ERBUD S.A.

Current Report No.34/2017
Report date: 2017-07-13

Topic:

Concluding a contract for construction works with a value of PLN 17.2 million – Residential complex in Kraków on Spiska Street.

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

Content of report:

The Management Board of Erbud SA (the "Issuer") hereby informs that on 13.07.2017 it concluded a construction contract to build the Residential Complex (Phase III) in Kraków on Spiska Street, including site surroundings, road infrastructure, buried utilities, underground infrastructure, car parks and development works.

The contract was signed with Echo Investments S.A. based in Kielce. This is another contract that has been entered into in the past 12 months with this Customer. Total value of contracts signed in the last 12 months is PLN 160,250,000.

Terms and conditions of the above-mentioned contract:

1. Contract concluded on13.07.2017.
2. Investor: ECHO Investment S.A., Al. Solidarności 36, 25-323 Kielce, NIP: 657-023-09-12.
3. Contract value: PLN 17,2 million net.
4. Contract subject: Construction under a general construction contract of the Residential Complex (Phase III) in Kraków on Spiska Street, incl. site surroundings, road infrastructure, buried utilities, underground infrastructure, car parks and development works.
5. Site location: Kraków.
6. Completion period: 13.07.2017 - 14.04.2019.
7. Payment terms: Invoicing once a month; credit period: 30 days.
8. Performance Bond: PLN 516,000, i.e. 3% of the contract remuneration - possibility of a bank or insurance guarantee valid until 14.05.2018; PLN 430,000, i.e. 2.5% of the contract remuneration retained as retention deducted from invoices.
9. Defects Liability Bond: PLN 516,000, i.e. 3% the contract remuneration - possibility of a bank or insurance guarantee valid until from 15.05.2019 to 14.06.2024.
10. Other guarantees: None.
11. Penalties: in case of failure to meet the contractual deadline - 0.1% of net remuneration for each day of delay; in the event of termination of the Contract by any Party - 0.1% of net remuneration; for any Party the sum of liquidated damages shall not exceed 10% of net remuneration.