



**Current Report:** 34/2016

**Date:** 2016-03-04

**Name of the Issuer:** FERRUM S.A.

**Title:** Conclusion of significant agreement by subsidiary

**Legal basis:** Art. 56 item 1 point 2 Act on Public Offering – current and periodic information

**Content of the Report:**

The Management Board of FERRUM S.A. informs that on 4th March 2016 the subsidiary ZKS FERRUM S.A. (ZKS FERRUM) received the agreement countersigned by the domestic entity running business activities in the industry of building materials production (Ordering Party), the subject of which is the design, execution and delivery to the Ordering Party five tanks used in the production process (Agreement).

Value of the Agreement amounts 8,8 m PLN net.

Target date of the Agreement expires in August 2018, whereas the Agreement provides for partial lead-time for respective work stages.

The Agreement stipulates for contractual penalties in accordance to which the Ordering Party has the right to charge ZKS FERRUM with liquidated damages, among others, for each day of delay in the successful Agreement completion. The maximum amount of the contractual penalty cannot exceed 10% of net value. Renouncement from the Agreement during its term by one of the parties results in the payment of contractual penalty for the other party in the amount equivalent to 10% of remuneration, unless the renouncement occurred due to the reasons attributable to the other party. The Parties reserved the right to claim compensation in line with general principles if the amount of the contractual penalties charged does not cover the incurred damage.

The other conditions of the Agreement do not differ from the terms applied to these type of contracts.

10% of the Issuer's equity capital was established as a criterion for acknowledging the Agreement as significant.

Legal basis: § 5 item 1 point 3 of the Minister of Finance Regulation of 19th February 2009 on current and periodic information [...].

**SIGNATURES OF PERSONS REPRESENTING THE COMPANY**

<b>Date</b>	<b>Position</b>	<b>First name and surname</b>
2016-03-04	President of the Management Board	Konrad Miterski
2016-03-04	Vice-president of the Management Board	Włodzimierz Kasztalski