ERBUD S.A.

Current Report No. 65/2018
Report date: 2018-10-17

Topic:

Conclusion of a significant construction contract with a net value of PLN 715.2 million for the design and construction of the S3 road form Legnica (A4) to Lubawka, task IV from the Kamienna Góra Północ interchange (incl. the interchange) to the state border, about 15.3 km long.

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

Content of report:

The Management Board of ERBUD S.A. ("Issuer") announces that on 17 October 2018, PBDI S A. seated in Toruń (a 90% subsidiary of the Issuer), acting in a consortium ("Contractor") formed by Mosty Łódź S.A. with its registered office in Łódź, 52 Bratysławska Street ("Consortium Leader"), and PBDI S. A. (Consortium Partner) concluded a significant construction contract on the terms and conditions specified below.

1. Contract date: 17.10.2018.
2. Customer: Skarb Państwa – Generalny Dyrektor Dróg Krajowych i Autostrad seated in Warszawa; 00-874 Warszawa, 53 Wronia Street.
3. Total **c**ontract value: PLN 715,200,788.37 net. The value of the scope to be completed by PBDI S.A. is 50% of the contract value.
4. Contract subject: Design and construction of the S3 road form Legnica (A4) to Lubawka, task IV from the Kamienna Góra Północ interchange (incl. the interchange) to the state border, about 15.3 km long.
5. Completion period: 31 months from the conclusion of the contract (including obtaining an use permit). Winter period (i.e. from 15 December to 15 March) is not included in the completion period, but it is included in the design period.
6. Payment terms: Invoicing at most once a month according to the progress of works; credit period of 30 days.
7. Performance Bond: 10% of gross remuneration in the form of a bank or insurance guarantee valid till 17.12.2021. The partners of the Consortium provide bonds in proportion to the value of their scope of work.
8. Defects Liability Bond: 3% of gross remuneration in the form of a bank or insurance guarantee valid till 02.01.2021. The partners of the Consortium provide bonds in proportion to the value of their scope of work.
9. Penalties:
   For withdrawal from the Contract for reasons attributable to the Contractor - 15% of the gross remuneration;
   For exceeding the time for completion of works due to reasons attributable to the Contractor:
   - 0.02% of the gross remuneration for each day of delay during the first two weeks;
   - 0.03% of the gross remuneration for each day of delay during the third and fourth week;
   - 0.05% of the gross remuneration for each day of delay in each subsequent week starting from the fifth week.
   The total amount of contractual penalties due to the Customer shall not exceed 20% of the gross remuneration.