ERBUD S.A.

Current Report No. 26/2013
Date of Report: 2013-06-19

Topic:
Signing of a significant contract for construction works worth PLN 212,2m - office building in Warsaw
Legal basis: Article 56 section 1 item 2 of the Act on Public Offering - current and periodic information

Content of report:

Below is information about the contract conditions:

1. Contract concluded on 18.06.2013.
2. The Investor: HAZEL INVESTMENTS Sp. z o.o., 02-647 Warszawa, 11 Marynarska St.
3. Contract value: PLN 212,477,450.00
4. Contract subject: Comprehensive construction of a multi-use office and retail building named "Royal Wilanów" with underground car park, services and utilities and site development works, including road infrastructure such as ingress/ egress to and from the Property.
5. Site: Warsaw, Klimczaka St., corner of PrzyczółkowaSt.
6. Completion period: 760 days within the period from the issue of Instruction to Proceed Commencement of Works to the obtaining Occupancy Permit.
7. Payment terms - 30 days from receipt of invoice; the final payment in the amount of not less than 5% of the net contract price against invoice issued after the Final Payment Certificate.
8. Performance Bond: 10% of the net contract price, provided for the entire duration of Works (24 calendar months) plus an additional period of 60 days.
9. Remedying Defects Warranty: 2.5% of the net contract price, provided for 3 years.
10. Other guarantees: 10 years for steel and reinforced concrete construction, 10 years for roofing and insulation, 10 years for joints and insulation 10 years for aluminium and stone façade, 10 years for stainless steel elements, 5 years for road construction and road infrastructure, 3 years for elevators and automatic doors and 2 years for greenery.
11. Penalties:

    For the delay in the possessing the Site - 0.1% of the net contract price for each day of delay; in the event of failure to timely achieve the Milestone - 0.1% of the net contract price for each day of delay and for each day of late Completion - 0.1% of the net contract price for each day of delay; in the event of failure to obtain an occupancy permit - 0.1% per day of delay. The total amount of liquidated damages referred to above shall not exceed 0.1% of the net contract price.
    In case of failure to timely removing defects: if defects impede or preclude to continue the Work or to obtain an occupancy permit - 0.1% of the net contract

price for each day of delay, otherwise - 0.03% of the net contract price for each day of delay.
In case of failure to fulfill warranty obligations: if defects affect the normal and satisfactory use of the building - PLN 20,000 for each day of delay, otherwise PLN 4,000 for each day of delay.
In the event of termination of the Contract by the Investor for reasons attributable to the Contractor - 10% of the net contract price
The sum of liquidated damages shall not exceed 10% of the contract price.

12. Note: The Agreement shall enter into force on the date of receiving by the Contractor form the Investor in writing the Instruction to Proceed Commencement of Works. The Investor is entitled to submit Instruction to Proceed Commencement of Works no later than on 30 November 2013. After the ineffective expiry of the above time limit, this Agreement shall terminate.