

**CURRENT REPORT 73 / 2017****30 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 that on 30 October 2017, they received a copy of the order signed by the consortium including FIMA POLSKA sp. z o.o. of Warsaw (the “Consortium Leader”) and UAB FIMA LT of Vilnius (hereinafter referred to as the “Subcontractor”). The Subcontractor was commissioned to carry out the construction works on the Trzebinia-Oświęcim section (the “Contract”). The Company informed about the Contract performance in the current report 63/2017 of 2 October 2017. The Issuer also inform that under the terms of cooperation with the Subcontractor, a formal acceptance procedure must be carried out by PKP Polskie Linie Kolejowe S.A. (the “Investor”). If the Investor refuses to accept the work the Company will inform thereof in a current report.

The Order net value is PLN 29.5m.

The Order will be completed on the same date as the Contract.

The quality warranty given by the Subcontractor is about 4 years and 30 days of the Contract final acceptance. The Subcontractor is liable under guarantee for the same period of time.

Contractual penalties may be charged in connection with the performance of works covered by the Order whose scope and amount is analogous to the contractual penalties set out in the contract between the Issuer and the Investor.

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 Order, including but not limited to performance terms, do not differ from the standard terms of such type of contracts.