

CURRENT REPORT 70 / 2017

17 October 2017

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

Subject: Contract with Subcontractor.

Content:

The Management Board of ZUE S.A. with registered office in Cracow (the “Company,” the “Issuer”) inform about a contract entered into on 17 October 2017 with Wizbud sp. z o.o. with registered office in Bielsko Biała (the “Subcontractor”). Under the contract, the Subcontractor will perform construction works on the Wyczerpy – Chorzew Siemkowice section (the “Contract”). The Company informed about the Contract performance in the current report 38/2017 of 5 June 2017.

The contract net value: PLN 23.5m.

The contract completion date: June 2019.

The quality warranty given by the Subcontractor is about 6 years and 30 days of the Contract final acceptance. 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 or the Company through the fault of the Subcontractor. However, the total amount of the 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 termination terms, do not differ from the standard terms of such type of contracts.

Apart from the abovementioned contract, since 29 December 2016, the Company and the Subcontractor have entered into the contracts of the total value of PLN 1m.