ERBUD S.A.

Current Report No.79 /2016
Report date: 2016-10-25

Topic:

Signing of a significant contract for construction works worth PLN 37,4m - Replacing mills DF90 No. 1 and DF-90 No. 2, incl. retrofitting the sorbent milling lines in Limestone Grinding Facility, Bogatynia

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

Content of report:

The Management Board of Erbud SA publishes information about entering into a significant contract for construction works by Erbud Industry Sp. z o.o., a company from the Erbud Group, 100% owned by Erbud SA. The contract was concluded on the following terms and conditions:

Below is information about the contract conditions:

1. Contract GEK/PMR-ELT/04624/2016 concluded on 25.10.2016.
2. The Investor: PGE Górnictwo i Energetyka Konwencjonalna S.A.; 97-400 Bełchatów, 5 Węglowa St.; NIP: 769-050-24-95.
3. Contract value: PLN 37,446,700 net, of which:
   Task No. 1: PLN 19,231,900 net;
   Task No. 2: 18,214,800 net.
4. Contract subject: Replacing mills DF90 No. 1 and DF-90 No. 2, incl. retrofitting the sorbent milling lines in Limestone Grinding Facility located in Bogatynia, of which:
   Task No. 1: „Replacing the mill DF90 No. 1";
   Task No. 2: „Replacing the mill DF90 No. 2".
5. Site location: Turów Power Plant, 59-916 Bogatynia, 12 Młodych Energetyków St.
6. Completion period:
   Task No. 1: 25.10.2016 - 25.03.2018;
   Task No. 2: 25.10.2016 - 25.11.2018.
7. Payment terms: invoicing according to the payment schedule; credit period of 30 days.
8. Performance Bond:
   PLN 1,182,761.85, i.e. 5% of the Gross Contract Price – possibility of a bank or insurance guarantee valid until 25.04.2018; and
   PLN 1,120,210.20, i.e. 5% of the Gross Contract Price – possibility of a bank or insurance guarantee valid until 25.12.2018.
9. Defects Liability Bond:
   PLN 354,828.56, i.e. 5% of the Gross Contract Price – possibility of a bank or insurance guarantee valid until 10.04.2018; and
   PLN 336,063.06, i.e. 5% of the Gross Contract Price – possibility of a bank or insurance guarantee valid until 10.12.2020.
10. Other guarantees: none.
11. Penalties:
    0.1% of the Net Contract Price for each day of delay;
    20% of the Net Contract Price in case of termination of the Contract;
    the sum of liquidated damages for any Party, shall not exceed 10% of the Net Contract Price.
12. Note: The contract performed by ERBUD INDUSTRY Spółka z ograniczoną odpowiedzialnością.