

The Offer to Purchase Shares of Przedsiębiorstwo Przemysłu Spożywczego PEPEES S.A.

This Offer to Purchase Shares (hereinafter referred to as the “Offer”) of PRZEDSIĘBIORSTWO PRZEMYSŁU SPOŻYWCZEGO PEPEES S.A. with its registered office in Łomża (hereinafter referred to as the “Company”) is announced to implement Resolution No. 24 of the Ordinary General Meeting of Shareholders of PRZEDSIĘBIORSTWO PRZEMYSŁU SPOŻYWCZEGO PEPEES S.A. of 25 April 2017 on the authorisation for the Company's Board of Directors to purchase the Company's treasury shares (hereinafter: “Treasury Shares”) pursuant to Article 362 § 1 item 8 of the Polish Code of Commercial Companies and on the recognition of reserves for the purchase of treasury shares (hereinafter: “GMS's Resolution”).

The GMS's Resolution provides in particular that e.g.

- 1) the total number of acquired Treasury Shares will not exceed 19,000,000 (nineteen million) Treasury Shares accounting for not more than 20% of the Company's share capital (including the nominal value of any remaining treasury shares, which have not been disposed of by the Company);
- 2) the purchase price for a single Treasury Share will not be lower than PLN 0.30 (thirty grosz's) and not higher than PLN 1.20 (one zloty and twenty grosz's);
- 3) the authorisation for the Board of Directors to purchase of Treasury Shares covers the period of 5 years from the date of the GMS's Resolution;
- 4) the Company's Treasury Shares may be acquired according to any acceptable procedure at the discretion of the Board of Directors, particularly through:
 - a) buy-back programme(s) referred to in Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse;
 - b) public making of one or multiple purchase offers;
 - c) conclusion of block trades;
 - d) trading outside the organised exchange trading system.
- 5) the Company may purchase its Treasury Shares, at the discretion of the Board of Directors, for any legal purpose. Treasury Shares may be purchased in particular to be:
 - a) retired;
 - b) resold for consideration;
 - c) used in acquisition transactions, including shares in other companies;
 - d) be offered to be purchased for consideration as described in the relevant resolution of the Annual General Meeting of Shareholders to members of the boards of directors and key personnel of the Company and its subsidiaries (“Eligible Persons”) on the terms and conditions of the bonus and incentive scheme.
- 6) The acquisition of Treasury Shares by the Company will be financed with funds from the reserves recognised to acquire Treasury Shares from the amount which, in accordance with Article 348 § 1 of the Polish Code of Commercial Companies, may be allocated for distribution, on the basis of the relevant resolution of the General Meeting of Shareholders of the Company, and the total price for the acquisition of Treasury Shares plus the cost of their acquisition will not be higher than such reserves.

This Offer covers ordinary bearer shares with the code **PLPEES00018** (“Shares”), which the Company intends to acquire for the purposes indicated in the GMS's Resolution, i.e. alternatively to redeem them or to resell them for consideration or to use them in acquisition transactions or to offer them to Eligible Persons.

This Offer does not constitute a tender offer to subscribe for the sale or exchange of shares within the meaning of the Polish Act of 29 July 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies (consolidated text: Journal of Laws of 2016 item 1639 as amended). In particular, Article 77 and 79 of this act will not apply to this offer. Furthermore, this Offer is not an offer within the meaning of Article 66 of the Polish Civil Code of 23 April 1964 (consolidated text: Journal of Laws of 2017 item 459 as amended).

The Company announced the repurchase of treasury shares in the form of this Offer having regard for the public status of the Company and to ensure equal treatment of shareholders.

This Offer should not be considered as investment, legal or tax advice. In matters relating to the Offer, the Company's shareholders should take the advice of companies providing consulting services on investments as well as legal and tax regulations.

This Offer document does not require approval of or disclosure to the Polish Financial Supervision Authority or any other authority.

The text of this Offer was, on the date of its announcement, made public by the Company in the form of a current report. The text of this Offer is also available on the Company's website: <http://www.pepees.pl/skup-akcji-wlasnych> and on the website of the Brokerage House, i.e. Dom Maklerski Banku Ochrony Środowiska SA: http://bossa.pl/analizy_informacje/wezwania_inne/skup_akcji.

Any additional information on the procedure for making Share Sales Offers in response to this Offer can be obtained in the Offices of the Brokerage House listed in section X of the Offer or by calling to (22) 50 43 342, (22) 50 43 343, (22) 50 43 345.

