

**Rationale of the Management Board of CIECH S.A.**  
**to the resolution related to item No. 5 of the Agenda**  
**of the Extraordinary Shareholder Meeting of CIECH S.A.**  
**planned for 15<sup>th</sup> March 2021**

Granting consent to conclude a pledge agreement and to establish registered pledge (registered pledges) over collection of movables and rights constituting the organized entirety with variable composition, being the part of the Company's enterprise, to secure the receivables resulting from (inter alia) the facilities agreements.

**Introduction:**

The Management Board of the Company has taken actions to obtain new debt financing for CIECH SA (hereinafter also the "Company") and certain companies from the CIECH Group ("New Financing") and in December 2020 made the decision to commence negotiations of a new financing agreement with selected banks and financial institutions (Current Report 36/2020 dated December 28, 2020).

The New Financing is planned to be implemented by execution of a new facilities agreement by (inter alia) the Company (the "New Facilities Agreement") and a new intercreditor agreement related thereto (the "New Intercreditor Agreement" together with any other finance documents related thereto (including hedging agreements and overdraft facility agreements), hereinafter jointly referred to as "New Finance Documents").

It is anticipated that the New Finance Documents will provide for the creation by the Company, as well as other members of the Group, of security interests for repayment of the indebtedness arising out of or in connection with the New Finance Documents; one of such security interests shall be a registered pledge (registered pledges) over a collection of movables and rights constituting the organized entirety with variable composition, being the property of Company's enterprise (*zbiór rzeczy i praw stanowiących organizacyjną całość o zmiennym składzie wchodzących w skład przedsiębiorstwa Spółki*). Establishment of the pledge requires consent of the Company's shareholders.

**Rationale:**

- Establishment of the registered pledge over collection of movables and rights of the Company is required by the financing banks as an element of the security package envisaged for the New Financing;



- The implementation of New Financing will allow for extension of maturity of the available debt financing in CIECH Group, securing the availability of long-term financing for the implementation of ongoing investment projects and allowing for debt consolidation of the refinanced loan agreements.

#### MANAGEMENT BOARD OF CIECH S.A.