ERBUD S.A.

Current Report No. 02/2016
Report date: 2016-01-05

Topic:

Signing of a significant contract valued at PLN 38,200,00.00 to complete as general contractor the project: “Rebuilding the former Neptun cinema and extending it upwards to form a townhouse with one-level basement car park on Długa and Piwna St. in Gdansk”.

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 (Issuer) announces that on 5 January 2016, the Issuer received a signed construction contract on the following specified terms and conditions:

1. Contract concluded on 22.12.2015.
2. Investor: Capital Park Gdańsk Sp. z o. o., 1 Klimczaka St., 02-797 Warszawa.
3. Net contract value in PLN: 38,200,000 of which Phase I - 1,299,800 and Phase II - 36,900,200.
4. Contract subject: Rebuilding the former Neptun cinema and extending it upwards to form a townhouse with one-level basement car park on Długa and Piwna St. in Gdansk.
5. Site location: Gdańsk, Długa and Piwna St.
6. Duration of the works: Commencement on 07.01.2016 (issue of Notice to Proceed of Phase I); completion no later than 22 months after starting the Phase II.
7. Payment terms: Invoicing as stipulated in the contract, due date - 30 days.
8. Performance Bond: 10% of the contract price, in the form of a bank guarantee.
9. Remedying Defects Warranty: 2.5% of the contract price, in the form of a bank guarantee.
10. Other guarantees: The warranty period shall be 3 years, while the warranty period for:
    a) the whole structure (including masonry) and main frame shall be 10 years;
    b) expansion joints and insulation shall be 10 years;
    c) facade shall be 10 years;
    d) stone facing shall be 10 years;
    e) stainless steel elements shall be 10 years;
    f) windows, carpentry and joinery shall be 5 years;
    g) road works and road infrastructure shall be 5 years;
    h) elevators and power doors shall be not less than 3 years;
    i) greenery shall be 2 years.

    For devices indicated in the specifications attached by the Contractor to the Final Acceptance Protocol mounted installations, the warranty shall be equal to the manufacturer's warranty period as defined in the manufacturer’s specification shall be no less than 24 months from the date of signing of the Performance Certificate.
11. Penalties: Penalties do not differ from market conditions for this type of contracts.
    The sum of liquidated damages shall not exceed 10% of the contract price.
12. Notes: The contract is a conditional one. The contract for Phase I shall come into force on the date of issue by the Investor of a Notice to Proceed of Phase I. The Investor is entitled to submit the Notice to Proceed of Phase I at the latest by 31.03.2016 (expected date - 01.07.2016). As regards the Phase II, the Contractor may proceed to perform any of its obligations under Phase II after the Investor has served the Contractor a written Notice to Proceed of Phase II. The Investor is entitled to submit the Notice to Proceed of Phase II at the latest by 30.09.2016 (expected date - 30.06.2016).

The contract value exceeds 10% of the equity of the Issuer.

Specific legal basis:

Art. 5 sec. 1 point 3 of the Ordinance of the Minister of Finance dated 19 February 2009 on current and periodic information disclosed by issuers of securities and conditions for recognizing as equivalent information required by laws of a non-member state.