

POLISH FINANCIAL SUPERVISION AUTHORITY

Current Report No. 14/2016

Date prepared: 20.05.2016
Short name of the issuer: ELEKTROTIM S.A.
Subject: Information regarding the conclusion of a contract with TAURON Dystrybucja S.A., Branch Office Wałbrzych
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, subsections 3 of the of the Ordinance of the Minister of Finance of 19.02.2009 on current and periodical information provided by the issuers of securities, ELEKTROTIM S.A. informs that on 20.05.2016 it received a contract concluded by the consortium comprising: ELEKTROTIM S.A. (Consortium Leader) and Zakład Sieci i Zasilania Sp. z o.o. with its seat in Wrocław, with TAURON Dystrybucja S.A., Branch Office in Wałbrzych (contract date: 17.05.2016).

The Subject of the Contract is the execution of the following task: "Modernization of line S-212 from R-Świebodzice to R-Żarów, task no. 250155 in the "turnkey" mode (design and build).

The value of the Contract shall be the remuneration amounting to PLN 7,595,000.00.

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Pursuant to Article 9, section 8) of the of the Ordinance of the Minister of Finance of 19 February 2009 on on current and periodical information, the Board provided information specified in Article 9, section 5), including Contractual penalties applicable to the above-mentioned Contract.

The Parties agreed that the Contractor shall pay the Ordering Party contractual penalties, among other, in the following cases:

1. for a delay in executing the subject of the Contract or its part against the dates specified in the Contract - 0.1% of the total net remuneration for each day of the delay,
2. for a delay in repairing faults discovered during the final or partial commissioning of the subject of the contract or repairing defects discovered within the warranty or statutory warranty - 0.1% of the total net remuneration per each day of the delay,
3. for each breach of Occupational Health and Safety regulations, confirmed with a record in a Construction Register - in the amount of PLN 1,000.00,
4. for each commenced hour of delay in commissioning against the time specified in the Schedule agreed on with the Ordering Party - in the amount of PLN 2,000.00.

The contractual penalty defined this way shall fulfil the Ordering Party's entitlements to seek compensation in the full amount of suffered damages, including claims of third parties (e.g. penalties and compensations the Ordering Party will have to pay pursuant to the applicable provisions towards third parties for suspending the power supply), and other.

Demanding damages exceeding contractual penalties is acceptable; thus, each Party may seek supplementary compensation from the other Party on general rules set forth in the Civil Code.

The Contract shall be considered as reference in case the value of the Contracts concluded with the TAURON Dystrybucja S.A. within last 12 months exceeds 10% of equity capital of ELEKTROTIM S.A. ELEKTROTIM S.A. informed with the Current Report No. 13/2016 of 04.05.2016 about the selection of the offer of ELEKTROTIM S.A. as the most advantageous as part of the proceedings carried out by TAURON Dystrybucja S.A., Branch Office in Wałbrzych.