

Current Report No: 37/2012
Report Date: 2012-10-30
Subject: Execution of a significant contract with Henpol Sp. z o.o.
Legal basis: Art. 56, paragraph 1 point 2 of the Act on Public Offering – Current and Periodic Information

Contents of the report:

The Management Board of WIKANA S.A. (the Issuer) informs that on the 30th of October 2012 the Issuer's subsidiary, Wikana Invest Sp. z o.o. (Wikana Invest, the Employer) signed with Henpol Sp. z o.o. (the Contractor, Henpol) a contract on the execution of construction works (the Contract) under the implementation of the commercial investment project Wikana Business Park by Wikana Invest.

The subject of the Contract is the complex execution of the construction works consisting in the construction of a high storage warehouse together with indoor and outdoor installations and retaining walls. The aforementioned works are the part of the realisation of the warehouse building element of the technological and logistic centre complex under the name Wikana Business Park. The Issuer informed about the execution of contract for the construction of the office building being the part of the aforementioned complex in its Current Report No 46/2011 of the 12th of December 2011.

According to the provisions of the Contract the 15th of November 2012 was agreed as the deadline for the commencement of works and the 30th of June 2013 as the deadline for the completion of works, whereas the condition of the execution of the construction will be the provision by the Employer of a payment guarantee covering the value of the subject of Contract. At the same time if the guarantee is not provided within 60 days the Contracts will be terminated without any financial claims.

In cases stipulated in the Contract, including the vis major events or acts of nature which the Contractor could neither anticipate nor counteract, the modification of the deadline for the completion of works is possible.

The value of the subject of Contract amounts to 19.28 million zlotys net (the Remuneration). Pursuant to the provisions of the Contract the Remuneration may change should the Employer introduce additional works or alternative solutions as regards the scope of works or technologies of their realisation differing from the solutions accepted in the Contract and in the technical documentation, while the value of works mentioned above shall be determined on the basis of market prices.

The partial settlement of payments between the parties shall take place against invoices issued monthly upon the determination of the advancement level of the works and upon fulfilment of conditions agreed in the contract in relation to the evaluation of the pace of works and of the status of commitments towards the subcontractors. The total value of partial invoices may not exceed 90% of the Remuneration. The final settlement of payments shall be effected against the final invoice issued on the basis on the final work acceptance protocol and following the obtainment of the occupancy permit.

The Contract includes the provisions relating to contractual penalties, stating among the others that:
- the Contractor shall pay the Employer the penalties among the other for the delay,

- the Contractor shall pay the Employer the penalties for the delay in the removal of defects established during the work acceptance or within the warranty and/or guarantee period;
- should one of the parties withdraw from the Contract, the party to blame shall pay the other party (the withdrawing party) the contractual penalty of 10% of the contractual value of works,
- the Employer shall pay the Contractor for the delay in closing the final work acceptance activities which has arisen through the Employer's fault.

Pursuant to the provisions of the Contract the contractual penalties may be calculated jointly for different reasons and the total amount of all penalties for all reasons may not exceed 10% of the value of the subject of the Contract.

The executed works are guaranteed by the Contractor for the period of 36 months starting on the day of signature of the final, defect-free acceptance protocol of the subject of Contract. The Issuer was granted by the Contractor the guarantee for the equipment and devices installed in the building which corresponds to the manufacturer's guarantee but with the guarantee period of no less than 24 months. Moreover the Contractor has the obligation to remove the defects revealed during the post-warranty acceptance. For any repair works the Contractor shall provide a further 12 months warranty.

The other terms and conditions of the Contract do not deviate from the standard terms and conditions of similar agreements.

The Issuer adopted 10% of its equity as the criterion of considering the Contract significant.

At the same time the Issuer informs that since March 2012 the companies belonging to WIKANA Capital Group concluded with Henpol a contract and an agreement amounting in total to 0.18 million PLN.

Detailed legal basis: art. 5 par. 1 point 3 of the Minister of Finance Regulation of 19 February 2009 on current and periodic reporting by issuers of securities [...]

President of the Management Board
Sylwester Bogacki

Vice President of the Management Board
Tomasz Grodzki