

**Subject:**

Concluding the important contract

**Legal base:**

Art. 56 sec. 1 pt 2 of the Act on public offering – current and periodical information

**Report's content:**

The Management Board of Skyline Investment S.A. informs that on 29<sup>th</sup> April 2010 between the Issuer, its subsidiary Skyline Venture Spółka z ograniczoną odpowiedzialnością seated in Warsaw (hereinafter: "Skyline Venture") and the National Capital Fund S.A. seated in Warsaw (hereinafter: "NCF") the Contract on granting the financial support (hereinafter: "Contract") was concluded.

The conclusion of the Contract between the mentioned Parties is a result of positive decision of the Open Tender 1/2009 for granting the financial support for the capital funds arranged by NCF under the principles specified in the Act of 4<sup>th</sup> March 2005 on National Capital Fund (Dz. U. No. 57, item 491 with further amendments, hereinafter: "Act on NCF"), the Ordinance of the Minister of Economy of 15<sup>th</sup> June 2007 on financial support granted by the National Capital Fund (Dz. U. of 2007 No. 115 item 796, hereinafter: "Ordinance") and basing on the decision of the European Commission of 17<sup>th</sup> April, No. N26/2007- Poland "Aid to capital funds investing in micro, small and medium enterprises", from the financial means from the Operating Program Innovative Economy 2007-2013, accepted by the European Commission in agreement with the Republic of Poland on 1<sup>st</sup> October 2007 and Council of Ministers on 30<sup>th</sup> October 2007.

The subject of this Contract is the agreement of the conditions for the financial support by NCF.

The Parties obliged to establish the capital fund in a form of the limited joint-stock partnership (hereinafter: "Fund") which general partner will be Skyline Venture, and shareholders Skyline Investment S.A. and NCF.

The aim of this Fund will be making the financial investments in the meaning of the Accounting Act provisions, in the entrepreneurs by acquiring new shares or stocks in partnerships or other incorporated bodies as well as acquiring the debt instruments of

the entrepreneurs, where the Fund acquired the shares or stocks or undertake to grant a loans. The investments of the Fund are limited to invest in micro-entrepreneurs and small and medium entrepreneurs meeting the requirements specified in the Appendix I to the Regulation of the EC Commission No. 800/2008 of 6<sup>th</sup> August 2008 recognizing some kind of aids compliant with the common market in application of the art. 87 and 88 of the Treaty (general block exemption regulation) Official Journal of EU L 214 of 09.08.2008, meeting the requirements specified by the Act on NCF and Ordinance.

The period of the Fund investment activity so the period when the Fund makes investments in mentioned entrepreneurs so acquiring new shares or stock, participation in the partnerships and incorporated bodies as well as acquiring the debt securities will be not longer than 4 years with the possibility to extend it maximum by 1 (one) year in justified cases; calculated from the date when NCF pays the first contribution after the Fund registering in the National Court Register and ending on, also in case of extension, at least on 31st December 2015 (hereinafter: "Investment Period").

The total amount of means of Fund involved in the same entrepreneur and in related entities cannot exceed the equivalent in PLN of the amount 1,500,000.00 EUR (according to the average exchange rate of EUR published by the National Polish Bank from the date preceding the date of investment agreement between the Fund and entrepreneur). The total amount of means of Fund invested to one entrepreneur and in related entities cannot exceed 20% of the total amount of declared contributions to the Fund.

The entity managing the Fund (hereinafter: "Managing Entity") will be Skyline Venture, which will render services in the field of Fund management basing on agreement on management and will represent the Fund.

Within 6 months from the date of contract with NCF Skyline and Skyline Venture will make the transaction consisting of:

- Signing the Fund's Articles of Association i.e. limited joint-stock partnership under the name Skyline Venture Spółka z ograniczoną odpowiedzialnością,
- Concluding the agreement on management with the Managing Entity,
- Concluding the agreements between the key staff and Managing Entity,
- Acquisition of shares and paying the contributions to cover the Minimum Capital of the Fund;
- Submitting to the proper entrepreneurs' register of the National Court Register the application for Fund's registration;
- signing the power of attorney.

The capital of the Fund ultimately will amount to 30,000,000.00 PLN ("Target Fund Capitalization"). NCF is obliged to contribute the amount 13,498,500.00 PLN to cover the contributions for registered shares and the amount of 1,500,000.00 PLN to cover the contributions for acquisition of the registered bonds. Skyline Investment S.A. is obliged to contribute the amount of 14,998,500.00 PLN to cover the contributions for registered shares and Skyline Venture is obliged to contribute the amount of 3,000.00 PLN for cover the General Partner's contribution which will be contributed to the reserve capital of the Fund.

