**ERBUD S.A.**

*Current Report No. 37/2018*
*Report date: 2018-07-04*

*Topic:*

Conclusion of Annex No. 3 to a significant construction works contract – building the "Seaside Park" Hotel and Spa Complex in Kołobrzeg. The value of the Annex is PLN 67.6 million. The total contract value after signing both Annexes amounts to PLN 144.9 million.

*Legal basis:*
Article 17 section 1 of the MAR – confidential information

*Content of report:*

The Management Board of Erbud S.A. (the “Issuer”) informs that on 3 July 2018 it has been concluded Annex No. 3 to the Contract for building the "Seaside Park" Hotel and Spa Complex with a value of PLN 67.6 million on terms and conditions as follows:

1. Annex date: 03.07.2018.
2. Investor: SEASIDE Park Sp. z o.o., 02-222 Warszawa, 181B Al. Jerozolimskie Street.
3. Annex value: PLN 67,587,684.
4. Contract subject: comprehensive finishing works, plumbing and HVAC for the “Seaside Park" Hotel and Spa Complex.
5. Site location: Kołobrzeg, Przesmyk Street; plots with a cadastral Nos.29/1 and 29/2, cadastral district 6.
6. Completion: Juli 2019.
7. Payment terms: 45, 30 and 14 days from the delivery of a valid invoice to the Investor.
8. Performance Bond: Bank guarantee of 10% of the net Contract Price expiring on 30.10.2019.
9. Defects Liability Bond: 5% of the Contract Price provided for 12 months; 2.5% of the Contract Price provided for another 5 years and 3 months.
10. Other guarantees: The Contractor shall provide the Investor warranty for:
    - reinforced concrete structures - 10 years;
    - equipment - according to the manufacturer's warranty but not less than 12 months;
    - greenery - 2 growing seasons;
    - other - 5 years.
11. Penalties for the Contractor:
    - in the event of failure to timely achieve the final occupancy permit - 0.1% of the net Contract Price for each day of delay;
    - in the event of termination of the Contract by the Investor for reasons attributable to the Contractor - 10% of the net Contract Price.

    The sum of liquidated damages shall not exceed 10% of the Contract Price.
12. Note: Construction carried out by the Warsaw Branch.