

POLISH FINANCIAL SUPERVISION AUTHORITY

Current Report No.

15

/

2016

Date:

March 15th 2016

Abbreviated issuer name

FAMUR S.A.

Subject

Auditor's opinion on the plan of merger of FAMUR S.A. and ELGÓR+ZAMET sp. z o.o.

Legal basis

Art. 56.1.2 of the Public Offering Act – Current and periodic information

Text of the report:

Further to Current Report No. 56/2015 and Current Report No. 4/2016, announcing that a decision to merge FAMUR S.A with ELGÓR+ZAMET sp. z o.o. was made and that a merger plan for the two companies was agreed upon, the Company's Management Board publishes, attached hereto, a written opinion of the auditor on the plan of merger of FAMUR S.A. and ELGÓR+ZAMET sp. z o.o., prepared as at March 10th 2016 and delivered to the Company on March 15th 2016. The Merger Plan was published in Current Report No. 4/2016 of January 15th 2016.

Legal basis: Par. 21.2.3 in conjunction with Par. 5.1.15 of the Minister of Finance's Regulation on current and periodic information to be published by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state, dated February 19th 2009.

Appendices

File	Description
FAMUR_SA_Opinia biegłego_połączenie z Elgór+Zamet.pdf	Auditor's opinion on the plan of merger of FAMUR S.A. and Elgór+Zamet sp. z o.o.

FAMUR Spółka Akcyjna	
	(full issuer name)
FAMUR S.A.	Electromechanical (ele)
	(abbreviated issuer name)
	(sector according to the WSE)
40-698	Katowice
	(postal code)
	(city/town)
Armii Krajowej	51
	(street)
	(number)
+48 32 359 63 00	+48 32 359 66 77
	(phone)
	(fax)
sekretariat@famur.com.pl	www.famur.com
	(email)
	(www)
634-012-62-46	270641528
	(Tax Identification Number – NIP)
	(Industry Identification Number – REGON)

SIGNATURES OF AUTHORISED REPRESENTATIVES

Date	Full name	Position	Signature
March 15th 2016	Beata Zawiszowska	Vice President of the Management Board	
March 15th 2016	Olga Panek		

Opinion on the Merger Plan

Ref No. KA. VIII Ns-Rej. KRS 4030/16/266
KRS No. 0000048716

Auditor's opinion on the Merger Plan for:

FAMUR S.A. of Katowice

and

ELGÓR + ZAMET Spółka z ograniczoną odpowiedzialnością

of Piekary Śląskie

Auditor's opinion on the Merger Plan for FAMUR S.A. of Katowice and ELGÓR + ZAMET Spółka z ograniczoną odpowiedzialnością of Piekary Śląskie This opinion has been prepared for the District Court for Katowice-Wschód in Katowice, 8th Commercial Division of the National Court Register. This opinion concerns the Merger Plan for FAMUR Spółka akcyjna of Katowice and ELGÓR + ZAMET Spółka z ograniczoną odpowiedzialnością of Piekary Śląskie.

This opinion has been prepared based on the decision of the District Court for Katowice-Wschód in Katowice, 8th Commercial Division of the National Court Decision, dated February 17th 2016, court docket No. KA. VIII Ns-Rej KRS 4030/16/266. The decision requires the auditor to review the Merger Plan for FAMUR Spółka akcyjna (the Acquirer) and ELGÓR +ZAMET Spółka z ograniczoną odpowiedzialnością (the Acquiree) in connection with their intended merger and to give an opinion on the Plan's correctness and reliability.

The Merger Plan was reviewed by Jadwiga Wójcik, a qualified auditor entered in the register of qualified auditors under Reg. No. 7216.

The Management Boards of the merging companies are responsible for agreeing on the Merger Plan submitted for the review.

