ERBUD S.A.

Current Report No. 02/2019
Report date: 2019-01-11

Topic:

Signing of a significant contract worth PLN 41.35 million net for the design, production, plant, delivery, construction, testing and commissioning of a wind farm in Barwice.

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

Content of report:

The Management Board of Erbud SA (the "Issuer") informs that on 11 January 2019 it concluded a significant construction contract on the following terms and conditions.

The Issuer acts in the contract as a Partner of Consortium formed together with PBDI S.A. headquartered in Toruń (Consortium Leader) - a subsidiary 90% owned by the Issuer, and Electrum sp. z o. o. headquartered in Białystok (Consortium Partner).

1. Contract date: 10.01.2019.
2. Customer: Windfarm Polska II spółką z ograniczoną odpowiedzialnością based in Koszalin, 24-26 Wojska Polskiego Street, 75-712 Koszalin.
3. Total net contract value: PLN 41,350,000. The value of the scope to be completed by Electrum Sp. z o.o. is PLN 11,850,400 net.
4. Contract subject: Design, production, plant, delivery, building, testing and commissioning of the construction and electrical infrastructure for the wind farm project in Barwice in Poland consisting of 14 wind turbines, 1 substation and connection to the 110 kV transmission grid.
5. Completion period: until 29 February 2020.
6. Payment terms: Invoicing at most once a month according to the progress of works; credit period of 21 days.
7. Performance Bond: 10% of the net remuneration in the form of bank or insurance guarantee valid 60 days from the date of final completion of Works. Electrum Sp. z o.o. will provide bond in proportion to the value of its scope of work.
8. Defects Liability 5% of the net remuneration in the form of bank or insurance guarantee valid 30 days from the date of final completion of the Works. Electrum Sp. z o.o. will provide bond in proportion to the value of its scope of work.
9. Warranty period: 5 years from the deadline for the substantial completion of Works.
10. Penalties:

    - for exceeding the deadline for the substantial completion of Works - 0.05% of the net remuneration for each day of delay for the first 14 days, and then 0.1% of the net remuneration for each day of delay,
    - for exceeding the deadline for completing milestones - 0.1% of the net remuneration for each day of delay (in case of deadlines for electricity power works, the contractual penalty for the first 14 days of delay will be 0.05% of the net remuneration for each day of delay).