ERBUD S.A.

Current Report No.60/2017
Report date: 2017-12-04

Topic:

Conclusion of Annex No.1 to the construction contract of 22 June 2016 increasing the total contract value to PLN 37.8 million.

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

Content of report:

The Management Board of Erbud S.A. (the "Issuer") announces that on 4 December 2017, the Company signed the Annex to the construction contract of 22 June 2016. The value of the original contract amounted to PLN 21.5 million and was not a significant contract, which means that the Issuer did not inform about its signing.

Conclusion of the Annex to the aforementioned contract increases the total value of the contract to the amount of PLN 37.790.000, and following this, the contract becomes a significant one.

Annex No. 1 has been signed under the following terms and conditions:

Below is information about the contract conditions:

Contract: Contract for construction works at the project named "Stara Cegielnia" Phase II located in Poznań at 4 Ceglana Street.

Investor: Poznań Kartuska Spółka z o.o. Sp. K.

Completion period: 05.12.2017 - 30.06.2019, including the obtaining of occupancy permit.

Range of works: civil engineering works, incl. the accompanying infrastructure and site development.

Contract value: PLN 16,290,000 PLN.

Site location: Poznań, 4 Ceglana Street.

Performance Bond: Bank guarantee of 5.0% of the net contract value issued for 20 months.

Defects Liability Bond: Bank guarantee of 2.5% of the net contract value issued for 61 months.

Penalties: PLN 4,000 for each day by which the time-limit for Final Acceptance is exceeded; 10% of the net contract value in case of the withdrawal from the contract.

The upper limit on all contractual penalties shall not exceed 10% of the contract price.

Warranty:

1. The General Contractor shall provide the Investor with a warranty for a period of 36 months from the date of signing the Final Acceptance Certificate.
2. The General Contractor shall provide the Investor with a warranty as below, effect from the date of signing the Final Acceptance Certificate:
   a. 60 months for all common parts of the Project and Works;
   b. 72 months for premises;
   c. for equipment and systems installed as part of the Project - in accordance with the periods and principles of the manufacturer's/supplier's warranty;
   d. 60 months for passenger lifts.