



## **CURRENT REPORT 35 / 2014**

**30 July 2014**

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

Subject: Conclusion of Major Agreement.

Content:

The Management Board of ZUE S.A. of Cracow (the “Company”) inform of the cooperation agreement (the “Agreement”) concluded on 29 July 2014 with mBank S.A. of Warsaw (the “Bank”). Under the Agreement, the Company will use the Bank’s products and services to finance the Company’s day-to-day operations. The Bank provides the Company with the right to use the following products within the limit provided by the Bank:

- 1) PLN- and EUR-denominated guarantees that are valid for up to 60 months and provided by the Bank at the Company’s request. Additional security in the form of a deposit (the “Deposit”) of 15% of the provided guarantee on the terms and conditions as set out in the Deposit Agreement concluded on 29 July 2014 between the Bank and the Company is required for the bank guarantees expiring after 36 months; and
- 2) PLN-denominated non-revolving working capital facilities granted by the Bank at the Company’s request according to the working capital facility agreement concluded each time between the Bank and the Company.

The maximum limit provided to the Company by the Bank for all the products is PLN 70m with the following product sub-limits:

- 1) Sub-limit for guarantees up to PLN 30m; and
- 2) Sub-limit for non-revolving working capital facilities up to PLN 70m.

The limit has been provided for a term from the date of the Agreement to 20 July 2017. However, the final guarantee expiry date may exceed the limit’s basic expiry date.

The Bank’s claims against the Company under the Agreement are secured by:

- 1) Blanket ordinary mortgage on the developed land located in Magdalenka, Lesznawola administrative district, the Orzechowa Street no. 2 and the developed land located in Cracow in the Półnanki Street no. 21, and the transfer to the Bank of the Company’s right to entire damages under the insurance agreement for the abovementioned real property;
- 2) Assignment to Bank of the Company’s receivables from Polskie Sieci Elektroenergetyczne S.A. of Konstancin-Jeziorna in respect of the contract entered into on



## GRUPA ZUE

- 25 March 2014 (the Company informed of the said contract in the current report 21/2014 of 25 March 2014); and
- 3) Deposit paid to the Bank on the terms and conditions as set out in the Deposit Agreement concluded on 29 July 2014 between the Company and the Bank.

The financial terms of the Agreement and the limit to be used by the Company do not differ from the common market terms for such type of agreements.

The Agreement 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.*