**ERBUD S.A.**

*Current Report No. 55/2018*
*Report date: 2018-08-29*

*Topic:*

Conclusion of a significant construction contract worth PLN 26.3 million – Renovation of degraded buildings of the Sport and Recreation Centre in Tomaszów Lubelski.

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

*Content of report:*

The Management Board of Erbud SA (the "Issuer") informs that today it entered into a construction contract on the following terms and conditions:

1. Contract date: 29.08.2018.
2. Customer: Miasto Tomaszów Lubelski, 22-600 Tomaszów Lubelski, 57 Lwowska Street.
3. Contract value: PLN 26,279,600 net / PLN 32,323,908 gross.
4. Contract subject: Renovation of degraded buildings of the Sport and Recreation Centre - extension with an indoor swimming pool under a public procurement contract building: "Refurbishment of the sports hall and office and welfare facilities at the Sport and Recreation Centre, and extension with an indoor swimming pool within the task entitled *Revitalisation of marginalized areas of the city of Tomaszów Lubelski through renovation of buildings belonging to the Sport and Recreation Centre consisting in extension with an indoor swimming pool, renovation of the sports hall and office and welfare facilities, as well as construction of a multi-family residential building with council flats and retail units in Tomaszów Lubelski.* Reference number: R.271.35.2018".
5. Site location: Tomaszów Lubelski, 8 Al. Sportowa Street.
6. Deadline: 15.10.2020.
7. Payment terms: Partial invoices issued once a month with a credit period of 30 days from the date of their delivery, payment made by bank transfer to the bank account specified by the Contractor.
8. Performance Bond: PLN 3,232,390.80 for the period from 29.08.2018 to 14.11.2020.
9. Defects Liability Bond: PLN 969,717.24 for the period from 15.11.2020 to 29.11.2025.
10. Other guarantees: Construction all risk insurance for PLN 32,323,908.00 for the period from 29.08.2018 to 14.11.2020.
11. Penalties: 5% of remuneration for failure to pay or late payment; 0.1% of gross remuneration in the event of failure to submit a draft construction subcontract for the Customer's approval, or a draft amendment thereto; 0.1% of gross remuneration in the event of failure to submit a certified copy of the subcontract to the Customer Party or an amendment thereto; 0.1% of gross remuneration in case of absence of amendment to the subcontract with regard to the payment date; 1.25% of gross remuneration for withdrawal from the contract by the Contractor for reasons not attributable to the Customer or in the event of withdrawal from the contract by the Customer for the reasons referred to in § 22; 0.05% of gross remuneration for breach by the Contractor of any of the obligations referred to in § 16 or § 16(a); 0.1% of gross remuneration for commencement of construction works by the Contractor, before the construction site has been delivered to the Contractor by the Customer; 0.1% of gross remuneration for non-compliance by the Contractor with the requirements referred to in § 15; 0.05% of gross remuneration for failure to provide the Contractor with explanations or documents referred to in § 15(2) and (3), within the time limit specified in the request for their submission; 0.05% of the gross remuneration if the Contractor shall evade the takeover of the construction site within the time limit referred to in § 4( 5); 0.05% of gross remuneration if the Contractor shall not participate in partial acceptance or final acceptance of the construction works within the time limit set for their acceptance; 0.05% of the gross remuneration for the failure to remove the defects or faults by the Contractor within the time limit specified for their removal; 0.05% of gross remuneration for covering up the work performed without the prior examination by the supervisory inspector or coordinator or without preventing

the inspector or the coordinator from inspecting the temporary works or works to be covered up; 0.1% of gross remuneration in case of failure to complete construction works on time; 0.025% of gross remuneration in the event of non-performance of works within the time specified in the schedule, excluding the final deadline; 2% of gross remuneration in the event of termination of the contract pursuant to Art. 145a (2) of the Public Procurement Law; 1% of gross remuneration if the statement referred to in § 6(1) shall contain false information; 1% of gross remuneration in case referred to in § 9(9); the amount of contractual penalties for breaching the obligations under the warranty, including failure to start removing defects or replacing the things with ones free from defects in due time, as well as for late removal of defects or delayed replacement of things with ones free from defects, shall be specified in the Warranty Card; 2% of gross remuneration in the event of commencement of work by a subcontractor without the consent of the Customer; 0.1% of gross remuneration for the Contractor's failure to ensure the presence of a construction manager or works manager on the site in accordance with § 12(3) and § 12a(9); 0.1% of gross remuneration for executing construction works in a manner other than that specified in the design documents or specification of construction and testing requirements; 1.25% of gross remuneration for withdrawing from the contract for reasons attributable to the Customer.