ERBUD S.A.

Current Report No. 38/2019
Report date: 2019-06-06

Topic:
Signing of a significant contract by Erbud S.A. with a gross value of PLN 45.4 million. The contract applies to the task: ”Upgrading the thermal insulation of the main hospital building and the polyclinic building to improve the energy efficiency of the 4th Independent Public Clinical Hospital in Lublin."

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

Content of report:
The Management Board of Erbud SA (the “Issuer”) informs that on 06.06.2019 it entered into a significant construction contract on the following terms and conditions:

1. Contract date: 06.06.2019.
2. Customer: Samodzielny Publiczny Szpital Kliniczny Nr 4 w Lublinie, 8 Dr. K. Jaczewskiego Street, 20-954 Lublin.
3. Contract value: PLN 45,414,060 gross; PLN 36,922,000 net.
4. Contract subject: “Upgrading the thermal insulation of the main hospital building and the polyclinic building to improve the energy efficiency of the 4th Independent Public Clinical Hospital in Lublin.” The scope of works includes improving the heating, hot water preparation and lighting systems, retrofitting insulation of external walls and floorings and of roof slabs and roofs, partly replacement of windows and doors and site development works. A photovoltaic system will also be installed under the project.
5. Site location: 20-954 Lublin, 8 Dr. K. Jaczewskiego Street.
6. Deadline for completion: 06.09.2021.
7. Payment terms:
   a) invoices payable by bank transfer within 45 days;
   b) unit price remuneration;
   c) quarterly invoicing.
8. Performance Bond: PLN 2,270,703.00, covering the period from 06.06.2019 to 06.10.2021.
9. Defects Liability Bond: PLN 681,210.90, covering the period from 07.10.2021 to 22.10.2026.
10. Other guarantees/warranties:
    a) for built-in equipment - under a warranty provided by the manufacturer, but not less than 36 months;
    b) 10 years for aluminium and steel joinery;
    c) 60 months for construction works;
    d) 6 years for façade;
    e) 1 year for roof insulation works and roofing;
    f) 20 years for photovoltaic modules and inverter.
11. Penalties:
    1) for withdrawal from the contract by the Customer for reasons attributable to the Contractor - 5% of gross remuneration;
    2) for delay in the performance of Works and/or delay in execution of a stage concerned beyond the scheduled deadline - 0.5% of gross remuneration in respect of one or more stages not executed on that date, for each day of delay;
    3) for delay in commencement of Works and/or delay in commencement of works of a stage concerned beyond the scheduled deadline - 0.5% of gross remuneration in respect of one or more stages which was/were not commenced on that date, for each day of delay;
    4) for delay in remedying defects found during the interim acceptance - 0.1% of gross remuneration for the whole scope of works within the stage concerned, for each day of delay from the date set for the removal of defects;
    5) for delay in remedying defects found during the final acceptance or during the warranty period - 0.1% of gross remuneration for the scope of works within the stage concerned, for each day of delay from the date set for the removal of defects;

6) in case of failure to provide the Customer with documents referred to in § 7(4) or (9), in relation to the dates indicated therein - PLN 2,000 per each such case;
7) in case when at the request of the Customer, the site manager or work managers do not appear within 4 hours - PLN 200 per each such case;
8) in the event of delay in submitting a third-party insurance policy - PLN 300 for each day of delay;
9) in the event of non-payment or late payment of remuneration due to subcontractors - 0.1% of gross contractual remuneration payable to a subcontractor for each day of delay;
10) in case of failure to submit for approval a draft subcontract concerning the construction works or a draft amendment thereto - 0.1% of gross remuneration due to the subcontractor for each day of delay;
11) in the event of failure to submit a certified true copy of a subcontract or an amendment thereto - 0.1% of gross contractual remuneration due to the subcontractor for each day of delay;
12) in the absence of an amendment to the subcontract - 0.1% of gross contractual remuneration due to the subcontractor for each day delay;
13) for failure to provide the Customer, at its request, with all required documents and/or statements confirming payment of due remuneration by the Contractor to a subcontractor - 0.2% of the remuneration payable to the subcontractor for each day of delay.

12. Note: The project will be carried out by the Rzeszów Branch.