ERBUD S.A.

Current Report No.14/2018
Report date: 2018-04-17

Topic:

Concluding a contract between Erbud S.A. and Cedrowa Sp. z o.o. headquartered in Warsaw for the performance as General Contractor of task: “Housing complex “F” with underground car park and retail units, including the surrounding and site infrastructure, i.e. site development, greenery, parking lots and shared zone, in-building and on-site services, and retention basin located in Gdańsk on Cedrowa Street”. The contract value is PLN 28.9 million.

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

Content of report:

The Management Board of Erbud SA (the “Issuer”) informs that on 17 April 2018 it signed with Cedrowa Sp. z o.o., 02-703 Warszawa, 24A Bukowińska St. (the “Customer”) a construction contract on the following terms and conditions:

1. Contract concluded on 17.04.2018.
2. Customer: Cedrowa Sp. z o.o., 02-703 Warszawa, 24A Bukowińska St.
3. Contract value: PLN 28,864,966 net.
4. Contract subject: Housing complex “F” with underground car park and retail units, including the surrounding and site infrastructure, i.e. site development, greenery, parking lots and shared zone, in-building and on-site services, and retention basin located in Gdańsk on Cedrowa Street.
5. Site location: Gdańsk, Cedrowa Strret.
6. Completion period: $17^{1}/_{2}$ months.
7. Payment terms: Invoicing according to the progress of works; credit period of 30 days.
8. Performance Bond: 5% of the fixed price in the form of a bank guarantee provided for the completion period plus 30 days.
9. Defects Liability Bond: 2.5% of the fixed price in the form of a bank guarantee provided for 62 months from the date of signing the Final Acceptance Protocol.
10. Other guarantees:
    a) for reinforced concrete construction and steel works - 120 months;
    b) for roof construction and covering, roof waterproof, damp and thermal insulation and for elevation - 60 months;
    c) for construction works other than listed in point a) - 60 months;
    d) for window joinery and aluminium framed windows - 60 months;
    e) for devices and equipment built-in and mounted during the under the contract - periods equal to manufacturers' guarantees, however, not less than one year.
11. Penalties: Penalties do not differ from the market standards for such contracts. The total amount of contractual penalties may not exceed 10% of the net contract price.
12. Note: Conditional contract related to preparatory works, the whole contract comes into force after the Investor has received an investment loan.