



Ministerstvo životního prostředí



STÁTNÍ FOND
ŽIVOTNÍHO PROSTŘEDÍ
ČESKÉ REPUBLIKY

ANNEX B TENDER DOCUMENTATION

BINDING TEXT OF THE DRAFT CONTRACT FOR WORK

*The following binding text of the draft Contract for Work containing the commercial terms and conditions set by the contracting authority for the performance of a public contract may be completed or supplemented by the tenderer in drafting the Contract for Work only in the parts marked as **[TO BE COMPLETED]** or in another similar manner.*

*For the identification of the Contractor, the Contractor shall select one of the provided options or, where appropriate, provide the identification according to the laws of the country of its establishment and delete the entry **[Alternative 1]**, or **[Alternative 2]**, or **[Alternative 3]**.*

In the event more than one entity enters into the Contract on the Contractor's side (e.g., in the case of a consortium), the Contractor shall use the details in the scope as set out below to identify those entities and shall provide those details for each of the entities forming the Contractor Party. Similarly, the Contractor shall have a signature line at the end of the Contract for each of those entities.

The tenderer is not entitled to make any other substantive changes to the binding text of the draft Contract for Work. The tenderer shall be entitled to remove the text in this red box for the purposes of submitting a draft Contract in the tender, drawn up in accordance with this binding text of the draft Contract.

“Modernisation of ŠKO-ENERGO Heating Plant – OB2 Boiler Rooms”

THIS CONTRACT FOR WORK (hereinafter referred to as the “**Contract**”) is entered into on the day, month and year set forth below in accordance with Section 2586 et seq. of Act No. 89/2012 Coll., the Civil Code, as amended (hereinafter referred to as the “**Civil Code**”), based on the result of a tender procedure for the public contract entitled “Modernisation of ŠKO-ENERGO Heating Plant – OB2 Boiler Rooms” (hereinafter referred to as the “**Public Contract**”) awarded in an open procedure pursuant to Section 56 et seq. of Act No. 134/2016 Coll., on public procurement, as amended (hereinafter referred to as the “**Public Procurement Act**”),

BY AND BETWEEN

Company name:

ŠKO-ENERGO, s.r.o.,

Registered office: tř. Václava Klementa 869, Mladá Boleslav II, 293 01 Mladá Boleslav,

Company ID No.: 61675938,

Tax ID No.: CZ61675938,

Incorporated in the Commercial Register kept by the Municipal Court in Prague, File No. C 38550,

Represented by the Executive Directors, Jaromír Vorel and Tomáš Kubín,

Bank account number in EUR: 10451948/6200,

HEREINAFTER REFERRED TO AS THE “**Client**”
AS THE FIRST PARTY

AND

[Alternative 1]

Company name:

[TO BE COMPLETED],

Registered office: [TO BE COMPLETED],

Company ID No.: [TO BE COMPLETED],

Tax ID No.: [TO BE COMPLETED],

Incorporated in the Commercial Register kept by the [Municipal/Regional] Court in [TO BE COMPLETED], File No. [TO BE COMPLETED],

Represented by [TO BE COMPLETED],

Bank account number: [TO BE COMPLETED],

[Alternative 2]

Company name:

[TO BE COMPLETED],

Registered office: [TO BE COMPLETED],

Registration number: [TO BE COMPLETED],

Bank account number: [TO BE COMPLETED],

Represented by [TO BE COMPLETED],

[Alternative 3]

Mr/Mrs

[TO BE COMPLETED],

Registered office/place of residence: [TO BE COMPLETED],

Company ID No.: [TO BE COMPLETED],

Tax ID No.: [TO BE COMPLETED],

Bank account number: [TO BE COMPLETED],

HEREINAFTER REFERRED TO AS THE “Contractor”
AS THE OTHER PARTY

THE CLIENT AND THE CONTRACTOR SHALL HEREINAFTER BE JOINTLY REFERRED TO AS THE “Parties”
AND EACH INDIVIDUALLY AS A “Party”.

PREAMBLE

Whereas:

- (A) within the framework of the Heating Plant Modernisation Project and the CO₂ Neutrality Programme, the Client will modernise the heating plant in Mladá Boleslav, the production programme of which is the production of heat and electricity (hereinafter referred to as the “Heating Plant”);
- (B) the Contractor has submitted a tender for the Public Contract (hereinafter referred to as the “Tender”) in accordance with the tender documentation for the Public Contract (hereinafter referred to as the “Tender Documentation”), and the Contractor has been selected by the Client to perform the Public Contract;
- (C) the performance under this Contract is part of a higher functional unit of the Heating Plant modernisation provided by various contractors and divided into individual business packages, which are specified in more detail in the Technical Requirements set out in Annexes A1 to A13 to the Tender Documentation, which form Annex 1 to the Contract (hereinafter referred to as the “Technical Requirements”);
- (D) the Tender Documentation and the Tender, as integral parts of the contractual relationship established by this Contract, shall govern the subject-matter of the Public Contract and this Contract;

now, therefore, the Parties have agreed as follows:

1 SUBJECT-MATTER OF THE CONTRACT

- 1.1 By this Contract, the Contractor undertakes to carry out for the Client, at its own expense and risk, in the manner, by the dates, in the scope, quality, quantity (volume) and under the terms and conditions agreed in this Contract, the comprehensive work designated as "Modernisation of ŠKO-ENERGO Heating Plant – OB2 Boiler Rooms" (hereinafter referred to as the "**Work**"), as defined in more detail in Article 2, and to hand over the Work so carried out to the Client. The Contractor also undertakes to remove any defects in the Work as required by the Client during the performance of the Work, upon the handover of the Work or within the warranty period, under the terms and conditions agreed in this Contract.
- 1.2 The Client undertakes to provide the Contractor with the necessary cooperation in the performance of the Work, to accept the Work under the terms and conditions agreed in this Contract, and to pay the Contractor the price for the execution of the Work in the amount and under the terms and conditions set out in this Contract.
- 1.3 The Contractor acknowledges that the availability of the Heating Plant operations must be maintained during the performance of the Work under this Contract. In particular, this means that the steam output of the fluidised bed boilers (steam output of fluidised bed boilers on which modernisation has not yet begun or steam output of fluidised bed boilers which have been put into operation after modernisation) must not be restricted during the execution of the Work. The Contractor further acknowledges that it is obliged to notify the Client well in advance of any steps leading to the shutdown of the Heating Plant or steps that could affect the operations of the Heating Plant in any way. All shutdowns and restrictions in the operation of the Heating Plant must be approved by the Client well in advance.

2 SPECIFICATIONS AND SCOPE OF THE WORK

- 2.1 The Work consists, in particular, in the execution of all deliveries, activities, services and works including the construction of a new K20 wood chip boiler with an output of 80 t/h, the modernisation of the existing K80/90 boilers each with an output of 100 t/h and common steam parameters of 12.5 MPa/535°C with conversion to wood chip combustion and pellet co-firing, as further defined in the Tender Documentation. The modernisation includes modifications and replacements of the flue gas cleaning system, ash transport, modifications of the cooling circuit, modifications of the internal fuel management, modifications of the automatic control system and parts of the electrical system. The technological part includes the steel structures of the boilers or boiler room, modifications of the existing boiler room structures in connection with modifications of the fuel management, and possibly other systems. The execution of the Work shall be divided into stages in accordance with Article 5.2 (Stage K20, Stage K80 and Stage K90 defined in Article 5.2 shall hereinafter be collectively referred to as the "**Stages**" and each individually as a "**Stage**").
- 2.2 The Work under the Contract includes, in particular, the following deliveries, activities, services and works, which are specified in more detail in the Technical Requirements:
- a) initial technical meetings;
 - b) preparation of the necessary technical documents including binding technical parameters as a basis for the Client to be used by the Client for the contractors of the other construction and technological parts of the Heating Plant modernisation project (suppliers of business packages OB1, OB2, OB5, OB6 and OB7, as described in more detail in the Technical Requirements), on the basis of which the other contractors and suppliers will be able to implement their parts of the work in relation to the performance under the Contract.
 - c) preparation of the necessary documentation in accordance with the applicable legislation subject to approval by the Client (hereinafter referred to as the "**Project Documentation**"), as further defined in the Technical Requirements (A7, "Requirements for Documentation"), which will enable, in particular:
 - obtaining all permits, consents and opinions of state administration authorities necessary for the execution of the Work;
 - assessment of the design of the Work, its division into time periods in accordance with the time schedule and assessment of its compliance with the requirements of the Contract and legislative requirements for the execution of the Work;
 - coordination activities related to the Work so that the Work can be linked to other ongoing works related to the modernisation of the Heating Plant carried out by other contractors and to the concurrent operation of the Heating Plant and other activities on the Client's premises;

- quality execution of the Work;
 - the actual execution of the Work, its installation and commissioning;
 - training of the Client's personnel;
 - operation, maintenance and repairs of the Work; and
 - documenting the final and actual condition of the Work;
- d) construction site takeover and preparation for the implementation of the Work, consisting, in particular, of preparatory work and activities necessary for the proper execution of the Work, including the removal and disposal of materials generated in the execution of the Work;
- e) in cooperation with the Client, arranging for the placement of the object of the Work, including the location of connection points, delineating the location of existing networks and marking the boundary of the construction site;
- f) all demolition and dismantling of existing facilities and structures of the Heating Plant necessary to ensure the proper execution of the Work, while also ensuring the ongoing operation and serviceability of the Heating Plant in accordance with the Contract;
- g) delivery of a new K20 boiler room including other related deliverables as further defined in the Technical Requirements;
- h) modification of the existing E1A boiler room including other related deliverables as further defined in the Technical Requirements;
- i) a manual for the operation and maintenance of the Work, including a preventive maintenance schedule, handling and operating rules, and operating instructions for all equipment supplied as part of the Work, in which the Contractor shall describe in detail the conditions, procedures, activities and servicing operations for each component of the Work, to be carried out by the Client during the operation of the Work so as to validate the warranty for the Work provided by the Contractor under this Contract (hereinafter referred to as the **"Operation and Maintenance Manual"**), under which the Work may be operated and maintained also after the expiry of the warranty period specified in the Contract;
- j) proposal of changes to the current operating regulations of the Heating Plant that will be affected by the Work, or proposal of new operating regulations of the Heating Plant related to the implementation of the Work in the Heating Plant;
- k) performance of the agreed tests required by the applicable legal regulations and technical standards, to verify the quality, functionality and proper execution of the Work or its individual parts; the Contractor is obliged to perform other special tests within the execution of the Work, which may be reasonably required by the Client, at the Client's expense, according to the nature of the Work;
- l) training of the Client's operators;
- m) provision of security for the construction site and the parts of the Work already executed, throughout the entire period of the Work performance (until its handover to the Client); and
- n) interim and final cleaning of the site of the Work (including the construction site), including access roads and related areas, if their contamination was caused in connection with the execution of the Work by the Contractor or another person on the Contractor's side; the term "final cleaning" also includes the removal of all temporary facilities and equipment delivered to the construction site by the Contractor or another person on the Contractor's side that were used for the performance of the Work;
- o) consultations with the Client to the extent necessary for clarification and approval of the technical documentation and Project Documentation related to the performance under the Contract;
- p) supply of all software and licences within the scope of the Contractor's performance under the Contract necessary for the operation and maintenance of the Work.

2.3 The Technical Requirements set out the functional specifications of the Work that must be met. The Technical Requirements also represent the maximum scope and limits of the possible technical solution of the Work. The technical design

of the Work proposed by the Contractor according to its technical experience and custom shall at all times be in accordance with the functional specification of the Work set out in the Technical Requirements, the guaranteed values set out in the Technical Requirements (A6, "Guaranteed Values") and the conditions set out in the current permit documentation intended for the securing of a building permit, which is part of the Tender Documentation (hereinafter referred to as the **"Building Permit Documentation"**), including continuity with the performance provided by other contractors to the Client within the framework of the Heating Plant modernisation. The actual technical execution of the Work and the assembly of the proposed equipment of the Work into a functional unit is fully within the Contractor's competence.

