30/12/2020 Current Report No. 78/2020 (02:59 p.m.)

Topic:
Signing of a significant Construction Works Agreement - Reconstruction of POK “Dom Chemika” [Puławski Community Centre “Chemist’s House”] Stage II – construction of the Multimedia Library of the net value PLN 21,531,766.46.

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

Content of the Report:
The Management Board of Erbud S.A. (the Issuer/Company) informs that on 30 December 2020 the following Construction Works Agreement was signed by the Company and delivered to the Investor:

1. Contract conclusion date: 30 December 2020
2. Investor (exact name and registered office): City Puławy, ul. Lubelska 5, 24–100 Puławy
3. Contract value: PLN 21,531,766.46 net
4. Subject matter of the contract: Reconstruction of POK “Dom Chemika” [Puławski Community Centre “Chemist’s House”] Stage II – construction of the Multimedia Library
5. Contract performance place: Puławy
6. Performance deadline: 30 June 2022
7. Payment terms:
    1. The settlement for the performed works will be made on the basis of partial invoices, issued for monthly periods, in the amount proportional to the performed scope of works specified in the as-built cost estimate.
    2. The basis for issuing partial invoices will be the performance and technical acceptance of works, confirmed by the Site Manager and Supervision Inspectors in a protocol of acceptance of performed works without faults, attached to the invoice.
    3. The sum of partial invoices issued by the Contractor may not exceed 90% of the contract value.
    4. Partial invoices will be issued by the Contractor in 2020 up to a maximum gross value: PLN 5,000,000.00.
    5. The deadline for payment of partial and final invoices is set up to be 30 days from the date of their submission together with settlement documents to the Employer's logbook.
8. Performance bond (value, term): PLN 1,324,203.64 valid from signing of the agreement until 30 August 2022
9. Warranty for repair of defects and faults (value, term): PLN 397,261.09 valid from 31 August 2022 until 14 September 2027
10. Penalties: The Contractor will pay the Employer a contractual penalty:
    a) for a delay in the performance of the subject matter of the agreement in the amount of 0.03% of the gross value specified in § 2.2 of the agreement for each day of delay;
    b) for a delay in the removal of defects found at the time of final acceptance or during the period of warranty and guarantee for defects in the amount of 0.03% of the gross value specified in § 2.2 of the agreement, for each day of delay counted from the day set to remove defects,
    c) for withdrawal from the agreement by the Employer for reasons attributable to the Contractor in the amount of 10% of the gross value specified in § 2.2 of the agreement,
    d) for non-payment or late payment of remuneration due to a subcontractor or further subcontractor - in the amount of 0.02% of the gross value specified in § 2.2 of the agreement, for each identified case;

e) for failure to submit for approval a draft sub-contractor agreement and draft amendments to such agreement – in the amount of 0.02% of the gross value specified in § 2.2 of the agreement, for each identified case;
f) for failure to submit a certified copy of the subcontracting agreement or draft amendments thereto – in the amount of 0.02% of the gross value referred to in § 2.2 of the agreement, for each identified case;
g) for failure to introduce into the subcontracting agreement amendments requested by the Employer - in the amount of 0.02% of the gross value specified in § 2.2 of the agreement, for each identified case;
h) for failure to submit a certified copy of the insurance policy or an annex thereto within the time limit specified by the Employer - in the amount of PLN 3,000.00 gross for each day of delay;
i) for allowing the performance of works covered by the subject of the Agreement for which the Employer required the employment on the basis of an employment agreement by a person engaged otherwise, in the amount of PLN 5,000.00 for each identified case;
j) for failure of the Contractor's submission - within the time limit set by the Employer – of the evidence requested by the Employer to confirm that the Contractor or the sub-contractor meets the requirement to employ, on the basis of an employment agreement, persons performing the activities specified in § 7, in the amount of PLN 5,000.00 for each identified case;