



Report number: **47/2017**

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Subject: **Conclusion of a conditional agreement by the Subsidiary for the general contracting of a multi-family residential building with service area within the framework of the first stage of Nowa 5 Dzielnica project in Krakow.**

Contents of the report:

The Board of Management of Centrum Nowoczesnych Technologii S.A. (hereinafter referred to as the "Issuer") informs that on 27 September 2017 the Subsidiary i.e. Centrum Nowoczesnych Technologii Spółka Akcyjna spółka komandytowa (the "Subsidiary", "Ordering Party") concluded with a consortium of companies including:

1. Eiffage Polska Serwis spółka z o.o. based in Warsaw - Consortium Leader,
2. Eiffage Polska Budownictwo S.A. based in Warsaw - Consortium Member

(hereinafter referred to as the „Contractor”) a conditional agreement for the general contracting of multi-family residential building with service area No. A1 together with underground parking spaces, necessary installations and infrastructure, including also obtaining and transferring complete as-built documentation to the Ordering Party, in particular the final and unconditional decision on the use permit of Building A1, built within the first stage of the investment of Nowa 5 Dzielnica (Agreement) located at 53 Wrocławska in Krakow (the Investment). The agreement shall enter into force within 60 days from the date of conclusion hereof , if an extended procedure for acquiring a valid building permit has been completed within that period, as reported by the Issuer in the last report for the first half of 2017.

For the performance of the object of the agreement, the Contractor shall receive a lump sum remuneration under the Art. 632 of the Civil Code, which amounts to PLN 27,800 thousand net, plus VAT due, at the rate in accordance with the applicable regulations as of the date of issuing the invoice.

The Contractor is obliged to commence the construction works which are the subject of the agreement within 7 days from the date when the Ordering Party hands over the construction site, which will take place within 7 days from the date when the agreement enters into force and finish the work hereof within 16 months from the date when the agreement enters into force, and obtain the final building use permit within 19 months from the date when the agreement enters into force to.

The Contractor shall provide a quality guarantee and warranty for the performance of the subject of the contract for a period of 5 years and one month from the date of sale of the last premises in building A1 but not later than 7 years from the date of signing the final acceptance protocol by the Parties and the quality guarantee extended for 10 years, commencing on the date of signing the final acceptance protocol by the





Parties to the agreement, related to hydro-insulation of the elements indicated in the Agreement.

The agreement provides for a possibility of charging the Contractor with contractual penalties (for each day or each violation, respectively) in the amount of PLN 0.5 thousand up to PLN 100 thousand for:

- delays in the performance of the subject of the agreement,
- delays in the execution of a work phase specified in the Technical and Financial Plan,
- unjustified break in works lasting more than 7 days,
- failure to notify about a Subcontractor or a notification in breach of the contractual procedure,
- delays in accession or removal of defects and faults in the subject matter of the contract,
- construction of non-approved material,
- non-compliance with safety and fire protection regulations,

and for any other breach of the provisions hereof; yet, the maximum total amount of contractual penalties accrued to the Contractor resulting from the agreement cannot exceed 10% of the Contractor's gross remuneration.

Additionally, in case of waiver from the agreement due to any reasons attributable to the other party, the contract provides for a possibility of contractual penalties of 10% of the gross remuneration.

At the same time, the Parties can claim supplementary compensation over the amount of reserved contractual penalties, under the general provisions of the Civil Code.

Other terms and conditions of the agreement including, in particular, the following:

- technical specification of the agreement performance,
- insurance policies required by the Contractor,
- performance bonds,
- a possibility of withdrawing from the agreement,

do not differ from the terms and conditions commonly used and characteristic of this type of contracts.

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

