ERBUD S.A.

Current Report No.64/2017
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Topic:

Signing of a significant contract worth PLN 39.5 million for the construction of Phase II (Building No. 3) of the “ZAJEZDNIA POZNAŃ" residential, commercial and retail complex with underground car park, located in Poznań,

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

Content of report:

The Management Board of Erbud SA (the “Issuer”) informs about signing a construction contract on the following terms and conditions:

Contract: Construction contract for the construction of Phase II (Building No. 3) of the “ZAJEZDNIA POZNAŃ" residential, commercial and retail complex with underground car park, located in Poznań in the area of streets: Gajowa, Sienkiewicza, Kraszewskiego and Zwierzyniecka; plots Nos. 52/1, 52/2, 52/3, 53/1, 53/2 and 53/4; Sht. 13; Jeżyce cadastral district.

Investor: REF Eastern Opportunities Sp. z o.o.; 60- 815 Poznań; 1A Gajowa St.

Completion period: 08.01.2018 - 08.09.2019.

Cubic volume: 66,142.33

Area: usable area – 7 769 sq. m, incl. retail units on the ground floor; gross area – 18,307.43 sq. m.

Range of Works: Civil engineering works, incl. site development, building facilities and on-site supporting infrastructure.

Contract value: PLN 39,498,400.

Site location: Area of streets: Gajowa, Sienkiewicza, Kraszewskiego and Zwierzyniecka in Poznań.

Performance Bond: 10% of the net contract value.

Defects Liability Bond: 5% of the net contract value.

Penalties:

1. for late completion of each of the milestones - 0.01% of the net remuneration for each day of delay;
2. for late completion of construction works, recorded in the construction log - 0.06% of net remuneration for each day of delay;
3. for delay in providing an unconditional final certificate of occupancy - 0.06% of net remuneration for each day of delay;
4. for delay in the completion of Works - 0.06% of net remuneration for each day of delay;
5. for delay in removing defects reported by buyers of units in the period between the submission of the unconditional final certificate of occupancy to the Investor and the end of final acceptance inspection - 0.02% of net remuneration for each day of delay;
6. for late repairs resulting from the Investor’s use of the rights under the guarantee or warranty - PLN 1 000 for each day of delay.

Limit on contractual penalties: 10% of the contract value.

Guarantee and warranty periods:

Quality guarantee of 10 years for reinforced concrete structures, steel structures and load-bearing walls of the building; 60 months for other works, materials and plant as well as for equipment in accordance with the manufacturer's warranty but not less than 24 months; greenery - 3 years.

Warranty of 5 years.

Segment: residential.

Remarks: If by 28 February 2018 the conditions of the Construction Contract are not accepted by the Bank financing the Project, it will be terminated.