



CURRENT REPORT 40 / 2013

14 November 2013

Legal basis: Art. 56.1.2 of the Public Offering Act – Current and Periodic Reports.

Subject: Information on Conclusion of Major Contract.

Content:

The Management Board of ZUE S.A. with registered office in Cracow (the “Company”) inform that on 13 November 2013, the consortium of:

- 1) ZUE S.A. with the registered office in Cracow (Leader);
- 2) TOR-KAR-SSON Sp. z o.o. Spółka komandytowa with the registered office in Warsaw (Partner);
- 3) Zbigniew Kargul entered into the Central Business Register conducting a business activity under the name Przedsiębiorstwo Tor-Kar-Sson Zbigniew Kargul with the registered office in Warsaw (Partner);

(hereinafter referred to as the “Consortium”) concluded a contract (the “Contract”) with the City of Szczecin with registered office in Szczecin (the “Contracting Authority”).

The Contract provides for the reconstruction of the tramway track together with OCL network and associated infrastructure and the associated works for the following task: “Reconstruction of tramway tracks along the tramways in Szczecin:

- 1) the Piastów Avenue;
- 2) the Wawrzyniaka Street;
- 3) the intersection of the Bohaterów Warszawy and Jagiellońska Streets;

as part of the following project: “Construction and reconstruction of tracks in Szczecin co-funded by the EU” (a “build” project).

Contract gross value: PLN 44,492,655.93.

Contract net value: PLN 36,172,891.00.

Completion date: 6 months of the Contract date.

Term of warranty: 36 months of the final acceptance.

The contractual penalties payable by the Consortium to the Contracting Authority for the failure to perform or duly perform the Contract include:

- 1) 0.1% of the Contract gross value for each day of delay in the Contract performance;
- 2) 10% of the Contract gross value for the termination of the entire Contract;
- 3) If a part of the Contract is terminated – 10% of the gross remuneration payable for this part

of the Contract; and

- 4) 0.1% of the Contract gross value for each day of delay in the removal of defects under warranty and guarantee (defects specified in the acceptance protocol, defects detected during the warranty and guarantee period and defects specified in the warranty inspection reports).

The total value of the contractual penalties must not exceed 30% of the Contract gross value.

The Contracting Authority will pay statutory interest to the Consortium if it fails to pay the remuneration in a timely fashion.

The Contracting Authority is authorised to claim damages in excess of the contractual penalties.

The termination of the Contract is without prejudice to the right to claim contractual penalties or demand damages in excess of the penalties.

The Contract is deemed major since its value exceeds 10% of the Company's equity.

Legal basis: § 5.1.3 of the Ordinance by the Minister of Finance of 19 February 2009 on current and periodic information published by issuers of securities and the conditions for recognizing information required under the law of a non-member state as equivalent.