15/09/2020 Current Report No. 49/2020 (2:21 p.m.)

Topic:
Signing of a significant Agreement of the value of net PLN 48.88 million for implantation of a construction project covering construction of a residential and retail building with underground garage as well as land develop ment and utilities

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

Content of the Report:
The Management Board of Erbud S.A. (Issuer) informs that on 15 September 2020 it signed a Construction Works Agreement under the following terms:

1. Contract conclusion date: 15.09.2020
2. Investor (exact name and registered office): MATEXI POLSKA Sp. z o.o. with its registered office in Warsaw 00-867, Aleja Jana Pawła II
3. Contract value: PLN 48,880,000.00 net
4. Subject of the contract: Construction of a multi-family residential building with services and underground garage and technical infrastructure, installations, necessary equipment
5. Place of contract performance: 17 Żeromskiego St., Warsaw
6. Deadlines for completion: 23 months from the Handover of the Construction Site Start date - 16.09.2020; completion date - 16.08.2022
7. Payment terms: 30 days from the date of acceptance of a correctly issued invoice
8. Performance bond (value, term): Performance bond of 10% of the net contract value in the form of a bank or insurance guarantee with a validity of 90 days longer than the Completion Date
   Collateral under guarantees and warranties - 5% of the net contract value in the form of a bank or insurance guarantee for 12 months, followed by 2.5% of the net contract value for 48 months
9. Other guarantees (type of guarantee, value, term): Quality guarantee:
   a. for all Construction Works carried out under the Complete Undertaking - 60 (sixty) months from the date of signing of the Final Acceptance Protocol, for greenery for 12 months
   b. for equipment - in accordance with the manufacturer's or supplier's warranty, but not less than 24 (twenty four) months from the date of signing of the Final Acceptance Protocol.
10. Penalties: In the case of a failure to perform the agreement or improper performance of the agreement, the Employer has the right to charge contractual penalties to the Contractor:
    - with reference to the Milestones - in the amount of 0.05% (five hundredths of a percent) of the Lump Sum Remuneration, calculated for each commenced day of delay;
    - with reference to the Complete Undertaking Completion Date - in the amount of 0.10% (ten hundredths of a percent) of the Lump Sum Remuneration, calculated for each commenced day of delay;
    - in the amount of 1% of the remuneration for the performance of Resident Changes, as determined in a separate order, calculated for each commenced day of delay, in relation to the deadlines specified in the order;
    - for delay in the removal of defects or faults found during the guarantee and warranty period - in the amount of PLN 700, calculated for each commenced day of delay in relation to the deadlines for the removal of such defects or faults
    - 10% of the Lump Sum Remuneration for withdrawal from the Agreement
    - for occupational health and safety irregularities from PLN 500 (five hundred) to PLN 2,000 (two thousand) for material irregularities and up to PLN 500 (five hundred) for other irregularities
11. Comments: Construction carried out by the Warsaw Branch