Current report no. 58/2021
Date: 2021-06-18
ERBUD S.A.

Subject
Signing of a significant contract for construction works, with a net value of PLN 12.96 million – "Redevelopment of Student House No. 2 of Lublin University of Technology in order to comply with the amended fire safety regulations and raise the standard of residential rooms" by a subsidiary of ERBUD S.A. (Issuer) - Erbud Operations Sp. z o.o. with its registered office in Rzeszów.

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

Report content:
The Management Board of ERBUD S.A. (the Issuer) hereby announces that on 18 June 2021, Erbud Operations Sp. z o.o. with its registered office in Rzeszów (the Issuer's subsidiary) entered into a significant Construction Contract on the following terms:

NO., CONTRACT DETAILS
1) Date of signing contract Annexes: 18-06-2021 (scheduled at: 12 o'clock)
2) Investor (exact name and registered office): "Lublin University of Technology, 38D Nadbystrzycka Street, 20-618 Lublin".
3) Contract value: PLN 12,959,625.84 net * Info in notes, Company's second contract with this Investor
4) Subject of the Contract: Reconstruction of Student's House No. 2 of Lublin University of Technology in order to comply with the amended fire safety regulations and raise the standard of residential rooms
5) Place of Contract performance: Lublin
6) Implementation deadlines: 44 weeks after signing the Contract (22.04.2022)
7) Payment terms: Payment of remuneration will be based on the material and financial schedule, payment term 30 days from the date of the invoice delivery
8) Performance bond (value, duration): PLN 699,819.80, valid until 21.07.2022
9) Warranty for repair of defects and faults (term value): PLN 209,945.94, valid until 06.07.2028
10) Other guarantees (type of guarantee, value, duration): not applicable
11) Penalties: "The Contractor shall be obliged to pay contractual penalties to the Employer in the following cases:
a) for delay of the Contractor in performing the subject matter of the Contract in the amount of 0.5% of the gross remuneration specified in Art. 9(1) of the Contract for each day of delay with respect to the deadline specified in Art. 3(1) of the Contract;
b) for delay in performing a particular stage/task/scope of the subject matter of the Contract in the amount of 0.5% of the gross remuneration value assigned for a given stage of construction works, for each day of delay with respect to deadlines stemming from the material and financial schedule approved by the Employer;
c) for the delay of the Contractor in removal of defects identified during final acceptance of the subject matter of the Contract as well as during the period of quality guarantee and/or warranty for

defects - in the amount of 0.5% of the value of the maximum gross remuneration specified in Art. 9(1) of the Contract for each day of delay with respect to the deadlines for removal of such defects as specified pursuant to Art. 12-14 of the Contract.
d) for exceeding the guarantee response time by the Contractor, in the amount of PLN 500 gross for each started consecutive 24 hours of delay in relation to the deadline specified in Art. 14(4) of the Contract.
e) due to withdrawal from the Contract by the Employer for reasons attributable to the Contractor, in the amount of 10% of the gross remuneration referred to in Art. 9(1) of the Contract.
f) due to failure to submit for approval by the Employer a subcontractor agreement draft whose subject matter is construction works, or a draft amendment thereto, in the amount of 1% of the net value of the agreement, for each day of delay in relation to the deadlines specified in Art. 4(3)(11) of the Contract.
g) due to the failure to submit a certified true copy of the subcontracting agreement or any amendments thereto, in the amount of 1% of the net value of the agreement, for each day of delay from the date of its signing by the parties to the date of submission of the agreement to the Employer.
h) due to lack of amendment of the subcontracting agreement as regards the payment deadline, in the amount of 1% of the net value of this agreement, for each day of delay from the date indicated in the information referred to in Art. 4(7) of the Contract.
i) due to lack of change of the subcontracting agreement, the subject of which are supplies or services, as regards the payment deadline, in the amount of 1% of the net value of that agreement, for each day of delay from the date indicated in the information referred to in Art.(4)(8) of the Contract.
j) due to failure to pay or late payment of remuneration due to subcontractors or further subcontractors in the amount of 10% of the unpaid net amount.
k) for the transfer of rights and obligations under this Contract to third parties without the prior consent of the Employer, in the amount of 10% of the gross remuneration referred to in Art. 9(1) of the Contract, for each violation of the above provision.
The total maximum amount of contractual penalties that a Party may claim from the other Party shall not exceed 50% of the total gross remuneration."
12) Notes: This is already consecutive agreement between EO and the Lublin University of Technology. EO is currently implementing the contract dated 16 September 2020 (together with an increasing annex, concerning: REDEVELOPMENT OF STUDENT HOUSE NO. 3 OF LUBLIN UNIVERSITY OF TECHNOLOGY IN ORDER TO COMPLY WITH THE AMENDED FIRE SAFETY REGULATIONS AND RAISE THE STANDARD OF RESIDENTIAL ROOMS with a value of: PLN 13,352,572.70 net. As of the Contract signing date, the total value of contracts performed by EO for the Lublin University of Technology amounts to: PLN 26,312,198.54 net