ERBUD S.A.

Current Report No. 55/2017
Report date: 2017-10-20

Topic:

Signing of a significant contract for construction works worth PLN 25.2 million - Extension, vertical enlargement and alteration of existing buildings, including landscaping of site located in Międzyzdroje at 9 Zdrojowa Street.

Legal basis:

Article 17(1) of the MAR – confidential information

Content of report:

The Management Board of Erbud S.A. (the "Issuer") informs that the Issuer entered into a construction contract under the following terms and conditions:

Contract subject: Extension, vertical enlargement and alteration of existing buildings, including landscaping of site located in Międzyzdroje at 9 Zdrojowa Street.

Investor: TROFANA Bogdan Sadka Sp.k. ul. Zdrojowa 9 72-500 Międzyzdroje.

Completion period: 02.11.2017 - 30.06.2019.

Range of works: Demolition of the existing building of TROFANA ACTIVE. Construction of a new hotel facility, incl. water and sewage and gas services as well as site development works. Building permit design provided by Customer, detailed design performed by the General Contractor.

Site location: Międzyzdroje, 9 Zdrojowa Street.

Performance Bond: insurance guarantee of 5% of the net contract remuneration issued for 20 months.

Defects Liability Bond: insurance guarantee of 2.5% of the net contract remuneration issued for 36 months.

Penalties:

a) for delay in performing Works - 0.04% of the net contract remuneration for each day of delay;
b) for delay in removal of defects found during the final acceptance inspection or warranty period - 0.01% of the net contract remuneration fixed in § 14(1) of the Contract for each day of delay;
c) in case of the withdrawal from the Contract by one of the Parties due to the circumstances for which the other Party is responsible - 5% of the Contractor's net remuneration;
d) in the event of failure by the Contractor to fulfil the Occupational Health and Safety regulations (including protective clothing), as stated by the Site Inspector - PLN 500 per case;
e) for each case of drunkenness of the Contractor's employee, as stated the Site Inspector - PLN 500 per case;
f) in the event of failure to keep the site tidy, as stated by the Site Inspector – PLN 500 per case.

Limit on contractual penalties: 10% of the net contract remuneration.

Warranty periods: for construction and installation works - 36 months after the final acceptance; for materials, equipment, and technology - according to the manufacturer's warranty but of not less than 12 months.