ERBUD S.A.

Current Report No. 18/2018
Report date: 2018-04-25

Topic:

Conclusion by Erbud S.A. (Issuer) of a PLN 39.5 million contract for the construction as general contractor of the STUDENT HOUSE - DORM “Akademik Foxtrot" in Warsaw at 37 Woronicza Street.

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

Content of report:

The Management Board of Erbud SA (the “Issuer”) informs that on 25 April 2018, it entered with STUDENT DEPOT FOXTROT Sp. z o.o. (the “Customer”) into a contract to complete the project: STUDENT HOUSE - DORM “Akademik Foxtrot" in Warsaw at 37 Woronicza Street on the following terms and conditions:

1. Contract date: 25.04.2018.
2. Customer: STUDENT DEPOT FOXTROT Sp. z o.o., 00-582 Warszawa, 6 Aleja J.C. Szucha Street.
3. Contract value: PLN 39,500,000.
4. Contract subject: STUDENT HOUSE - DORM “Akademik Foxtrot" in Warsaw.
5. Site location: Warsaw, 37 Woronicza Street.
6. Completion period: 02.05.2018 – 15.09.2019.
7. Payment terms: the 1st invoice - 90 days from the date of acceptance by the Customer of a valid invoice; the 2nd invoice - 60 days from the date of delivery to the Customer Investor of a valid invoice; the 3rd and all subsequent invoices - 30 days from the date of acceptance by the Customer of valid invoices.
8. Performance Bond: Bank guarantee of 5% of net remuneration provided for at least 30 days longer than the deadline for completion of Works.
9. Defects Liability Bond: 30 days before the expiry date of the Performance Bond and no later than on the Final Acceptance Protocol date, the Contractor shall provide the Student Depot with a Defects Liability Bond of 5% of net remuneration for the warranty period of 5 years.
10. Other guarantees: The warranty periods, depending on the nature of the works, are as follows:
    - 10 years for building structure, roofs construction, roofs weather tightness, vertical and horizontal insulation;
    - 5 years for other works (for greenery - one growing season);
    - devices - for a period of time consistent with the warranty provided by the manufacturer, however, not less than two years, excepted of light fixtures: 5 years;
    - 1 year for light sources.
11. Penalties: In the event of non-performance or improper performance of the Contract, Student Depot may charge the Contractor with contractual penalties:
    - 0.1% of remuneration for each day of the Contractor's delay in the completion of Works, and for non-compliance with Milestones;
    - PLN 1,000 for each day of the Contractor's delay in removing defects reported during the Acceptance or during the period of warranty;
    - PLN 1,000 for each day of non-compliance with the deadlines for the delivery of documents necessary for the proper performance of the Works;
    - 5% of remuneration due for the performance of Works in case of the withdrawal from the Contract;
    - the aggregate sum of contractual penalties cannot exceed 10% of remuneration due for the performance of Works.