ERBUD S.A.

Current Report No. 61/2018
Report date: 2018-10-01

Topic:

Signing of a significant construction contract with a value of PLN 49.9 million for the construction of a production and warehouse building with office and welfare area, accompanying facilities with plant and systems as well as necessary in-building and on-site infrastructure.

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

Content of report:

The Management Board of Erbud SA (the "Issuer") informs that on 1 October 2018 the Company entered into a significant construction contract on the following terms and conditions:

1. Contract date: 01.10.2018.
2. Customer: Sanok Rubber Company S.A.; 38-500 Sanok, 24 Przemyska Street, NIP (Tax Identification Number): 687-000-43-21.
3. Net Contract value: Remuneration resulting from the contract is PLN 49,900,000. Settlement will be based on net unit prices.
4. Contract subject: Construction of a production and warehouse building with office and welfare area, accompanying facilities with plant and systems as well as necessary in-building and on-site infrastructure.
5. Site location: Sanok, 24 Przemyska Street; plots with a cadastral number 583/46 and 583/48, Sanok Olchowce.
6. Completion period: ca. 15 months.
7. Payment terms: Invoicing once a month; credit period of 30 days.
8. Performance Bond: 10% of net remuneration, i.e. PLN 4,990,000 in the form of a bank guarantee with the expiry date by 31.01.2020 and additionally retention of 5% of the net value of each invoice.
9. Defects Liability Bond: 8% of net remuneration in the form of a bank guarantee for the period of 5 years and then 3% of net remuneration in the form of a bank guarantee for the following 3 years. The total security period is 8 years.
10. Penalties: for failure to meet the deadline - 0.1% of net remuneration for each day of delay; in case of withdrawal from the contract by the Investor due to reasons attributable to the General Contractor - 10% of net remuneration; limit of contractual penalties for both parties - up to 10% of the net remuneration.