



## **CURRENT REPORT 48 / 2017**

**20 July 2017**

*Legal basis: Art. 17.1 of the MAR – Confidential Information.*

Subject: Conclusion of Contract with PKP PLK S.A.

### Content:

The Management Board of ZUE S.A. with registered office in Cracow (the "Company," the "Issuer") inform about a contract entered into on 20 July 2017 between the Company and PKP Polskie Linie Kolejowe S.A. (PKP PLK) for the preparation of design documentation and completion of the "design-build" project as part of the Infrastructure and Environment Operational Programme (*POIiŚ*) 5.2-6 "Works on the railway line no. 1 of the Częstochowa – Zawiercie section" (the "Contract").

The Company informed about the submission of the lowest price tender and the selection of the Company's tender as the most economically advantageous offer in the current report 16/2017 of 10 March 2017 and the current report 29/2017 of 5 May 2017, respectively.

The Contract net value including the provisional sum is PLN 371.6m. The Contract gross value is PLN 457m.

The project completion date is 36 months of the works commencement date.

The warranty given by the Company to PKP PLK is six years from the final acceptance. The Company is liable under the guarantee for the same period of time.

The Contract provides for contractual penalties payable by the Company to PKP PLK in the circumstances specified in the Contract, including the penalty for the failure to complete a stage of the project or to remove defects in a timely fashion. The Company will also pay the contractual penalty of 30% of the Contract gross value if the Contract is terminated due to the circumstances blamed on the Company. However, the total amount of the contractual penalties must not exceed 30% of the Contract gross value.

Regardless of the contractual penalties, PKP PLK will have the right to claim additional damages up to the value of actual damage.



The remaining terms of the Contract, including but not limited to the termination or security terms, do not differ from the standard terms of such type of contracts.

In addition, the Company informs that following the conclusion of the Contract, the total value of the book of orders held by the ZUE Group companies at the date of this report is approx. PLN 1,478m and the expected remuneration payable to the Company in connection with the best tenders submitted independently by the Company is approx. PLN 762m.