ERBUD S.A.

Current Report No.16/2017
Report date: 2017-04-28

Topic:

Signing of a construction contract – Building of a residential and retail complex with an underground car park named "Bliski Tarchomin" in Warsaw at 1 Kowalczyka St, Phase 4

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

Content of report:

The Management Board of Erbud SA (the "Issuer") informs that on 28 April 2017 it concluded another contract with the same Investor over the last 12 months for the completion of the Phase 4, under the following terms and conditions:

1. Contract concluded on 2017.04.28.
2. The Investor: CGL II Spółka z ograniczoną odpowiedzialnością Spółka Komandytowa, 02-672 Warsaw, 32 Domaniewska St.
3. Contract value: PLN 14,450,000.
4. Contract subject: Residential and retail complex with an underground car park named "Bliski Tarchomin" in Warsaw at 1 Kowalczyka St., phase 4.
5. Site location: Warsaw, Kowalczyka St.
6. Completion date: 30 July 2018.
7. Payment terms - 30 days from receipt by the Investor of a valid invoice.
8. Performance Bond: Bank guarantee of 10% of the net remuneration valid until the signing of Acceptance Certificate plus an additional period of 60 days.
9. Defects Liability Bond: 5% of the contract price, provided for 63 months.
10. Other guarantees: The Contractor grants the Customer a warranty for the period of:
    - 63 months for MEP and assembly works, and materials used;
    - 15 years for reinforced concrete structures;
    - 10 years for the roof (insulation, structure), facades (except facade painting) ,isolation joints and stone cladding;
    - 3 years for roads, sidewalks, parking area (excluding insulation, for which the warranty period is 5 years;
    - for equipment and furnishings - as warranted by the manufacturer, but not less than 12 months, provided that the use complies with the terms of the warranty;
    - two growing seasons, but not less than 2 years for the greenery.
11. Penalties: Penalties against the Contractor
    - in case of non-compliance with any deadline (§3 item 3 – Milestones) - 0,2% of the net remuneration payable for the performance of the respective Milestone - for each commenced day of delay (in total up to 10% of the net remuneration);
    - in case of exceeding the deadline for the Completion of Works and Final Acceptance - 0,2% of the net remuneration for each commenced day of delay (in total up to 10% of the net remuneration);
    - in case of failure to timely removing defects - 0,05% of the net remuneration for each commenced day of delay
    - in case of withdrawal from or termination of the Contract: for reasons attributable to the General Contractor - 10% of the net remuneration; for reasons attributable to the Customer – the General Contractor is entitled to contractual penalty of 10% of the net remaining remuneration.