ERBUD S.A.

Current Report No.33/2014
Date of Report: 2014-08-06

Topic:

Concluding a significant contract for construction works valued at PLN 115,457,787.00 net – office and shopping building in Warsaw

Legal basis:

Article 56 section 1 item 2 of the Act on Public Offering - current and periodic information

Content of report:

The Management Board of ERBUD SA announces that on 5 August 2014, the Company signed a significant contract for construction works on the following terms and conditions:

1. Contract concluded on 05.08.2014
2. The Builder: Hala Koszyki Grayson Investments Spółka z ograniczoną odpowiedzialnością Sp.k., seated in Warsaw, 6 Al. Szucha St., 00-582 Warszawa
3. Contract value: PLN 115,457,787.00 net – the amount will be converted into Euros at the average exchange rate of EUR/PLN published by the NBP (Polish National Bank) on the date of information delivery about "Conversion Rate" by the Builder to the Contractor
4. Contract subject: construction of an office and shopping building Site
5. Location: Warsaw, 61/63/65 Koszykowa St., plot No. 8, precinct 5-05-05; plot No. 9, precinct 5-05-05
6. Completion period: Commencement - immediately after the takeover by protocol of the Real Estate from the Builder, which will take place no later than three days after the receipt of Order to Proceed from the Builder together with final Building Permission; completion date - 30.06.2016
7. Payment terms - 30 days from receipt of valid invoice
8. Performance Bond: Bank guarantee in the amount of 10% of the contract price valid until the Performance Certificate.
9. Remedying Defects Warranty: 5% of the contract price for 1 year, 2.5% of the contract price for the following years.
10. Other guarantees: The Contractor shall provide the Employer a warranty for:
    Structures, roofs, facades - 10 years,
    Finishing materials, systems - 5 years
    Equipment - 3 years
    Moving parts - 2 years
11. Contractor's penalties:
    For delay in completion of Works - 0.01% of the Net Contract Price for each day of delay after the final Milestone deadline, ie. for each day of delay after the date of the final Milestone until the date of actual fulfillment of the final Milestone deadline.
    For delay in execution of Works in relation to the due Milestones deadlines - 0.01% of the Net Contract Price, calculated from the Contract Price covering the Scope of Works under the Milestone for each day of delay after the Milestone deadline, ie. for each day of delay after the Milestone deadline and the day of actual completion of the Scope of Works under the Milestone specified in the Performance Certificate.

    The total amount of liquidated damages shall not exceed 10% of the net Contract Price (including both penalties related to the final Milestone and to all succeeding Milestones and for the withdrawal from the Contract).