply line in Wojska Polskiego Street and at the intersections included in the reconstruction of the road system*" [the Investment], the Management Board of Issuer hereby informs on 6 October 2021 an agreement was concluded with the City of Łódź - Zarząd Inwestycji Miejskich and Łódzka Spółka Infrastrukturalna sp. z o.o. [the Employer] for the implementation of the Investment [the Agreement].

The Issuer's remuneration under the agreement amounts to PLN 133.6 million gross (i.e. approx. PLN 108.6 million excl. VAT), including remuneration for the execution of the basic scope amounts to PLN 130.4 million gross (i.e. approx. PLN 106 million excl. VAT), and for the execution of the option right - PLN 3.2 million gross (i.e. approx. PLN 2.6 million excl. VAT). The deadline for completing the Investment (the basic order and possible right of option) is 31 May 2023, and the period of quality guarantee and warranty is 72 months.

The Agreement envisages the possibility of calculating contractual penalties, inter alia, in the event of a delay in the performance of the Agreement or in the event of withdrawal from the Agreement for reasons attributable to the Issuer. The total amount of accrued contractual penalties shall not exceed 20% of the gross value of the Agreement. Payment of the contractual penalty shall not deprive the Employer of their right to seek compensation on general terms in excess of the amount of the reserved contractual penalty. The remaining conditions of the Agreement, including its security and the possibility of its withdrawal or termination, do not differ from the conditions commonly used for this type of agreements.