ERBUD S.A.

Current Report No. 49/2012
Date of Report: 2012-19-12

Topic:

Concluding a significant construction contract - waste incineration plant in Konin
Legal basis: Article 56 section 1 item 2 of the Act on Public Offering - current and periodic information

Content of report:

1. Contract concluded on: 19.11.2012
2. The Builder: Miejski Zakład Gospodarki Odpadami Komunalnymi (Municipal Waste Management Departament) spółka z ograniczoną odpowiedzialnością, seated in Konin (zip code 62-510), 13 Sulańska St.
3. Contract value: Consortium of INTEGRAL-ERBUD-INTROL – PLN 296 million net Consortium leader: Integral Engineering und Umwelttechnik GmbH – PLN 142,161,544.60 net;

   Partner: ERBUD SA – PLN 103,808,443.40 net;

   Partner: Introl SA – PLN 50,030,012.00 net.
4. Contract subject: Contract No. 1 - Design and construction of municipal waste thermal incineration plant in Konin
5. Place of performance: Konin, Sulańska St.
6. Duration of works: 40 months from contract signature
7. Payment: on quarterly basis, the minimum amount of Interim Payment Certificates is PLN 5,000,000.00
8. Performance bond: PLN 18,204,000.00, i.e. 5% of the gross contract value; valid till 20.04.2016 and issued by the Consortium Leader. The counter-guarantee issued for the Consortium's Leader Bank by Erbud SA in the amount of PLN 6,384,142.80.
9. Warranty for Removal of Defective Work: 1.5% of the gross contract value, i.e. PLN 5,461,200.00 PLN by 20.04.2019
10. Other guarantees: 24 months quality warranty, 36 months warranty for defects
11. Penalties:

    Contractor shall pay delay damages:

    for delay in execution of the contract in the amount of:

    Penalty for late execution - 0.1% of gross Accepted Contract Amount specified in the Contract Agreement for each day of delay.

    The maximum penalty for delay - 10% of the Contract Price.

    The maximum amount of penalties in case of failure to meet guaranteed performance - 20% of the Contract Price.
12. Notes: Project shall be completed as "Design-Build Contract" to construct the municipal waste thermal plant in Konin. The plant will consist of one line for thermal treatment of municipal waste with a minimum capacity of 94.000 Mg/year, working 24 hours a day and 7 days a week. "Products" arising from the conversion will be: electrical and thermal energy, recycled materials, flue gas (cleaned in accordance with the requirements of EU and Polish law) and solid pre-consumer waste from flue gas treatment.