ERBUD S.A.

Current Report No. 67/2018
Report date: 2018-10-19

Topic:

Signing of a significant construction contract with a value of PLN 43.7 million net (53.8 million gross) to build a primary school in Białołęka District of Warszawa. Customer: the Capital City of Warszawa, Białołęka District.

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 October 2018 the Company entered into a construction contract on the following terms and conditions:

1. Contract date: 19.10.2018.
2. Customer: Miasto Stołeczne Warszawa – Dzielnica Białołęka; 03-122 Warszawa, 197 Modlińska Street; NIP: 525-22-48-481, REGON: 015259640.
3. Contract value: PLN 43,741,463.41 net / PLN 53,802,000.00 gross.
4. Contract subject: Design of part and execution of construction works under the project: "Construction of primary school".
5. Site location: Warszawa-Białołęk, on Ruskowy Bród Street, corner Verdiego Street.
6. Completion period: 19.10.2018 - 30.07.2020.
7. Payment terms: 21 days from the date of receipt of the invoice by the Customer.
8. Performance Bond: Insurance guarantee of 10% of net remuneration with the expiry date of minimum 30 days beyond the deadline for completing the Works.
9. Defects Liability Bond: 3% of the remuneration in the form of an insurance guarantee provided for 60 months.
10. Other guarantees: 60 months warranty period from the acceptance of Works by the Customer.
11. Penalties: In the event of non-performance or improper performance of the Contract, the Customer shall have the right to charge the Contractor with the following contractual penalties:
    - for each day of the Contractor's delay in the completion of the whole Works and in the completion of works defined in Milestones - 0.25% of the remuneration;
    - for delay in remedying defects found upon the acceptance or revealed during the defects warranty period or quality guarantee period in the scope of removing any defects in Contractor's Design Documentation or defects in respect of completed construction works - 0.1% of gross contractual remuneration for a given phase of works (§ 8 item 1 of the Contract), for each commenced day of delay;
    - for terminating the Contract/part thereof for reasons attributable to the Contractor - 15% of gross remuneration for the Works specified in § 8 item 1 of the Contract or part of them from which the withdrawal was made.
12. Note: Construction carried out by the Warsaw Branch.