**ERBUD S.A.**

*Current Report No. 27/2019*
*Report date: 2019-05-13*

*Topic:*
Conclusion of a PLN 33.3 million construction contract to erect a building designated for a boarding house

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

*Content of report:*

The Management Board of Erbud SA (the "Issuer") informs that on 13 May 2019 the company entered into a construction contract on the following terms and conditions:

1. Contract date: 13.05.2019.
2. Customer: PARK ROZWOJU III - PROJEKT ECHO - 112 sp. z o.o. sk.; 25-323 Kielce, 36 Al. Solidarności Street; NIP: 6572904450, REGON: 26056624300000.
3. Net Contract value: PLN 33,350,000.
4. Contract subject: Constructing as General Contractor of the Boarding House located in Warsaw at 13 Suwak Street.
5. Site location: Warsaw, 13 Suwak Street (formerly 37 Woronicza Street).
6. Completion period: 13.05.2019 - 04.12.2020.
7. Payment terms: 30 days from the date of receipt of the invoice by the Customer.
8. Performance Bond: 5% of net Remuneration in the form of bank or insurance guarantee valid for at least 30 days longer than the completion date of contract.
9. Defects Liability Bond: 3% of net Remuneration in the form of insurance guarantee issued for 60 months.
10. Other guarantees: N/A.
11. Penalties:
    - 0.1% of the Remuneration for each day of the Contractor's delay in completing Works under the Contract in relation to the contractual deadline; in meeting Milestones; in removing defects found during the Acceptance;
    - PLN 10,000 for each day of delay in removing defects found within the warranty or guarantee period;
    - PLN 1,000.00 for each day of delay in meeting each deadline for submitting documents required for the proper performance of Works under the Contract;
    - PLN 2,500 in the event of a gross breach of Health and Safety regulations on the Construction Site, resulting in the suspension of Works by the Investor's site supervisor;
    - 10% of the Remuneration in case of withdrawal from the Contract.

    The total sum of contractual penalties may not exceed 10% of the remuneration.