



## **CURRENT REPORT 61 / 2017**

**29 September 2017**

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

Subject: Conclusion of Contract with Subcontractor.

Content:

The Management Board of ZUE S.A. with registered office in Cracow (the "Company") inform about a contract (the "Contract") entered into on 29 September 2017 between the Company and Kolejowe Zakłady Automatyki S.A. with registered office in Katowice (the "Subcontractor").

Under the Contract, the Subcontractor will perform specific design and construction services to the Company in connection with the Company's performance of the contract in the Wyczerpy – Chorzew Siemkowice area.

Contract net value: PLN 34.3m.

Contract performance date: June 2019.

The quality warranty given by the Subcontractor is about 6 years and 30 days of the main contract acceptance date. The Subcontractor is liable under guarantee for the same period of time.

The Contract provides for contractual penalties payable by the Subcontractor to the Company in the circumstances specified therein including a penalty for the failure to complete a stage of the project in a timely fashion or a delay in the removal of defects or termination of the Contract by the Subcontractor to the Company through the fault of Subcontractor. However, the total amount of contractual penalties must not exceed 36.9% of the Contract net value.

Regardless of the contractual penalties, the Company 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 Contract termination terms, do not differ from the standard terms of such type of contracts.

Apart from the abovementioned Contract, the total value of contracts entered into by the Company and the Subcontractor in the past year is PLN 3.6m.