

## **(Current Report No 041/2014)**

**May, 14<sup>th</sup> 2014**

### **Conclusion of a Significant Agreement**

Legal basis: Art. 56.1.2 of the Act on Public Offering – current and periodic information

The Management Board of LC Corp S.A. ("the Issuer") reports that on 14 May 2014, the Issuer's subsidiary undertaking, i.e. LC Corp Invest XVII spółka z ograniczoną odpowiedzialnością Projekt 20 sp. k., whose the Issuer directly and indirectly (by its subsidiary undertakings: LC Corp Invest XVII Sp. z o.o. and LC Corp Invest XI sp. z o.o.) is the sole partner, concluded a bank loan agreement with Powszechna Kasa Oszczędności Bank Polski S.A. ("the Bank"), for the amount expressed in EURO which represents the equivalent of PLN 62,000,000.00 to finance partially the construction of an office and commercial complex with a retail and service part and with a car park of Silesia Star in Katowice located in Roździeńskiego 10 street ("the Investment loan) and a revolving VAT loan up to the maximum amount of PLN 3,000,000 ("the VAT loan").

Pursuant to Art. 2.2. of the Regulation of the Minister of Finance (Journal of Laws No. 33, item 259) of 19 February 2009, on current and periodic information published by issuers of securities and the conditions for recognising as equivalent the information required under the provisions of law of a non-member state ("the Regulation"), the Issuer informs that for the last 12 months its subsidiary undertakings, i.e. LC Corp Invest XV spółka z ograniczoną odpowiedzialnością Projekt 8 sp. k., LC Corp Invest XV spółka z ograniczoną odpowiedzialnością Projekt 1 sp. k. and LC Corp Invest XVII spółka z ograniczoną odpowiedzialnością Projekt 20 sp. k., have concluded agreements with the Bank whose the total value amounts to PLN 114,946,987.00 and thus exceeds 10% of the Issuer's equity. The above-mentioned value includes LC Corp Invest XVII spółka z ograniczoną odpowiedzialnością Projekt 20 sp. k. liability arising from the agreement described below, LC Corp Invest XV spółka z ograniczoną odpowiedzialnością Projekt 8 sp. k. liability in the amount of PLN 31,173,000.00 arising from a loan agreement and LC Corp Invest XV spółka z ograniczoną odpowiedzialnością Projekt 1 sp. k. liability in the amount of 18,773,987.00 arising from a loan agreement.

Pursuant to Art. 9.8 of the Regulation, the Issuer reports that the agreement of the highest value is the agreement concluded on 14 May 2014 between LC Corp Invest XVII spółka z ograniczoną odpowiedzialnością Projekt 20 sp. k. ("the Borrower") and the Bank whose subject matter is to grant the Investment loan and the VAT loan to the Borrower by the Bank, mentioned above in the first paragraph ("the Agreement").

The Investment loan shall be charged with interest at a floating rate on an annual basis, which is defined as the sum of a EURIBOR reference rate and a margin established on the market conditions. The VAT loan will be charged with interest at a floating rate on an annual basis, which is defined as the sum of a WIBOR reference rate and a margin established on the market conditions. Commissions on the Investment loan and the VAT loan granted to the Borrower were established basing on the market conditions.

Pursuant to the Agreement, the Investment loan shall be paid off until 31 December 2025 and the VAT loan until 31 May 2016.

The basic collaterals for the Bank include:

- a mortgage with the highest priority established for the Bank by the Borrower-the Company to the amount of EUR 36,833,333.33 on the Borrower's right to perpetual usufruct of the land property located in Katowice in Roździeńskiego 10 street, for which the District Court Katowice-Wschód in Katowice, XI Land and Mortgage Registers Division keeps the Land and Mortgage Register KW no. KA1K/00047698/2;
- a registered pledge on assets and rights representing the Borrower's enterprise to secure the payment of liabilities of up to EUR 43,333,333.33, representing the highest amount of security;
- registered pledges and financial pledges on rights to the funds raised in all the Borrower's accounts for the maximum security value in the amount of EUR 43,333,333.33;
- an assignment of claims from all the agreements concluded by the Borrower
- a subordination agreement concluded by the Issuer, LC Corp Invest XI Sp. z o.o., LC Corp Invest I Sp. z o.o. and LC Corp Invest XVII Sp. z o.o. as subordinated creditors and the Bank as the Lender and the Borrower;
- a support agreement entered into between the Borrower, the Bank and the Issuer, under which the Issuer acting as a guarantor, inter alia, shall be obliged, in certain situations specified in this agreement, to provide the Borrower with financial support;
- four blank promissory notes with note agreements guaranteed by the Issuer together with the declarations of submission to enforcement, until the lease agreements, concluded with lessees unrelated to the Issuer covering at least 20% of the leased area in the Silesia Star building, are submitted to the Bank (after which the Borrower is obliged to submit new promissory notes without the Issuer's guarantee, while notes guaranteed by the Issuer are returned).

The Borrower shall also be obliged to enter into agreements hedging against foreign exchange risk and interest rate risk (hedging agreements) that shall be secured by the mortgage to the amount of PLN 61,470.30 (with a priority lower than the mortgage established as a collateral of the Agreement) established on the Borrower's right to perpetual usufruct of the land property located in Katowice in Roździeńskiego 10 street.

Legal basis: 2.1.44, in connection with 2.2 of the Regulation of the Minister of Finance (Journal of Laws, No. 33, Item 259) dated 19 February 2009 on current and periodic information published by issuers of securities and conditions for recognising as equivalent the information required by the laws of a non-member state.