



## **CURRENT REPORT 23 / 2019**

**27 June 2019**

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

Subject: Cooperation with Subcontractor.

Content:

The Management Board of ZUE S.A. with registered office in Cracow (ZUE, the “Company”) inform about the construction contract entered into between the Company and R.D.M. Śródmieście Sp. z o.o. with registered office in Cracow (the “Subcontractor”) on 27 June 2019. Following the conclusion of the said contract, the total net value of the contracts between ZUE and the Subcontractor signed in the past year amounted to approx. PLN 15.4m.

The highest value contract signed in the abovementioned period is the subcontract between the Company and the Subcontractor of October 2018 (the “Contract”).

The Contract net value: PLN 13.5m.

The Contract completion date: 31 August 2019.

The quality warranty given by the Subcontractor is 6 years and 14 days of the final acceptance date. The Subcontractor is liable for defects for 5 years and 14 days.

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 carry out the works in timely fashion or a delay in the removal of defects or termination of the Contract due to the circumstances blamed on the Subcontractor. However, the total amount of the penalties must not exceed 20% of the Contract net value.

Regardless of the contractual penalty, the parties 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 termination terms, do not differ from the standard terms of such type of transactions.