- 2.4 The Contractor declares that, before signing the Contract, the Contractor familiarised itself with the Building Permit Documentation and that its Tender, including the proposed technical solution of the Work, which forms Annex 2 to the Contract, meets the requirements set by administrative authorities in that documentation.
- 2.5 The Work shall be carried out simultaneously in accordance with:
- a) the Technical Requirements;
 - b) the Building Permit Documentation;
 - c) the Project Documentation approved by the Client in accordance with Article 2.8 and the Technical Requirements (in Annex A7, "Requirements for Documentation"); and
 - d) the Tender.
- 2.6 In the event of any conflict, the provisions and information contained in the contract documents and the Tender Documentation, including all their annexes, shall be ranked, for the purpose of performance of the Work, in the following order of priority:
- a) the Tender Documentation, including the Technical Requirements, in the event that a more stringent requirement for the performance of the Work is specified in these documents. In the event of a contradiction between the Tender Documentation and the Technical Requirements or in the event of a contradiction between the individual parts of the Technical Requirements, the Contractor is obliged to contact the Client, who will inform the Contractor within five (5) days which order of documents or which information takes precedence;
 - b) the Building Permit Documentation;
 - c) land-use planning documentation, which is part of the Tender Documentation;
 - d) the Tender.
- 2.7 In the event of any conflict between the Technical Requirements and the information contained in the Tender, the Technical Requirements shall prevail for the purposes of the Contract.
- 2.8 The Client informs the Contractor that by approving the Project Documentation according to which the Work is to be performed, the Client assumes no responsibility for the accuracy and completeness of the Project Documentation and that the Project Documentation is usable for the purposes of this Contract. As the execution of the Project Documentation is part of the Work, the final responsibility for the accuracy and completeness of the Project Documentation shall always remain with the Contractor, regardless of the Client's approval or discussion of the Project Documentation with the Client.
- 2.9 In the performance of the Work, the Contractor shall also include all items, works, deliveries and activities that fall under the scope of the Work under the Contract and are not explicitly listed in the Technical Requirements, the Project Documentation or the Building Permit Documentation, but are necessary to ensure the functionality, efficiency and safety of the Work. The Contractor is also obliged to carry out other deliveries, activities, services and works within the scope of the Work which result from the Project Documentation, the Technical Requirements and the Building Permit Documentation. The Contractor further acknowledges that the price of the Work set forth in Articles 7.1 and 7.2 is the full and final price in accordance with Article 7.6.
- 2.10 The Contractor hereby undertakes to expand (or narrow) the scope of the Work by other possible works, activities, deliveries and services that are functionally, materially, technically or technologically related to the Work in the event of a later request by the Client. The method of negotiation of possible extra work or cancelled work is agreed in other provisions of the Contract.

- 2.11 The Contractor further undertakes by this Contract (also in the period after the handover of the Work) to provide the Client with all necessary assistance in obtaining a public-law decision on the building permit for permanent use (final permit), in particular by participating in the approval procedure, securing the documents necessary for the issuance of the decision as required by the competent administrative authority with which the approval procedure will take place, and implementing any requirements relating to the Work carried out by the Contractor that arise from the approval procedure and are imposed by the competent administrative authority in the context of the approval procedure, and that are caused by the Contractor.

3 CHANGES TO THE WORK

- 3.1 The Parties may agree only on such changes to the Work that are not a material change to the commitment under the Contract relating to the Public Contract within the meaning of Section 222 of the Public Procurement Act. A change to the Work subject to agreement of the Parties under the preceding sentence shall mean, for example:
- a) extensions to performance that is not included in the subject-matter of the Work;
 - b) omission of certain performance that is included in the subject-matter of the Work; and
 - c) if the Parties discover facts during the execution of the Work that were not known at the time of the conclusion of the Contract, the Contractor did not cause them and could not have foreseen them.
- 3.2 Any agreed changes to the Work must comply with the conditions set out in Section 222 of the Public Procurement Act. Any agreed changes to the Work shall be properly documented and justified in a Change Sheet in accordance with Annex 3 to the Contract, which shall include, as a minimum, pricing data and requirements for the change in the period of performance of the Work. The Contractor shall follow Article 7.8 when pricing changes.
- 3.3 No changes to the Work shall be commenced or made without the prior written direction of the Client, and no claim or demand for a change in price or deadline shall be valid unless such written direction is given in advance and such change to the Contract is simultaneously agreed in accordance with this Contract, i.e., by a written amendment to the Contract.
- 3.4 Recording of changes will be carried out in the form of Change Sheets in accordance with an agreement on a uniform procedure for approval of changes, which forms an integral part of this Contract as Annex 3. The Change Sheets relating to changes approved by the Client shall always be attached to a concluded amendment to this Contract.

4 SITE OF THE WORK

- 4.1 The Work will be carried out at the address of tř. Václava Klementa 869, Mladá Boleslav II, 293 01 Mladá Boleslav, in the south-eastern part of the industrial zone of the production plant of Škoda Auto a.s. in Mladá Boleslav, which is connected to public roads (hereinafter referred to as the “**Site of the Work**”). A more detailed definition of the Site of the Work is set out in the Tender Documentation.

5 PERIOD OF PERFORMANCE

- 5.1 The Contractor shall carry out the Work in accordance with all deadlines and dates set out in this Contract (hereinafter referred to as the “**Agreed Dates**”). The Agreed Dates under this Contract shall also mean the deadlines of the individual Stages according to Article 5.2 and the milestones for the execution of the Work according to Article **Error! Reference source not found.**
- 5.2 The Contractor shall carry out the Work in the following Stages, which are further divided and defined in the individual milestones listed in Article **Error! Reference source not found.** for each individual Stage:
- a) the Contractor shall be entitled to commence Stage K20, which includes all deliveries, items, activities and works relating to the K20 boiler as specified in the Technical Requirements (hereinafter referred to as “**Stage K20**”), on the construction site as per Article 9 of the Contract on **1 September 2025**, and undertakes to complete Stage K20 by **31 January 2027** at the latest (without prejudice to the performance and deadlines as per the milestones set out in Article **Error! Reference source not found.**);

- b) the Contractor shall be entitled to commence Stage K80, which includes all deliveries, items, activities and works relating to the K80 boiler as specified in the Technical Requirements (hereinafter referred to as “**Stage K80**”), on the construction site as per Article 9 of the Contract on **1 March 2026**, and undertakes to complete Stage K80 by **30 November 2026** at the latest (without prejudice to the performance and deadlines as per the milestones set out in Article **Error! Reference source not found.**); and
- c) the Contractor shall be entitled to commence Stage K90, which includes all deliveries, items, activities and works relating to the K90 boiler as specified in the Technical Requirements (hereinafter referred to as “**Stage K90**”), on the construction site as per Article 9 of the Contract on **1 March 2027**, and undertakes to complete Stage K90 by **30 November 2027** at the latest (without prejudice to the performance and deadlines as per the milestones set out in Article **Error! Reference source not found.**).

The Contractor acknowledges that the above-mentioned dates of the individual Stages take into account the expected dates for the readiness of other contractors providing the Client with the performance within the scope of the Heating Plant modernisation (in particular, the construction and technological units), which are related to the implementation of the Work by the Contractor. In particular, this means the readiness of the building foundations, fuel transport system and systems for data transmission to the control system of the Heating Plant. The dates of the individual Stages also reflect the Contractor’s requirements for testing as per Article 15.

5.3 The Contractor shall perform the Work in accordance with the milestones for the performance of the Work set forth below (hereinafter referred to as the “**Time Milestone**”).

A) Time Milestones for Stage K20

Seq. No.	Milestone	Date
1.	Submission of documentation for the design and execution of the complete K20 boiler base plate as discussed with the Client and approved by the Client (basis for the supplier of OB6 Construction, as this OB is further defined in the Technical Requirements)	Within 18 weeks of signing the Contract
2.	Submission of documentation for the design and implementation of the connection points between the performance under the Contract (OB2 – K 20 Boiler) and the other construction and technological parts of the Heating Plant modernisation project, as discussed with the Client and approved by the Client (basis for the suppliers of OB1 Fuel Management, OB5 Automated Control Systems and OB7 Fixed Fire Extinguishing Equipment and Fire Safety Solution, as the individual OBs are further defined in the Technical Requirements in Annex A7 “Requirements for Documentation”)	Within 27 weeks of signing the Contract
3.	Submission of documentation for the implementation of Stage K20 as discussed with the Client and approved by the Client	No later than 1 month before the commencement of Stage K20 according to Article 5.2 a)
4.	Successful pressure test of the K20 boiler	[TO BE COMPLETED] Not before 1 July 2026
5.	Ignition of solid fuel in the K20 boiler	[TO BE COMPLETED] Not before 1 August 2026
6.	Preliminary acceptance of Stage K20 according to Article 15.6 (PAC)	No later than 31 January 2027
7.	Final acceptance of Stage K20 according to Article 15.8 (FAC)	Upon expiration of the warranty period for the Work in accordance with Article 17 of the Contract and upon fulfilment of the other terms of the Contract

B) Time Milestones for Stage K80

Seq. No.	Milestone	Date
1.	Submission of documentation for the design and implementation of the connection points between the performance under the Contract (OB2 – K 80 Boiler) and the other construction and technological parts of the Heating Plant modernisation project, as discussed with the Client and approved by the Client (basis for the suppliers of OB1 Fuel Management, OB5 Automated Control Systems and OB7 Fixed Fire Extinguishing Equipment and Fire Safety Solution, as the individual OBs are further defined in the Technical Requirements in Annex A7 "Requirements for Documentation")	Within 27 weeks of signing the Contract
2.	Submission of documentation for the implementation of Stage K80 as discussed with the Client and approved by the Client	No later than 1 month before the commencement of Stage K20 according to Article 5.2 b)
3.	Successful pressure test of the K80 boiler	[TO BE COMPLETED] Not before 1 July 2026
4.	Ignition of solid fuel in the K80 boiler	[TO BE COMPLETED] Not before 1 August 2026
5.	Preliminary acceptance of Stage K80 according to Article 15.6 (PAC)	No later than 30 November 2026
6.	Final acceptance of Stage K80 according to Article 15.8 (FAC)	Upon expiration of the warranty period for the Work in accordance with Article 17 of the Contract and upon fulfilment of the other terms of the Contract

C) Time Milestones for Stage K90

Seq. No.	Milestone	Date
1.	Submission of documentation for the design and implementation of the connection points between the performance under the Contract (OB2 – K 90 Boiler) and the other construction and technological parts of the Heating Plant modernisation project, as discussed with the Client and approved by the Client (basis for the suppliers of OB1 Fuel Management, OB5 Automated Control Systems and OB7 Fixed Fire Extinguishing Equipment and Fire Safety Solution, as the individual OBs are further defined in the Technical Requirements in Annex A7 "Requirements for Documentation")	Within 27 weeks of signing the Contract
2.	Submission of documentation for the implementation of Stage K90 as discussed with the Client and approved by the Client	No later than 1 month before the commencement of Stage K20 according to Article 5.2 c)
3.	Successful pressure test of the K90 boiler	[TO BE COMPLETED] Not before 1 July 2027
4.	Ignition of solid fuel in the K90 boiler	[TO BE COMPLETED] Not before 1 August 2027
5.	Preliminary acceptance of Stage K90 according to Article 15.6 (PAC)	No later than 30 November 2027

Seq. No.	Milestone	Date
6.	Final acceptance of Stage K90 according to Article 15.8 (FAC)	Upon expiration of the warranty period for the Work in accordance with Article 17 of the Contract and upon fulfilment of the other terms of the Contract

- 5.4 The Time Milestones are set individually for each individual Stage. The Time Milestones are mainly used to check the timely implementation of the Work. In the event of the Contractor's delay in meeting the Time Milestones, the Contractor shall pay to the Client a contractual penalty in the amount and under the conditions specified in Article 18 of the Contract.
- 5.5 The agreed dates may be changed only by written agreement of the Parties concluded in the form of an amendment to this Contract in accordance with the conditions specified in the Public Procurement Act, unless otherwise expressly provided for in this Contract in specific cases. The Parties agree that the Agreed Dates take into account the climatic conditions that occur at the Site of the Work during the calendar year, as well as their fluctuations. In this context, the Contractor acknowledges the Client's emphasis on the first-class quality of the Work and the corresponding respect for proper technological procedures in the execution of the Work. The Contractor may perform the Work and individual Stages before the Agreed Dates in Article 5.2.
- 5.6 The Contractor acknowledges the interdependence of the performance under this Contract with the performance of other contractors providing performance to the Client for the purpose of modernising the Heating Plant, and that the performance of other contractors providing performance to the Client for the purpose of modernising the Heating Plant, as provided in the Technical Requirements, is linked to the compliance with the deadlines for the individual Stages set out in Article 5.2, including the Time Milestones for the individual Stages. In the event that the Client suffers damage due to the deadlines of the individual Stages specified in Article 5.2, including the Time Milestones of the individual Stages, not being met, including due to the interdependence of the performance of the individual contractors in the modernisation of the Heating Plant, the Contractor's obligation to compensate the Client for such damage shall be limited by the Contractor's obligation to pay to the Client a contractual penalty for the failure to meet the deadlines of the individual Stages and/or Time Milestones under the terms of Article 18 of the Contract. If, due to the interdependence of the Work with the performance of other contractors providing the Client with performance for the purpose of modernisation of the Heating Plant, there is a need to adjust the Time Milestones or other deadlines under the Contract, the Client is entitled to invite the Contractor to take steps to adjust the Time Milestones or other Agreed Dates. The Contractor shall promptly proceed with any such proposed adjustment to the Time Milestones or other Agreed Dates, unless prevented by good cause. In such a case, the Contractor and the Client shall conclude an amendment to the Contract in accordance with Article 3.4. However, even in such cases, the Contractor is not entitled to change the date of execution of the Work or the dates of execution of the individual Stages and their Time Milestones without the Client's consent.
- 5.7 If, in the course of the execution of the Work, the Client, the construction supervisor appointed pursuant to Article 11.1 (hereinafter referred to as the "**Construction Supervisor**") and/or the technical supervisor of the builder appointed pursuant to Article 11.1 (hereinafter referred to as the "**Technical Supervisor**") conclude(s) that the actual progress of the works and deliveries does not correspond to the Agreed Dates, or threatens not to correspond to the Agreed Dates, the Client shall be entitled to request the Contractor to provide the Client with a more detailed schedule of the Agreed Dates to ensure the completion of the Work within the Agreed Dates, and to ensure immediate remedy. A more detailed schedule of the Agreed Dates within the meaning of this clause shall mean the submission of a daily schedule of the progress of the works over seven (7) consecutive working days, including the staffing of the professions working on the subject part of the Work, as requested by the Client. The Contractor shall be obliged to comply with such a request without delay. The Client is particularly entitled to require the Contractor to submit a daily Work execution time schedule. The Contractor shall provide the Client with a schedule for the following week every fifth day after the commencement of the remedial action and shall continue to do so until the remedy is fully completed and confirmed by the Client by entry in the Construction Log.
- 5.8 **Interruption of the Work**
- 5.8.1 The Client and the Construction Supervisor are entitled to decide by written notification delivered to the Contractor or by entry in the Construction Log to interrupt the execution of the Work with effect as of the delivery of the written notification or other date specified in that notification (or the moment of entry in the Construction Log) until the Client decides to

