Current report no. 73/2021
Date: 2021-08-18
ERBUD S.A.

Subject:
Implementation by a subsidiary of Erbud S.A. (Issuer) Erbud Operations Sp. z o.o. construction works with a value of PLN 5.16 million. The Contract refers to: Demolition of 5 buildings together with installations and networks of underground utilities included in the Maria Skłodowska-Curie National Institute of Oncology in Warsaw - National Research Institute (Narodowy Instytut Onkologii im. Marii Skłodowskiej-Curie – Państwowy Instytut Badawczy). As at the Contract signing date, the total value of contracts performed by Erbud Operations Sp. z o.o. for the Maria Skłodowska-Curie National Institute of Oncology - National Research Institute amounts to: PLN 26.9 million net.

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

Report content:
The Management Board of Erbud S.A. (Issuer) hereby announces that on 18-08-2021 a subsidiary of the Issuer - Erbud Operations Sp. z o.o. - signed a significant Construction Contract with the following terms and conditions:

1. Date of Contract Annexes: 18-08-2021 (scheduled at: 10 am to 2 pm)
2. Investor (exact name and registered office): the Maria Skłodowska-Curie National Institute of Oncology - National Research Institute with its registered office in Warsaw, address: 02-781 Warsaw, ul. W.K. Roentgena 5, entered in the Register of Entrepreneurs of the National Court Register kept by the District Court for the Capital City of Warsaw, 13th Commercial Division of the National Court Register under the number: 0000144803, Tax Identification Number (NIP): 525-000-80-57, Business Identification Number (REGON): 000288366
3. Contract value: net PLN 5.162.538,35 (estimated - post-execution settlement)* Info in remarks, second contract of the Company with this Investor
4. Subject of the Contract: “Demolition of 5 buildings together with installations and underground utility networks constituting the Maria Skłodowska-Curie National Institute of Oncology in Warsaw - National Research Institute”.
5. Place of Contract performance: Warsaw
6. Implementation deadlines: “The Contractor shall be obliged to complete the subject matter of the Contract within a period of up to 30 months including:
    - Stage Ia: 8 months from the date of handing over the construction site to the Contractor by the Employer;
    - Stage Ib: 2 months from the date of handing over the construction site to the Contractor by the Employer (in the case of ordering implementation of Stages Ia and Ib simultaneously, the total time for completion of Stages Ia and Ib is 8 months);
    - Stage II: 2 months from the date of handing over the construction site to the Contractor by the Employer.”

7. Payment terms: Payment of remuneration shall be made in stages in accordance with a monthly material and financial schedule, payment term 60 days from the date of delivery of the invoice
8. Performance bond: (value, duration) PLN 317,496.12, valid until 18.07.2022 at the latest.
9. Guarantee for the repair of defects and faults: (value, duration) PLN 95,248.83, valid until 03.07.2025
10. Other guarantees (type, value, duration) CAR insurance policy, Limit of liability i.e. property belonging to the investor amounts to PLN 2,000,000.00
11. Penalties: "The Contractor shall pay the Employer a contractual penalty:
    a) for delay of the Contractor with respect to the deadline specified in the Contract for completing the subject of the Contract (i.e. signing the Effective Final Acceptance) - in the amount of 0.05% of the Contractor's maximum remuneration for each commenced day of delay that elapses between the deadline specified in the Contract for completing the subject of the Contract and the actual date of completing the works confirmed by the Effective Final Acceptance, which shall be confirmed by signing the Final Acceptance Protocol
    b) for any delay by the Contractor in relation to the deadlines for completion of individual scopes of works specified in the Execution Schedule, including the deadlines for completion of individual Stages - in the amount of 0.05% of the Contractor's remuneration for each commenced day of delay in meeting the deadline;
    c) in the amount of 10% of the Contractor's remuneration, in the event of non-performance of the Contract by the Contractor or withdrawal from the Contract by the Contractor or the Employer for reasons attributable to the Contractor;
    d) in the amount of PLN 2,000.00 for each commenced day of delay in removing defects in the performed works, including those revealed during the guarantee or warranty period;
    e) in the amount of 5% of the Contractor's remuneration for completion of a particular element of works specified in the Tender Specification, in the event of occurrence of significant irremovable defects in a particular element of works;
    f) in the amount of PLN 2,000.00 for each commenced day of delay in the official takeover of the site on which the Contract will be executed;
    g) in the amount of PLN 5,000.00 for each case of non-payment or untimely payment of remuneration due to subcontractors or subsequent subcontractors;
    h) in the amount of 0.1% of the amount of the unpaid remuneration to the subcontractor for each day of delay in payment for each case of non-payment or untimely payment of remuneration due to subcontractors or subsequent subcontractors;
    i) in case of failure to submit for approval a draft subcontracting agreement the subject of which are construction works or a draft amendment - in the amount of PLN 20,000.00 for each such case;
    j) in case of failure to submit a duly certified copy of the subcontractor agreement or its amendment - in the amount of PLN 20,000.00 for each such case;

k) in case of failure to amend the subcontracting agreement and adjust it to the Employer's requirements resulting from Art. 13 - in the amount of PLN 10,000.00 for each such case;
l) for allowing an entity other than a Subcontractor/Subsequent Subcontractor approved by the Employer pursuant to the provisions of the Contract to perform construction work covered by the Contract - PLN 10,000.00 for each case identified;
m) in the event of failure to provide the Employer with the Execution Schedule or any other document required to be provided under the Contract by the specified deadline - in the amount of PLN 2,000.00 for each commenced day of delay in providing it;
n) in the event that the Contractor's Site Manager, in the situation specified in Art. 5(3) (request for verbal or written explanations from the Contractor's Site Manager concerning the presence of the indicated persons on the site) refuses to provide explanations or is unable to determine the identity of such persons or fails to explain the reasons for the presence of such persons on the Contract site - in the amount of PLN 5,000.00 for each such case;
o) in the event of failure to attend coordination meetings of the Site Manager / Work Managers - in the amount of PLN 1,000.00 per person, for each unexcused absence of the person whose attendance is required;
p) in case when other persons than those indicated in the list of persons or accepted by the Employer are appointed as Site Manager / Work Managers - in the amount of PLN 1,000.00 for each commenced day of work of such a person;
q) in the event that the Employer's personnel ascertain that the Contractor infringes health and safety regulations - in the amount of PLN 1,000.00 for each such case;
r) in case of failure to prove fulfillment of the obligation referred to in Art. 23 of the Contract - in the amount of the multiplication of the amount of PLN 1,000.00 and the number of started calendar months during the period of performance of the Contract, during which there was no evidence of employment on the basis of an employment contract for each person, for whom such an obligation was provided for in accordance with Art. 23 (Employment on the basis of an employment contract) of the Contract.

2. The contractual penalties listed in the Contract are cumulative.

3. The Parties determine the limit of contractual penalties that may be charged to the Contractor at the level of 15% of the Contractor's Contractual remuneration."

12. Remarks: This is another EO agreement with the Maria Skłodowska-Curie National Institute of Oncology - National Research Institute based in Warsaw. The EO is currently implementing a Contract dated 4 November 2020 entitled: "Increasing the energy efficiency of the building of the Maria Skłodowska-Curie National Institute of Oncology - National Research Institute" for the amount of: 21,756,097.56 PLN net.