The minimum amount of the Fund's capital will amount to 100,000.00 PLN including 3,000.00 PLN as General Partner's contribution and the amount 97,000.00 PLN as the coverage of the share capital in equal proportion by Skyline and NCF- 48,500.00 PLN each.

Except for the mentioned engagement NCF intends to grant its financial support to the Fund in a form of unrepayable benefits for funding some of expenditures incurred by the Fund in order to prepare the investment and monitoring the portfolio of such investments in the maximum amount 1,084,700.00 PLN.

From the Amount of Target Fund Capitalization, not more than 8,084,700.00 PLN will be intended for charge for management and at least remained part of contributions in the amount 21,915,300.00 PLN will be designated for Fund's investments.

After the Contract, the Target Fund Capitalization may be increased by maximum 10,000,000.00 PLN. The increase of Capitalization, understanding as the declaration to pay new cash contributions, will occur within the period not longer than 12 months from the first contribution made by NCF to the Fund, whereas the increase of the Fund's Capitalization may be made, with the participation of NCF, after positive result of the Open Tender procedure.

NCF will pay the first contribution to the Fund after payment of the contribution for coverage of the Minimum Fund's Capital, after meeting the all following conditions precedent:

- After signing the Fund's Articles of Association, power of attorney and following agreements: agreement on management and agreement with the key staff;
- After entering the Fund into the Entrepreneurs Register of the National Court Register;

- After payment by Skyline the first contribution after the contribution for coverage of the Minimum Fund's Capital.

In case, when from any of reasons within 12 months after the date of Contract, the Fund will not be registered, each Party will be entitled to terminate the contract with an immediate effect. The statement on termination may be submitted within 13 months after the date of Contract.

The achievement of the Target Fund's Capitalization will be in the following manner:

- First- the payments for shares by the shareholders and payment of contribution by the General Partner for coverage the Minimum Capital of the Capital Fund,
- Second; (i) contributions to: ordinary bonds issued by the Fund in order to be purchased by NCF and shares in order to be acquired by NCF, whereas each next contribution of NCF will be divided in such manner to cover the purchase of registered ordinary bonds and acquisition of shares in proportion 50% to 50% to the moment when NCF will purchase the registered ordinary shares to the maximum amount 1,500,000.00 PLN designated to such purchase; and (ii) contribution for the shares by Skyline Investment S.A. to the maximum amount 3,000,000.00 PLN.
- Third- contributions for shares by all shareholders in the amount of 23,900,000.00 PLN.

Due to the fact that the financing of the investments carried by the Fund will be made from the means searched under the increase of the share capital of the Fund by closed subscription or private subscription addressed to the current shareholders, they are obliged under the Contract, to vote at the general meetings of the Fund for the resolutions accepting the increase of the share capital of the Fund and resolutions accepting the issue of bonds ("Resolutions on Contribution payment"), pursuant to the reported need of the Managing Entity. In case when, in the Investment Period, any of Resolutions on Contribution payments will not be adopted, in particular in case when any of shareholders fails to occur or will vote against any of such Resolutions, the general partner will be obliged to convene the next general meeting in the period not longer than 21 days. In case, when at the next general meeting any of such Resolutions will not be adopted then the shareholder who did not occur or votes against the any of such Resolutions or abstained (as a result of which any of Resolutions will not be adopted), will be obliged to pay the contractual fine in the amount of:

- 1,000,000.00 PLN with the reference to any of Resolutions on Contribution payment concerning the coverage the charge for management for each case of failure to occur, abstention or voting against any of Resolution;

- 4,000,000.00 PLN with the reference to any of Resolutions on Contribution payment concerning the coverage the means for investment for each case of failure to occur, abstention or voting against any of Resolution;

If in the Investment Period the shareholder does not pay the contribution or pays not full amount of the contribution, in particular by: failure to acquire the shares/bonds of the relevant issue or failure to pay the shares/bonds on terms and pursuant to the principles specified in the Resolutions and failure to remedy the results of such breach within following 20 working days, the shareholder who pays the contribution is entitled to call such shareholder to sale all its financial instruments at the price 1.00 PLN within 14 days after the call. The same conditions refer to NCF in case of failure to pay the contributions for Debt Instruments. The irrevocable powers of attorney for making transactions under mentioned conditions are the security for performance of the Contract's provisions.