resume the execution of the Work in the same way (i.e., by written notification delivered to the Contractor or by entry in the Construction Log). The Contractor is obliged to secure the construction site immediately after the Client's notification of interruption of the Work becomes effective, or, immediately after the entry in the Construction Log, so that no damage to the work performed so far, to the property or health of the Client or third parties or damage to the environment occurs. The Contractor is obliged to maintain such construction site security during the entire period of interruption of the Work. This shall also apply in the event of suspension of the execution of the Work on the basis of an order of the competent administrative authority pursuant to Article 5.8.2. In such cases, the Contractor shall be entitled to reimbursement of the reasonable, justified and documented costs of securing the construction site. The provisions of the preceding sentence do not apply in cases where the interruption of the execution of the Work is decided by the Client for reasons on the Contractor's side (in particular, in the case of poor quality execution of the Work by the Contractor or its execution in violation of this Contract) or where the interruption of the execution of the Work is decided by a public authority for reasons on the Contractor's side; in such cases, the costs of securing the construction site shall be borne by the Contractor.

- 5.8.2 The Parties agree that if the interruption in the execution of the Work referred to in Article 5.8.1 lasts for more than one (1) day continuously, then the relevant Agreed Dates shall be reasonably postponed (extended) by a period of time commensurate with the duration of the interruption in the execution of the Work pursuant to Article 5.8.1 and the effect that the duration of such interruption has on the progress of the execution of the Work by the Contractor, unless otherwise agreed below. If the execution of the Work is interrupted for more than one (1) day continuously on the basis of an order of the competent administrative authority and if that order was not issued as a result of an act or omission or other reason originating from the Contractor or persons employed or commissioned or contracted by the Contractor, the Agreed Dates shall be postponed (extended) by such a period of time as is commensurate with the duration of the interruption in the execution of the Work ordered by the competent administrative authority and the effect that the duration of such interruption has on the progress of the execution of the Work by the Contractor, unless otherwise agreed below. Interruptions lasting no more than one (1) day continuously, as well as interruptions ordered as a result of acts or omissions of the Contractor or persons employed, commissioned or contracted by the Contractor, shall have no effect on the Agreed Dates.
- 5.8.3 The Client shall not abuse the interruption of the execution of a Stage according to Article 5.8.1 for less than one (1) full day. In the event that the execution of a Stage is interrupted for less than one (1) full day in more than 10 specific cases, then in each such subsequent case the relevant Agreed Dates shall be postponed (extended) by such a period of time as is commensurate with:
- a) the duration of an interruption in the execution of the Stage for less than one (1) full day and exceeding the limit of 10 specific cases; and
 - b) the effect that the duration of such interruption has on the progress of the execution of the Stage by the Contractor.
- 5.8.4 Interruptions in the execution of the Work decided by the Client or a public authority for reasons on the Contractor's side will not have any effect on the Agreed Dates.
- 5.8.5 The Contractor shall be entitled to suspend the execution of the Work if (i) the Client is in default in payment of any invoice duly issued and delivered to the Client by the Contractor under the Contract for a period of at least 30 days; (ii) the Client has been notified in writing by the Contractor after the expiry of the period referred to in clause (i) above of the outstanding invoice and requested to make the payment within an additional time limit of not less than 10 days from the date of receipt of such request by the Client; and (iii) the Client fails to make payment of such outstanding invoice even within the additional time limit specified in the request referred to in clause (ii) above. The Contractor shall be entitled to suspend the execution of the Work in such a case until the date on which the invoice in question is paid in full. In such a case, the Contractor is obliged to secure the construction site so that no damage to the work performed so far, to the property or health of the Client or third parties or damage to the environment occurs. The Contractor is obliged to maintain such construction site security during the entire period of interruption of the Work. In such cases, the Contractor shall be entitled to reimbursement of the reasonable, justified and documented costs of securing the construction site. The first sentence of Article 5.8.2 shall apply mutatis mutandis.
- 5.8.6 The Contractor shall be entitled to compensation for reasonable, justified and documented costs incurred in causal connection with the interruption of the Work: (i) in the event that the performance of the Work is interrupted by a decision of the Client, except where the interruption of the performance of the Work is decided by the Client for a reason on the part of the Contractor; (ii) in the event that the performance of the Work is interrupted by an order of a competent administrative

authority, and where such order was not issued as a result of an act or omission of the Contractor or other persons on the Contractor's side, or for any other reason on the part of the Contractor; or (iii) in the case pursuant to Article 5.8.5.

5.8.7 The Parties undertake to use all reasonably practicable efforts to minimise costs in the event of interruption of the Work.

5.8.8 If the Contractor interrupts the execution of the Work or part of it without being requested to do so by the Client, the Contractor undertakes to notify the Client thereof on the day when the interruption occurred, together with a report on the reasons for the interruption. Unless other rights and obligations of the Parties have been agreed or determined with regard to the cause of the interruption, the Contractor shall make every effort to ensure that the reasons that led to the interruption of the Work or part thereof are promptly removed. In the interruption report, the Contractor is also obliged to state the expected duration of the interruption and the specific requirements for the Client's cooperation to ensure the most efficient resumption of the Work or part thereof. This shall be without prejudice to Article 5.8.5.

5.9 Reserved changes to the commitment in relation to the period of performance

5.9.1 The Client, as the contracting authority, has reserved the following changes to the commitment under the Contract in the Tender Documentation, which may be made by the Parties without the necessity to conduct a new tender procedure for the Public Contract or without the obligation to proceed in accordance with Section 222 of the Public Procurement Act:

- a) changes to the performance deadline, including changes to the Agreed Dates under Articles 5.1, 5.2 and 5.3, due to the implementation of changes to the subject-matter of performance during the execution of the Work that could not have been foreseen and were not included in the Project Documentation or the Tender Documentation, or in the event of exclusion of the execution of some parts of the Work other than those that were included in the subject-matter of performance according to the Project Documentation or the Tender Documentation, which deadlines shall always be extended by the time necessary and justified by the implementation of the change to the subject-matter of performance. In such cases, the change in the performance deadline shall be justified by the Contractor in a Change Sheet amending the Work in accordance with Annex 3 to the Contract; and
- b) changes to the performance deadline, including changes to the Time Milestones of individual Stages, due to the fact that the Contractor cannot continue the performance of the Work according to the Time Milestones because of delays in the performance of other contractors providing the Client with performance related to the modernisation of the Heating Plant, whose performance is interrelated with the performance under this Contract; these deadlines shall always be extended by the time during which the Contractor could not continue the performance of the Work. In such cases, the change in the performance deadline shall be justified by the Contractor in a Change Sheet amending the Work in accordance with Annex 3 of the Contract.

6 TERMS AND CONDITIONS OF EXECUTION OF THE WORK

6.1 The Contractor undertakes to carry out the Work in accordance with this Contract, the applicable legal regulations, technical standards, decisions on the conclusions on the best available techniques (BAT) and related regulations. In the event of any ambiguity on the part of the Contractor, it is the Contractor's responsibility to consult with the Client or the Construction Supervisor before commencing any specific works, activities, deliveries or services.

6.2 The Contractor shall warn the Client in writing without undue delay (but no later than within five (5) working days) of the unsuitable nature of an item handed over to the Contractor by the Client (whether personally, through an authorised employee or through the Construction Supervisor) for the performance of the Work or of an unsuitable order given to the Contractor by the Client (whether personally, through an authorised employee or through the Construction Supervisor); this does not apply if the Contractor could not have discovered the unsuitability even with the exercise of the necessary and due professional care. In case the Client insists on performing the Work using a handed over item or according to an instruction or request the inappropriateness of which has been pointed out by the Contractor and which hinders the proper performance of the Work, the Contractor undertakes to continue the performance of the Work as soon as the Client's opinion on such instruction or request or the use of such handed over item is communicated to the Contractor. If the Client insists on carrying out the Work according to an obviously unsuitable order or using an obviously unsuitable item after the Contractor's warning, the Contractor shall not have the right to withdraw from the Contract for this reason. In the event of a discrepancy between the Client's instruction or request and the relevant legal regulations or technical standards or related regulations, the Contractor is obliged to notify the Client in writing without undue delay (however, no later than within five (5) working days after the receipt of that instruction or request); if the performance of the Work in accordance

with the Client's instruction or request should require any administrative or other decision or action in relation to the public administration authorities or other authorities concerned, the Contractor is also obliged to notify the Client in the same manner within the same time limit.

- 6.3 The Contractor shall act with due professional care in the execution of the Work and shall properly consider all instructions of the Client (whether made directly by the Client or through the Construction Supervisor) as set out in Article 6.2. The Contractor is obliged to execute the Work properly, in time and in first-class quality. In this context, the Contractor declares that it is a professional company in the field and therefore undertakes to carry out all professional activities and to exercise all due professional care that can reasonably be expected of it (as a professional company with all the necessary knowledge, skills, capabilities, abilities and capacities). The Contractor is obliged to protect the interests of the Client during the execution of the Work and to act in such a way that the reputation of the Client is not damaged or endangered in any way.
- 6.4 The Contractor shall be obliged to carry out a thorough inspection of the purchased materials, raw materials and other items required for the performance of the subject-matter of this Contract and to require from manufacturers and suppliers attestations, declarations of conformity, certificates, warranty documentation and operating manuals in accordance with this Contract. If the subject-matter of the Contract is the supply of dual-use items within the meaning of the laws of the United States of America as well as according to Annex I of Council Regulation (EC) No 428/2009 of 5 May 2009 setting up a Community regime for the control of exports, transfer, brokering and transit of dual-use items (recast), the Contractor is obliged to inform the Client without delay and to comply with the contractual terms and conditions for ensuring security in the supply chain and for proving the origin of the goods and items supplied, which can be found on the website <http://www.vwgroupsupply.com/>.
- 6.5 The Contractor is obliged to have available and, at the request of the Client or the Construction Supervisor, to provide a description of the technological procedures and technical methods the Contractor intends to use in the execution of the Work, always before the commencement of the works. At the request of the Construction Supervisor, the Contractor is obliged to provide documentation on the technological procedure in such form and details as the Construction Supervisor or the Client expressly requests, without affecting the change in the Price of the Work.
- 6.6 The Contractor is obliged to carry out an inspection of the K80 and K90 boilers before the start of the construction and technical part of the implementation of Stage K80 and Stage K90, which the Client shall allow the Contractor to carry out over at least seven (7) calendar days. The readiness for the inspection shall be ensured by the Client according to the agreed conditions submitted by the Contractor one (1) month before the date set by the Client. During the inspection, the Contractor shall be obliged to ascertain the condition and defects, if any, in the parts and components of the K80 and K90 boilers which are not subject to the Contract and which could prevent the proper execution and functionality of Stage K80 and Stage K90 and the achievement of the guaranteed values specified in the Technical Requirements (A6, "Guaranteed Values") of Stage K80 and Stage K90.
- 6.7 The Contractor undertakes that all equipment, products and materials supplied shall be new and unused. The Contractor shall use only equipment, products and materials for the Work which have such properties that, during the normal lifecycle of the Work, the mechanical characteristics, stability, strength, permanence, fire safety, hygiene requirements, health protection, environmental protection and safety in use required by applicable laws and technical standards are guaranteed if normal maintenance is carried out, and which have all the attestations and other certificates required and recommended by the applicable generally binding laws and technical standards. The Contractor declares that it has, or will have, all the attestations and other certificates required by generally binding legal regulations and technical standards for the purpose of delivery of the Work and will make them available to the Client in connection with each respective delivery. The Contractor shall provide the Client with individual attestations, certificates and inspection reports of the equipment, products and materials as part of the acceptance procedure. Attestations and certificates of products and materials incorporated in stages which may affect the overall quality of the Work or any part thereof shall be submitted for inspection prior to covering the Work. This will be recorded in the Construction Log. If, in the event of doubt as to the quality of the delivery, conclusive tests are required, the Contractor shall be obliged to arrange such tests at its own expense.
- 6.8 The Contractor is obliged to ensure the implementation of the Work in parallel and in the necessary cooperation with other contractors providing the Client with the construction and technical parts of the performance within the framework of the modernisation of the Heating Plant and according to the instructions of the person appointed as Project Manager under Article 11.1 of the Contract. If modifications to existing equipment, piping, wiring, software, or the construction and

engineering of the Heating Plant within the scope of the Contractor's performance under the Contract are required for the safe and reliable operation of the Work, such modifications shall be part of the Work under this Contract.

