ERBUD S.A.

Current Report No.63/2016
Report date: 2016-09-05

Topic:

Signing of a significant contract for construction works worth PLN 75m – shall and core of LIBERO Shopping Centre located in Katowice on Kościuszki St. and Kolejowa St.

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

Content of report:

The Management Board of Erbud SA (the "Issuer") informs that on 5 September 2016 a construction contract has been signed on the following terms and conditions:

1. Contract concluded on 05 September 2016.
2. The Investor: "Galeria Katowice - Projekt Echo - 120 spółka z ograniczoną odpowiedzialnością" spółka komandytowo - akcyjna, Al. Solidarności 36; 25-323 Kielce NIP: 786-166-92-34.
3. Contract value: PLN 75m.
4. Contract subject: shall and core of LIBERO Shopping Centre located in Katowice on Kościuszki St. and Kolejowa St.
5. Site location: Katowice.
6. Completion period: 05.09.2016 – 14 09.2017.
7. Payment terms - credit period of 30 days.
8. Performance Bond: PLN 2,250,000, i.e. 3% of the Contract Price - possible bank or insurance guarantee valid until 14.10.2017; PLN 1,875,000, i.e. 2.5% of the Contract Price retained as retention money deducted from invoices.
9. Defects Liability Bond: PLN 2,250,000, i.e. 3% of the Contract Price - possible bank or insurance guarantee valid from 14.09.2017 till 14.10.2022.
10. Other guarantees: none.
11. Penalties:
    - 0.1% of net remuneration for each day of delay in case of failure to meet the contractual deadline;
    - 5% of net remuneration in the event of termination of the Contract by any Party;
    - for any Party the sum of liquidated damages shall not exceed 10% of net remuneration.
12. Notes: none.