

Ostrów Mazowiecka, on the 4th of October 2016

CURRENT REPORT NO. 37/2016

Subject: confidential information

The Management Board of FABRYKI MEBLI „FORTE” S.A. with its registered seat in Ostrów Mazowiecka (further referred to as FORTE or Company) hereby informs that on the 4th of October 2016 it passed a resolution granting consent for incurring a loan by a subsidiary of FORTE, that is TANNE Sp. z o. o. with its seat in Warsaw, in the maximum amount of EUR 140,000,000.00 (in words: one hundred and forty million) designated to cover part of costs of construction of a chip board plant and for conclusion of hedging contracts with Powszechna Kasa Oszczędności Bank Polski S.A. (further referred to as PKO BP) and Bank Gospodarstwa Krajowego (further referred to as BGK). The following will, in particular, constitute loan collateral:

- surety granted by FORTE,
- guarantee agreement signed by FORTE,
- subordination agreement of FORTE for TANNE Sp z o.o. for the benefit of PKO BP and BGK,
- establishing limited rights in the form of financial pledges and registered pledges on shares of TANNE Sp. z o.o. in possession of FORTE and in the form of mortgages on the property right of TANNE Sp z o.o. to the property located in Suwałki,
- declaration regarding submission to enforcement under Art. 777 § 1 points 5 and 6 of the Civil Proceedings Code,
- conclusion by TANNE Sp. z o.o. of assignment agreement regarding rights to which TANNE Sp. z o.o. is entitled,
- establishing by TANNE Sp. z o.o. financial and material pledges on rights from bank accounts,
- establishing towards PKO BP a registered pledge for the set of items and rights constituting part of TANNE Sp. z o.o.,
- company management agreement of TANNE Sp. z o.o. or lease agreement of TANNE Sp. z o.o. company in case of governing enforcement of the pledge,
- conclusion by TANNE Sp. z o.o, direct agreements with PKO BP and TANNE Sp z o.o. clients,
- agreement on subordination of claims towards TANNE Sp. z o.o. to claims of PKO BP and BGK.

At the same time, the Management Board informs that it shall request a consent of Supervisory Board for granting by FORTE to its subsidiary, that is TANNE Sp. z o.o. the required securities in order to obtain the above loan.

Obtaining by TANNE Sp. z o.o. of a loan will allow for realization of the Company Plan of development of production capacity of FABRYK MEBLI „FORTE” S.A until 2021 by the Supervisory Board, assuming i.e. the construction of wood-based panel production plant of which the Company informed on the 19th of October 2015 within the current report no. 34/2015.

Legal basis: art. 17 sec. 1 MAR-confidential information