- 6.9 The Contractor is obliged to maintain cleanliness and order at the Site of the Work to the extent appropriate for the performance of the Work and in its surroundings throughout the performance of the Work and during the period of removal of defects (or, if applicable, backlogs) of the Work, if any. In particular, the Contractor is obliged to regularly clean the construction site; this also applies to the cleaning of access roads and related areas in the event of their contamination as a result of the execution of the Work. As part of the final clean-up of the Site of the Work, the Contractor shall ensure that all damage, including any environmental contamination caused by the Contractor (or any person on the Contractor's side), is removed.
- 6.10 The Contractor shall provide the necessary tools, equipment, measuring instruments and all construction and other materials, including their transport to the construction site, at its own expense. The Client shall provide the water and electricity sources at the Site of the Work, and the consumption of water and electricity from these sources in connection with the performance of the Work shall be at the Client's expense; the Contractor undertakes to use the provided resources exclusively for the performance of the Work and always economically.
- 6.11 The Contractor undertakes to handle waste in accordance with generally binding legal regulations, in particular in accordance with Act No. 541/2020 Coll., on waste, as amended (hereinafter referred to as the "**Waste Act**"), and legal and other regulations in force at the Site of the Work when executing the Work. In particular, the Contractor is obliged to deposit all waste, leftover building materials, paints, chemical mixtures, etc. exclusively in permitted landfills, or otherwise dispose of them or use them for subsequent recovery, all in accordance with the relevant generally binding legal regulations and legal and other regulations in force at the Site of the Work. The costs and charges associated with this (including transport to the storage or disposal site or subsequent recovery of the waste) shall be borne by the Contractor.
- 6.12 The Contractor is obliged to act during the execution of the Work in such a way as to avoid unauthorised interference with the property and other rights of third parties, damage to the property of the Client or third parties, damage to the health of persons, damage to the environment and violation of work safety. The Contractor shall be held liable for any damage to the property of the Client or third parties, damage to the health of persons and damage to the environment resulting from the performance of the Work or the rectification of defects in the Work (including defects covered by the warranty).
- 6.13 The Contractor shall use all available means to prevent pollution and damage to the area and buildings located in and around the Site of the Work. The Contractor shall be responsible for making any modifications that must be made in connection with the execution of the Work to prevent pollution and damage to areas outside the construction site and to prevent unauthorised persons from entering the construction site. The Contractor is obliged to make the necessary modifications at its own expense.
- 6.14 The Contractor is obliged to use all available means to prevent pollution and damage to the roads leading to the construction site as a result of transport carried out by the Contractor or its subcontractors. Unless otherwise expressly provided for in this Contract, the Contractor shall be responsible for the execution of all road modifications that must be carried out in connection with the performance of the Work. The Contractor is obliged to make these modifications at its own expense.
- 6.15 Copyright and any other intellectual property rights, as well as rights to drawings, operating and maintenance manuals, templates, symbols, designs, software (including updates and new versions), plans, records, instructions, know-how, printed copies and specifications and any other documentation provided or made available to the Client in connection with the Contract shall remain the exclusive property of the Contractor or its subcontractors, as the case may be, and shall be provided to the Client for use only in the construction, operation and maintenance of the Work. The Client shall not use or permit the use of any such rights for any other purpose without the prior written consent of the Contractor or its relevant subcontractor, as the case may be.
- 6.16 The Contractor warrants that the Work under this Contract (or its individual parts) does not infringe any intellectual or industrial property rights. When performing this Contract, the Contractor is obliged to respect industrial and intellectual property rights that could be affected in connection with the performance of this Contract. The Contractor is obliged to ensure the appropriate legal protection of these rights also in contractual legal relations with its subcontractors. The Contractor further undertakes not to infringe any copyright or industrial or other intellectual property rights of third parties in the performance of the Work. If at any time in the future the Contractor is found to have infringed the copyright or industrial or other intellectual property rights of third parties in the performance of the Work, the Contractor shall be liable to the

Client for the costs incurred due to such legitimate claims arising from such infringement of intellectual property rights, which the Client will be obliged to pay, provided that the Client:

- a) immediately notified the Contractor of any such claim of which the Client became aware;
- b) granted the Contractor the right to intervene in any dispute or proceedings or hearing relating to such claim and provided reasonable assistance to the Contractor upon request; and
- c) has not entered into any composition or amicable settlement or other agreement with the claimant without the prior written consent of the Contractor, which the Contractor shall not withhold without good cause in justified cases.

6.17 If the Work or any part of it is found to infringe any intellectual property rights and the operation of the Work or any part of it is legally precluded or compromised, the Contractor shall immediately at its own expense:

- a) replace or modify such infringing Work or part thereof with a Work or part thereof not infringing such rights, in a manner that does not adversely affect the use of the Work; or
- b) obtain for the Client the right to use such Work or part thereof to the fullest extent permitted by law.

6.18 The Contractor shall not be held liable to the Client for any actual or alleged breach arising from:

- a) the Client's own design or specification if the Client has been previously warned by the Contractor of the unsuitability of such design or specification and if the Client nevertheless insists on such design or specification;
- b) alterations or modifications to the Work made by the Client or any third party, other than the Contractor's subcontractors and other persons designated by the Contractor, without the prior written consent of the Contractor; or
- c) use of the Work in a manner or for a purpose other than that specified in this Contract or contrary to the Contractor's instructions or directions;

6.19 The provisions of Articles 6.16 to 6.17 shall constitute the Contractor's sole form of liability and the Client's sole and exclusive remedy for any infringement of intellectual property rights by the Contractor.

6.20 The Contractor undertakes to respect the Construction Supervisor as well as any instructions issued by the Construction Supervisor in relation to the execution of the Work and to carry out these instructions as if they had been issued by the Client.

6.21 All obligations and commitments of the Contractor agreed in this Contract relating to the terms and conditions of performance of the Work shall apply mutatis mutandis to the removal of any defects in the Work (including those covered by warranties). In the event of a breach of any of the Contractor's obligations or commitments under this Contract (i.e., not only this Article of the Contract), the Client shall be entitled to perform the obligation or commitment not fulfilled by the Contractor (if the nature of the obligation or commitment in question allows it) itself or through a third party; in such a case, the Client shall be entitled to compensation for damage in an amount limited under Article 18.12 and to reimbursement of reasonably incurred, justified and documented costs from the Contractor. The Client may only exercise the right under the preceding sentence (the part before the semicolon) if the Contractor fails to perform the obligation or commitment under the Contract within an additional reasonable time limit set by the Client. In the event that these obligations have been fulfilled by the Client itself or through a third party, they are not covered by the Contractor's warranty under Article 17 of the Contract.

6.22 The Contractor is obliged to perform the Work and the individual Stages in such a way that the Work has the values guaranteed by the Contractor in Annex 4 to the Contract, which the Contractor filled in as part of its Tender, and in the Technical Requirements (A6, "Guaranteed Values"). In the event of a breach of that obligation, the Contractor shall be obliged to pay to the Client the contractual penalty in an amount and under such conditions as specified in Article 18.2.

6.23 Supervision of the Contractor over the execution of the Work and the Contractor's authorised persons

6.23.1 The Contractor is obliged to entrust the supervision over the execution of the Work to an authorised person entitled to carry out that activity according to the applicable legal regulation. If required by the scope of the works, the Contractor shall also provide a sufficient number of competent co-workers.

6.23.2 The Contractor's supervisor shall not be replaced during the execution of the object of the Work, unless for serious reasons, but always by prior mutual agreement between the Contractor and the Client. The Contractor must notify the Client

in advance in writing of any change of the Contractor's supervisors and submit the documents required under Article 6.25.2. If the Contractor does not receive a response from the Client to the notification of the change of the Contractor's supervisor within seven (7) calendar days of the delivery of that notification, the Client shall be deemed to have agreed to the change of the Contractor's supervisor. The persons on the Contractor's side in charge of supervision are:

[TO BE COMPLETED], phone: [TO BE COMPLETED]

[TO BE COMPLETED], phone: [TO BE COMPLETED]

6.24 Occupational health and safety and fire protection

6.24.1 The Contractor is obliged to ensure compliance with all legal regulations on occupational health and safety (OHS), fire protection, environmental protection and noise protection at the Site of the Work and within the boundaries of the construction site as well as elsewhere during the execution of the Work by its employees and contractors, as well as by the employees of any subcontractors (including, but not limited to, wearing protective helmets); other persons on the Contractor's side entering the construction site must be sufficiently trained by the Contractor, at the Contractor's expense, on the risks, OHS, fire protection and environmental protection as well as other conditions of movement and activities on the construction site.

6.24.2 The Contractor undertakes to carry out the works agreed in the subject-matter of this Contract in compliance with all the provisions contained in the documents "Binding OHS Guidelines for Škoda Auto Business Partners" and "HSE Rules for External Companies", which are available at <<https://www.sko-energo.cz/>>. These documents form an integral part of this Contract. By signing this Contract, the Contractor confirms that it has read the above documents, is familiar with them, has fully understood them and undertakes to comply with all the rules and requirements set out therein without exception. The Contractor shall also ensure that all persons used by the Contractor in the performance of this Contract comply with the above documents. The Contractor is also obliged to observe all safety instructions of the Client, to comply with the Client's conditions for the movement of persons and to procure the relevant authorisations to carry out the works in the area of the Site of the Work.

6.24.3 In order to ensure access of persons to the Site of the Work, the Contractor shall provide, at least 14 calendar days prior to those persons entering the Site of the Work, a list of names of personnel (including dates of birth) who will enter the Site of the Work for the purpose of performing the Work under this Contract. Further conditions of entry of persons to the Site of the Work and the obligations of persons entering the Site of the Work are regulated by the Visiting Rules of ŠKODA AUTO, a.s., which form Annex 5 to the Contract.

6.24.4 In order to ensure the entry of passenger vehicles to the Site of the Work, the Contractor shall provide information on the makes, types, colours and registration plates of the vehicles entering the Site of the Work at least 14 calendar days prior to the entry of those vehicles that will enter the Site of the Work for the purpose of carrying out the Work under this Contract.

6.24.5 Truck access to the Site of the Work will be via Gate 13. It is not necessary to notify the security staff in advance of such trucks entering. At Gate 13, the driver of the truck will be asked to identify themselves, to announce the purpose of entering the Site of the Work, to provide details of a contact person and to provide other assistance in accordance with the Visiting Rules of ŠKODA AUTO, a.s., which form Annex 5 to the Contract. Only the driver of the truck will be allowed to enter through Gate 13; the driver's escort and any other persons will have to arrange entry in accordance with Article **Error!**
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6.24.6 The Client warns the Contractor that otherwise no persons and vehicles will be allowed to enter the Site of the Work. If the Contractor uses subcontractors for the execution of the Work, the Contractor is obliged to ensure that the obligations under Articles 6.24.3 to 6.24.5 are fulfilled also in relation to those subcontractors.

6.25 Implementation team

6.25.1 The Contractor is obliged to ensure the execution of the Work, or its individual parts, by workers with the necessary professional competence and qualifications. Prior to the conclusion of this Contract, the Contractor has submitted to the Client a list of names of members of the implementation team that will participate in the performance of this Contract. The composition of the members of the implementation team for the individual areas of the Work corresponds to the list of names of persons which the Contractor used to demonstrate in its Tender that it meets the technical qualifications

specified in the Tender Documentation. The list of persons of the implementation team is given in Annex 6 to the Contract and the Client has approved the implementation team.

6.25.2 The Contractor is obliged to ensure that the implementation team is available with the same qualifications throughout the duration of the Contract. In the event of any change of the persons of the implementation team during the execution of the Work, the Contractor is obliged to submit to the Client the qualification documents of these persons, which will show that the newly proposed persons meet the qualifications set out in the Tender Documentation in the same way as the original persons through whom the Contractor demonstrated the required qualifications in its Tender. Changes to the members of the implementation team are subject to approval by the Client; the Client shall not unreasonably withhold approval.

6.26 Contractor's subcontractors

6.26.1 The Contractor undertakes to perform the Work for the Client on its own behalf and at its own risk using its own capacities and subcontractors, but is not entitled to subcontract the Work as a whole. Subcontractors will participate in the execution of the Work only to the extent specified in the contract concluded between the Contractor and each specific subcontractor. Taking into account the above, the Contractor shall, in particular:

- a) be fully responsible for all parts of the Work performed by subcontractors;
- b) be responsible for the proper performance of the Work for the Client;
- c) properly coordinate and inspect all work by subcontractors; and
- d) request detailed construction and technological readiness requirements from subcontractors in connection with the progress of the Work and submit them to the Client for the Client's information.

