ERBUD S.A.

Current Report No. 35/2014
Date of Report: 2014-08-25

Topic:

Signing of a significant contract for construction and installation works under the project to construct the DeNOx system for boilers K2 (stage I) and K1 (stage II) in Kozienice Power Plant valued at PLN 40,8m

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

Content of report:

On 22 August 2014, Erbud SA signed a subcontracting agreement with Mitsubishi Hitachi Power Systems Ltd. (General Contractor), headquartered in 3-1, Minatomirai 3-chome, Nishi-ku, Yokohama 220-8401, for construction and installation works within the project to construct NOx reduction system for boilers K2 (Stage I) and K1 (Stage II) in Kozienice Power Plant for Enea Wytwarzanie SA (Investor).

Net contract value: 40,800,000 PLN.

Erbud's scope of works: basic design, incl. obtaining building permit, execution of construction and installation works; procurement and construction of supporting structures and flue gas ducts; design, procurement and installation of feedwater heater and ash removal system; installation of plant, incl. SCR reactor; participation in the start-up.

Completion period: 22.08.2014 (signing the contract) - 30.03.2016 (Acceptance of the Commissioning Protocol by the Investor).

Penalties: The sum of liquidated damages shall not exceed 20% of net contract price.

Performance Bond: 5% of gross contract price for the period from the contract conclusion till 30 March 2016.

Remedying Defects Warranty: 1.5% of gross contract price from 31 March 2016 to 5 March 2019;

Warranty Periods:

- 36 months from the date of Final Commissioning Certificate for the entire equipment
- 60 months from the date of Final Commissioning Certificate for construction works, including anti-rust treatment, coatings, chemical resistant coatings and paint coatings.