I. SHARES SUBJECT TO THE OFFER

The Offer covers not more than **3,000,000 (three million)** Company Shares marked with ISIN code **PLPEES00018**, which, on the date of the Offer announcement, account for not more than **3.16%** of the Company's share capital, corresponding to **3.16%** of votes.

As at the date of the Offer announcement, the Company does not hold any treasury shares.

II. THE INTERMEDIARY ENTITY FOR THE OFFER IMPLEMENTATION AND SETTLEMENT

The intermediary entity for implementing the Offer, accepting subscriptions and concluding transactions is:

Dom Maklerski Banku Ochrony Środowiska S.A.

ul. Marszałkowska 78/80, 00-517 Warsaw

e-mail: konsorcjum@bossa.pl

hereinafter “**Brokerage House**”

III. PURCHASE PRICE FOR THE SHARES

The purchase price for the Shares has been determined on the basis of the authorisation referred to in the GMS's Resolution and amounts to **PLN 1.20** (one zloty and twenty grosz's) per Share.

IV. THE OFFER SCHEDULE

The date of the Offer publication: **15 November 2017**

The start date for accepting Share Sales Offers: **17 November 2017**

The end date for accepting Share Sales Offers: **4 December 2017**.

The expected date of concluding and settling Share purchase transactions: **8 December 2017**

The Company reserves the right to withdraw from the Offer both before and after its commencement and to change the dates indicated in this Offer. In the case of withdrawing the Offer or changing of the dates, the relevant information will be published on the Company's website (in the form of a current report) and on the website of the Brokerage House.

V. ENTITIES AUTHORISED TO SELL SHARES UNDER THE OFFER

Entities eligible to place Share Sales Offers under the Offer are natural persons, legal persons and unincorporated business units, who/which hold Shares.

Shares covered by sales offers made in response to this Offer and subject to sale transaction must be fully transferable and free from any rights of third parties, particularly those which make their disposal in response to the Offer impossible, e.g. they may not be pledged.

VI. PROCEDURE FOR PLACING SHARE SALES OFFERS

Shareholders entitled to sell Shares as part of the Offer may place Share Sales Offers in Customer Service Points of the Brokerage House listed in section X of the Offer, on business days from Monday to Friday, in a given point's working hours.

Shareholder wishing to sell Shares under the Offer should, in the period **from 17 November 2017 to 4 December 2017**, do the following:

- A. Place, in the entity maintaining the securities account of the Shareholder to which their Shares are credited, an irrevocable **Shares blocking order** with the irrevocable **order to issue settlement instruction** (the so-called 'pay settlement instruction') transferring the ownership of Shares to the Company in accordance with the conditions set out in the Offer and obtain a **share certificate** confirming the performance of the aforementioned activities. The orders should be valid until the end of the trading session on the date of the transfer of the ownership of Shares in the National Securities Deposit (KDPW), and
- B. Place, in one of the Customer Service Points indicated in section X of this Offer:
 - i) **original share certificate** referred to in item A) above;
 - ii) **Share Sales Offer Form** (the Share Sales Offer form should be completed and signed in two copies, one copy for the Shareholder placing the Share Sales Offer and one copy for the Brokerage House) — **APPENDIX 1**.

Customers of the Brokerage House (i.e. Dom Maklerski BOŚ S.A.), when placing the Share Sales Offer, do not need to submit the share certificate.

Shares of such customers are blocked on the basis of a submitted Shares blocking order.

Natural persons responding to the Offer should present, at the selected Customer Service Point accepting Share Sales Offers, their identity documents (identity card or passport), and natural persons representing legal persons or unincorporated business units should also provide a valid copy of entry (extract) in a relevant register or a different document confirming their authority to act on behalf of a legal person or unincorporated business unit (if such authorisation does not result from the presented copy of entry in a relevant register).

Employees of banks maintaining securities accounts (of the custodian bank) placing Share Sales Offers on behalf of Customers who have escrow accounts, should hold an appropriate authorisation of the bank's authorities to place the Share Sales Offer and the power of attorney granted by the Customer.

In order to standardise the documents needed to place Share Sales Offers, the set of forms will be available in each Customer Service Point of the Brokerage House, i.e. Dom Maklerski BOŚ, listed in section X of the Offer, and will also be forwarded to the entities maintaining securities accounts participating in the National Securities Deposit (KDPW).

Forms submitted by Shareholders in Customer Service Points should be properly completed and signed under the pain of the subscription invalidity.

Each Share Sales Offer submitted by the Shareholder should be for the number of the Company's Shares indicated in the share certificate attached to the Sales Offer. When the number of the Company's shares indicated in the Sales Offer is not at least equal to the number provided in the accompanying share certificate, the Sales Offer will not be accepted.