6.26.2 The Contractor is obliged to use those subcontractors for the execution of the Work that it has indicated in the Tender. In the event this is not possible, the Contractor is obliged to submit a proposal for a change of subcontractors to the Client. Changes to subcontractors are subject to approval by the Client; the Client shall not unreasonably withhold approval.

6.26.3 The Contractor shall be obliged to use those subcontractors for the execution of the Work through which the Contractor has demonstrated its qualifications in the Tender. In case this is not possible, the Contractor is obliged to submit a proposal for change of subcontractor to the Client, accompanied by qualification documents showing that the newly proposed subcontractor meets the same qualification as the original subcontractor through whom the Contractor proved its qualifications in the Tender. Changes to subcontractors are subject to approval by the Client; the Client shall not unreasonably withhold approval.

6.27 Coordination team of the Contractor and the Client

6.27.1 The coordination team established by this Contract shall consist of:

- a) the Contractor's implementation team referred to in Article 6.25;
- b) the persons of the Contractor referred to in Article 6.23.2 or, where applicable, members of the Contractor's governing body; and
- c) the persons of the Client referred to in Article 11 or, where applicable, members of the Client's governing body.

6.27.2 The coordination team shall meet and discuss current issues related to the execution of the Work on periodic inspection days to be determined by the Parties at the moment of commencement of the Work, from the commencement of the Work until the completion of all tests, measurements and preliminary acceptance of the Work in accordance with Article 15 and the removal of any defects and backlogs identified during preliminary acceptance of the Work.

7 PRICE OF THE WORK

7.1 The Parties agree on the price of the Work (hereinafter referred to as the "**Price of the Work**") in the amount of

EUR [TO BE COMPLETED] exclusive of VAT
(in words: **[TO BE COMPLETED]** euros exclusive of value added tax).

- 7.2 The Price of the Work shall be the sum of all prices for the performance of the individual Stages. The price for the execution of each Stage is as follows:
- a) the price for the execution of Stage K20 is EUR [TO BE COMPLETED] exclusive of VAT (hereinafter referred to as the **"Price of Stage K20"**);
 - b) the price for the execution of Stage K80 is EUR [TO BE COMPLETED] exclusive of VAT (hereinafter referred to as the **"Price of Stage K80"**); and
 - c) the price for the execution of Stage K90 is EUR [TO BE COMPLETED] exclusive of VAT (hereinafter referred to as the **"Price of Stage K90"**).
- 7.3 VAT will be added to the Price of the Work in an amount according to Act No. 235/2004 Coll., on value added tax (hereinafter referred to as the **"VAT Act"**), as amended. The Contractor is responsible for the proper assessment of the obligation to apply the reverse charge mechanism to construction and installation works according to the provisions of Section 92e of the VAT Act. If VAT is incorrectly added to the Price of the Work by the Contractor and the tax authority denies the Client's right to deduct the tax from invoices received from the Contractor, the Contractor undertakes to issue a corrected tax document to the Client and to reimburse the Client for the incorrectly applied tax as well as any related fees and interest assessed by the tax authority (e.g., default interest, penalties, etc.). For this purpose, the Client shall submit to the Contractor the relevant payment assessment delivered by the tax administration. The Contractor also undertakes to provide the Client with all assistance necessary in defending any claims for VAT deduction from the invoices received for the performance of the Work.
- 7.4 In case the Contractor does not have VAT registration in the Czech Republic as of the date of signing of this Contract and this circumstance changes after the signing of the Contract, the Contractor is obliged to inform the Client about the change without delay.
- 7.5 In case the Contractor is not established in the Czech Republic for VAT purposes as of the date of signing of this Contract (i.e., does not have its registered office or any establishment for VAT purposes in the Czech Republic) and this circumstance changes after the signing of the Contract, the Contractor is obliged to inform the Client about the change without delay. The Contractor undertakes to duly and carefully assess setting up an establishment for VAT purposes in the Czech Republic on an ongoing basis.
- 7.6 The Price of the Work, increased by VAT as applicable, shall be agreed as a fixed price that is not to be increased, valid throughout the period of performance of the Work until its completion and handover, including all costs of the Contractor for the performance of the Work and the fulfilment of all obligations of the Contractor under this Contract, including the effects of changes in price levels and exchange rate differences. The Contractor confirms that the Price of the Work includes all works, services and deliveries necessary for the quality of the Work, all costs associated with the full and quality performance and completion of the Work and also includes all related costs not directly specified in the scope of the Work, such as: costs of coordination, transportation, installation, handover, commissioning, construction site equipment, operating expenses, costs for the preparation of the Project Documentation agreed in this Contract, costs for copyright, insurance, taxes (excluding VAT), duties, bank guarantees and any other expenses related to the execution of the subject-matter of the performance under this Contract. The price does not include any other value added tax, nor any sales, use, property, withholding or other taxes and fees, or charges for any exemption therefrom. The Price of the Work may be changed only under the terms of this Contract.
- 7.7 The Price of the Work agreed in this Contract corresponds to the bid price submitted by the Contractor in the Tender, which was evaluated under the criterion of economic advantage in the tender procedure for the Public Contract in which the Contractor became the winning contractor. The Price of the Work is set as a fixed price. The Contractor declares that the Work (within the scope of this Contract) can be completed for the Price of the Work.
- 7.8 **Approval and valuation of changes to the Work**
- 7.8.1 If there is a change in the subject-matter of the Work, the performance provided by the Contractor associated with such a change, any change in the Agreed Dates and any impact of such changes on the Price of the Work shall be agreed in accordance with Annex 3 to the Contract on the terms and conditions set out in this Contract.
 - 7.8.2 The calculation of the change in the Price of the Work will be made, where possible, on the basis of items from the URS Construction Work Price Lists at the current price level as of the closing date for the submission of tenders for the Public

Contract specified in the Tender Documentation. If the URS Price Lists do not contain such items, the calculation of the change in the Price of the Work shall be made by agreement of the Parties. For this purpose, the Contractor shall submit a calculation of the change in the Price of the Work to the Client for approval. The Contractor's proposed calculation of the change in the Price of the Work must be reasonable, justifiable and substantiated and enable an objective check of the pricing of the individual items listed in the calculation (this means, in particular, a detailed description of the individual items and a price breakdown of the individual items). The Client has the right to verify the calculation of the change in the Price of the Work submitted by the Contractor, either by a third-party valuation of the individual items listed in the calculation or by using several quotations for the change in the Price of the Work according to the market situation. In the event that the Parties fail to agree on the change in the Price of the Work within a reasonable period of time commencing at the time the need for a change in the Price of the Work arises, the change in the Price of the Work shall be determined on the basis of the submission of several current quotations and the market situation.

- 7.8.3 Work that is not performed by agreement of the Parties, although part of the agreed object of performance, shall be deducted from the total Price of the Work, and the valuation of such work shall be in accordance with Article 7.8.2.

8 TERMS OF PAYMENT

- 8.1 The Price of the Work shall be paid on the basis of invoices issued by the Contractor to the Client, in stages according to the payment milestones of the individual Stages specified in Article 8.2 of the Contract (hereinafter referred to as the **"Payment Milestones"**). Individual billing invoices will be issued (i.e., the right to invoice for a given Payment Milestone arises) each time after the completion of the Payment Milestone of each Stage and after written approval of the performance and deliveries in these Payment Milestones of each Stage by the Client, for the amount specified for the given Payment Milestone. The billing invoice will indicate the total amount for the Payment Milestone, the amount already paid by the Client as an advance pursuant to Article 8.2 of the Contract, and the amount remaining to be paid. The Contractor may, at its discretion, issue an invoice that includes multiple Payment Milestones at the same time. For the purpose of approval of the execution of the Payment Milestones of the individual Stages, the Contractor is obliged to submit to the Client an inventory of performances and deliveries related to a given Payment Milestone without undue delay after the completion of the given Payment Milestone, and the Client is obliged to inspect the Payment Milestone without undue delay; the approval shall include the specific works and deliveries carried out by the Contractor within the given Payment Milestone. For the avoidance of any doubt, the Parties note that the execution of the Payment Milestone approved by the Client does not confirm its faultlessness or completeness, which will be verified finally only during the handover of the Work; or, the individual Stages.
- 8.2 The Contractor shall issue invoices in accordance with the following Payment Milestones of each Stage and on the terms and conditions set out in the Contract and below:

Mile-stone No.	Contents of the Stage K20 Payment Milestones	Percentage of the partial invoice amount	Payments
0.	Advance payment upon presentation of a bank guarantee for the advance payment according to Article 14.1	30 %	30 %
1.	Submission of documentation for the design and execution of the complete K20 boiler base plate as discussed with the Client and approved by the Client (basis for the supplier of OB6 Construction, as this OB is further specified in the Technical Requirements)	5 %	3.5 %
2.	Submission of documentation for the design and implementation of the connection points between the performance under the Contract (OB2 – K 20 Boiler) and the other construction and technological parts of the Heating Plant modernisation project, as discussed with the Client and approved by the Client (basis for the suppliers of OB1 – Fuel Management, OB5 – Automated Control Systems and OB7 – Fixed Fire	5 %	3.5 %

	Extinguishing Equipment and Fire Safety Solution, as the individual OBs are further specified in the Technical Requirements)		
3.	Submission of documentation for the implementation of Stage K20 as discussed with the Client and approved by the Client,	5 %	3.5 %
4.	Successful pressure test of the K20 boiler	50 %	35 %
5.	Successful ignition of solid fuel in the K20 boiler	25 %	17.5 %
6.	After signing the report on preliminary acceptance of Stage K20 according to Article 15.6 (PAC)	10 %	7 %

Milestone No.	Contents of the Stage K80 and Stage K90 Payment Milestones	Percentage of the partial invoice amount	Payments
0.	Advance payment upon presentation of a bank guarantee for the advance payment according to Article 14.1	30 %	30 %
1.	Submission of documentation for the design and implementation of the connection points between the performance under the Contract (OB2 – K 80 or K 90 Boiler) and the other construction and technological parts of the Heating Plant modernisation project, as discussed with the Client and approved by the Client (basis for the suppliers of OB1 – Fuel Management, OB5 – Automated Control Systems and OB7 – Fixed Fire Extinguishing Equipment and Fire Safety Solution, as the individual OBs are further specified in the Technical Requirements)	5 %	3.5 %
2.	Submission of documentation for the implementation of Stage K80 or Stage K90, as the case may be, as discussed with the Client and approved by the Client	5 %	3.5 %
3.	Successful pressure test of the K80 or K90 boiler	55 %	38.5 %
4.	Successful ignition of solid fuel in the K80 or K90 boiler	25 %	17.5 %
5.	After signing the report on preliminary acceptance of Stage K80 or Stage K90, as the case may be, according to Article 15.6 (PAC)	10 %	7 %

- 8.3 Upon fulfilling the condition to provide the Client with bank guarantees according to Article 14.1 of the Contract, the Client shall provide the Contractor with an advance payment of 30 % (in words: thirty percent) of the Price of the given Stage. In that case, the Contractor shall issue an invoice for the advance payment with a due date of 14 days from the date of its delivery to the Client. Upon receipt of the advance payment, the Contractor shall issue a receipt for the payment received in accordance with the VAT Act.
- 8.4 The due date of each tax document (invoice) is 30 calendar days from the date of its delivery to the Client. Tax documents (invoices) must be issued exclusively in electronic form in machine-readable pdf, isdoc or isdocx format and their content must comply with the relevant generally binding legal regulations. Tax documents and their attachments must be sent by the Contractor by electronic mail (email) to the electronic address <faktury@sko-energo.cz>. If the data (email) message to which the tax document is attached contains any text, regardless of whether it is inserted automatically (e.g., a so-called disclaimer), the text shall be disregarded and shall not produce any legal effects for either of the Parties.
- 8.5 The invoice shall be deemed delivered on the date on which the invoice is delivered to the Client's email address specified in Article 8.4. The date of payment of the invoice shall be deemed to be the date of debiting the relevant amount from the Client's account to the Contractor's account.
- 8.6 Each Contractor's invoice shall include the name of the Heating Plant modernisation project: Modernisation of Heat Production Technology of ŠKO-ENERGO, s.r.o., Contract designation: "Modernisation of ŠKO-ENERGO Heating Plant –

