ERBUD S.A.

Current Report No. 59/2018
Report date: 2018-09-14

Topic:

Conclusion of a significant construction contract with a value of PLN 42 million - Refurbishment and extension of the swimming pool building in Toruń at 9/17 Bażyńskich Street.

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 significant construction contract on the following terms and conditions:

1. Contract date: 2018-09-14.
2. Customer: Gmina Miasta Toruń - Miejski Ośrodek Sportu i Rekreacji w Toruniu; 87-100 Toruń, 23/29 gen. J. Bema St.
3. Net contract value: PLN 41,883,538.08.
4. Contract subject: Refurbishment and extension of the swimming pool building located in Toruń at 9/17 Bażyńskich Street, incl. development of surrounding areas for recreation purposes.
5. Site location: Toruń, 9/17 Bażyńskich Street
6. Completion period:
   a) Commencement of contract performance - on the contract signing date.
   b) Handing over the construction site shall take place within 7 days from the date of signing the contract.
   c) Submission to the Customer of an agreement concluded by the contractor with a bank for the purchase of receivables by the date of handing over the construction site.
   d) Commencement of construction - on the date of handover of the construction site.
   e) Completion of construction - 31.07.2020.
   f) Training, start-up and commissioning of the swimming pool - until 31.08.2020.
7. Payment terms: Payment for works completed during the construction period - in accordance with monthly progress of works, except that in 2018 the maximum remuneration will not exceed PLN 4,200,000.00. Final invoice payable in 2021.
8. Performance Bond: 5% of gross remuneration in the form of insurance guarantee.
9. Defects Liability Bond: 1.5% of gross remuneration in the form of insurance guarantee.
10. Other guarantees: Do not vary from market standards; the basic warranty is 4 years.
11. Penalties: Do not vary from market standards commonly used for this type of contract.
    No upper limit on contractual penalties.