ERBUD S.A.

Current Report No.10 /2017
Report date: 2017-03-31

Topic:

Conclusion of an annex to a significant building contract - construction of Seaside Park Hotel in Kołobrzeg. The annex value is PLN 25.9m. The total value of the contract, incl. the annex amounts to PLN 54m.

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

Content of report:

The Management Board of Erbud SA (the “Issuer”) informs that on 31 March 2017 the Annex No. 1 to the building contract for construction of Seaside Park Hotel in Kołobrzeg worth PLN 25.9m has been signed on the following terms and conditions:

The total value of the contract after signing the annex is PLN 54m.

1. Annex signed on 2017-03-31.
2. Investor: SEASIDE Park Sp. z o.o. ul. Piękna 18 00-549 Warszawa.
3. Contract value: PLN 25,939,158.70
4. The Annex covers masonry works, elevation and roof for the Spa and Hotel complex "Seaside Park".
5. Site location: Kołobrzeg, Przesmyk St., cadastral numbers 29/1 and 29/2, cadastral district 6.
6. Completion period: 01.11.2017 - 30.05.2018.
7. Payment terms - 30 days from the delivery date of valid invoice to the Investor.
8. Performance Bond: Bank guarantee of 10% of net remuneration valid until 30.06.2018.
9. Defects Liability Bond: 5% of contract price provided for 12months; 2.5% - for another 5 years and 3 months.
10. Other guarantees:
    The Contractor grants to the Customer the following warranty: 10 years for reinforced concrete structures; for the equipment - according to the manufacturer's guarantee, but not less than 12 months, for greenery - 2 vegetation periods; other - 5 years.
11. Penalties for the Contractor: for non-compliance with the deadline for obtaining the final occupancy permit - 0.1% of the remuneration for each day of delay; in the case of withdrawal by the Investor from the Contract for reasons attributable to the Contractor - 10% of net contract price.
    An upper limit on all contractual penalties shall not exceed 10% of the contract price.
12. Note: Construction carried out by Warsaw Branch.