- OB2 Boiler Rooms" and the application number 7210200006. Each invoice must contain all details in accordance with the applicable legislation and invoicing rules according to Council Directive 2010/45/EU. Each invoice shall be accompanied by a copy of the Time Milestone execution, approved by the Client or the Construction Supervisor (as described above).
- 8.7 If the invoice contains incorrect or incomplete data or details as specified in Article 8.6 or if such data is missing, the Client shall be entitled to return the invoice to the Contractor before the due date. Upon a justifiable returning of an invoice, the original maturity period of the invoice shall be interrupted. After the invoice has been corrected, the Contractor shall submit a new invoice to the Client with the due date specified in Article 8.4. If the Client discovers defects in the work performed before payment of the invoice, the Client is also entitled to return the invoice to the Contractor. After the defect has been corrected or the Contractor's liability for the defect has otherwise ceased, the Contractor shall submit a new invoice to the Client with the due date specified in Article 8.4.
- 8.8 The Client shall be entitled to refuse payment of an invoice if the Contractor (i) interrupts the performance of the Work in breach of this Contract, or (ii) performs the Work or any part thereof in breach of this Contract, or (iii) is in default of the execution of the Work compared to the Agreed Dates, until the impediment to payment has ceased to exist.
- 8.9 The Parties expressly agree that any invoices issued by the Contractor for the purpose of settling the Price of the Work (as well as any other invoices issued by the Contractor to the Client) shall not indicate as the bank account to which the invoiced amount is to be paid any bank account of the Contractor other than the bank account of the Contractor published by the tax authority in a manner allowing remote access. In the case of a bank account with a banking institution established outside the Czech Republic, the Contractor is obliged to provide a confirmation by the bank of the account maintained in the Contractor's name before the first payment of an invoice.
- 8.10 The Parties agree that if the Contractor becomes an unreliable taxpayer under the VAT Act or requests payment for taxable performance to an account other than the account published by the tax authority, or if the Client has a justified suspicion that there might be other circumstances establishing liability of the recipient of the taxable performance referred to in Section 109 of the VAT Act, the Client is entitled to apply a special method of securing the tax under Section 109a of the VAT Act. The Client, as the recipient of the taxable performance, shall pay a part of the consideration for the taxable performance corresponding to the amount of VAT directly to the competent tax authority of the territorial and subject-matter jurisdiction of the provider of the taxable performance, as a result of which the Client shall pay to the Contractor only the amount corresponding to the tax base. The Contractor hereby acknowledges that the above procedure shall be deemed to fully fulfil the Contractor's obligation to pay the Price of the Work, or, the individual Stages.
- 8.11 **Date of taxable performance for VAT purposes**
- 8.11.1 The Parties expressly agree that invoicing will be done sequentially according to the completed Payment Milestones under each Stage listed in Article 8.2 of the Contract, and the Contractor may invoice according to individual Payment Milestones or combine invoicing for multiple Payment Milestones together. The Parties have expressly agreed that for VAT purposes they shall apply partial performance according to Section 21(7) of the VAT Act and Article 64 of Directive 2006/112/EC on the common system of value added tax, where the partial period will correspond to one Payment Milestone or several Payment Milestones of the Stage if the Contractor invoices for multiple Payment Milestones at the same time. For VAT purposes, these partial performances are deemed to have been carried out on the date of issue of the tax document for the Payment Milestone or Payment Milestones executed.
- 8.11.2 For the avoidance of doubt, the Parties further agree that the date of the taxable performance shall also be the date of acceptance of the Work or part thereof. In that case, the individual Stages K20, K80 and K90 shall be deemed parts of the Work. Acceptance of a part of the Work shall be deemed to occur on the day of signing the report on preliminary acceptance of the relevant Stage according to Article 15.6.5. Acceptance of the Work shall be deemed to occur on the day of signing the report on preliminary acceptance of the last Stage.
- 8.11.3 The Contractor shall, at the Client's request, disclose the current status of open accounting items arising from mutual business dealings that are contained in the Contractor's accounting records as of the record date and, if necessary, clarify and reconcile any discrepancies with the information contained in the Client's accounting records. As a rule, the Client sends to the Contractor a confirmation of the status of the open accounting items contained in the accounting records, which is based solely on the accounting records and has no significance for the assertion of any claims, no legal consequences can be derived from it and, in particular, it cannot be used in any case as an acknowledgement of debt.

9 CONSTRUCTION SITE

- 9.1 The Client shall hand over the construction site to the Contractor in relation to the individual Stages separately according to the Time Milestones. The Contractor is obliged to notify the Client of the readiness to take over the construction site for each Stage at least 14 days in advance. The Contractor is obliged to provide the Client with the necessary assistance for the handover and acceptance of the construction site. The handover of the construction site shall take place at the Site of the Work. A separate construction site is provided for each Stage. A report or a record in the Construction Log will be drawn up between the Parties regarding the handover of the construction site in relation to each Stage.
- 9.2 The Parties expressly agree that the areas specified by the Client for the construction site facilities according to the Building Permit Documentation are the maximum possible areas within the scope of the Contractor's performance and their use will be controlled by the Client or the Client's designated or authorised person. If the Contractor requires larger areas for the construction site facilities due to its experience from similar projects, the Contractor is obliged to secure them outside the Site of the Work at its own expense. The Contractor should take these costs into account in the Price of the Work.
- 9.3 The Contractor shall prepare a project of the construction organisation in accordance with the Technical Requirements in relation to each individual Stage (indicating the dimensions of all mobile cabins, storage areas, sanitary facilities, roads, parking and access areas, etc.) with the identification of the connection points for the implementation of each Stage. The Contractor is then obliged to hand over the construction organisation project to the Client.
- 9.4 The Contractor shall build at its own expense the construction site facilities to the extent necessary for the execution of the respective Stage according to the Contract and shall operate and provide security for those facilities throughout the performance of that Stage at its own expense. The Client shall not be held liable in any way for loss, theft, destruction or damage to any items on the construction site. The Contractor is obliged to secure the construction site against unauthorised access; in this context, the Contractor acknowledges that access to the Site of the Work is subject to the Visiting Rules of ŠKODA AUTO, a.s., which are attached as Annex 5 to the Contract. The Contractor is obliged to ensure proper marking of the construction site throughout the implementation of each Stage in accordance with the Tender Documentation, legal regulations or other requirements of public authorities. Within the construction site facilities, the Contractor is obliged to ensure adequate and appropriate conditions for the performance of the functions of the Construction Supervisor, the Technical Supervisor and the author's supervision of the Designer established in accordance with Article 11.1 (hereinafter referred to as the "**Author's Supervisor**") and for the activities of the coordinator of occupational health and safety and fire protection on the construction site appointed in accordance with Article 11.1 (hereinafter referred to as the "**OHS and Fire Protection Coordinator**"). The Contractor is entitled to use the construction site area exclusively for the purposes of the implementation of the Work, or its individual Stages, according to this Contract. The Contractor shall procure at its own expense all clearances and all permits required for its activities. The Contractor is obliged to allow the Client and the Construction Supervisor access to the construction site in its entirety, without restriction at all times until the handover of each Stage and then until the construction site is cleared.
- 9.5 The Contractor is obliged to keep the construction site and the Work clean and tidy, free of waste and material residues. Throughout the execution of each Stage, the Contractor shall be obliged to clean the construction site properly, remove all excess obstructions, handle and store its equipment and stored materials in such a way that they do not interfere with the execution of deliveries, activities and works, and regularly remove from the construction site all waste and temporary structures that are not strictly necessary for the execution of the particular Stage. When handling waste, the Contractor is obliged to comply with the provisions of the Waste Act and its implementing regulations. The Contractor is obliged to provide the Construction Supervisor with evidence of the disposal of waste generated by the construction work on the Work in accordance with the relevant legal regulations.
- 9.6 The Contractor shall carry out its own investigations and surveys to ascertain information, particularly on the condition of existing structures and other construction site characteristics, at its own expense. The Contractor assumes no responsibility for the geological conditions and soil contamination in the construction site area on the date of the construction site acceptance.
- 9.7 The Contractor shall be obliged to vacate the construction site in relation to the individual Stages no later than 14 days after the date of signing the report in the framework of the preliminary acceptance procedure for the individual Stages according to Article 15.6.5, including all temporary facilities and equipment forming the construction site, unless the Parties agree otherwise. As part of vacating the construction site, the Contractor is obliged to remove all damage and

environmental burdens caused by the Contractor at its own expense. When clearing the construction site, the Contractor is obliged to restore the surrounding areas to the condition they were in before the commencement of the particular Stage. In the event of a breach of that obligation, the Contractor shall be obliged to pay to the Client the contractual penalty specified in Article 18.2.

10 CONSTRUCTION LOG

- 10.1 The Contractor is obliged to keep a Construction Log for each individual Stage separately from the date of the construction site acceptance in accordance with all relevant generally binding legal regulations. The Contractor is obliged to keep the Construction Log in electronic form. The Contractor's obligation to keep a Construction Log for a given Stage ends with the bilateral signing of the report on preliminary acceptance of the Stage in accordance with Article 15.5.3; the Contractor is obliged to hand over the Construction Log to the Client in the framework of the acceptance procedure of the given Stage.
- 10.2 Entries into the Construction Log shall be made legibly and signed by the Construction Manager on the day when the respective work was carried out or the circumstances that are the subject of the entry occurred. In addition to the Construction Manager, the Client, the Construction Supervisor, other representatives of the Parties authorised to do so and state supervision authorities may make the necessary entries in the Construction Log.
- 10.3 The Contractor is obliged to ensure that the Construction Log is kept in a secure place on the construction site at all times until the handover of the relevant Stage, and to allow access to the Construction Log at all times to all persons authorised to make entries in the Construction Log.
- 10.4 The Client and the Construction Supervisor are entitled to check the contents of the Contractor's Construction Log and shall confirm the check with their signatures at least once a week and attach their opinion to the entries. If the Contractor disagrees with an entry in the Construction Log, the Contractor must add its opinion to the entry within three working days at the latest. An entry in the Construction Log cannot change the contents of this Contract.

11 CONSTRUCTION SUPERVISOR

- 11.1 The Client
- a) shall notify the Contractor of the person the Client entrusts with the job of the Construction Supervisor well in advance before the commencement of the implementation of the Work;
 - b) shall notify the Contractor of the person the Client entrusts with the job of the Technical Supervisor well in advance before the commencement of the implementation of the Work;
 - c) authorises AFRY CZ s.r.o., with its registered office at Magistrů 1275/13, Michle, 140 00 Prague 4, Company ID No.: 45306605, incorporated in the Commercial Register kept by the Municipal Court in Prague, File No. C 8073, to act as the Author's Supervisor;
 - d) shall notify the Contractor of the person the Client entrusts with the job of the OHS and Fire Protection Coordinator well in advance before the commencement of the implementation of the Work;
 - e) authorises AFRY CZ s.r.o., with its registered office at Magistrů 1275/13, Michle, 140 00 Prague 4, Company ID No.: 45306605, incorporated in the Commercial Register kept by the Municipal Court in Prague, File No. C 8073, to act as the general designer (hereinafter referred to as the "**Designer**"). The Designer shall provide project-related, design, administrative and legislative services in the field of construction and technological units and inspection and coordination activities during the implementation of the Heating Plant modernisation based on extreme (threshold) conditions and functionality of the individual works of other contractors related to the Heating Plant modernisation vis-à-vis one another; and
 - f) shall notify the Contractor of the person the Client entrusts with the job of the Project Manager (PMC) well in advance before the commencement of the implementation of the Work.
- 11.2 The Client, the Construction Supervisor, the Technical Supervisor, the Author's Supervisor, the OHS and Fire Protection Coordinator, the Designer and the Project Manager or persons duly authorised by them shall have the right to inspect the execution of the Work at any time. If portions of the Work are prepared at a location other than the Site of the Work, the

Client, the Construction Supervisor, the Author's Supervisor, the OHS and Fire Protection Coordinator, the General Designer and the Project Manager or persons duly authorised by them shall have access to such portions of the Work at any time during any stage of their execution, if technically feasible.

- 11.3 If the Work is required to undergo special tests, inspections or approvals under this Contract, if required by the Construction Supervisor and if such a requirement arises from standards, laws, ordinances or regulations in force at the Site of the Work, the Contractor shall provide the Construction Supervisor with timely information about the performance of such tests, inspections or approvals. The Contractor is obliged to arrange for tests, inspections or approvals by the relevant authorities or bodies and to notify the Construction Supervisor in writing in due time of the place and time of their taking place. The Construction Supervisor shall continuously inspect the execution of the Work and the application of procedures, including records thereof, in particular the Contractor's records of the performance of initial, intermediate and final inspections, without being responsible for the performance of any of the Contractor's obligations.
- 11.4 If the Contractor, itself or through someone else, hides or conceals any part of the Work which has been designated for special tests, inspections or approval prior to its execution, commissioning or completion, the Contractor shall, at the direction of the Construction Supervisor, uncover or otherwise make available such part of the Work and allow it to be subjected to the designated tests, inspections or approval procedures, have them satisfactorily performed and completed, and return and restore such part of the Work to its proper condition at its own expense.
- 11.5 The Client is entitled to instruct special tests to be carried out on any part of the Work if it is concluded that such part of the Work does not conform to the Contract. If the tests confirm the Client's conclusions, the Contractor shall be obliged to repair that part of the Work at its own expense and to pay the costs associated with the test. Otherwise, the Client shall pay the costs associated with the performance of such test.
- 11.6 The Construction Supervisor shall be entitled to represent the Client during the execution of the Work until completion of any modifications or correction of defects in accordance with the relevant provisions of this Contract regarding the Contractor's liability for defects and the provision of warranties. The Client's instructions will be transmitted to the Contractor through the Construction Supervisor.
- 11.7 The Construction Supervisor shall supervise the quality and quantity compliance of the Work (its proposed shape, material, technological and colour design) with this Contract, but shall not be responsible for, or in charge of, the use of construction means, methods, techniques and technological procedures, and shall not be responsible for compliance with the occupational safety required for the Work by the relevant legislation and other regulations or usual construction procedures.
- 11.8 Neither the Construction Supervisor's right to act nor any decision by the Construction Supervisor to act or not to act shall give rise to any obligation or liability on the part of the Construction Supervisor to the Contractor, its subcontractors, their representatives, or any other person performing any activity in connection with the Work.
- 11.9 In particular, the Construction Supervisor will carry out checks to ensure that the Work and the individual Stages are being carried out in accordance with the Agreed Dates and in accordance with the terms and conditions set out in this Contract. On this basis, the Construction Supervisor shall also determine the specific dates for performance and delivery of the Work and individual milestones in accordance with the terms and conditions of this Contract.
- 11.10 The Construction Supervisor shall not be authorised by virtue of his/her position to alter or approve any changes to the scope, contract prices, dates or any other provisions of this Contract.