Shareholders, during the period of accepting Share Sales Offers, may place any number of Sales Offers. When the number of the Company's Shares indicated in the Sales Offer form is lower than the number of the Company's Shares indicated in the share certificate, such a Sales Offer form will be accepted; however, such a Sales Offer will be realised for the number of Shares of PRZEDSIĘBIORSTWO PRZEMYSŁU SPOŻYWCZEGO PEPEES S.A. indicated in this form. One share certificate may be used to confirm only one Sales Offer and there is no possibility of placing several Sales Offers confirmed using one share certificate, or one Subscription Offer confirmed using several share certificates.

The placing of a Share Sales Offer must be unconditional and irrevocable, must not contain any objections and is binding for the person placing it until the end of the trading session on the date of the transfer of the ownership of Shares in the National Securities Deposit (KDPW) or until the date of withdrawing the Offer by the Company. All the consequences, including the invalidity of the Share Sales Offer, resulting from the placing of the Sales Offer contrary to this Offer will be borne by the Shareholder.

The Company and the Brokerage House will not be liable for not realising Share Sales Offers submitted to the Brokerage House prior to the commencement or after the expiry of the time-limit for the acceptance of Share Sales Offers, and Sales Offers submitted incorrectly or illegible, or which are not accompanied by relevant documents.

PLACING SHARE SALES OFFERS BY LETTERS

Shareholders wishing to submit Share Sales Offers by mail should send, by registered letter or via courier services, the documents referred to below early enough so that they arrive at the Brokerage House not later than on the last day of accepting Share Sales Offers until 17.00 hrs:

- i) original share certificate;
- ii) the duly completed and signed **Share Sales Offer form** — the signature of the person placing the Share Sales Offer and their authorisation should be certified by an employee of the entity issuing the share certificate or certified by a notary public.

The documents listed above must be sent to the following address:

Dom Maklerski Banku Ochrony Środowiska S.A.

ul. Marszałkowska 78/80

00-517 Warszawa

with the note on the envelope: **"Skup akcji – PRZEDSIĘBIORSTWO PRZEMYSŁU SPOŻYWCZEGO PEPEES S.A." ["Purchase of Shares – PRZEDSIĘBIORSTWO PRZEMYSŁU SPOŻYWCZEGO PEPEES S.A."].**

The persons making subscriptions by mail should take into account that posting the documents relating to their Share Sales Offer to be placed even a few days before the end of the period for accepting Sales Offers, does not need to result in effective placing of such a Sales Offer. The Company and the Brokerage House do not assume any liability for the consequences of the failure to timely deliver the correspondence related to the Share Sales Offer, regardless of the manner and date of its posting.

VII. ACTING BY PROXY

Making a subscription for the sales of Shares by a proxy is possible on the basis of a power of attorney issued in the following form:

- i) a written power of attorney certified by an employee of the Brokerage House, i.e. DM BOŚ S.A., or the entity which issued the share certificate; or
- ii) a power of attorney in the form of a notarial deed; or
- iii) a power of attorney with the signature certified by a notary public.

If the law or international agreements to which the Republic of Poland is a party do not provide otherwise, a power of attorney issued abroad should be certified by a notary public and bear an apostille, or authenticated by a Polish diplomatic mission or consular post, and translated into the Polish language by a sworn translator in Poland.

The power of attorney should contain personal data of the proxy and of the principal and should authorise the proxy to:

- 1) place an irrevocable order to block Shares with the validity period until the end of the trading session on the date of the transfer of ownership of Shares in the National Securities Deposit (KDPW);
- 2) place, in the entity maintaining the principal's securities account, an irrevocable order to issue a settlement instruction making it possible to transfer the ownership of Shares to the Company, under the terms of the Offer;
- 3) receive the share certificate issued by the entity maintaining the principal's securities account for the blocked Shares in connection with the Offer;
- 4) submit the share certificate and the Share Sales Offer in response to the Offer and other necessary declarations and information related to the response to the Offer, in one of the Customer Service Points of the Brokerage House, i.e. DM BOŚ S.A., indicated in section X of the Offer.

In the case when the power of attorney is issued to a legal person or an unincorporated business unit, the person making the Sales Offer, apart from the power of attorney, must present:

- i) a valid extract from the relevant register and the authorisation to make the subscription, if it does not result from the submitted extract from the register or
- ii) in the case of entities with their registered offices abroad — a valid extract from the relevant register or any other official document containing basic information about the Proxy, which proves their legal status, representation, and contains the names and surnames of representatives, bearing — if the law or international agreements to which the Republic of Poland is a party do not provide otherwise — an apostille, or authenticated by a Polish diplomatic mission or consular post and translated into the Polish language by a sworn translator in Poland.