A. Legal basis of the transformation.

According to the provisions of Title IV, Section I of the Commercial Companies Code of September 15th 2000, as amended (consolidated text in Dz.U. of 2013, item 1030), a merger plan should be agreed upon in writing between the merging companies (Art. 517 of the Commercial Companies Code). The Commercial Companies Code also stipulates as follows:

Article 499.1. The merger plan should specify at least:

- 1) *The type, name and registered address of each of the merging companies, the merger procedure and, if the merger is to be effected through the establishment of a new company, also the type, name and registered address of the new company;*
- 2) *The share exchange ratio between the acquiree and acquirer shares or, if the merger is effected through the establishment of a new company, between the shares in the merging companies and the shares in the new company, as well as the amount of additional contributions, if any;*
- 3) *Rules governing the allotment of shares in the acquirer or the new company;*
- 4) *The date from which the shares referred to in Art. 499.1.3 confer the right to distributions from profit of the acquirer or the new company;*
- 5) *Rights granted by the acquirer or the new company to the shareholders and persons holding special rights in the acquiree or in the companies merging through the establishment of a new company;*
- 6) *Special benefits, if any, for members of the governing bodies of the merging companies and for other persons involved in the merger.*

Art. 499.2. The following documents shall be attached to the merger plan:

- 1) *drafts of merger resolutions;*

- 2) *draft amendments to the acquirer's articles of association or draft articles of association of the new company;*
- 3) *valuation of assets of the acquiree or the companies merging through the establishment of a new company, as at a specified day in the month preceding the date of submitting the request for the announcement of the merger plan;*
- 4) *statement containing information on a merging company's financial position, made for the purposes of the merger as at the date referred to in Art. 499.2.3, using the same methods and the same format as those used to prepare the most recent annual statement of financial position.*

Art. 499.3. In the information referred to in Art. 499.2.4:

- 1) *it is not necessary to present a new inventory count;*
- 2) *the amounts disclosed in the most recent statement of financial position should be restated only if it is necessary to reflect changes in accounting records; in such a case, temporary depreciation/amortisation charges and inventories as well as material changes in present values (not disclosed in the accounting books) should be reflected.*

Art. 499.4. The information referred to in Art. 499.2.4 is not prepared by a public company if, in accordance with the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading and Public Companies, it publishes and makes available to shareholders its half-year financial statements.

According to Art. 502 of the Commercial Companies Code, the merger plan should be reviewed by an auditor for its correctness and reliability.

B. Auditor's findings

I. Introductory information

1. The Merger Plan submitted for the review concerns the following companies:

- **FAMUR Spółka Akcyjna** with its registered office at ul. Armii Krajowej 51, 40-698 Katowice, entered in the Business Register of the National Court Register maintained by the District Court for Katowice-Wschód in Katowice, 8th Commercial Division of the National Court Register, under No. (KRS) 0000048716, holding Industry Identification Number (REGON) 270641528 and Tax Identification Number (NIP) 634-012-62-46 (the Acquirer). The Acquirer's share capital of PLN 4,815,000.00 (four million, eight hundred and fifteen thousand złoty) has been paid in full;
- **ELGÓR + ZAMET Spółka z ograniczoną odpowiedzialnością** with its registered office at ul. 1 Maja 35, 41-940 Piekary Śląskie, entered in the Business Register of the National Court Register maintained by the District Court in Gliwice, 10th Commercial Division of the National Court Register, under No. (KRS) 0000205901, holding Industry Identification Number (REGON) 278236939 and Tax Identification Number (NIP) 4980182695. The Acquiree's share capital of PLN 380,000.00 (three hundred and eighty thousand złoty) has been paid in full.

The Merger Plan was agreed upon on January 15th 2016.

II. Content of the Merger Plan

The Merger Plan submitted for the review, prepared and agreed in writing, contains:

1. Section 1 of the Merger Plan – Information on companies participating in the merger,
2. Section 2 of the Merger Plan – Merger procedure,
3. Section 3 of the Merger Plan – Share exchange ratio between Acquiree and Acquirer shares,
4. Section 4 of the Merger Plan – Rules governing the allotment of Acquirer shares,
5. Section 5 of the Merger Plan – Date as of which Acquirer shares confer the right to distributions of the Acquirer's profit,
6. Section 6 of the Merger Plan – Amendments to the Acquirer's Articles of Association,
7. Section 7 of the Merger Plan – Rights granted by the Acquirer to the shareholders of, and persons holding special rights in, the Acquiree,
8. Section 8 of the Merger Plan – Special benefits for members of the governing bodies of the Acquirer and the Acquiree and for other persons participating in the merger,
9. Section 9 of the Merger Plan – List of appendices to the Merger Plan.