12 OBLIGATIONS OF THE CONTRACTOR

- 12.1 The Contractor is obliged to allow the Construction Supervisor to perform operational inspections of the Work. The same obligations of the Contractor apply to the performance of the jobs of the Technical Supervisor, the Author's Supervisor, the OHS and Fire Protection Coordinator, the Designer and the Project Manager.
- 12.2 The Contractor undertakes to perform the Work in its own name, at its own risk and responsibility and in accordance with this Contract. The Contractor is obliged to carry out the Work using its own personnel or the personnel of its subcontractors. The Contractor and its subcontractors shall act with due professional care in the performance of the Work and shall not jeopardise the safety and reliability of the operation of the Client's other facilities and equipment, especially the availability of the existing steam boilers on which reconstruction has not yet commenced. The Contractor is obliged to deliver

- or perform the equipment, items, works and services and any rights of use that are the subject-matter of the Contract in the scope and quality according to the Contract.
- 12.3 The Contractor is obliged to ensure the coordination and cooperation of its subcontractors and other participants so as not to disrupt the smooth execution of the Work and so as to ensure that the Work is executed in accordance with the Agreed Dates.
- 12.4 The Contractor is obliged to verify the compatibility of its own solution at all connection points to the existing equipment of the Heating Plant and for this purpose to ensure coordination in cooperation with the Client (Project Manager – PMC) of the newly constructed construction and technical parts of the Heating Plant carried out by the contractors of the other construction and technical parts of the Heating Plant modernisation project (mainly OB6 Construction, OB1 Fuel Management, OB5 Automated Control Systems and Data Networks and OB7 Fixed Fire Extinguishing Equipment, as detailed in the Technical Requirements). The Contractor hereby acknowledges that there is a technical and functional interdependency between the performance under this Contract and other projects related to the modernisation of the Heating Plant carried out by other contractors, and therefore that the Work must be properly incorporated within the modernisation of the Heating Plant and must be compatible and functional.
- 12.5 The individual Stages require the preparation of implementation documentation, which the Contractor is obliged to submit to the Client for approval before commencing work on these Stages, and the Contractor is then obliged to submit the approved documentation in three (3) copies to the Client.
- 12.6 The Contractor shall prepare a quality plan for the Work in accordance with ČSN ISO 10005, the scope of which is described in the Technical Requirements (A7, "Requirements for Documentation"). The Contractor shall perform quality control of the Work in accordance with that plan. The quality plan will include an inspection and test plan, a test schedule and a documentary part.
- 12.7 The Contractor shall provide training to all of the Client's operating personnel required for the proper operation and maintenance of the Work and its Stages in accordance with the terms of the personnel training documentation as set out in the Technical Requirements (A7, "Requirements for Documentation"). All training will be conducted in Czech; the Contractor will provide translation into Czech at its own expense if necessary.
- 12.8 The Contractor is obliged to comply with all the Agreed Dates during the execution of individual Stages, as well as the deadlines set out in the Construction Log, in the minutes of inspection days or in other written documents drawn up between the Contractor and the Client; the Agreed Dates cannot be changed in this way. Failure to meet the Agreed Dates shall be subject to contractual penalty under the terms and in the amount specified in Article 18.2.
- 12.9 The Contractor is obliged to attend regular inspection days organised by the Client on the dates specified by the Client, the Client's authorised persons or the Construction Supervisor.
- 12.10 The Contractor is obliged to ensure occupational health and safety during the execution of the Work, to respect Act No. 309/2006 Coll., as amended, and Government Regulation No. 591/2006 Coll., as amended, and to allow the Client's OHS and Fire Protection Coordinator to do his/her job. Failure of the Contractor to comply with the obligations related to this provision shall be subject to a penalty by the Client in accordance with Article 18.2.
- 12.11 The Contractor undertakes to have the necessary number of sufficiently qualified personnel, both in-house and with subcontractors, throughout the execution of the Work. For work procedures and technologies where special materials will be used or where special expertise or skills are required for their application, the Contractor shall, at the Client's request, provide proof of the professional competence of the workers (copy of the proof of training of the workers by an authorised organization) before commencing such work.
- 12.12 The Contractor is aware of the fact that, pursuant to Section 2(e) of Act No. 320/2001 Coll., on financial control in public administration and on amendments to certain acts (the Act on Financial Control), as amended (hereinafter referred to as the "**Act on Financial Control**"), it is obliged to cooperate in the performance of financial control. The Contractor undertakes to provide the necessary cooperation in the performance of financial control and to allow access to the necessary documents, including contracts and related documents, which are subject to protection under special legislation (e.g., trade secrets and classified information), provided that the requirements of the relevant legislation are met, throughout the implementation of the Work and at least until the expiry of the warranty period agreed in this Contract. The Contractor

undertakes to ensure the same conditions of cooperation in the performance of financial control in the case of its subcontractors.

- 12.13 The Contractor is obliged to keep the documentation related to the implementation of the Work under this Contract at least until the expiry of the warranty period under this Contract, as it is obliged to cooperate in the performance of financial control under the Act on Financial Control. The Contractor undertakes to ensure the same conditions on the part of any subcontractors.
- 12.14 The Contractor agrees that, for the purpose of documenting the progress of the Work, photo documentation may be taken by the Client. The Contractor hereby undertakes to inform its employees and other contractors who will be on the construction site of this.
- 12.15 The Contractor is obliged to participate in the coordination and cooperation with other contractors providing the modernisation of the Heating Plant within the scope of this Contract. The Contractor shall, among other things, provide information and accept all input data and information necessary for the performance of the Work from other contractors providing the Heating Plant modernisation; for the purposes of this Article, acceptance of input data and information from other contractors providing the Heating Plant modernisation shall be deemed to mean acceptance of input data and information from the Client. Coordination between the Contractor and other contractors providing the modernisation of the Heating Plant will be arranged by the Client or the Client's designated Project Manager (PMC).
- 12.16 The Contractor is obliged to inform the Client about its activities and the progress of the Work. In this context, the Contractor is obliged to prepare and issue periodic progress reports – the basic content, form, number, time and frequency of these reports are specified in Article 12.17 of the Contract. The Client may, in justified cases and by mutual agreement, require a modification or extension of that specified basic content, form, number, time and frequency of such reports and the Contractor shall accept such modifications or extensions without affecting the Price of the Work.
- 12.17 The Contractor shall especially submit the following reports:
- a) a monthly report; and
 - b) progress reports on Payment Milestones
- 12.17.1 The Contractor is obliged to prepare and submit to the Client, by the fifth (5th) working day of the following month, a monthly report for the previous month, summarising the progress and scope of the works performed in the previous month (deliveries of works, items, services and rights of use). Each monthly report will include at a minimum:
- a) a summary of the status of engineering and design works showing the activities carried out over the past month;
 - b) an overview showing the progress of the Work and the actual performance of the Work compared to the scheduled performance;
 - c) an overview of the Contractor's planned activities in the coming month;
 - d) an inventory of the changes made, an overview and status of change procedures in accordance with Article 5.9 of the Contract;
 - e) a list of any serious deficiencies in the performance of the Contract, indicating the corrective measures applied and the possible impact on the performance of the Contract. Particular attention shall be given to areas where the Contractor is or may be in default in meeting the core dates for the execution of the Work in accordance with Article 5.2 and Article 5.3 of the Contract; and
 - f) any other documents agreed between the Client and the Contractor.
- 12.17.2 The Contractor shall prepare and submit to the Client, upon completion of each Payment Milestone, a progress report on the Payment Milestones, which shall include, as a minimum:
- a) a list of the works performed, items handed over and services and rights of use provided within the framework of the performance of the given Payment Milestone, approved by the Client;
 - b) an assessment of whether the Payment Milestone has been met and whether the conditions for making a partial billing payment have been met; and
 - c) any other documents required by the Contract or agreed between the Client and the Contractor.

Upon receipt of the progress report from the Contractor, the Client shall, within seven (7) days, unless otherwise agreed by the Parties, either sign the Payment Milestone progress report or notify the Contractor in writing of the reasons for refusing to sign the Payment Milestone progress report.

- 12.17.3 The Client and the Contractor shall meet at times scheduled by the Client or persons designated by the Client. At these meetings, the status of the Contractor's performance of the Contract and the coordination of other contractors for the construction and technical parts of the Heating Plant modernisation will be discussed. The inspection days will be attended by a representative of the Contractor or other Contractor's personnel familiar with the matter(s) at hand. The agenda for these meetings will include an assessment of the progress of the Work, or, its individual Stages, assessment of plans and proposals for future activities, the status of the workforce, occupational health and safety, possible deliveries of equipment and materials, current and anticipated difficulties, necessary coordination of the execution of the Work, and other useful suggestions. Minutes of the inspection days will be made and approved by all participants.

13 INSURANCE

- 13.1 Before commencing any performance under this Contract, the Client, as the policyholder, is obliged to insure the Work (the construction site, technological equipment, materials and documentation), the Contractor and its subcontractors against all insurable risks in construction and installation (CAR/EAR) for the entire period of performance of the Work up to the date of handover and acceptance of all individual Stages, at an amount equal to the Price of the Work. The scope and terms and conditions of the insurance shall correspond to the contents and terms of the Munich Re Clauses. The Client is obliged to submit the insurance documents to the Contractor within 30 days after signing the Contract.
- 13.2 The Contractor shall confirm that it has read the submitted insurance documents and that it will comply with the terms and conditions stated therein, especially those relating to safety and fire protection measures.
- 13.3 The Contractor or subcontractor shall be held liable for any failure to comply with the terms and conditions if this affects insurance claims (in particular the settlement of damages and payment/non-payment of indemnity).
- 13.4 The cost of insurance shall be borne by the Client. The Contractor and subcontractors shall be entitled to take out any insurance related to the execution of the Work beyond the insurance mentioned above; however, the premiums for such insurance shall not be part of the Price of the Work and shall be at the expense of the Contractor or its subcontractors.
- 13.5 In the case of an insured event, all actions towards the insurer are taken by the Client in cooperation with the Contractor, who is obliged to inform the Client of all facts related to the insured event. The Parties are obliged to provide each other with all cooperation necessary in connection with the insured event during the period of its settlement. The foregoing does not relieve the Contractor from the responsibilities and obligations imposed on it by this Contract.
- 13.6 The Contractor declares that it has arranged third-party liability insurance covering damage to property and health in the amount of at least CZK 250,000,000 or at least EUR 10,000,000 and undertakes to maintain that insurance throughout the performance of the Contract. The Contractor is obliged to provide the Client with proof of insurance (insurance policy or insurance certificate) within 30 days of signing the Contract.
- 13.7 Violation of any of the above obligations shall be subject to a penalty imposed by the Client in accordance with Article 18.2.

14 BANK GUARANTEE

14.1 Bank guarantee for advance payments

- 14.1.1 The Contractor shall provide the Client with bank guarantees in the amount of 30 % of the prices of the respective Stages to which each bank guarantee relates, i.e., 30 % of the Price of Stage K20, 30 % of the Price of Stage K80 and 30 % of the Price of Stage K90, as security for the advance payment made by the Client for the respective Stages in accordance with Article 8.3 of the Contract until the full billing payment for each Stage has been exhausted in accordance with Article 8.1 of the Contract, within 30 days of the signing of the Contract.
- 14.1.2 The bank guarantees under Article 14.1.1 shall be issued by a first-class international or selected domestic bank (financial institution) with the appropriate licence, approved by the Client. The bank guarantees shall be irrevocable, unconditional and payable on first demand. The Client shall be entitled to exercise its rights under the individual bank guarantees relating

to the relevant Stage in the event that the Contractor fails to reimburse the Client for the amount corresponding to the billing payment relating to the Stage or any portion thereof in breach of this Contract. In such a case, the Client shall call in writing on the bank that issued the bank guarantee to fulfil its obligations under the bank guarantee, stating in the call the amount of its claim against the Contractor secured in this way. The bank that issued the bank guarantee is not entitled to object to the Client with regard to the bank's obligations under the bank guarantee.

