

Current report no. 84/2021  
Date: 2021-10-01  
ERBUD S.A.

#### Subject

Signing of a significant Construction Contract with a net value of PLN 29.2 million for the development of a sports and entertainment hall in Dęblin.

#### Legal basis

Article 17(1) MAR - Confidential Information.

#### Report content:

The Management Board of ERBUD S.A. (Issuer) hereby announces that today it signed a Construction Contract on the terms specified below:

1. Date of Contract conclusion: 01.10.2021
2. Investor (exact name and registered office): "LOTNICZA AKADEMIA WOJSKOWA (AIR FORCE ACADEMY), 08-521 Dęblin, ul. Dywizjonu 303 no. 35"
3. Contract value: PLN 29,206,352.26 net
4. Object of the Contract: "Construction of a sports and entertainment hall" with obtaining an operating permit. The building consists of two parts: the main one-storey part - the hall with stands, the second two-storey part - the back facilities. Floor space  $\approx$  3,246.31 m<sup>2</sup>; volume  $\approx$  41,690.72 m<sup>3</sup>. The building is equipped with mechanical ventilation and air conditioning, central heating installation, water supply and sewage system, electricity and telecommunication systems, fire protection, renewable energy sources, i.e. solar installation and heat pump. The scope of the Contract also includes landscaping and the supply of sports equipment.
5. Place of performance: Dęblin ul. Dywizjonu 303, 08-521 Dęblin, plot no. 4080/103 - closed area, precinct 0001
6. Implementation deadlines: The deadline for completion of the works and obtaining an operating permit is established by 30.11.2024.
7. Terms of payment: For periodical settlements, the Contractor shall submit to the investor's supervision inspector, by the 20th day of the last month of the quarter, a measurement and a partial summary cost estimate to which the settlement refers. Interim settlements once per quarter. Payment term 30 days.
8. Performance bond (value, duration): PLN 1,796,190.66 with a term until 30.12.2024.
9. Guarantee for repair of defects and faults (value term): PLN 538,857.20 with term until 14.01.2030.
10. Penalties: "Contractual penalties:
  - 1) for delay of the Contractor in performing the subject of the Partial Acceptance specified in the Contract in relation to the current material and financial schedule - in the amount of 1% of the net Tender Price for a relevant part of the works for each commenced day of delay,
  - 2) for delay of the Contractor in removal of the Defects identified at the acceptance or in the period of warranty for physical defects or guarantee of quality in the amount of 0.01% of the total estimated net remuneration, for each commenced day of delay counting from the date of expiry of the deadline for removal of the Defects, but not more than 20% of the net value of the Contract,
  - 3) for withdrawal from the Contract for reasons attributable to the Contractor at 10% of the total estimated net remuneration,
  - 4) for failure to settle remuneration due to Subcontractors or further Subcontractors in the amount of PLN 10,000.00 for each direct payment made by the Employer to Subcontractors

or further Subcontractors, including in the situation referred to in Art. 439(5) of the Public Procurement Law,

- 5) for untimely payment of remuneration due to Subcontractors or further Subcontractors in the amount of 0.01% of the total estimated net remuneration for each day of delay from the date of expiry of the deadline for payment to the date of payment, but not more than 20% of the total estimated net remuneration, including the circumstances referred to in Art. 439(5) of the Public Procurement Law,
- 6) for failure to submit for approval a draft Subcontracting Contract the subject of which are construction works or a draft amendment thereto, in the amount of PLN 10,000.00 for each failure to submit for approval a draft Contract or amendment thereto,
- 7) for failure to submit a certified true copy of the Subcontracting Contract or any amendment thereto in the amount of PLN 10,000.00 for each copy of the Contract or amendment thereto not submitted,
- 8) for failure to amend the Subcontracting Contract required by the Employer as regards the payment deadline within the period indicated by the Employer, in the amount of PLN 10,000.00 for each such case,
- 9) for admitting to execution of construction works covered by the Contract other entity than the Contractor or a Subcontractor approved by the Employer and directed to execute such works in accordance with the principles set forth in the Contract, in the amount of 0.01% of the total estimated net remuneration for each such case, but not more than 20% of the total estimated net remuneration,
- 10) for interruption of works by the Contractor for reasons attributable to the Contractor, including reasons for which the Contractor is at fault, lasting longer than 10 working days, in the amount of 0.01% of the total estimated net remuneration for each commenced day of interruption in the execution of works, but not more than 20% of the total estimated net remuneration
- 11) in the event of a breach of the obligation to insure the Contractor and to pay premiums in accordance with Art. 17 of the Contract, as well as to show the Employer the documents confirming the conclusion of the insurance agreement and the payment of premiums, the Employer shall be entitled to impose a contractual penalty of PLN 5,000.00 for each breach,
- 12) in the event of a breach of the obligation to dispose of waste in accordance with Art. 23 of the Contract, as well as the obligation to submit the required documents and information on the waste generated and the methods of managing the generated waste in accordance with Art. 23 of the Contract, the Employer shall be entitled to impose a contractual penalty of PLN 5,000.00 for each breach,
- 13) in the event that the activities reserved for the site or works manager are performed by a person other than the one approved by the Employer in the amount of 0.01% of the total estimated net remuneration for each such case, but not more than 20% of the total estimated net remuneration.”

11. Comments: This is another contract for this investor. The “Construction of a multi-purpose building” is currently underway.