ERBUD S.A.

Current Report No.60/2016
Report date: 2016-08-25

Topic:

Signing of a significant contract for construction works – completion as prime contractor of a residential complex located in Kraków on Spiska St. (Phase 2), incl. surrounds of the building, on-site infrastructure, roads and services.

Legal basis:
Article 17 section 1 of the MAR – confidential information

Content of report:

The Management Board of Erbud SA (the "Issuer") hereby informs that a construction contract has been concluded on 25 August 2016 under the following terms and conditions:

1. Contract for performance of works as prime contractor concluded on 25.08.2016.
2. The Investor: ECHO Investment S.A., Al. Solidarności 36, 25-323 Kielce, NIP: 657-023-09-12.
3. Net contract value: PLN 29,150,000.
4. Contract subject: Execution of construction works as Prime Contractor to build the Residential Complex located in Kraków on Spiska St. (Phase 2), incl. surrounds of the building, on-site infrastructure, roads and parking area, services and development works.
5. Site location: Kraków.
6. Completion period: 25.08.2016 - 14.05.2018.
7. Payment terms: invoicing on a monthly basis, credit period - 30 days.
8. Performance Bond: PLN 874,500, i.e. 3% of the Contract Price – possibility of a bank or insurance guarantee valid until 14.06.2018; PLN 728,750, i.e. 2.5% of the Contract Price retained as retention deducted from invoices.
9. Defects Liability Bond: PLN 874,500, i.e. 3% of the Contract Price – possibility of a bank or insurance guarantee valid from 14.05.2018 to 14.05.2023.
10. Other guarantees: none.
11. Penalties: In the event of a failure to complete the Works within the Time for Completion - 0.1% of the net Contract Price for each day of delay; in the event of termination of the Contract by any Party - 5% of the net Contract Price; the sum of liquidated damages shall not exceed 10% of the net Contract Price - for both Parties.
12. Note: none.