



**Current Report:** 32/2022

**Date:** 2022-09-29

**Name of the Issuer:** FERRUM S.A.

**Title:** Conclusion of a framework agreement with GAZ-SYSTEM for delivery of steel pipes by FERRUM

**Legal basis:** Art. 17 item 1 MAR – inside information

## Content of the Report:

With reference to current report no. 28/2022 on selecting FERRUM's offer in tender proceedings run by Operator Gazociągów Przesyłowych GAZ-SYSTEM (GAZ-SYSTEM, Ordering Party) regarding conclusion of framework agreements, the Management Board of FERRUM S.A. (Company, Issuer) informs that on 29<sup>th</sup> September 2022 it received information that GAZ-SYSTEM S.A., signed a framework agreement for delivery by the Company of steel pipes to GAZ-SYSTEM for its investment tasks(Framework Agreement).

Purpose of the Framework Agreement, which was concluded for the period of 4 years, is to determine and specify the conditions for submission and execution of partial contracts for deliveries of new steel pipes, which may be submitted during the term of the Framework Agreement, whereas the execution time of partial contracts may exceed the above mentioned period of the Framework Agreement.

Concluding the Framework Agreement does not oblige, but only entitles the Ordering Party to invite the Company to submit its offer within execution tender proceedings regarding partial contracts, the result of which shall be conclusion of Partial Agreement with selected deliverer. Within the Framework Agreement the Ordering Party shall proceed, in accordance with Tender Law Act, an undefined number of proceedings aimed at granting a partial agreement, and it shall invite also other contractors with whom it concluded framework agreements. The criteria for evaluating the offers within the proceedings shall be the price (criterion importance – 95%) and the product origin (criterion importance – 5%). The condition for entering into Partial Contract by the parties shall be choosing the Company's offer by the Ordering Party as the most profitable within the executive proceeding and the Issuer's establishing due performance guarantee in the amount of 5% of the total gross value of remuneration resulting from the Partial Contract, as well as presenting suitable quality certificates and qualifications.

Total remuneration granted by GAZ-SYSTEM for execution of all Partial Contracts within the Framework Agreement shall not exceed ca. PLN 1.8 bn net.

Quality guarantee and warranty for the period of 36 months shall be granted due to deliveries within Partial Contracts.

Framework Agreement foresees possibility of imposing contractual penalties by the Ordering Party, inter alia due to delay in deliveries, delay in removal of defects stated during the guarantee period or renouncement by the Ordering Party or the Company from a particular Partial Contract because of reasons on the Issuer's side, whereas total amount of penalties is limited to 20% of net remuneration defined in the Partial Contract. Should the reserved contractual penalty not cover in whole the damage suffered by the Ordering Party, the Ordering Party is entitled to claim compensation exceeding the amount of the contractual penalty.



The remaining conditions of the Frame Contract, including the renouncement and termination terms, do not differ from the conditions applied in these type of contracts.

**SIGNATURES OF PERSONS REPRESENTING THE COMPANY**

<b>Date</b>	<b>Position</b>	<b>First name and surname</b>
2022-09-29	President of the Management Board	Krzysztof Kasprzycki
2022-09-29	Vice-President of the Management Board	Honorata Szlachetka