ERBUD S.A.

Current Report No. 40/2014
Date of Report: 2014-10-21

Topic:

Signing of a significant contract to build the VIVO Retail and Entertainment Centre in Stalowa Wola

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 (the Issuer) announces that on 20.10.2014 it has received notification that the following significant contract has been concluded:

1. Contract concluded on 14-10-2014
2. The Investor: ACE 2 Sp. z o.o., ul. Prosta 70, 00-838 Warszawa
3. Contract value: PLN 96,500,000 net
4. Contract subject: construction of VIVO Retail and Entertainment Centre
5. Site location: Stalowa Wola, Podskarpowa St./ Chopina St.
6. Completion period: 14.10.2014 - 15.10.2015
7. Payment terms: 30 days
8. Performance Bond: 10% of the contract price in the form of bank guarantee
9. Remedying Defects Warranty: 5% of the net contract price for a period of 12 months from the issue of Certificate of Completion with a possibility to replace it by a bank guarantee of 5% of the contract price provided for the whole warranty period.
10. Other guarantees:
    a) two years for LED lightening
    b) three years for technical equipment and 5 years for electrical systems
    c) five years for the facade and works other than specified above
    d) 10 years for the roof
    e) 10 years for the building structure.
11. Penalties:
    a) 0.2% of the net Contract Price for each calendar day of delay in completion of the Milestone as specified the Baseline Schedule. The penalty shall be returned if another Milestones will be achieved in accordance with the Baseline Schedule
    b) 0.4% of the net Contract Price for each calendar day of delay in completion of the Milestone in respect of Tenants as specified the Baseline Schedule
    c) 0.5% of the net Contract Price for each calendar day of delay in completion of Works under the Taking-Over Certificate as specified the Baseline Schedule
    d) the sum of liquidated damages shall not exceed 10% of the Contract Price.
12. Note: The Employer shall provide the Contractor with an advance payment of 10% of the Contract Price against bank guarantee.