ERBUD S.A.

Current Report No.09/2016
Report date: 2016-03-04

Topic:

Signing of a significant contract for the construction of the Iława III Wind Farm by PBDI S.A, a subsidiary of Erbud SA

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") hereby informs that on 3 March 2016 the company Przedsiębiorstwo Budownictwa Drogowo-Inżynieryjnego S.A. from Toruń, (the "Contractor") - a subsidiary 90 percent owned by the Issuer concluded with Orlik Sp. o.o. seated in Warszawa at 4/9 Włodarzewska St. (the "Investor") a contract to build the Iława III Wind Farm with a capacity of 12-13.2 MW.

The total net contract value amounts to PLN 14,950,000 (say: fourteen million, nine hundred and fifty thousand Zlotys).

The task is due to be completed by 30 July 2016.

Performance Bond: 10% of the net contract price in the form of a bank or insurance guarantee issued for the period from the commencement until 20 June 2016.

Remedying Defects Warranty: 5% of the net contract price in the form of a bank or insurance guarantee issued for 24 months from the date of completion of works.

The contract provides for the following penalties:
a) due to the termination of the contract by the Investor for reasons attributable to the Contractor - 10% of the net contract price;
b) in case of failure to complete the Works within the Time for Completion or of failure to timely removing defects - 0.4% of the net contract price for each day of delay.
The sum of liquidated damages shall not exceed 20% of the net contract price.

Other commercial terms of the contract do not vary from market conditions governing the completion of such projects.

This is another contract signed in the last 12 months with a related party to Energix Renewable Energies Ltd., Moshe Aviv Building, 7 Jabotinsky Street, 49th Floor, 52520 Ramat-Gan, Israel. The aggregate value of the contracts amounts to PLN 172,450,000 (say: one hundred and seventy-two million, four hundred and fifty thousand Zlotys) and 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.