ERBUD S.A.

Current Report No.08/2016
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Topic:

Signing of a significant contract to construct the South Collector Road in Legnica, Phase II from Wojska Polskiego St. to Rzeczypospolitej Allee, incl. construction of a bridge over the Kaczawa River.

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") informs that on 3 March 2016 Przedsiębiorstwo Budownictwa Drogowo-Inżynieryjnego S.A. from Toruń ("PBDI") - a subsidiary 90 percent owned by the Issuer, acting in a consortium ("Contractor") consisting of Przedsiębiorstwo Robót Mostowych "MOSTY-Łódź" S.A., seated in Łódź at 52 Bratysławska St.52, as the Consortium Leader, and Przedsiębiorstwo Budownictwa Drogowo-Inżynieryjnego S.A., seated in Toruń, as the Consortium Partner, concluded with the Municipality of Legnica seated in Legnica, Słowiański Sq. (“Employer”) a contract on preparation of design plans and specifications, route optimisation - if any, and financing, building and opening the South Collector Road, section from Jaworzyńska St. to Rzeczypospolitej Allee, within the framework of the project *Construction of the South Collector Road in Legnica, Phase II from Wojska Polskiego St. to Rzeczypospolitej Allee, incl. construction of a bridge over the Kaczawa River.*

The total net contract value is PLN 48,655,412.09 (say: forty-eight million, six hundred and fifty-five thousand, four hundred and twelve point zero nine Zlotys), of which to PBDI falls PLN 25,161,813.94 (say: twenty-five million, one hundred and sixty-one thousand, eight hundred and thirteen point nine four Zlotys).

The deadline for completion of Works and providing a final operating certificate shall be determined as of 30 October 2017.

Invoicing on a monthly basis by the progress of the Works. The aggregate sum of invoices shall not exceed 90 percent of the contract price. All the dues as invoiced will be redeemed by the bank under the Agreement on Discounting of Receivables within 30 days form their receipt by the Employer.

Performance Bond: 10% of the gross contract price, provided for the entire duration of Works plus an additional period of 30 days.

Remedying Defects Warranty: 3% of the gross contract price, provided for 120 months and 15 days.

In the event of a failure to complete the Works within the Time for Completion the Employer shall be entitled to a penalty from the Contractor in the amount of PLN 10,000 for each day of delay.

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

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

Specific legal basis:
Art. 5 sec. 1 point 3 of the Regulation 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.