

**POLISH FINANCIAL SUPERVISION AUTHORITY**  
Current Report No. 9/2016

**Preparation date:** June 30, 2016

**Abbreviated name of issuer:**

DEBICA

**Subject:** Entering into material agreements with Goodyear S.A.

**Legal grounds:**

Others regulations

Report content:

Legal grounds

Pursuant to §5 par. 1 subpar. 3 in conjunction with §2, par. 2 and in conjunction with §9 of the Ordinance of Minister of Finance, dated February 19, 2009 on Current and Periodic Information Provided by the Issuers of Securities and Conditions for Recognizing as Equivalent Information Required by the Legislation of a Non-Member State (Journal of Laws of 2014, item 133, uniform text).

With reference to the Current Report No. 16/2015, dated January 23, 2015 of Tire Company Debica S.A. with its registered office in Debica (hereinafter referred to as "Company") the Company's Management Board announces that since the publication of its Current Report No. 16/2015 the Company entered into two (2) consecutive agreements that fulfil the "material agreement" criterion, with Goodyear S.A. with its registered office at Colmar Berg, Luxembourg ("Goodyear S.A.")

Since the publication date of the Current Report No. 16/2015 i.e. since 23 August 2015 the total estimated value of more than one agreement ("Agreements") entered into with Goodyear S.A. was PLN 125 million, i.e. exceeded 10% of the Company's equity as of the date of the last Agreement and consequently the agreements meet jointly the criterion of gravity. Each agreement is a loan agreement.

The Company estimates that that total value of services under the concluded Agreements during their effective term will total approximately PLN 125 million. The above estimate is based on the total value of principal lent, excluding the value of interest. It is impossible to determine the value of interest precisely, since interest rate under each Agreement is variable and the Borrower is entitled to repay each of the loans prematurely.

The agreement with the highest value is the Loan Agreement, dated 20 May 2016. The Loan Agreement was entered between the Company, acting in the capacity of the Lender, and Goodyear S.A., acting in the capacity of the Borrower. Under the Loan Agreement the Company extends to Goodyear S.A. a loan totalling PLN 75 million. The maturity date of the loan is 20 May 2017, however, the repayment, with an option of premature partial repayment (with the minimum value of each tranche of repayment equal to PLN 5 million). It is an

interest-bearing loan. Annual interest rate of the loan equals the total of WIBOR1M +0.1% of the Company's fee. The interest shall be paid on 14<sup>th</sup> day of the next month at the latest.

As a security for loan repayment the Loan Agreement provides for a guarantee of Goodyear Tire and Rubber Company with its registered office in Akron in Ohio, USA, the entity indirectly controlling the Company.

The Loan Agreement has not been concluded provisionally, nor with the tenor reservation. The terms and conditions of the Loan Agreement do not deviate from universally applied terms and conditions to such agreements. The Loan Agreement does not provide for any contractual penalties.

The second of the aforementioned agreements is the Loan Agreement dated 29 June 2016. The Loan Agreement was entered between the Company, acting in the capacity of the Lender, and Goodyear S.A., acting in the capacity of the Borrower. Under the Loan Agreement the Company extends to Goodyear S.A. a loan totalling PLN 50 million. The maturity date of the loan is 29 June 2017, however, the repayment, with an option of premature partial repayment (with the minimum value of each tranche of repayment equal to PLN 5 million). It is an interest-bearing loan. Annual interest rate of the loan equals the total of WIBOR1M +0.1% of the Company's fee. The interest shall be paid on 14<sup>th</sup> day of the next month at the latest.

Goodyear S.A. is an entity controlling the Company and it holds directly 81.396% of the shares in the Company.