



(TRANSLATION ONLY)

Current report No: 13/2023

Prepared on: 2023-04-11

Issuer's abbreviated name: TORPOL S.A.

Subject: Conclusion of a construction contract with PMT Linie Kolejowe sp. z o.o.

Legal Grounds:

Article 17(1) of MAR – Confidential Information

Contents of the Report:

In relation to current report no. 9/2013 dated 30 March 2023, regarding the selection by KGHM Polska Miedź S.A. with its registered head office in Lubin (Procedure Organizer) of the offer submitted by a consortium of companies with the participation of TORPOL S.A. (the Issuer, the Company), as the most favourable offer in the tender procedure entitled: "Modernisation of railway infrastructure", the Issuer announces that on 11 April 2023 it concluded an agreement for the performance of the aforementioned task (the Agreement) with PMT Linie Kolejowe sp. z o.o. with its registered office in Owczary (the Employer).

The Consortium's remuneration under the Agreement is approximately PLN 288.7 million gross (i.e. approximately PLN 234.7 million net), of which the Issuer's share is approximately PLN 216.8 million gross (i.e. approximately PLN 176.2 million net). The term for the completion of the subject of the Agreement was set at 36 months from the date of its conclusion.

The performance bond period for the scope of work covered by the Agreement is set at 120 months, while the warranty period for defects is 60 months from the signing of the final acceptance protocol.

The Agreement provides for the possibility of calculating contractual penalties for, among other things, a delay in implementing the subject of the Agreement (up to 20% of the net remuneration due to the consortium), or in the event of the Ordering Party withdrawing from the Agreement for reasons attributable to the consortium (in the amount of 30% of the total net remuneration due to the consortium). The Employer shall be entitled to claim each of the contractual penalties separately and independently of the others. The parties to the Agreement are entitled to claim compensation exceeding the reserved contractual penalty, under general rules.

The other terms and conditions of the Agreement, including with regard to its security and the possibility of withdrawing from or terminating it, do not differ from those commonly used for this type of agreement.