29/07/2020 Current Report No. 41/2020 (12:37 p.m.)

Topic:
Signing of a significant Agreement of the value of net PLN 49.6 million for construction works at the construction of a “Multi-functional Building” in Dęblin

Legal basis:
Article 17(1) MAR - confidential information.

Content of the Report:
The Management Board of Erbud S.A. (Issuer) informs that on 29 July 2020 it signed a Construction Works Agreement under the following terms:

NO. CONTRACT DATA

1. Contract conclusion date: 29.07.2020
2. Investor (exact name and registered office): "LOTNICZA AKADEMIA WOJSKOWA 08-521 Dęblin, ul. Dywizjonu 303 / 35; NIP 5060034353, REGON 060059216"
3. Contract value: PLN 49,586,317.38 net / PLN 53,764,582.01 gross – estimated remuneration /cost estimate remuneration
4. Subject of the contract: “Construction of a multi-functional building”, including occupancy permit
5. Place of contract performance: ul. Dywizjonu 303, 08-521 Dęblin, plot No. 4080/116 and 4080/126 – closed area, precinct 0001, rycki county, lubelskie voivodship
6. Deadlines for completion: the deadline for completion, including obtaining of the occupancy permit, is set by 30.07.2024
7. Payment terms: quarterly invoicing with payment term 30 days
8. Performance bond (value, term): PLN 2,688,229.10 (5% of the contract value) 29 July 2020 to 29 August 2024
9. Warranty for the repair of defects and faults (value of the term):): PLN 806,468.73 (1.5% of the contract value) from 30 August 2024 to 13 September 2029
10. Other guarantees (type of guarantee, value, duration):
11. Penalties:
    1) for the Contractor's delay in performance of the subject of Partial Acceptance specified in the Agreement in relation to the current Material and Financial Schedule - in the amount of 1.0% of the net offer price for the given part of works for each commenced day of delay,
    2) for the Contractor's delay in removal of Defects found upon acceptance or during the warranty period for Physical Defects or quality guarantee in the amount of 0.02% of the total estimated net remuneration referred to in § 28 item 1 point 1) letter c), for each commenced day of delay calculated from the date of expiry of the deadline for removal of Defects, but not more than 20% of the net value of the agreement,
    3) for withdrawal from the Agreement for reasons attributable to the Contractor in the amount of 10% of the total estimated net remuneration referred to in § 28 item 1 point 1) letter c),
    4) for non-payment of remuneration due to Subcontractors or further Subcontractors in the amount of PLN 10,000.00 for each direct payment made by the Employer to Subcontractors or further Subcontractors,
    5) for late payment of remuneration due to Subcontractors or further Subcontractors in the amount of 0.01% of the total estimated net remuneration referred to in § 28 item 1 point 1) letter c) for each day of delay from the date of expiry of the deadline for payment to the date of payment, but not more than 20% of the total estimated net remuneration referred to in § 28 item 1 point 1) letter c),

6) for not submitting for approval a draft of the Subcontractor Agreement the subject of which are construction works or a draft of its amendment, in the amount of PLN 10,000 for each draft Agreement or its amendment not submitted for approval,
7) for failure to submit a certified copy of the Subcontractor Agreement or amendments thereto in the amount of PLN 10,000 for each not submitted copy of the Agreement or amendments thereto,
8) for failure to make an amendment to the Subcontractor Agreement required by the Employer as regards payment deadline within the term specified by the Employer in the amount of PLN 10,000 for each such case,
9) for allowing performance of construction works covered by the subject of the Agreement by an entity other than the Contractor or a Subcontractor accepted by the Employer to perform construction works in accordance with the rules set out in the Agreement in the amount of 0.1% of the total estimated net remuneration referred to in § 28 item 1 point 1) letter c) for each such case, but not more than 20% of the total estimated net remuneration referred to in § 28 item 1 point 1) letter c),
10) for interruption of works by the Contractor lasting more than 10 working days, amounting to 0.1% of the total estimated net remuneration referred to in § 28 item 1 point 1) letter c), for each commenced day of interruption of works, but not more than 20% of the total estimated net remuneration referred to in § 28 item 1 point 1) letter c),
11) in the event of breaching the Contractor's obligation to insure and pay premiums in accordance with § 17 of the Agreement, as well as to present the Employer with documents confirming conclusion of the insurance contract and payment of premiums, the Employer is entitled to impose a contractual penalty of PLN 5,000.00 for each breach,
12) in the event of breaching the obligation to dispose of waste in accordance with § 23 of the Agreement, as well as the obligation to present the required documents and information about the generated waste and the ways of managing the generated waste in accordance with § 23 of the Agreement, the Employer is entitled to impose a contractual penalty of PLN 5,000.00 for each breach,
13) if the activities reserved for the Site or Works Manager are performed by a person other than the person accepted by the Employer in the amount of 0.1% of the total estimated net remuneration referred to in § 28 section 1 item 1) letter c), for each such case, but not more than 20% of the total estimated net remuneration referred to in § 28 section 1 item 1) letter c),
14) in any other case not mentioned above, constituting non-performance or improper performance by the Contractor of an obligation under the Agreement, in the amount of 0.05% of the total estimated net remuneration referred to in § 28 item 1 point 1) letter c), for each such case, but not more than 20% of the total estimated net remuneration referred to in § 28 item 1 point 1) letter c).

LIMIT OF CONTRACTUAL PENALTIES: 25% of the estimated net remuneration.