Custodian Banks making subscriptions on behalf of their customers may, instead of a power of attorney, make a statement confirming proper authorisation and instructions to make a subscription for the sales of Shares.

VIII. ACQUISITION OF SHARES FROM SHAREHOLDERS

Under the Offer, the Company will acquire no more than **3,000,000 (three million)** Shares of the Company from shareholders who submit correctly Share Sales Offers until the final date of accepting Share Sales Offers.

If the number of Shares subject to placed Share Sales Offers on the final date of accepting Share Sales Offers is higher than **3,000,000 (three million)**, all Share Sales Offers will be reduced proportionately and rounded down.

If, after the application of the proportional reduction of Shares, any fractional Shares remain, the Shares will be allocated in the order from the biggest Share Sales Offers to the smallest Share Sales Offers, until all the fractional Shares are allocated.

We will accept only Share Sales Offers submitted in accordance with the above conditions of the Offer and the procedure for placing Share Sales Offers. In particular, we will not accept Share Sales Offers filled in incorrectly or not signed or offers without the share certificate attached or with an incorrect share certificate attached or offers for which the share certificate is not confirmed by the entity issuing such a share certificate.

The Shares will be acquired by the Company by transferring the ownership of Shares outside the regulated market between shareholders who submit correct Share Sales Offers (taking into account any possible reduction in accordance with the above conditions of the Offer).

The transfer of the ownership of Shares between shareholders and the Company will be settled in the depository and settlement system of the National Securities Deposit (KDPW) on the basis of settlement instructions.

The Brokerage House, i.e. Dom Maklerski BOŚ S.A., is the intermediary in the transfer of the ownership of Shares to the Company.

IX. PAYMENT OF THE PURCHASE PRICE

All Shares purchased by the Company under the Offer will be paid in cash.

The amount being the product of the number of Shares purchased from individual shareholders making the Share Sales Offers (taking into account any possible reduction of subscriptions) and of the price per Share, will be transferred to the accounts of entities maintaining accounts for shareholders (issuing settlement instructions) collectively for all shareholders who have securities accounts in a given entity.

The amount being the product of the final number of Shares purchased from individual shareholders and of the price per Share may be reduced by the commission payable and other fees, if such a commission or fees are collected by the entity maintaining the securities account of a given Shareholder in accordance with the fees table of such an entity. Shareholders intending to place Share Sales Offers should contact entities maintaining their securities accounts to determine the amount of fees payable to such entities due to the transfer of the ownership of Shares under the Offer.

The transfer of the Shares subject to Share Sales Offers submitted by shareholders should be done immediately upon receipt of extracts from the National Securities Deposit (KDPW) confirming the transfer of the ownership of Shares to the Company by entities maintaining securities accounts for such shareholders.

X. CUSTOMER SERVICE POINTS OF THE BROKERAGE HOUSE, I.E. DOM MAKLEPSKI BANKU OCHRONY ŚRODOWISKA S.A.

Share Sales Offers in response to the Company's Offer will be accepted at Customer Service Points of the Brokerage House, i.e. Dom Maklerski Banku Ochrony Środowiska S.A.:

N	Branch/City	Code	Street address	Phone number
1	Białystok	15-282	Piękna 1	(85) 744-10-44
2	Bielsko-Biała- ICA*	43-300	Cyniarska 36	(33) 812-33-89
3	Częstochowa	42-200	Al. NMP 2	(34) 361-00-03 (34) 361 00 59
4	Gdańsk	80-824	Podwale Przedmiejskie 30	(58) 320-88-48

5	Katowice	40-048	Kościuszki 43	(32) 606-76-20
6	Kielce	25-102	Warszawska 31	(41) 344-45-25
7	Koszalin- ICA*	75-950	1 Maja 18/9	(94) 346-51-31
8	Kraków	31-068	Stradomska 5a/10	(12) 433-71-40
9	Łódź	90-368	Piotrkowska 166/168	(42) 636-00-05
1	Olsztyn- ICA*	10-539	Dąbrowszczaków 8/9	(89) 527 28 82
1 1	Poznań	60-523	Dąbrowskiego 79A	(61)841-14-12 (61) 847-91-16
1	Rzeszów	35-017	Moniuszki 8	(17) 853-42-04
1	Szczecin	70-535	Wielka Odrzańska 18/2	(91) 434-44-30
1	Warsaw	00-517	Marszałkowska 78/80	(22) 504-33-00
1	Wrocław	50-107	Sukiennice 6	(71) 344-82-02

*ICA - Investment Company Agent

The FORM of the Share Sales Offer of Przedsiębiorstwo Przemysłu Spożywczego PEPEES S.A.

