

POLISH FINANCIAL SUPERVISION AUTHORITY

Current Report No.

27

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2017

Date:

June 5th 2017

Abbreviated issuer name

FAMUR S.A.

Subject

Resolutions passed by the Extraordinary General Meeting of FAMUR S.A. on June 5th 2017

Legal basis

Art. 56.1.2 of the Public Offering Act – Current and periodic information

Text of the report:

The Company's Management Board publishes, attached hereto, the resolutions passed by the Extraordinary General Meeting on June 5th 2017, together with the results of voting on the resolutions, as well as the Management Board's opinion providing grounds for waiver of the existing shareholders' pre-emptive rights to acquire new Series D and Series E shares, as well as the method of determining their issue price, attached to the notarial deed.

Appendices

File	Description
17.06.05 podjęte uchwały.pdf	Resolutions passed by the Extraordinary General Meeting of FAMUR S.A. on June 5th 2017
17.06.05-załącznik do aktu notarialnego.pdf	Appendix to the notarial deed

FAMUR Spółka Akcyjna	(full issuer name)
FAMUR S.A.	Electromechanical (ele)
(abbreviated issuer name)	(sector according to the WSE)
40-698	Katowice
(postal code)	(city/town)
Armii Krajowej	51
(street)	(number)
+48 32 359 63 00	+48 32 359 66 77
(phone)	(fax)
sekretariat@famur.com.pl	www.famur.com
(email)	(www)
634-012-62-46	270641528
(Tax Identification Number – NIP)	(Industry Identification Number – REGON)

SIGNATURES OF AUTHORISED REPRESENTATIVES

Date	Full name	Position	Signature
June 5th 2017	Mirosław Bendzera	President of the Management Board	
June 5th 2017	Olga Panek	Commercial Proxy	

The Company's Management Board publishes, attached hereto, the resolutions passed by the Extraordinary General Meeting on June 5th 2017, together with the results of voting on the resolutions, as well as the Management Board's opinion providing grounds for waiver of the existing shareholders' pre-emptive rights to acquire new Series D and Series E shares, as well as the method of determining their issue price, attached to the notarial deed.

RESOLUTION NO. 1
of the Extraordinary General Meeting of FAMUR S.A.
dated June 5th 2017

to appoint the Chairperson of the Extraordinary General Meeting. -----

Section 1

Acting pursuant to Article 409.1 of the Commercial Companies Code, the Extraordinary General Meeting of FAMUR S.A. of Katowice appoints Mr Grzegorz Marcin **Morawiec** as Chairperson of the General Meeting. -----

Section 2

This Resolution shall become effective as of its date. -----

420,349,697 (four hundred and twenty million, three hundred and forty-nine thousand, six hundred and ninety-seven) valid votes were cast in favour of the resolution in a secret ballot by shareholders holding a total of 420,350,697 (four hundred and twenty million, three hundred and fifty thousand, six hundred and ninety-seven) shares, on which valid votes were cast and which represented 86.41% (eighty six and forty-one hundredths per cent) of the share capital and carried the right to 420,350,697 valid votes. The votes cast in favour of the resolution represented 99.99% (ninety-nine and ninety-nine hundredths per cent) of the votes cast; there were no votes against the resolution, and there were 1,000 (one thousand) abstentions. The Chairperson declared that the resolution was passed by the required majority. -----

RESOLUTION NO. 2
of the Extraordinary General Meeting of FAMUR S.A.
dated June 5th 2017

not to appoint a Ballot Counting Committee -----

Section 1

The Extraordinary General Meeting of FAMUR S.A. of Katowice decides not to appoint a Ballot Counting Committee.-----

Section 2

This Resolution shall become effective as of its date.-----

420,350,697 valid votes were cast in favour of the resolution in an open ballot by shareholders holding a total of 420,350,697 shares on which valid votes were cast and which represented 86.41% of the share capital and carried the right to 420,350,697 votes. The votes cast in favour of the resolution represented 100% (one hundred percent) of the votes cast as there were no votes against the resolution or abstentions. The Chairperson declared that the resolution was passed unanimously.-----

RESOLUTION NO. 3
of the Extraordinary General Meeting of FAMUR S.A.
dated June 5th 2017

to increase the Company's share capital through the issue of Series D and Series E shares by way of a private placement with the existing shareholders' pre-emptive rights waived in full, to convert Series D and Series E shares into book-entry form and introduce them to trading on the regulated market operated by the Warsaw Stock Exchange, and to amend the Articles of Association.-----

Section 1

Acting pursuant to Art. 431.1, Art. 431.2.1), Art. 431.7 in conjunction with Art. 310.2, Art. 432.1 and Art. 433.2 of the Commercial Companies Code, the Extraordinary General Meeting of FAMUR S.A.

