16/09/2020 Current Report No. 50/2020 (6:12 p.m.)

Topic:
ERBUD S.A. (Issuer) subsidiary – PBDI S.A. singing a significant agreement with a subcontractor for comprehensive bitumen works.

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

Content of the Report:
The Management Board of Erbud S.A. (Issuer) informs that on 16 September 2020 PBDI S.A. with its registered office in Toruń (90% subsidiary of the Issuer), acting in a consortium of companies with the company MOSTY Łódź with its registered office in Łódź for the implementation of the investment task: "Design and construction of road S3 Legnica (A4) - Lubawka, task IV from the Kamienna Góra Północ junction (including the junction) to the national borders, of the length of 15.3 km", received from the subcontractor the contract of the aforementioned Consortium for the performance of comprehensive bitumen works signed on 14.09.2020 with the conditions specified below:

1. Contract conclusion date: 14.09.2020
2. Subject of the contract: Performance of comprehensive bitumen work
3. Contract value: PLN 55,180,139.20
4. Deadlines for completion: 17.06.2022
5. Payment terms: 30 days from the date of invoice receipt
6. Performance bond (value, term): 10% of gross remuneration with a term of 30 days from the date of faultless final acceptance of the subject of the agreement;
7. Warranty for the repair of defects and faults: 3% of the gross remuneration, with a term of 5 years and 4 months from the day following the date of faultless final acceptance of the subject of the agreement
8. Penalties:
   a) for delay in the performance of the entire subject of the agreement, in the amount of PLN 20,000.00 (in words: twenty thousand PLN 00/100) for each day of delay, calculated from the day following the deadline for the completion of the subject of the agreement;
   b) for delay in the performance of individual stages of works specified in the schedule of works in the amount of PLN 10 000.00 (in words: ten thousand PLN 00/100), for each day of delay in the first two weeks, in the amount of PLN 12 000.00 (in words: twelve thousand PLN 00/100) for each day of delay in the third and fourth week, in the amount of PLN 15 000.00 (in words: fifteen thousand PLN 00/100) for each day of delay in each subsequent week, starting from the fifth week;
   The contractual penalties are subject to aggregation and the total value of contractual penalties cannot exceed 20% of the gross remuneration.