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## Signing of the agreement for the construction of power units in Dolna Odra power plant

The Management Board of PGE Polska Grupa Energetyczna S.A. ("PGE") discloses that on January 30, 2020 PGE Górnictwo i Energetyka Konwencjonalna S.A. ("PGE GiEK S.A."), a subsidiary of PGE, concluded an agreement (the "Agreement") with syndicate of companies: General Electric Global Services GmbH, Polimex Mostostal S.A. and General Electric International Inc. (later referred to as the "Contractor").

Subject matter of the agreement is realisation by the Contractor of turn-key construction of two gas-steam units with a gross capacity of 683 MWe each at PGE GiEK S.A. Branch Zespół Elektrowni Dolna Odra (Unit 9 and Unit 10). The units will be in CCGT technology.

In accordance with the provisions of the Agreement, the commissioning of both units is to take place by December 11, 2023.

The value of the Agreement for construction of units, including autostart option, amounts to PLN 3 701 092 633.13 net. In connection with the Agreement, a LTSA (Long-Term Service Agreement) was also signed with regard to service of two gas turbines during 12-year period from the commissioning date of the units. The value of the LTSA amounts to PLN 1 030 053 269.69 net. Total value of all concluded agreements amounts to PLN 4 731 145 902.82 net (PLN 5 819 309 460.47 gross).

The Agreement provides for contractual penalties for the Contractor related to, among others, failure to meet the deadline for commissioning of the units, failure to comply with the guaranteed rated capacity, failure to deliver the guaranteed level of availability, and failure to deliver the guaranteed average net efficiency of the unit. The total sum of contractual penalties resulting from all titles provided for in the Agreement will not exceed 25% of the net value of the Agreement.

In case of withdrawal from the Agreement in whole or in the scope of the non-performed part for reasons for which one of the parties is liable under the Agreement, the other party shall be entitled to charge the responsible party with a contractual penalty of 10% of the value of the Agreement.

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