ERBUD S.A.

Current Report No. 66/2018
Report date: 2018-10-19

Topic:

Conclusion of a significant construction contract worth PLN 23.3 million for the extension of an existing hospital facility at the Krakow Centre of Rehabilitation and Orthopaedics.

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

Content of report:

The Management Board of Erbud SA (the "Issuer") informs that on 19.10.2018 the Company entered into a significant construction contract on the following terms and conditions:

1. Contract date: 19.10.2018.
2. Customer: Krakowskie Centrum Rehabilitacji i Ortopedii in Kraków; 30-224 Kraków, 22 Modrzewiowa Street.
3. Contract value: PLN 23,427,410.00 net / PLN 28,815,714.30 gross.
4. Contract subject: Extension of the existing hospital building No. 2 with the facility for the operating theatre, anaesthesiology and intensive care unit, X-ray laboratory, ultrasound room, densitometry, and central sterilization, including accompanying functions and site development; alteration of rooms used as X-ray laboratory, reception, medical secretariat located on the ground floor of the building No. 2 as well as patient rooms with isolation located on the first floor of the building No. 2 on plot No. 228/2, cadastral district 9 Krowodrza, 22 Modrzewiowa Street in Kraków.
5. Site location: 30-224 Kraków, 22 Modrzewiowa Street.
6. Deadline: 30.09.2019.
7. Payment terms: The Works shall be paid as follows:
    1) against partial invoices on dates agreed with the Customer not more often than once a month, unless the Customer allows otherwise, on dates resulting from the payment schedule; the Customer allows monthly invoicing of works in accordance with their progress at the end of each month;
    2) against the final invoice issued after completion and acceptance of all Works.
8. 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.
9. Performance Bond: In the amount of PLN 1,008,550.00, valid from 19.10.2018 to 30.10.2019.
10. Defects Liability Bond: In the amount of PLN 432,235.72 PLN, valid from 31.10.2019 to 13.11.2024.
11. Other guarantees: 60 months for construction works.
12. Penalties: The Contractor shall pay the Customer contractual penalties:
    a) for delay in completing Works - 0.1% of the gross remuneration for each day of delay;
    b) for delay in remedying defects found upon acceptance or revealed during the warranty or guarantee period - 0.1% of the gross remuneration for each day of delay;
    c) for failure to pay remuneration due to subcontractors or further subcontractors - PLN 5000.00 for each direct payment made by the Customer to subcontractors or further subcontractors;
    d) for late payment of remuneration due to subcontractors or further subcontractors - PLN 200.00 for each day of delay from the due date of payment of the due amount until the payment date;
    e) for failure to submit a draft construction sub-contract or a draft amendment thereto for the Customer's approval - PLN 1,000.00 for each draft contract or amendment not submitted;
    f) for failure to submit a certified copy of the sub-contract or an amendment thereto; PLN 1,000.00 for each copy of the sub-contract or amendment not submitted;
    g) for admitting to execute Works covered by the contract by an entity other than the Contractor or a subcontractor accepted by the Customer and addressed to their performance in accordance with the provisions of the contract - 0.2% of the gross remuneration;

h) for withdrawal by the Customer from this contract for reasons attributable to the Contractor or withdrawal by the Contractor, however, for reasons not attributable to the Customer - 10% of the gross remuneration;

i) for failure to submit a copy of the insurance agreement referred to in § 14 and 15 and a confirmation of premium payment if paid in instalments - 0.001% of the gross remuneration for each day of delay.

13. Note: Contract No. 215/2018.