



LUG Spółka Akcyjna
Producent Opraw Oświetleniowych



Report's type: Current report

Number: 3/2016

Company: LUG S.A.

Subject:

The initiation of administrative proceedings by the President of the Energy Regulatory Office.

Content:

The Management Board of LUG S.A. with its seat in Zielona Góra (the "Issuer") hereby informs about an initiation of an administrative procedure ex-officio by the President of the Energy Regulatory Office concerning impose the cash penalty to LUG Light Factory Sp. z o.o., the subsidiary of LUG S.A. (the "Company") connected with a suspicion of the Company's infringement of the obligatory restrictions in delivery and energy uptake from 10-31 August 2015, what according to Art. 56 par. 1 pt.3a of the Resolution from 10 April 1997 – Energy Law (Journal of Laws of the Republic of Poland 2012 no. 0 pos. 1059 with changes, "EP Resolution"), undergo with cash penalty.

From the statement received from the President of the Energy Regulatory Office outcome that LUG Light Factory Sp. z o.o. in slight degree exceed restriction in electricity uptake during two hours on 10 August 2015, in the first hours of the first day of restriction obligatory, which altogether encompassed 22 days. The Management Board of a Company will provide the proper explanation introducing its position on the designated date. The Company will point out the reasons for the overrun, resulting from the need to ensure the safety of employees, environmental protection and safe production line shut down. The purpose of explanation is the most precise presentation of all reasons and the minimum scale of the restriction violation in the supply and consumption of energy to the President of URE to make a decision from with the greatest discernment.

The maximum amount of fine, regarding to the violation of the restrictions in electricity consumption, in accordance with an Article 56 par. 1 pt. 3a may not exceed 15% of the Company's revenue achieved in the previous tax year. In setting the amount of the fine, the President of URE takes into account the



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degree of harmfulness of the act, degree of fault, previous entity behavior and its financial capacity. The potential, maximum amount of possible punishment is the basis of the Management Board decision about publishing this current report.

The decision taken by the President of URE will be informed in the separate current report of the Issuer Management Board.

Legal basis:

Art. 17 par. 1 MAR – confidential information.

Company representatives:

Ryszard Wtorkowski – President of the Executive Board