ERBUD S.A.

Current Report No.39/2017
Report date: 2017-08-21

Topic:

Signing of a significant construction contract by ERBUD SA with a value of PLN 32.3 million – erection of an office and retail building (segment A) with underground car park.

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

Content of report:

The Management Board of Erbud S.A. (the "Issuer") informs that on 21 August 2017 it signed a contract for construction works on following terms and conditions.

1. Contract concluded on: General Contractor Contract of 21.08.2017.
2. Investor: PORTO OFFICE A Sp. z o.o., 331-115 Kraków, 3/7 Garncarska St; NIP: 676-252-86-94.
3. Contract value: PLN 32.3 million net.
4. Contract subject: general contracting works to build an office and retail building (segment A) with underground car park, including in-building systems: forced ventilation, air conditioning, wiring, lightning protection, transformer station, and on-site technical infrastructure: construction of road entry and alteration of pavement, bicycle path, street drainage and traffic lights; as well as lateral service line and central heating line.
5. Site location: Kraków.
6. Completion period: commencement of work until 21.08.2017; completion until 31.12.2018.
7. Payment terms: invoicing once a month; credit period of 30 days.
8. Performance Bond: 5% of net contractual remuneration, i.e. PLN 1,615,000.00 in the form of a bank guarantee valid up to 31.01.2019, and 5% of net contractual remuneration retained as retention deducted from invoices.
9. Defects Liability Bond: 5% of net contractual remuneration, i.e. PLN 1,615,000.00 in the form of a bank guarantee with a validity form 01.02.2019 till 31.01.2024.
10. Other guarantees: none.
11. Penalties: for exceeding the deadline - 0.08% of the net remuneration for each day of delay; in case of withdrawal from the contract by any party - 10% of the net remuneration; the limit of contractual penalties for both parties - 10% of net remuneration.
12. Remark: Section 23 of the contract - the investor's right to reduce until 31.01.2018 the scope of works under the contract.