III. Overview of the Merger Plan

1. Information on the companies participating in the merger

Section 1 of the Merger Plan presents detailed information on the companies participating in the merger: - the Acquirer:

- FAMUR Spółka Akcyjna with its registered office at ul. Armii Krajowej 51, 40-698 Katowice, entered in the Business Register of the National Court Register maintained by the District Court for Katowice-Wschód in Katowice, 8th Commercial Division of the National Court Register, under No. (KRS) 0000048716, holding Industry Identification Number (REGON) 270641528 and Tax Identification Number (NIP) 634-012-62-46 (the Acquirer). The Acquirer's share capital amounts to PLN 4,815,000.00 (four million, eight hundred and fifteen thousand złoty) and has been paid in full. The Acquirer is a public company within the meaning of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies, dated July 29th 2005 (Dz.U. No. 185, item 1439); its shares are listed on the Warsaw Stock Exchange. - the Acquiree
- ELGÓR + ZAMET Spółka z ograniczoną odpowiedzialnością with its registered office at ul. 1 Maja 35, 41-940 Piekary Śląskie, entered in the Business Register of the National Court Register maintained by the District Court in Gliwice, 10th Commercial Division of the National

Opinion on the Merger Plan

Court Register, under No. (KRS) 0000205901, holding Industry Identification Number (REGON) 278236939 and Tax Identification Number (NIP) 4980182695. The Acquiree's share capital amounts to PLN 380,000.00 (three hundred and eighty thousand złoty) and has been paid in full.

Shareholders of the Acquiree:

- FAMUR S.A., holding 58 (fifty eight) shares with a par value of PLN 1,000.00 (one thousand złoty) per share, representing 29% of the Acquiree's share capital;
- Andrzej Czechowski, holding 17 (seventeen) shares with a par value of PLN 1,000.00 (one thousand złoty) per share, representing 8.5% of the Acquiree's share capital;
- Dawid Gruszczyk, holding 45 (forty five) shares with a par value of PLN 1,000.00 (one thousand złoty) per share, representing 22.5% of the Acquiree's share capital;
- Bolesław Kleszko, holding 23 (twenty three) shares with a par value of PLN 1,000.00 (one thousand złoty) per share, representing 11.5% of the Acquiree's share capital;
- Wojciech Malinga, holding 40 (forty) shares with a par value of PLN 1,000.00 (one thousand złoty) per share, representing 20.0% of the Acquiree's share capital;
- Joachim Sośnica, holding 17 (seventeen) shares with a par value of PLN 1,000.00 (one thousand złoty) per share, representing 8.5% of the Acquiree's share capital.

2. Merger procedure

• 2.1. The merger will be effected in accordance with Art. 492.1.1 of the Commercial Companies Code, i.e. through the transfer of all assets of the Acquiree – ELGÓR + ZAMET Spółka z o.o. of Piekary Śląskie, to the Acquirer – FAMUR S.A. of Katowice.

2.2. The merger of the Acquirer and the Acquiree will take effect on the day of entering the merger into the Business Register of the National Court Register by the Registry Court with jurisdiction over the Acquirer's registered office (the Merger Date). This entry will result in the deletion of the Acquiree from the Business Register. On the day of the deletion, the Acquiree will be dissolved without holding liquidation proceedings.

2.3. As of the Merger Date, the Acquirer will assume all the rights and obligations of the Acquiree. As of the Merger Date, the shareholders of the Acquiree will become shareholders of the Acquirer.

2.4. In connection with the merger, the Acquirer's share capital will be increased by PLN 49,700.00 (forty nine thousand, seven hundred złoty), from PLN 4,815,000 (four million, eight hundred and fifteen thousand złoty) to PLN 4,864,700.00 (four million, eight hundred and sixty four thousand, seven hundred złoty) by way of issue of 4,970,000 (four million, nine hundred and seventy thousand) Series C ordinary bearer shares with a par value of PLN 0.01 (1/100 złoty) per share and a total par

value of 49,700.00 (forty nine thousand, seven hundred złoty) (the Merger Shares). All Merger Shares will be taken up by all shareholders of the Acquiree excluding FAMUR S.A. FAMUR S.A., as the Acquirer, may not take up its own shares in exchange for the shares held in the Acquiree.

2.5. Given that before the merger FAMUR S.A. took control of ELGÓR + ZAMET Spółka z o.o. in accordance with Art. 15.5 of the Act on Competition and Consumer Protection of February 16th 2007, the merger of FAMUR S.A. and ELGÓR + ZAMET Spółka z o.o. is not a concentration subject to notification to the President of the Office of Competition and Consumer Protection.

