



**Current Report:** 13/2017

**Date:** 2017-03-28

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

**Title:** Information on the subsidiary – contractor cooperation

**Legal basis:** Art. 17 item 1 MAR – inside information

**Content of the Report:**

The Management Board of FERRUM S.A. informs that on 28<sup>th</sup> March 2017 the subsidiary ZKS FERRUM S.A. (ZKS FERRUM) received an order (Order) from the world leader supplying power generation technologies (Ordering Party), the subject of which is to produce three welded steel low-pressure enclosures for the island of the conventional nuclear power station.

Value of the Order amounts EUR 1.7 mio. net, which equals to app. PLN 7.3 mio. net. The Issuer informs that with regard to the approval of the above mentioned Order, the total value of orders received from the Ordering Party throughout the last year amounted app. PLN 31.2 mio. net, and the biggest order in this period was the Order referred to hereinabove.

Lead time of the Order was agreed for August 2018, whereas the Order provides for partial delivery terms for the respective work stages.

The Order provides for the right to charge contractual penalties in accordance to which the Ordering Party is entitled to claim from ZKS FERRUM penalties, among others, 3% for each commenced week of delay in delivering the subject of the Order, whereas the limit amount of the contractual penalty is not specified.

Withdrawal from the completion of the Order by the Ordering Party during its validity results in paying the other party contractual penalties in the equivalent of the direct costs, unless the refrainment was for the reasons attributable to the other party. The Parties reserved the right to pursue claims on a general basis in case when the amount of the charged contractual penalties does not cover the incurred damage.

The remaining terms of the Order completion, including the possibility to withdraw from the Order performance, do not differ from the conditions applied in this type of transactions.

**SIGNATURES OF PERSONS REPRESENTING THE COMPANY**

<b>Date</b>	<b>Position</b>	<b>First name and surname</b>
2017-03-28	Vice-President of the Management Board	Włodzimierz Kasztalski
2017-03-28	Vice-President of the Management Board	Krzysztof Kasprzycki