



No. 71 /2010

Date: 05.08.2010

Topic: Conclusion of a significant contract.

Legal grounds: Article 56 (1) (2) of the Act on offers – current and periodical information

The Management Board of Polimex-Mostostal S.A. informs that on 04.08.2010 they signed a Contract with ALSTOM Power Systems GmbH, Stuttgart, Germany, for the installation of structures and ducts at Mannheim Power Plant for the net value of EUR 14,808,280 (PLN 59,025,804.08).

Total value of the Contracts signed within the last 12 months with the aforementioned entity amounts to EUR 37,181,280 (PLN 148,204,582.08).

Terms and conditions of the Contract: Completion date: 30.11.2011

Payments:

1. Advance payment – a 10% advance payment against provision, each time free of charge, until completion of the installation (i.e. by 30.11.2011 at the latest) of a timely advance guarantee for the said amount.
2. Monthly invoicing in accordance with works progress - 80% by instalment – consideration consistent with monthly works progress protocols acknowledged by the Ordering Parties, - 10 % following installation completion and due acceptance by the Ordering Party, and the Ordering Party producing a bank guarantee for material defects for 10% of the effective order, with the term until expiry of the guarantee for claims arising from object defects. Period of the bank guarantee regarding liability for material defects shall however expire on 01.12.2018 at the latest.

For the purpose of securing Contract execution, the Contractor shall provide the Ordering Party with a bank guarantee as a performance bond for the amount of 10% of the order value, with the term until completion of the installation. Period of the bank guarantee as a performance bond shall expire on 30.11.2011 at the latest.

Penalties:

1. Contractual penalty in the event of delays in deliveries and considerations – 1% for the first full week of delay and 2% as of the second week of delay, maximum 10% of the Contract value.
2. Contractual penalty in the event of delayed provision of documentation – 0.25% for each week of delay, maximum 2% of the Contract value.
3. Contractual penalties in total – maximum 10% of the Contract value.

Contractual penalty for the Contractor shall not exclude further claims from the Ordering Party. Contractual penalty shall not be included in any claim for compensation.

The criterion in accordance with which the Contract has been deemed significant is the value of Polimex-Mostostal S.A. equity capital.

Legal grounds: Article 56 (1) (2) of the Act on public offer and conditions of organised trade in financial instruments and on public companies, as related to § 5 (1) (3) as related to § 9 of the Ordinance of the Minister of Finances dated 19 February 2009 on current and periodical information provided by issuers of securities and terms of deeming information required by the regulations of a non-Member State equivalent (Dz.U. (Dziennik Ustaw, Journal of Laws) of 2009, No. 33, item 259).