Current report no. 79/2021
Date: 2021-09-13
ERBUD S.A.

Subject:
Signing a significant contract for the construction of a District Court building in Opole Lubelskie at 1C Przemysłowa Street with a value of PLN 24.6 million

Legal basis:
Article 17(1) MAR - Confidential Information.

Report content:
The Management Board of ERBUD S.A. (ISSUER) hereby announces that on 13 September 2021 a significant Construction Contract was signed for the construction of the District Court building in Opole Lubelskie at 1C Przemysłowa Street under the following conditions:

1. Date of Contract conclusion: 13.09.2021
2. Investor (exact name and registered office): State Treasury - Regional Court in Lublin, Krakowskie Przedmieście 43, 20-076 Lublin; Tax Identification Number (NIP): 712-19-34-656
3. Contract value: PLN 24,629,556.90 net
4. Object of the Contract: The subject matter of the Contract is the construction of the building of the District Court in Opole Lubelskie at 1C Przemysłowa Street on plot No. 592/4, together with the construction of parking spaces, hardened access roads and pedestrian communication system, as well as the construction of the technical infrastructure including underground utilities of the area.
5. Place of performance: 1C Przemysłowa Street, 24-300 Opole Lubelskie
6. Implementation deadlines: 33 months from the date of conclusion of the Contract
7. Terms of payment: - remuneration payable within 30 days from the date of delivery to the Employer of correctly issued invoice with all required attachments,
   - the remuneration settled by partial invoices may not exceed 90% of the total gross remuneration
   - a 3-month settlement period is assumed for partial invoices,
8. Performance bond (value, duration):
   - PLN 1,514,717.75 to the District Court in Lublin with the term of validity from 13.09.2021 to 13.07.2024, inclusive
9. Guarantee for repair of defects and faults (value term): "- PLN 454,415.33 in favour of the District Court in Lublin with a term from 14.07.2024 to 29.07.2030, inclusive"
10. Penalties:

I. The Contractor shall pay the following contractual penalties to the Employer:
   1) for delay in the completion of the subject of the Contract - in the amount of PLN 2,000.00 (in words: two thousand PLN 0/100) for each day of delay counted from the deadline specified in Art. 2(1) of the Contract;
   2) for delay in removal of defects identified at the time of acceptance or during the guarantee/warranty period for defects in works/services/supplies performed under the Contract in relation to the deadlines specified in this Contract or determined by

the Employer for the removal of defects - in the amount of 0.2% of the gross value of the item of the Table of consolidated elements contained in Appendix No. 2 to the Contract, to which the defect refers, for each day of delay;

3) for the mere fact of existence of defects that do not qualify for removal and do not prevent the facility from being used as intended or in compliance with binding legal regulations in the amount of 2.0% of the total gross value of the item in the table of integrated elements included in Appendix No. 2 to the Contract, to which the defect refers, for each defect;
4) for failure to timely perform the works referred to in Art. 22(6)(2) letter B. b) of the Contract - in the amount of 0.005% of the gross remuneration referred to in Art. 4(1) of the Contract for each day of delay,
5) for failure to perform or improper performance of obligations resulting from the guarantee service, other than those specified in item 2) - in the amount of 0.005% of gross remuneration referred to in Art. 4(1) of the Contract, for each infringement,
6) for allowing a Subcontractor to perform the Contract other than the one indicated in Art. 14 of the Contract or in the scope other than that indicated in the provisions of Art. 14, or for not making changes to the Subcontractor in accordance with Art. 18 (1) (1) or (2) of the Contract - in the amount of PLN 5,000.00 (in words: five thousand 00/100 zlotys) for each infringement in relation to each category of failures,
7) failure to submit a draft subcontracting agreement or any amendments thereto to the Employer for approval pursuant to Art. 15 of the Contract - in the amount of PLN 5,000.00 (in words: five thousand 00/100 zlotys) for each case of failure to submit for approval,
8) failure to submit a certified true copy of the subcontracting agreement or its amendment in the course of Art. 15 or Art. 16 of the Contract - in the amount of PLN 5,000.00 (in words: five thousand 00/100 zlotys) for each case of failure to submit,
9) failure to amend the subcontracting agreement with regard to the payment deadline in line with the provisions of Art. 15(2) or Art. 16(2) of the Contract - in the amount of PLN 5,000.00 (in words: five thousand 00/100 zlotys) for each case of failure to make a change,
10) for failure to timely pay due remuneration to the Subcontractor / further Subcontractor - in the amount of PLN 1,000.00 (say: one thousand 00/100 PLN) for each such case,
11) delayed payment of due remuneration to the Subcontractor / further Subcontractor - in the amount of 0.004% of the remuneration of the Subcontractor / further Subcontractor in relation to which the remuneration was delayed for each day of delay,
12) for each case of execution of works within the scope of the Contract by persons not employed by the Contractor or Subcontractor on the basis of a labour contract, or failure to submit documents in the mode specified in Art. 9(10) - in the amount of PLN 1,000 (in words: one thousand 00/100 zlotys) for each case,

13) for non-compliance with OH&S regulations, for each case found by the supervisor (including non-use of protective clothing) the Contractor shall pay a penalty according to the following tariff:
    1. Employee's failure to use required PPE: PLN 200
    2. Lack of supervision by the Contractor over employees: PLN 500
    3. Failure to comply with instructions issued by the Employer's site supervision or the Employer's OH&S service: PLN 500
    4. Organizing and conducting work in violation of OH&S rules and regulations: PLN 500
14) for withdrawal from the Contract for reasons attributable to the Contractor - in the amount of 5% of the gross remuneration referred to in Art. 4(1), if the withdrawal occurred before commencement of the construction works,
15) for withdrawal from the Contract for reasons attributable to the Contractor - in the amount of 10% of the gross remuneration referred to in Art. 4(1), if the withdrawal occurred after commencement of the construction works,
16) for untimely payment to the Subcontractor/further Subcontractor of the remuneration due under the change of remuneration provided for in Art. 4a(8) - in the amount of 0.004% of the remuneration 3.

II. The Employer shall have the right to charge the penalties referred to in Para. 1 cumulatively, provided that:
    1) total amount of penalties on this account may not exceed 15% of the Contractor's gross remuneration referred to in Art. 4(1),
    2) the contractual penalties referred to in Para. 1(15) and 1(16) shall not be cumulative as referred to in item 1),

III. The Employer shall be entitled to additional compensation exceeding the amount of contractual penalties up to the amount of the damage suffered.

IV. The Contractor agrees to deduct the contractual penalties from his/her remuneration, subject to their deduction in accordance with the applicable law, as well as to their collection from the security for the proper performance of the Contract if the Contractor fails to pay the contractual penalty to the Employer within 3 working days from the date of request and delivery of the accounting note for the contractual penalty.

11. Notes: The complex of buildings being constructed by the Contractor will also include a prosecution building. The construction of the prosecution building will be covered by a separate contract. The conditions of this Contract will be similar to those described above. The value of this Contract will amount to PLN 10,158,443.10 net.