of Katowice resolves as follows: -----

- 1) The Company's share capital shall be increased from PLN 4,864,700.00 (four million, eight hundred and sixty-four thousand, seven hundred zloty) by no less than PLN 0.01 (one grosz) and no more than PLN 729,705.00 (seven hundred and twenty-nine thousand, seven hundred and five zloty);-----
- 2) The share capital increase referred to in Section 1.1 shall be effected through the issue of: ----
 - a) No more than 43,677,000 Series D ordinary bearer shares with a par value of PLN 0.01 per share ("Series D shares");-----
 - b) No more than 29,293,500 Series E ordinary registered shares with a par value of PLN 0.01 per share ("Series E shares"), to be converted into bearer shares at the shareholder's request;---
- 3) The Company's Management Board shall be authorised to determine the final terms and conditions of subscription for Series D and Series E shares, including the issue price of Series D and Series E shares; -----
- 4) Series D shares shall carry the right to dividend, on a par with the other shares, in the following manner:-----
 - a) Starting from the dividend from profit for the financial year 2017 – if Series D shares are registered in securities accounts on or before the dividend record date set in the Annual General Meeting's resolution on the allocation of profit for the financial year 2017; -----
 - b) Starting from the dividend from profit for the financial year 2018 – if Series D shares are registered in securities accounts after the dividend record date set in the Annual General Meeting's resolution on the allocation of profit for the financial year 2017; -----
- 5) Series E shares shall carry the right to dividend, on a par with the other shares, in the following manner: -----
 - a) Starting from the dividend from profit for the financial year 2017 – if the share capital increase through the issue of Series E shares is registered on or before the dividend record date set in the Annual General Meeting's resolution on the allocation of profit for the financial year 2017;-----
 - b) Starting from the dividend from profit for the financial year 2018 – if the share capital increase through the issue of Series E shares is registered after the dividend record date set in the Annual General Meeting's resolution on the allocation of profit for the financial year 2017;-----

- 6) Series D and Series E shares shall be fully paid for in cash prior to the registration of share capital increase through the issue of Series D and Series E shares; -----
- 7) The issue of Series D shares and Series E shares shall be effected by way of a private placement as referred to in Art. 431.2.1 of the Commercial Companies Code and it shall not be a public offering within the meaning of Art. 3.1 of the Polish Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies of July 29th 2005;-----
- 8) Series D shares and Series E shares shall be subscribed for as part of the issue referred to above by submitting an offer by the Company and its acceptance by the designated investor, i.e. TDJ Equity I Sp. z o.o. of Tarnowskie Góry;-----
- 9) Subscription agreements for Series D shares and Series E shares should be concluded by June 30th 2017;-----
- 10) Series D shares and Series E shares shall be sought to be admitted to trading on the regulated market of the Warsaw Stock Exchange, with the proviso that: -----
 - a) Series D shares represent less than 10% of the Company's shares of the same type admitted to trading on that regulated market, and when aggregated with shares so admitted to trading on that regulated market within the last 12 months they will not reach or exceed that percentage, therefore, pursuant to Art. 7.10 of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies, dated July 29th 2005, admission of Series D shares to trading on the regulated market does not require a prospectus or information memorandum to be drawn up and published;-----
 - b) Series E shares shall be sought to be admitted to trading on the regulated market operated by the Warsaw Stock Exchange following their conversion into bearer shares;
- 11) Series D and Series E shares (subject to Section 1.10.b) above) shall ultimately be converted into book-entry form shares within the meaning of the Act on Trading in Financial Instruments of July 29th 2005. -----

Section 2

In the interest of the Company, the existing shareholders' pre-emptive rights to subscribe for all new Series D and Series E shares shall be waived in full. The Management Board's written opinion presented to the General Meeting, concerning the waiver of the pre-emptive rights to Series D and

Series E shares, is hereby acknowledged. The written opinion of the Management Board, stating the reasons for the waiver of the shareholders' pre-emptive rights to acquire Series D and Series E shares and specifying the manner in which the issue price of those shares will be set has been presented to the General Meeting and is attached as an appendix to this notarial deed.-----

Section 3

The Management Board is hereby authorised and obliged to take all practical and legal steps to implement this Resolution, and in particular-----