3. Share exchange ratio between Acquiree and Acquirer shares

The market value of the Acquirer Shares was determined at PLN 2.00 (two złoty) per share. The market value of the Acquirer shares was determined as the arithmetic mean of two turnover-weighted average prices of Acquirer shares for the periods of three and six months, in each case as at the date of the Letter of Intent signed between the Acquirer and the Acquiree's Shareholders, that is as at November 2nd 2015. These values amounted to PLN 1.82 and PLN 2.18, respectively. They reflect the market value of the Acquirer shares as at the date of the Merger Plan.

The market value of the Acquiree shares was determined at PLN 70,000.00 (seventy thousand złoty) per share. The value was determined on the basis of two valuation methods:

- The book value approach based on the most recent statement of financial position prepared before the date of the letter of intent between the Acquirer and the Acquiree's Shareholders, that is November 2nd 2015 (the most recent statement of financial position was prepared as at October 31st 2015); under that approach, the aggregate value of all Acquiree shares is the amount of net assets, that is PLN 13,616 thousand (thirteen million, six hundred and sixteen thousand złoty), or PLN 68 thousand (sixty eight thousand złoty) per share; and
- The discounted cash flow method, using the scenario of growth of ELGÓR + ZAMET Spółka z o.o. as an independent entity; based on this method, the aggregate value of all Acquiree shares was determined at PLN 14,385 thousand (fourteen million, three hundred and eighty five thousand złoty) or PLN 72 thousand (seventy-two thousand złoty) per share.

The value of one share in ELGÓR + ZAMET Spółka z o.o. was determined as the arithmetic mean of the two amounts above, that is at PLN 70,000.00.

In view of the above, for each share held in the Acquiree an Acquiree shareholder (other than FAMUR S.A.) will be entitled to receive 35,000 (thirty five thousand) shares in the Acquirer. The total number of Acquiree shares for which Acquirer shares will be issued is 142 (one hundred and forty

two). Therefore, as a result of the merger, Acquiree shareholders (other than FAMUR S.A.) will be allotted a total of 4,970,000 (four million, nine hundred and seventy thousand) Acquirer shares.

No additional contributions to equity, within the meaning of Art. 499.1.2 of the Commercial Companies Code, will be payable by the Acquiree shareholders in connection with the merger.

4. Rules governing the allotment of Acquirer shares

Section 2.5 of the Merger Plan indicates that all Merger Shares will be acquired by all Acquiree shareholders excluding FAMUR S.A. As the Acquirer, FAMUR S.A. may not acquire its own shares in exchange for shares held in the Acquiree, as stipulated in Art. 514.1 of the Commercial Companies Code.

The other shareholders of the Acquiree will be allotted the following numbers of Merger Shares:

- Andrzej Czechowski, holding 17 (seventeen) Acquiree shares, will be allotted 595,000 (five hundred and ninety-five thousand) Merger Shares;
- Dawid Gruszczyk, holding 45 (forty five) Acquiree shares, will be allotted 1,575,000 (one million, five hundred and seventy-five thousand) Merger Shares;
- Bolesław Kleszko, holding 23 (twenty-three) Acquiree shares, will be allotted 805,000 (eight hundred and five thousand) Merger Shares;
- Wojciech Malinga, holding 40 (forty) Acquiree shares, will be allotted 1,400,000 (one million, four hundred thousand) Merger Shares;
- Joachim Sośnica, holding 17 (seventeen) Acquiree shares, will be allotted 595,000 (five hundred and ninety-five thousand) Merger Shares.

The Acquirer will take steps to convert the Merger Shares into book-entry form and to have the Merger Shares admitted to trading on the regulated market operated by Giełda Papierów Wartościowych w Warszawie S.A. (Warsaw Stock Exchange), on which the existing shares in the Acquirer are listed.

5. Date as of which Acquirer shares confer the right to distributions of the Acquirer's profit

The Merger Shares will confer the right to distributions of the Acquirer's profit as of the Merger Date.

