

POLISH FINANCIAL SUPERVISION AUTHORITY

Current Report No. 3/2013

Date of issue: 11.01.2013  
Short name of the issuer: ELEKTROTIM S.A.  
Subject: Conclusion of contract with the Military Institute of Armament Technology in Zielonka.  
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 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 Management Board of ELEKTROTIM S.A. notifies that on 11.01.2013 it signed a contract with the Military Institute of Armament Technology in Zielonka.

The subject of the contract is developing the design and building a laboratory building with offices and shooting range for "Śnieżnik" system in the area of the Military Institute of Armament Technology in Zielonka.

The value of the Subject of the contract is a net remuneration of PLN 13,920,000.00 (say: thirteen million, nine hundred and twenty thousand PLN).

Term of the Subject of the Contract:

a) developing designs with a calculation part and obtaining required agreements with an authorised decision on the construction permit - no longer than 6 months since the conclusion of the Contract,

b) performance of construction works with obtaining the occupancy permit - no longer than 14 months since the decision on the construction permits is authorised.

In case of non-performance or inadequate performance of the contractual obligations Parties shall apply contractual penalties in the following cases and amounts. The Contractor shall pay to the Ordering Party the contractual penalties:

a) delayed commissioning of the subject of the contract - in the amount of 0.2% of the gross remuneration, for each day of delay, however, not exceeding 10% of the said remuneration,

b) for delay in repairing faults discovered in the statutory liability period or guarantee period - in the amount of 0.2% of the gross remuneration, for each day of delay, however, not exceeding 10% of the said remuneration,

c) for causing a break in performance of works due to reasons attributable to the Contractor in the amount of 0.2% of the gross remuneration, for each day of delay, however, not exceeding 10% of the said remuneration,

d) for withdrawing from the Contracts due to reasons attributable to the Contractor in the amount of 10% of the gross remuneration.

The Ordering Party reserved in the Contract the right to claim supplemental damages exceeding the amount of contractual penalties in case the penalties do not cover its damages. The Ordering Party shall pay to the Contractor the contractual penalty for withdrawing from the Contract due to reasons not attributable to the Contractor in the amount of 10% of the gross remuneration. The Contract shall be considered as reference contract if its value exceeds 10% of own capital of ELEKTROTIM S.A.