1. To determine the final terms and conditions of subscription for Series D and Series E shares, including the issue price of Series D and Series E shares; -----
2. To submit an offer to subscribe for Series D and Series E shares in accordance with this Resolution;-----
3. To define the provisions of the subscription agreement for Series D and Series E shares and to enter into the subscription agreement for Series D and Series E shares; -----
4. Prior to submitting a request for registration of the share capital increase – to make a representation, pursuant to Art. 310.2 of the Commercial Companies Code, in the form of a notarial deed, on the share capital amount subscribed for; -----
5. To convert Series E shares into bearer shares; -----
6. To take steps to: -----
 - a) Register with the National Court Register the share capital increase effected through the issue of Series D and Series E shares, as well as the amendments to the Articles of Association related to the share capital increase; -----
 - b) Convert Series D and Series E shares into book-entry form, and execute an agreement with the Central Securities Depository of Poland on registration of those shares with the securities depository, as referred to in Art. 5 of the Act on Trading in Financial Instruments; -----
 - c) Introduce Series D and Series E shares to trading on the regulated market of the Warsaw Stock Exchange;-----
7. To take any other steps related to the implementation of this Resolution. -----

Section 4

In connection with the share capital increase through the issue of Series D and Series E shares, the Extraordinary General Meeting of FAMUR S.A. of Katowice, acting pursuant to Art. 430 of the Commercial Companies Code, resolves to amend Art. 6.1 of the Company's Articles of Association, which shall read as follows: -----

1. The share capital of the Company amounts to no less than PLN 4,864,700.01 (four million, eight hundred and sixty-four thousand, seven hundred złoty, one grosz) and no more than 5,594,405.00 (five million, five hundred and ninety-four thousand, four hundred and five złoty) and is divided into:-----

- a. 432,460,830 (four hundred and thirty-two million, four hundred and sixty thousand, eight hundred and thirty) Series A ordinary bearer shares;-----*
- b. 49,039,170 (forty-nine million, thirty-nine thousand, one hundred and seventy) Series B ordinary bearer shares;-----*
- c. 4,970,000 (four million, nine hundred and seventy thousand) Series C ordinary bearer shares;-----*
- d. Up to 43,677,000 (forty-three million, six hundred and seventy-seven thousand) Series D ordinary bearer shares;*
- e. Up to 29,293,500 (twenty-nine million, two hundred and ninety-three thousand, five hundred) Series E ordinary registered shares, to be converted into bearer shares at the shareholder's request. -----*

Section 5

This Resolution shall come into force as of its date, with the proviso that the share capital increase and amendments to the Company's Articles of Association shall take effect as of their entry in the National Court Register. -----

351,336,697 (three hundred and fifty-one million, three hundred and thirty-six thousand, six hundred and ninety-seven) valid votes were cast in favour of the resolution in an open ballot by shareholders holding a total of 420,350,697 shares, on which valid votes were cast and which represented 86.41% of the share capital and carried the right to 420,350,697 valid votes. The votes cast in favour of the resolution represented 83.58% (eighty-three and fifty-eight hundredths percent) of the votes cast as there were 35,001,000 (thirty-five million, one thousand) votes against the resolution and 34,013,000 (thirty-four million, thirteen thousand) abstentions. The Chairperson declared that the resolution was passed by the required majority. -----

Following the announcement of the voting results, the proxy for shareholder VALUE FIZ SUBFUNDUSZ 1 of Warsaw, holding as at the record date for participation in the General Meeting 1,000 ordinary bearer shares of the Company, raised an objection against the Resolution.-----

RESOLUTION NO. 4
of the Extraordinary General Meeting of FAMUR S.A.
dated June 5th 2017

to authorise the Supervisory Board to prepare the consolidated text of the amended Articles of Association.-----

Section 1

Acting under Art. 430.5 of the Commercial Companies Code, the Extraordinary General Meeting of FAMUR S.A. of Katowice authorises the Supervisory Board to draw up the consolidated text of the amended Articles of Association incorporating the amendments specified in Resolution No. 3 of the General Meeting. -----

Section 2

This Resolution shall become effective as of its date. -----

386,336,697 (three hundred and eighty-six million, three hundred and thirty-six thousand, six hundred and ninety-seven) valid votes were cast in favour of the resolution in an open ballot by shareholders holding a total of 420,350,697 shares, on which valid votes were cast and which represented 86.41% of the share capital and carried the right to 420,350,697 valid votes. The votes cast in favour of the resolution represented 91.90% (ninety-one and ninety hundredths percent) of the votes cast as there were 1,000 (one thousand) votes against the resolution and 34,013,000 abstentions. The Chairperson declared that the resolution was passed by the required majority.

Following the announcement of the voting results, the proxy for shareholder VALUE FIZ SUBFUNDUSZ 1 of Warsaw, holding as at the record date for participation in the General Meeting 1,000 ordinary bearer shares of the Company, raised an objection against the Resolution.-----

The Company's Management Board publishes, attached hereto, the resolutions passed by the Company's Extraordinary General Meeting on June 5th 2017, together with the results of voting on the resolutions, and

the Management Board's opinion providing grounds for waiver of the existing shareholders' preemptive rights to acquire new Series D and Series E shares, as well as the method of determining their issue price, attached to the notarial deed.