6. Amendments to the Acquirer's Articles of Association

Following the merger, Art. 6.1 of the Acquirer's Articles of Association will be amended to reflect the share capital increase referred to in Section 2.5 of the Merger Plan, and will read as follows:

"The share capital of the Company amounts to PLN 4,864,700.00. (four million, eight hundred and sixty-four thousand, seven hundred zloty) and is divided into 486,470,000 (four hundred and eighty-six million, four hundred and seventy thousand) shares, including:

- a) 432,460,830 (four hundred and thirty two million, four hundred and sixty thousand, eight hundred and thirty) Series A ordinary bearer shares,*
- b) 49,039,170 (forty nine million, thirty nine thousand, one hundred and seventy) Series B ordinary bearer shares,*
- c) 4,970,000 (four million, nine hundred and seventy thousand) Series C ordinary bearer shares.*

7. Rights granted by the Acquirer to the shareholders of, and persons holding special rights in, the Acquiree

No special rights in the Acquirer are planned to be granted to the shareholders of the Acquiree, persons holding special rights in the Acquiree, or to any other persons in connection with the merger.

8. Special benefits for members of the governing bodies of the Acquirer and the Acquiree and for other persons participating in the merger

No special benefits are envisaged to be awarded to members of the governing bodies of the Acquiree, the Acquirer or any other person participating in the merger.

9. Appendices

Appendices to the Merger Plan are:

- 1) Draft resolution of the General Meeting of the Acquirer – Appendix 1,
- 2) Draft resolution of the General Meeting of the Acquiree – Appendix 2,
- 3) Determination of the value of the Acquiree's assets – Appendix 3,
- 4) The Acquiree's statement on its financial position, prepared for the purposes of the merger – Appendix 4,
- 5) Draft amendments to the Acquirer's Articles of Association – Appendix 5.

The Merger Plan was agreed upon and signed in Katowice on January 15th 2016.

C. Summary

The Merger Plan which is the subject of this opinion was prepared in accordance with Art. 499 of the Commercial Companies Code. The Merger Plan is accompanied by appendices required in accordance with Art. 499.2 of the Commercial Companies Code. The Merger Plan submitted for the review was prepared correctly and reliably. The data included in the Merger Plan and the Appendices thereto is consistent with the data disclosed in the statements of financial positions prepared for the purposes of the merger. The valuation of assets was based on the amounts disclosed in the statement of financial position included in the financial statements prepared in accordance with the same accounting policies which were followed in preparing the most recent full-year financial statements. In accordance with Art. 3.1.29 of the Accountancy Act of September 29th 1994 (consolidated text in Dz.U. of 2009, No. 152, item 1223, as amended) (the Accountancy Act), for each of the merging companies, its book value is equal to the net asset value and is the difference between the merging company's assets and liabilities.

Draft resolutions of the Acquirer's General Meeting and the Acquiree's General Meeting include the shareholders' consent to the merger. The draft resolution of the Acquirer's General Meeting also specifies the share capital amount after the merger and the number of Series C shares allotted to the shareholders of the Acquiree. The Merger Plan and the valuation of assets, equity and liabilities were prepared and performed correctly.

In the light of the circumstances described above, the auditor states that the Merger Plan for:

- FAMUR Spółka Akcyjna with its registered office at ul. Armii Krajowej 51, 40-698 Katowice, entered in the Business Register of the National Court Register maintained by the District Court for Katowice-Wschód in Katowice, 8th Commercial Division of the National Court Register, under No. (KRS) 0000048716, holding Industry Identification Number (REGON) 270641528 and Tax Identification Number (NIP) 634-012-62-46 (the Acquirer). The Acquirer's share capital amounts to PLN 4,815,000.00 (four million, eight hundred and fifteen thousand złoty) and has been paid in full;
- ELGÓR + ZAMET Spółka z ograniczoną odpowiedzialnością with its registered office at ul. 1 Maja 35, 41-940 Piekary Śląskie, entered in the Business Register of the National Court Register maintained by the District Court in Gliwice, 10th Commercial Division of the National Court Register, under No. (KRS) 0000205901, holding Industry Identification Number (REGON) 278236939 and Tax Identification Number (NIP) 4980182695. The Acquiree's share capital amounts to PLN 380,000.00 (three hundred and eighty thousand złoty) and has been paid in full.

is correct and reliable, and meets the requirements of Art. 499.1 and 499.2 of the Commercial Companies Code.

Opinion on the Merger Plan

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Jadwiga Wójcik

Qualified Auditor

Reg. No. 7216

Katowice, March 10th 2016