



## **CURRENT REPORT 75 / 2017**

**22 November 2017**

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

Subject: Contract with the City of Katowice.

Content:

The Management Board of ZUE S.A. with registered office in Cracow (the "Company," the "Issuer") inform about a contract entered into on 22 November 2017 between the consortium of:

1. ZUE S.A. (Leader); and
2. UNIBEP S.A. with registered office in Bielsk Podlaski (hereinafter jointly referred to as the "Consortium"),

and the City of Katowice (the "Contracting Authority"). The contract deals with the provision of construction services in connection with the following project: "Katowice System of Integrated Transport Hubs – the Zawodzie hub" (the "Contract").

The Company informed about the selection of the Company's tender as the most economically advantageous offer in the current report 62/2017 of 29 September 2017.

The Contract net value is about PLN 54.0m and the expected net remuneration attributable to the Company is about PLN 27.6m.

The Contract gross value is about PLN 66.4m.

The project completion date is 22 months of the Contract conclusion date.

The quality warranty given by the Consortium to the Contracting Authority is 5 years of the final acceptance. The Consortium is liable under guarantee for the same period of time.

The Contract provides for contractual penalties payable by the Consortium to the Contracting Authority in the circumstances specified therein including a penalty for the failure to perform the Contract in a timely fashion or a delay in the removal of defects. The Consortium will also pay the Contracting Authority the contractual penalty of 15% of the Contract gross value if the Contract is terminated due to the



circumstances blamed on the Consortium. However, the total amount of the penalties must not exceed 30% of the Contract gross value.

Regardless of the contractual penalties, the Contracting Authority 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 security or termination 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 order book held by the ZUE Capital Group at this report publication date is valued at approx. PLN 2,166m and the expected remuneration for the Company in connection with the tenders in which it has submitted the most advantageous offers, either independently or as a consortium member, is approx. PLN 55m.