Par. 38.1.7 of the Minister of Finance's Regulation 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, dated February 19th 2009 (Dz. U. of 2014, item 133, as amended)

Acting under Art. 433.2 sentence 4 of the Commercial Companies Code, the Management Board of FAMUR S.A. (**the Company**), in view of the proposed share capital increase, submits the following opinion to the Extraordinary General Meeting convened for June 5th 2017:

**Opinion of the Management Board of FAMUR S.A.
stating the reasons for the waiver of pre-emptive rights
and for the method of determining the issue price for the
shares**

This opinion of the Management Board of FAMUR S.A. states the reasons for the waiver of the shareholders' pre-emptive rights to acquire Series D and Series E shares and the method of determining the issue price of those shares. This opinion has been prepared in accordance with Art. 433.2 of the Commercial Companies Code.

Pursuant to draft Resolution No. 3 of the Extraordinary General Meeting of FAMUR Spółka Akcyjna of Katowice, convened for June 5th 2017, the Company's share capital is to be increased by no less than PLN 0.01 (one grosz) and by no more than PLN 729,705.00 (seven hundred and twenty-nine thousand, seven hundred and five złoty). The issue is to be effected by way of a private placement, i.e. by offering the new shares solely to the designated investor, TDJ Equity I Sp. z o.o. Thus, the issue and the offering of Series D and Series E shares will not be a public offering within the meaning of Art. 3.1 of the Polish Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies of July 29th 2005.

Considering the nature and structure of the Company's shareholder base, duration and degree of formality, as well as costs associated with different types of share subscriptions, the best way of increasing the Company's share capital is a private placement with the existing shareholders' pre-emptive rights waived in full.

The issue of Series D and series E shares by way of a private placement will be the most effective and the least expensive way of raising capital, which will be used to:

- Acquire a controlling interest in KOPEX S.A. of Katowice,
- Support the implementation of the Go Global strategy through the development of foreign service companies,
- Refinance a loan extended to Kopex in connection with the repayment of the C tranche debt,
- Develop the Famak Group through the acquisition of Fugo Zamet Sp. z o.o. and assets of Famago Sp. z o.o. as well as through expenditure on automation and modernization.

The objective of those transactions and projects is both to enhance the Company's and the Group's production capacity and growth in the specified areas as well as to obtain access to new customers, markets and distribution channels. The above is closely related to the adoption of an integration model for the FAMUR Group and the KOPEX Group, as announced by the Company in a

current report. The Company, now in a fast growth phase, is pursuing many investments and projects that require considerable capital expenditure.

Proceeds from a share issue will also allow the Company to diversify its financing sources.

All of these efforts are justified considering the Company's strategy designed to offer more technologically advanced, higher-margin solutions and expand the Company's presence in foreign markets.

The planned issue was prompted by a request from a shareholder, i.e. TDJ Equity I Sp. z o.o., which stated that the purpose of the share capital increase is to ensure successful completion of the Company's share issue in order to raise capital, while ensuring the liquidity of the issue shares. The Shareholder proposed to sell a part of its existing shareholding (by way of invitations addressed to selected investors) with a simultaneous subscription for new shares by TDJ Equity I sp. z o.o. The Shareholder plans to sell up to 15% of the shares, but not more than the number of shares to be issued in connection with the planned capital increase. TDJ Equity I Sp. z o.o. has declared that it intends to subscribe for the number of shares in the increased share capital of FAMUR S.A. equal to the number of shares sold by TDJ Equity Sp. z o.o. on the stock exchange, at a price corresponding to the price at which the shares were sold.

The waiver of the existing shareholders' pre-emptive rights and increase in the share capital through a private placement consisting in offering the shares to a designated investor is the most economically viable and the fastest way of increasing the share capital as well as an effective means of raising funds for the achievement of the objectives specified above, with costs reduced to the minimum and the entire process accelerated and simplified, which is in the best interests of both the Company and its shareholders.

If effected, the issue of new shares as proposed by the shareholder will also increase the liquidity of Company shares.

At the same time, as proposed above, the Company's Management Board will invite TDJ Equity I Sp. z o.o. to subscribe for the new issue shares at the price corresponding to the selling price of shares owned by TDJ Equity I Sp. z o.o. which will be sold as part of the above transactions.

In consideration of these circumstances, the Management Board of FAMUR S.A. recommends that the General Meeting of the Company vote in favour of the resolution to increase the Company's share capital with the existing shareholders' pre-emptive rights waived in full, in accordance with the draft resolution.
