

DEBICA

POLISH FINANCIAL SUPERVISION AUTHORITY
Current report No. 17/2017

Date: 18 December 2017

Subject: Entering into a material agreement with Goodyear S.A.

Legal grounds:

Art. 17 item 1 of the MAR regulation – confidential information

Report content:

The Management Board of the Tire Company Dębica SA with its registered office in Dębica (hereinafter referred to as the “Company”) announces that the Company entered into a material agreement with Goodyear S.A. with its registered office in Colmar-Berg, Luxembourg (hereinafter referred to as “Goodyear”) the Company has concluded a loan agreement with the total value of PLN 60 mln.

Entering into the aforementioned agreement has been considered a confidential information due to its value as well as the fact that it was granted to the main shareholder.

The Company estimates that the total value of services under the concluded agreement during its effective term will total PLN 60 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 the loan prematurely. The Agreement dated Dec. 18, 2017, was entered into between the Company (the Lender) and Goodyear (the Borrower).

According to this Loan Agreement, the Company granted Goodyear S.A. the loan totaling PLN 60 mln. The maturity date of the loan is January 3, 2018 however, the repayment, with an option of premature partial repayment (with the minimum value of each tranche of repayment equal to PLN 5 million). Annual interest rate of the loan equals the total of WIBOR1M +0.1% of the Company’s fee. The interest shall be paid on 14th 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. Goodyear S.A. is a dominant entity towards the Company and directly owns 81,396 % of the Company’s shares.