ERBUD S.A.

Current Report No.22/2015
Report date: 2015-03-11

Topic:
Signing of a significant contract for comprehensive building works related to the construction of a wind farm.

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 11 March 2015 the Issuer entered with the Grupa PEP – Farma Wiatrowa 1 Spółka z ograniczoną odpowiedzialnością, with its registered office in 02-526 Warsaw, 24/26 Krucza St. (the "Employer") into a contract for comprehensive building works related to the construction of a wind farm.
The Issuer is a Partner of 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 4,504,357.39 (said: four million, five hundred and four thousand, three hundred and fifty-seven, point three nine Zlotys).
The value of Electrum sp. z o.o. works amounts to PLN 102,012,500.00 (in words: one hundred and two million, twelve thousand, five hundred Zlotys) net.

The project is scheduled to be completed by the consortium till 6 February 2016.

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

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

Remedying Defects Warranty: 5% of the Contract Price in the form of bank or insurance guarantee, provided for 60 month form the issue of Final Acceptance Certificate.

Penalties:
- in the event of failure to timely achieve each Milestone due to the Contractor's fault - 0.2% of the value of the Milestone for each day of delay in relation to the deadline set out in Annex 3,
- in case of failure to timely removing defects, in particular defects that prevent the installation of wind turbines, or the start-up and commissioning due to the Contractor's fault – 0.2% of the value of the defective Scope of Work for each day of delay
- In the event of termination of the Contract for reasons attributable to the Contractor - 10% of the Contract Price
- The sum of liquidated damages shall not exceed 30% of Contract Price.

Other terms and conditions of the Contract are at arm's length.

This is another contract with the Builder belonging to the Capital Group Polenergia within the last twelve months. The aggregate value of these contracts amounts to PLN 106,569,915.76.