ERBUD S.A.

Current Report No.26/2017
Report date: 2017-06-01

Topic:
Entering into a contract for construction works with a value of PLN 17,312,805 – "Grójecka 216" Housing Estate in Warsaw on Grójecka Street

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 May 2017 it signed with CGL VIII Spółka z ograniczoną odpowiedzialnością sp.komandytowa a construction contract to build the "Grójecka 216" residential complex with underground car park, located in Warsaw on Grójecka Street.
This is another contract concluded within the past 12 months with a company from the GRUPO LAR. The aggregate value of contracts signed over the last period amounts to PLN 76,125,188.10.

This contract has been entered into on the following terms and conditions:

1. Contract concluded on 31 May 2017.
2. Investor: CGL VIII Spółka z ograniczoną odpowiedzialnością spółka komandytowa, 02-672 Warszawa, ul. Domaniewska 32.
3. Contract value: PLN 17,312,805.
4. Contract subject: "Grójecka 216" Housing Estate with underground car park in Warsaw on Grójecka Street.
5. Site location: Warsaw, Grójecka Street.
6. Completion period: 31.05.2017 - 30.09.2018.
7. Payment terms: 30 days from the date of delivery of a valid invoice to the Investor.
8. Performance Bond: Bank guarantee of 5% of the net remuneration, valid until the date of signing the Completion Certificate plus an additional 60 days.
9. Defects Liability Bond: 5 % of the contract price for 63 months from the issue of Final Acceptance Certificate.
10. Other guarantees: The Contractor provides the Ordering Party a warranty for the period of:

    63 months – on MEP and installation works, incl. materials used; 15 years - on reinforced concrete structures; 10 years - on roof (insulation, structures), facades (except painting), isolation joints and stone facings; 5 years – on roads, sidewalks and car parks; for the equipment - as warranted by the manufacturer, but not less than 12 months, subject to use in accordance with the terms of the warranty; for greenery - 2 growing seasons but not less than 2 years.
11. Penalties: For the Contractor:
    - in case of failure to meet any of the deadlines specified in §3(3) Milestones - 0.2% of the net lump-sum remuneration payable for each Milestone, for each day of delay (altogether up to 10% of the net remuneration);
    - in case of failure to meet the deadlines for completion of building substructure and shall and core finish - 0.2% of the net remuneration for each day of delay (altogether up to 10% of the net remuneration);
    - for delay in removing defects - 0.05% of the net remuneration for each day of delay;
    - in case of the withdrawal from or termination of the contract for reasons attributable to the General Contractor - 10% of the net remuneration; for reasons attributable to the Ordering Party the General Contractor is entitled to a contractual penalty of 10% of the remaining net remuneration.