



CURRENT REPORT 36 / 2020

24 November 2020

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 (the "Company") inform about the subcontract (the "Subcontract") entered into on 24 November 2020 between the Company and Zakład Robót Inżynieryjnych Henryk Chrobok i Hubert Chrobok Sp. J. with registered office in Bojszowy Nowe (the "Subcontractor").

The Subcontract deals with the provision by the Subcontractor of specific construction works ordered by the Company in connection with the following railway contract performed by the Company in the Trzebinia – Oświęcim area. The Company informed about the conclusion of the contract in the current report 63/2017.

Subcontract net value: PLN 25.6m.

Subcontract completion date: November 2021.

The Subcontract provides for contractual penalties payable by the Subcontractor to the Company in the circumstances specified therein, including the penalty for the failure to perform the stage of the works or to remove defects in a timely fashion or termination of the Subcontract by the Company or the Subcontractor through the fault of the Subcontractor (5% of net remuneration). The Subcontractor may impose a contractual penalty of 5% of net remuneration if the Subcontract is terminated by the Company or the Subcontractor through the fault of the Company. However, the total amount of the penalties must not exceed 10% of the abovementioned remuneration and the payment of the contractual penalty is without prejudice to the Company's right to claim additional damages up to the value of actual damage.

The remaining terms of cooperation with the Subcontractor, including but not limited to termination terms, do not differ from the standard terms of such type of cooperation.

Apart from the Subcontract, the total value of subcontracts entered into since May 2020 between the Company and the Subcontractor is approx. PLN 2.2m.