ERBUD S.A.

Current Report No.20/2015
Report date: 2015-02-12

Topic:
Concluding a significant contract to execute complex construction works for the Skurpie Wind Farm, stage 2.
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 11 February 2015 the Issuer concluded with the PEP Group - Farma Wiatrowa 4 Spółka z ograniczoną odpowiedzialnością seated in 02-526 Warsaw, 24/26 Krucza St. (the "Builder") a contract to execute complex construction works for the construction of wind turbines constructions, service roads and mezzanine platforms for the second stage of Skurpie Wind Farm.

The Issuer is a Partner of a Consortium formed with PBDI SA based in Torun (the "Consortium Leader"), a subsidiary 94.27 percent owned by the Issuer.

The total net Contract value is PLN 3,410,648.36 (in words: three million, four hundred and ten thousand, six hundred and forty-eight point three six Zlotys).

The project is scheduled to be completed by the Consortium till 4 January 2016.

Payment terms: 30 (thirty) days from the date of the receipt of a valid VAT invoice by the Builder.

Performance Bond: 10% of the net Contract Price in the form of a bank or insurance guarantee covering the Contract completion period.

Remedying Defects Warranty: 5% of the Contract Price in the form of a bank or insurance guarantee for a period of 60 months after the issuance of Commissioning Certificate.

Penalties:
- for delay in completion and delivery to the Builder of each Stage of Work Scope that is attributable to the Contractor amounting to 0.2% of the value of the Stage of Work Scope for each day of delay in relation to deadlines set out in Appendix 3
- in case of delay in remedying defects, in particular defects that prevent the installation of wind turbines, or the start-up and commissioning due to the Contractor's fault, amounting to 0.2% of the value of the defective Scope of Work for each day of delay,
- in case of the Contract termination for reasons attributable to the Contractor amounting to 10% of the Contract Price.
The sum of liquidated damages shall not exceed 30% of the Contract Price.

Other conditions of this contract are at arm's length.

This is another contract signed within the last 12 months with the Investor belonging to the Polenergia Capital Group. The aggregate value of those contracts is PLN 102,065,558.37.