

**DEBICA**

**POLISH FINANCIAL SUPERVISION AUTHORITY**  
**Current report No. 18/2017**

**Date:** 22 December 2017

**Subject:** Entering into material agreements 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 two loan agreements with Goodyear S.A. with its registered office in Colmar-Berg, Luxembourg (hereinafter referred to as “Goodyear”) with the total value of PLN 165 mln.

Entering into the aforementioned agreements has been considered a confidential information due to their value as well as the fact that they were granted to the main shareholder.

The first Loan Agreement, dated Dec 22, 2017 (hereinafter “Loan Agreement I”) has been concluded between the Company (the Lender) and Goodyear (the Borrower) with the value of PLN 65 mln. Maturity date of the loan is March 22, 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.

Second Loan Agreement, dated Dec 22, 2017 (hereinafter “Loan Agreement II”) has been concluded between the Company (the Lender) and Goodyear (the Borrower) with the value of PLN 100 mln. Maturity date of this loan is December 23, 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 WIBOR1Y +0,1 % of the Company’s fee.

Both Loan Agreements provide that the interests shall be paid 14<sup>th</sup> day of the next month at the latest. As a security for loans repayment the Loan Agreements provide 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 Company estimates that the total value of services under both loan agreements during their effective terms will total PLN 165 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 loans prematurely.

Goodyear S.A. is a dominant entity towards the Company and directly owns 81,396 % of the Company's shares.