

CURRENT REPORT 39 / 2018

9 August 2018

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

Subject: Agreement with Subcontractor.

Content:

The Management Board of ZUE S.A. with registered office in Cracow (the “Company,” the “Issuer”) inform about the agreement (the “Agreement”) entered into on 9 August 2018 between the Company and Wadoma Spółka z ograniczoną odpowiedzialnością Sp. k. with registered office in Nowy Sącz (the “Subcontractor”). The Agreement deals with the provision by the Subcontractor of design and construction services on the Chabówka – Zakopane and the Sucha Beskidzka – Chabówka sections (the “Contract”). The Company informed about the Contract performance in the current report 5/2018 of 19 March 2018.

The Agreement net value: PLN 81m.

The Agreement completion date: 18 September 2021.

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

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

Regardless of the contractual penalty, the Company will have the right to claim additional damages up to the value of actual damage.

The remaining terms of the Agreement, including but not limited to the Agreement termination terms, do not differ from the standard terms of such type of transactions.