

Current Report No. 26 / 2012

Date of issue: 26/10/2012

Short name of the issuer: ELEKTROTIM S.A.

Subject: Conclusion of reference contracts by ELEKTROTIM S.A. with DFM ZANAM - LEGMET Sp. z o.o. with its registered seat in Polkowice

Legal grounds: Article 56, section 1, subsection 2 of the Public Offering Act – current and periodical information

Content of the Report:

Pursuant to Article 5, section 1, subsection 3) , in connection with Article 9, subsection 8) of the Ordinance of the Minister of Finance of 19.02.2009 on current and periodical information provided by securities issuers and conditions for recognising as equivalent the information required by law of a non-Member State, the Board of ELEKTROTIM S.A. notifies that on 26.10.2012 it concluded two contracts with Dolnośląska Fabryka Maszyn ZANAM - LEGMET Sp. z o.o. with its registered seat in Polkowice.

The subject of the first contract is walling off flotation machine of the following numbers MF-131, MF-132, MF-133, MF-141, MF-142, MF-151, and MF-152 as part of the following investment task: "Exchange of the floatation machines in the Area of ZWR Polkowice" - in the electric and automatics industry.

The value of the Subject of the above-mentioned Contract constitutes a flat-rate **remuneration net in the amount of PLN 5,030,000.00** (say: five million, thirty thousand PLN).

Term of the Subject of the Contract shall be: 31.07.2013

The subject of the second contract are electric and automatics works related to the modernisation of the industrial waters network, high-pressure water installations, and mine water intermediate pumping stations at KGHM POLSKA MIEDŹ S.A., ZWR Branch, ZWR Polkowice Area.

The value of the Subject of the above-mentioned Contract constitutes a flat-rate **remuneration net in the amount of PLN 5,098,850.00** (say: five million, ninety eight thousand, eight hundred fifty PLN).

Having regard to Article 9, subsection 8) of the Ordinance of the Minister of Finance of 19.02.2009 on current and periodical information, the Management Board of ELEKTROTIM S.A. notifies also that formerly it has concluded Contracts referred to in the Current Report No. 29/2011 of 02.12.2011 and in the Current Report No. 5/2012 of 14.03.2012.

Thereby, in the last 12 months the total value of contracts concluded with the same Ordering Party, i.e. with DFM ZANAM - LEGMET Sp. z o.o. **amounts to PLN 24,008,030.00 net** (say: twenty four million, eight thousand, thirty PLN).

Pursuant to Article 9, subsection 8) of the Ordinance of the Minister of Finance of 19.02.2009 on current and periodical information, the Board provides information specified in Article 9, subsection 5 - **contractual penalties applicable for the Contract concluded on 24.11.2012: (Value: 8.000.000,00.2011 and in the Current Report No. 29/2011 of 02.12.2012.):**

In case of failure to perform or improper performance of contractual duties Parties reserve the right to implement contractual penalties in the following cases and of the following amounts:

- a) for the delay in construction of the wall off of the given machine in the amount of 0.2% of the value of such a machine for every day of delay,
- b) for the delay in starting the repair works (exceeding the reaction time) in the amount of 0.01% of the flat-rate value of the Contract for each hour of the delay,
- c) for the delay in repairing damages discovered during the commissioning of a given machine in the amount of 0.2% of the value of the wall-off of such a machine, for each day of the delay,
- d) for the delay in repairing the damages discovered in the guarantee period in the amount of 0.05% of the flat-rate value of the Contract for each day of the delay,
- e) for not storing industrial waste in the place and/or time indicated by the Investor in the amount of PLN 2,000 for each day of delay,
- f) for not obeying the internal legal acts related to the safety of work applicable at the Investor's premises in the amount of PLN 2,000 for each discovered case,
- g) withdrawal from the Contract due to reasons attributable to the Contractor in the amount of 10% of the flat-rate value of the Contract.

The Ordering Party shall reserve in the Contract the right to calculate penalties to the Contractor in

the amounts calculated by the Investor to the Ordering Party due to reasons attributable to the Contractor for non-performance or improper performance of the provisions of the Contract. The Contractor shall be entitled to calculate to the Ordering Party the contractual penalty for Withdrawal from the Contract by the Contractor due to reasons attributable to the Ordering Party - in the amount of 10% of the flat-rate value of the Contract.

In case the amount of reserved contractual penalties does not settle incurred damages and in other unpredicted cases, the entitled Party may seek compensation subject to the general rules of the Polish Civil Code.

**The Agreement shall be considered as reference contract if its value exceeds 10% of own capital of ELEKTROTIM S.A.**