



CURRENT REPORT 81 / 2017

28 December 2017

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

Subject: 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 28 December 2017 between the Company and PKP Polskie Linie Kolejowe S.A. (PKP PLK) for the completion of design and construction services as part of the project named: "Construction of the Czarnca - Włoszczowa Płn. railway line no. 582" (the "Contract").

The Company informed about the submission and selection of the Company's tender as the most economically advantageous offer in the current report 60/2017 of 26 September 2017 and the current report 79/2017 of 7 December 2017, respectively.

The Contract net value: PLN 40.2m.

The Contract gross value: PLN 49.4m.

Project completion date: 16 months of the commencement of the works.

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

The Contract provides for contractual penalties payable by the Company to PKP PLK in the circumstances specified therein including a penalty for the failure to perform a stage of the project in a timely fashion or a delay in the removal of defects. The Company will also pay PKP PLK 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 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 Contract security or termination terms, do not differ from the standard terms of such type of contracts.

The Issuer states that apart from this Contract, the total value of the contracts concluded between the ZUE Capital Group companies acting independently (except for the contracts specified in current reports) and the PKP PLK Capital Group companies since 14 October 2017 is approx. PLN 3m.

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 2,220m and the expected remuneration for the Company in connection with the tender in which it has submitted the most advantageous offer is approx. PLN 330m.