This document ("the Share Sales Offer"), provided that it is filled in properly, is submitted in response to the Offer to purchase Shares of Przedsiębiorstwo Przemysłu Spożywczego PEPEES S.A. ("the Offer", "the Company") announced on 15.11.2017 by the Company. The data provided in this form and in attached documents will be forwarded to the Company to settle the Share sales transaction(s).

1. The name of the Brokerage House accepting Share Sales Offers on behalf of the Company

Dom Maklerski Banku Ochrony Środowiska S.A.

2. Particulars of the person/entity placing the Share Sales Offer (Shareholder)

Name and surname / Business name: _____

Street, building No., flat No. _____ Postal code: ____ - ____ City/Town: _____ Country: _____

Phone number _____

Mailing Address (if different than above)

Street, building No., flat No. _____ Postal code: ____ - ____ City/Town: _____ Country: _____

Civil Registration Number (Poland: PESEL), series and number of an ID document /

National Official Business Register (Poland: REGON): _____

(for non-residents, the number and type of an identity document or the number of the relevant foreign register)

Offerer legal form:

☐ - natural person

☐ - legal person

☐ - unincorporated business unit

Offerer resident/non-resident status:

☐ - resident

☐ - non-resident

Persons authorised to make declarations on behalf of the legal person (names and surnames):

1. _____

2. _____

Numbers and series of identity documents of persons acting on behalf of the legal person:

1. _____

2. _____

3. Particulars of the entity maintaining the shareholder's securities account:

The name of the entity maintaining the securities account:

The number of the account in the National Securities Deposit (KDPW) through which the transaction will be made:

The Shareholder's securities account number: _____

4. Shares offered by the Shareholder for sale

Type of shares offered for sale: book-entry ordinary bearer shares of Przedsiębiorstwo Przemysłu Spożywczego PEPEES S.A.,
ISIN code: **PLPEPES00018**

The number of Shares offered by the Shareholder for sale blocked in the entity maintaining securities account: _____

in words: _____

Price per share: **PLN 1.20 (one złoty and twenty grosz's)**

Value of Shares offered for sale: (the number of Shares offered for sale multiplied by the Purchase Price): _____

in words: _____

5. Declaration of the person/entity placing the Share Sales Offer

I, the undersigned, in my own name / as a proxy of the person / on behalf of the company that I represent, mentioned in section 2 above, hereby declare as follows:

- (a) I have read the Offer to Purchase Shares published on 15.11.2017 and I accept its terms, particularly the principles of the acquisition of the Company's shares from shareholders and the reduction principles.
- (b) I have attached the share certificate issued by the entity maintaining the securities account confirming the blocking of the number of Shares indicated in section 4 and the issuing of the irrevocable order to issue the settlement instruction for the entity maintaining the securities account in accordance with the terms of the Offer.
- (c) The Shares are free from any encumbrances and third party rights, including a pledge, a registered pledge, a financial pledge.
- (d) This Share Sales Offer will remain valid until the date indicated in the Offer and may not be cancelled or otherwise modified until that date. This Offer may be accepted by the Company also in part, which means that the Company may purchase a smaller number of shares than the number indicated in section 4 under the terms of the Offer, but at the same per share price.
- (e) I hereby agree to the processing of my personal data in accordance with the Polish Personal Data Protection Act of 29 August 1997 (consolidated text: Journal of Laws [*Dziennik Ustaw*] of 2002 No. 101 item 926 as amended) by data controllers, i.e. the Company and the Brokerage House accepting the Share Sales Offer and by other entities entrusted by the Company or the Brokerage House accepting the Share Sales Offer with the processing of personal data in order to execute the Share Sales Offer and perform the obligations associated with it. I hereby declare that I have been informed about my right to access, update and correct my personal data.
- (f) I hereby give my consent to the disclosure by the Brokerage House accepting the Share Sales Offer of the data and information subject to professional secrecy and the information related to the Share Sales Offer placed by me.

I hereby confirm the accuracy of the data contained in this Share Sales Offer.

Signature of the person placing
the Share Sales Offer

Signature and stamp of the employee of the
entity maintaining the securities account of the
person placing the Share Sales Offer certifying
the authenticity of their signature
(for a mailed Share Sales Offer)

Date, signature and stamp of the
employee
accepting the Share Sales Offer