



CURRENT REPORT 16 / 2014

28 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”) inform that today they concluded a contract (the “Contract”) with Tramwaje Warszawskie Sp. z o.o. of Warsaw (the “Contracting Authority”).

The Contract provides for the construction of the tram line to Tarchomin in Warsaw.

The Company informed of the selection of the most advantageous offer in the current report 11/2014 of 14 February 2014.

Gross value of the Contract: PLN 64,199,999.00.

Net value of the Contract: PLN 52,195,121.13.

Completion date: 10 months of the Contract conclusion.

Warranty given by the Company: 36 months of the final acceptance.

The contractual penalties payable by the Company to the Contracting Authority include:

- 1) 15% of the Contract net value for the failure to perform or duly perform the works under the Contract as a result of which the Contract is terminated through the fault of the Company;
- 2) 0.05% of the Contract net value for each day of delay in the performance of the Contract;
- 3) 0.01% of the net value of a scope of the works for each day of delay in the removal of defects detected upon the acceptance of the works. The penalty will be charged after the expiry of deadline for the removal of defects;
- 4) 0.01% of the Contract net value for each day of delay in the removal of defects detected during the defect liability period. The penalty will be charged after the expiry of deadline for the removal of defects.

Both the Company and the Contracting Authority reserve the right to claim damages up to the actual damage in excess of the contractual penalties.

The contractual penalties' total value must not exceed 50% of the Contract net value.

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.