

The Management Board of FEERUM S.A. with its registered office in Chojnów (the “**Company**”) hereby informs that on 26 August 2016 the Company concluded with Farma Radło Spółka z ograniczoną odpowiedzialnością with its registered office in Redło 13, 72-221 Osina, entered into the Register of Entrepreneurs of the National Court Register under KRS number 0000207343, NIP: 8561595006, REGON: 811675799 (the “**Farma Redło**”) agreement under which the Company, within the framework of investment, will perform a work of delivery, install and starting drying and storage complex in favour of the Farma Redło (the “**Agreement**”). The above-mentioned works starts on 1 September 2016 and will ends on 31 May 2017.

The Company and the Farma Redło determined the value of the Agreement on PLN 5.450.000,00 net plus VAT. The Company undertakes to submit a bank guarantee with a value of PLN 250.000,00 in favour of the Farma Redło as a security for due performance of the Agreement. The bank guarantee will be released in the following way: (i) 125.000,00 PLN after the receipt of the subject of the Agreement, (ii) 125.000,00 PLN after one year after the acceptance of the subject of the Agreement.

In respect of contractual penalty, the Company will be obliged to pay in favour of the Farma Redło:

- 5% of the net value of the subject of the Agreement in the case of termination of the Agreement by the Farma Redło for the reasons for which the Company is responsible,
- for the delay in performance of the subject of the Agreement, 0,1% of the net value of non-performed work for each day of delay,
- for delay in removal of defects of the subject of the Agreement, 0,05% of the net value of the defective work, for each day of delay.

Notwithstanding the foregoing, the value of total contractual penalty can not exceed 10% of the net value of the subject of the Agreement.

Other conditions of the Agreement do not differ from those commonly applied in agreements of this type.