



CURRENT REPORT 12 / 2014

21 February 2014

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

Subject: Conclusion of Major Contract.

Content:

The Management Board of ZUE S.A. with registered office in Cracow (the “Company,” the “Subcontractor”) inform that today they received the contract of 12 February 2014 (the “Contract”) signed by the parties. The Contract was concluded by and between the Company and Mota – Engil Central Europe S.A. with registered office in Cracow (the “Contractor”).

Under the Contract, the Subcontractor shall perform for the benefit of the Contractor a part of the construction works concerning the OCL and track services as part of the following task: ”Extension of a tramway under the KST project Phase II B including the road system (the Lipska street – the Wielicka street) in Cracow.”

Gross value of the Contract: PLN 32,779,500.00.

Net value of the Contract: PLN 26,650,000.00.

The Subcontractor will pay the Contractor 0.2% of the Contract gross value for the Subcontractor’s participation in the cost of insurance. The amount will be deducted from the first payment to the Subcontractor.

Date of the Contract performance: 15 August 2015.

Warranty given to the Contractor: 60 months of signing the acceptance protocol.

The Contractor will pay a contractual penalty to the Subcontractor if the Contract is terminated by the Subcontractor through the fault of the Contractor. The contractual penalty is 10% of the Contract gross value.

If the Contractor fail to perform or duly perform their contractual obligations and the failure is not included in the contractual penalties the Contractor will bear liability on general terms as specified in Art. 471 of the Polish Civil Code.

The Subcontractor may claim additional damages up to the value of actual damage in excess of the contractual penalties.

The Subcontractor is obliged to pay the contractual penalties of:

- 1) 10% of the Contract gross value if the Contract is terminated by the Contractor through the fault of the Subcontractor;
- 2) 0.2% of the Contract gross value for each day of delay in the commencement of the works;
- 3) 0.1% of the Contract gross value for each day of delay in the performance of the Contract, however, the total amount must not exceed 10% of the Contract gross value.

The Contractor may claim additional damages up to the value of actual damage in excess of the contractual penalties.

If the Subcontractor fail to perform or duly perform their contractual obligations and the failure is not included in the contractual penalties the Subcontractor will bear liability on general terms as specified in Art. 471 of the Polish Civil Code.

The Contract is deemed major because 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.