The contributions for acquiring the financial instruments will be paid in tranches to the Fund by the shareholders in the following manner:

- in case of Skyline Investment S.A.: (i) regarding the means designated for investments- within 20 working days after the Resolution, (ii) regarding the means designated for management charge- every six months in advance, within 20 working days after the Resolution.
- In case of NCF, within 60 working days after the NCF is informed that Skyline Investment S.A. paid the contribution, confirmed by the account statement of the Fund's bank account.

During the term of the Contract, the shareholders have the preemptive right for financial instruments in the Fund disposed by any of shareholder.

The charge for management will be covered by the means of Fund under the agreement on management and will cover all management and administrative expenses. The charge for management will not exceed the amount 8,084,700.00 PLN (say: eight millions eighty four thousand seven hundred zlotys), i.e. 2.69% of the Fun Capitalization per year.

The Managing Entity is entitled to the additional remuneration in the amount of 20% (of the gross profit of the Fund, which will remain after settlement of the minimum net return rate for investors and NCF providing that the sum of investment (at the purchase price) made by the Fund is equal at least to 75% of the amount of Fund's Capitalization declared to be invested to entrepreneurs i.e. 16,436,475 PLN.

The completion of Fund's investment in the relevant entrepreneur will occur on the date when the means from the repayment, sale or extinguish of all or part of financial instruments of this entrepreneur held by Fund will be accounted for the Fund's account. The minimum return rate is established as 8%.

The payments of means from investment completion will be made first for NCF to the amount of total nominal value of all ordinary bonds increased by the attributable premium. The amount of premium is a annual interest rate (capitalized every six months) in the amount of 10% of the nominal value of bonds issue, calculated from the date of issue to the date when the means equal to the nominal value of all issued bonds will be gathered in the account.

The payment of means from investment completion will be made under the extinguishing the equity instruments issued by the Fund. The said payments will be made in favor of NCF and Skyline Investment S.A. in the following order:

- First, Skyline Investment S.A. to the moment when the received amounts will be equal to the cash contributions for acquiring the equity instruments, which are returned;
- Second, NCF to the moment when the received amounts will be equal to the cash contributions for acquiring the equity instruments, which are returned;
- Third, Skyline Investment S.A. till the minimum net return rate will be received;
- Fourth, NCF till the minimum net return rate will be received.

The means which remain after the mentioned settlements will be divided between investors, NCF correspondingly to the possessed interest in the profit of the Capital Fund. The division of these means will be made taking into consideration the preference of the general partner. The preference of the general partner is understand as the general partner's right to mentioned additional remuneration which will amount to 20% and will be paid when the Fund will be liquidated.

The Parties undertook, in the period of the Contract and within 5 years after termination, to keep as confidential all information concerning any other Party and its subsidiaries or Fund and entrepreneurs where the Fund made or intends to made the investments and moreover the information on the Contract content and its performance received as a result of negotiating, conclusion and performance of this Contract or with regard to plan or execute the Fund's investment. In case of unauthorized disclosure of such information the Party breaching this provision will be obliged to pay for the Fund the contractual fine in the amount of 100,000.00 PLN, in case when, as a result of information disclosure, the Fund did not realize the investment or escape from investment or realized the investment or escape from investment under the conditions more favorable than expected before the disclosure. In other cases of information disclosure the Party breaching the confidential

provision will be obliged to pay the contractual fine in the amount of 50,000.00 PLN for the Fund. It does not prejudice the right of Fund to claim for compensation under the general principles.

The Contract was concluded with the precedent condition of obtaining the consent of the President of the Office for Competition and Consumer Protection for the entrepreneurs' concentration in the meaning of the art. 13 to 17 of the Act of 16<sup>th</sup> February 2007 on consumers and competition protection (Dz. U. of 2007 No. 50, item 331 with further amendments) or of issuing the decision of the President of the OCCP on discontinuance of the proceeding because of the circumstance that the transaction is not a subject of reporting to the President of the OCCP or of lapse of the statutory term for the mentioned consent if before the lapse of this term the President will not issue any decision, depending on which occurs earlier.

The Contract for financial support is concluded for 10 year with the possible extension to 2 years.

In the remained scope the terms and conditions of the Agreement do not differ from the terms and conditions usually applied in such agreements.

The Contract was recognized as important because its value exceeds 10% of the Issuer's equity.