- 14.1.3 The bank guarantees pursuant to Article 14.1.1 shall be valid at least until the preliminary acceptance of the relevant Stage pursuant to Article 5.3 (i.e., until the Time Milestone of the preliminary acceptance of the relevant Stage). In the event that the preliminary acceptance of the respective Stage according to Article 5.3 is delayed compared to the deadline referred to in the previous sentence, the Contractor shall be obliged to extend the term of the bank guarantee accordingly. The bank guarantee for the relevant Stage shall be returned by the Client within 10 working days after the preliminary acceptance of the relevant Stage of the Work according to Article 5.3, or, after the signing of the report on preliminary acceptance of the relevant Stage by both Parties.

14.2 Bank guarantee for the warranty period

- 14.2.1 After the submission of an inventory of defects and backlogs with a deadline for their elimination and no later than on the day preceding the date of signing the report in the framework of the procedure for preliminary acceptance of the individual Stages according to Article 15.6, the Contractor shall provide to the Client, as security for the fulfilment of the Contractor's obligations under its liability for defects for the entire duration of the so-called base warranty period set out in Article 17.1 in relation to specific Stages, bank guarantees in the amount of 10 % of the price of each Stage, i.e., 10 % of the Price of Stage K20, 10 % of the Price of Stage K80 and 10 % of the Price of Stage K90. These bank guarantees shall be reduced to 5 % of the price of the relevant Stage if (i) in the event that the Stage is preliminarily accepted under the conditions set out in Article 15.6.1(a), all defects and backlogs arising from the acceptance procedure and relating to the relevant Stage are remedied and, at the same time, all defects and backlogs arising from the issuance of the final report on guarantee test A of the relevant Stage in accordance with Article 15.6.6 are remedied; or (ii) in the event that the Stage is preliminarily accepted under the conditions set out in Article 15.6.1(b), all defects and backlogs arising from the acceptance procedure and relating to the relevant Stage are remedied. In the event that the Stage is preliminarily accepted on the basis of the conditions set out in Article 15.6.1(b) and the acceptance procedure for the relevant Stage does not reveal any defects or backlogs in relation to the relevant Stage, the obligation to provide a bank guarantee under this Article shall be deemed satisfied by the provision of a bank guarantee equal to 5 % of the price of the relevant Stage, i.e., 5 % of the Price of Stage K20, 5 % of the Price of Stage K80 and 5 % of the Price of Stage K90.
- 14.2.2 The individual bank guarantees under Article 14.2.1 shall be issued by a first-class international or selected domestic bank (financial institution) with the appropriate licence, approved by the Client. The bank guarantees shall be irrevocable, unconditional and payable on first demand. The Client shall be entitled to exercise its rights under the individual bank guarantees relating to a given Stage in the event of non-performance of the Contractor's obligations under this Contract relating to the specific Stage to which the said bank guarantee relates. In such a case, the Client shall call in writing on the bank that issued the bank guarantee to fulfil its obligations under the bank guarantee, stating in the call the amount of its claim against the Contractor secured in this way. The bank that issued the bank guarantee is not entitled to object to the Client with regard to the bank's obligations under the bank guarantee.
- 14.2.3 The validity of the individual bank guarantees referred to in Article 14.2.1 shall be for a period of at least two (2) years after (i) the preliminary acceptance of each Stage pursuant to Article 5.3, or the signing of the report on preliminary acceptance of the Stage by both Parties; or (ii) the elimination of any defects and backlogs arising from the acceptance procedure and relating to the Stage, or any defects and backlogs arising from the final report on guarantee test A of the Stage issued pursuant to Article 15.5.6 if the Stage was preliminarily accepted under the conditions set out in Article 15.6.1(a), whichever occurs later. However, the bank guarantees for the individual Stages must be valid at least until the final acceptance of the respective Stage to which the bank guarantee relates, according to Article 15.8; therefore, in the case of an extension of the warranty period according to Article 17.2, the bank guarantee must also be extended for at least the period for which the warranty period does not run according to the aforementioned Article. The bank guarantees for the individual Stages shall be returned by the Client upon final acceptance of the relevant Stage to which the bank guarantee is linked, as per Article 15.8, or upon the signing of the report on final acceptance of the relevant Stage by both Parties.

15 TESTS, TESTING OF THE WORK OPERATION, GUARANTEE MEASUREMENT AND ACCEPTANCE OF THE WORK

- 15.1 The Contractor shall prepare and hand over to the Client a draft inspection and test plan separately in relation to each Stage, separately for the production phase, separately for the delivery phase and separately for the installation phase, no later than one (1) month before the commencement of the execution of a specific Stage according to the Technical Requirements (A7, "Requirements for Documentation") in accordance with and under other terms and conditions stipulated in Article 3 of the Technical Requirements (A5, "Acceptance Procedures"). At the same time, within the same deadline, the Contractor is obliged to hand over to the Client a draft test agenda separately for the production phase, separately for the delivery phase and separately for the installation phase. The Client is obliged to approve the submitted drafts within two (2) weeks after their submission or to inform the Contractor of the reasons for not approving them. In case the Client does not approve the drafts, the Contractor is obliged to rework them in accordance with the Client's requirements in order to meet the deadline for submission of the final approved documentation; unless otherwise specified or agreed, then no later than within ten (10) working days of the receipt of the disapproval from the Client. Failure to approve the draft inspection and test plan or test schedule shall not be a reason for extending the time limit for the execution of the Work or its individual Stages.
- 15.2 The Client or a person authorised by the Client has the right to attend any significant tests, acceptance procedures or inspections as further defined in Article 4 of the Technical Requirements (A5, "Acceptance Procedures"). If the results of the test, acceptance or inspection do not meet the Client's requirements, the Contractor shall make appropriate adjustments to the equipment and repeat the test at its own expense.
- 15.3 **Completion of installation and individual tests and preparation for trial operation**
- 15.3.1 Upon completion of the installation of each Stage, the necessary functional tests will be carried out as specified and under the conditions set out in Article 4.4 of the Technical Requirements (A5, "Acceptance Procedures"). Upon successful completion of the installation of a particular Stage, the Parties shall draw up a report on the completion of the installation of that Stage. Each Party shall receive one (1) copy of the report.
- 15.3.2 The Contractor is also obliged to carry out individual tests and preparation for trial operation under the conditions specified in Article 4.4 of the Technical Requirements (A5, "Acceptance Procedures").
- 15.3.3 Preparation for trial operation means the inspections and tests defined in more detail in Article 4.4 of the Technical Requirements (A5, "Acceptance Procedures"), which are carried out in order to commission the equipment of individual functional units and individual operational units in stages up to the commissioning of the entire Stage or the entire Work. The Parties shall draw up a report on the completion of the preparation for the trial operation of each Stage. Each Party shall receive one (1) copy of the report.
- 15.4 **Trial operation**
- 15.4.1 The trial operation will be carried out by the Client's personnel under the supervision of the Contractor always for the respective Stage of the Work being commissioned, i.e., Stage K20, Stage K80 and Stage K90, in the manner and under the conditions specified in Article 5.1.1 of the Technical Requirements (A5, "Acceptance Procedures"). The aim of the trial operation is to adapt the operation of each boiler to the current needs, and therefore the respective boiler should be operated under the current operational demand. For the avoidance of doubt, the Parties state that the trial operation does not lead to the acceptance of the Work, or, the individual Stages, by the Client for commercial operation.
- 15.4.2 During the trial operation, a comprehensive test and guarantee test A as further defined in Article 5.1 of the Technical Requirements (A5, "Acceptance Procedures") will be performed.
- 15.4.3 A comprehensive test of the Stage will be carried out by the Client's trained personnel under the supervision of the Contractor to demonstrate the ability to continuously operate the Stage or Work and other associated functional characteristics. As part of the comprehensive test of the Stage, a preliminary measurement of the guaranteed values set out in the Technical Requirements (A6, "Guaranteed Values") will be carried out, which can be measured using field measurements. In the event of non-compliance with the guaranteed values set out in the Technical Requirements (A6, "Guaranteed Values") where measurement error and measurement tolerances can be excluded, the Contractor shall ensure a remedy and the comprehensive test of the Stage shall be repeated. In the event of a successful outcome, a report on the complete

test of the relevant Stage shall be drawn up and signed by both Parties. Each Party shall receive one (1) copy of the report.

15.4.4 In case of unsuccessful evaluation of the trial operation of the respective Stage, the Contractor will be called upon to remedy the situation. After correcting those functional characteristics of the Stage that were unsatisfactory in the previous trial operation, the functional characteristics of the Stage that were unsatisfactory in the previous trial operation shall be retested.

15.4.5 After the successful completion of the trial operation of the respective Stage, a report on the successful completion of the trial operation of the Stage will be issued and signed by both Parties. Each Party shall receive one (1) copy of the report.

15.5 **Guarantee test A**

15.5.1 The Contractor shall carry out guarantee test A under the conditions and in the manner specified in Article 5.1.3 of the Technical Requirements (A5, "Acceptance Procedures"). Guarantee test A will be carried out during the trial operation of the Stage. During the guarantee measurement, the Work will be operated by the Client's employees under the Contractor's direction.

15.5.2 To complete the guarantee tests for the relevant Stage, the Contractor shall procure the services of a qualified independent accredited testing company to carry out the guarantee tests to demonstrate compliance with the guaranteed values in Technical Requirements A6 ("Guaranteed Values") in relation to the relevant Stage. The selection and appointment of the testing company is subject to approval by the Client.

15.5.3 In the event that the guaranteed values marked as "absolute" in Table 3.6-1 of the Technical Requirements (A6, "Guaranteed Values") are not achieved during guarantee test A, the Contractor shall be obliged to correct the relevant Stage at its own expense and to repeat guarantee test A in relation to the guaranteed values marked as "absolute" in Table 3.6-1 of the Technical Requirements (A6, "Guaranteed Values") for that Stage (whether or not the Stage has been preliminarily accepted pursuant to Article 15.6).

15.5.4 The same obligation of the Contractor as in Article 15.5.3 also applies if, during guarantee test A, the guaranteed values marked as "relative" in Table 3.6-1 of the Technical Requirements (A6, "Guaranteed Values") are not achieved by the time of completion of the preliminary acceptance of the Stage according to Article 15.6. In the event that the guaranteed values marked as "relative" in Table 3.6-1 of the Technical Requirements (A6, "Guaranteed Values") are not achieved during guarantee test A after the completion of the preliminary acceptance of the Stage according to Article 15.6, the Contractor shall have the option, with the prior approval of the Client given in writing, instead of the correction of the relevant Stage and the repetition of guarantee test A in relation to the guaranteed values marked as "relative" in Table 3.6-1 of the Technical Requirements (A6, "Guaranteed Values"), to pay the contractual penalties referred to in Article 18.2(c) in respect of the individual guaranteed values of the Stage referred to in this Article and not to repeat guarantee test A of that Stage in relation to the guaranteed values marked as "relative" in Table 3.6-1 of the Technical Requirements (A6, "Guaranteed Values") for which the Contractor has paid the contractual penalties under Article 18.2(c), with the simultaneous fulfilment of other conditions set out in Article 6 of the Technical Requirements (A6, "Guaranteed Values"). In the event that the Client does not give the Contractor the consent according to the previous sentence, the Contractor is obliged to correct the relevant Stage at its own expense and to repeat guarantee test A in relation to the guaranteed values marked as "relative" in Table 3.6-1 of the Technical Requirements (A6, "Guaranteed Values") for that Stage even after the completion of the preliminary acceptance of the Stage according to Article 15.6; in that case, the Contractor shall not be obliged to pay the contractual penalty according to Article 18.2(c) in relation to the guaranteed values marked as "relative" in Table 3.6-1 of the Technical Requirements (A6, "Guaranteed Values") that have been corrected.

15.5.5 The testing company shall issue, pursuant to Article 15.5.2, a preliminary report on the passing or failing of guarantee test A for the given Stage, which shall be signed by both Parties. Each Party shall receive one (1) copy of the report.

15.5.6 A final report on guarantee test A of the relevant Stage, prepared by the testing company according to Article 15.5.2, must be issued within two (2) months after guarantee test A has been carried out. The final report on guarantee test A of the relevant Stage will be signed by both Parties. Each Party shall receive one (1) copy of the report.

15.6 Preliminary acceptance of the Stage (PAC)

15.6.1 Preliminary acceptance of the Work will be carried out in individual Stages, i.e., separately in relation to Stage K20, Stage K80 and Stage K90. The Contractor is entitled to invite the Client to preliminarily accept the relevant Stage (PAC) provided that one of the two situations listed below occurs:

- a) in the event that: (i) a preliminary report on guarantee test A of the relevant Stage has been issued in accordance with Article 15.5.5, i.e., before the final report on guarantee test A of the relevant Stage has been issued in accordance with Article 15.5.6; (ii) the Contractor has delivered the parts subject to wear and tear in accordance with the Technical Requirements (A1, "Scope of the Work"); and at the same time (iii) all documentation in accordance with the Technical Requirements (A7, "Requirements for Documentation") which the Contractor is obliged to submit has been handed over to the Client; or
- b) in the event that: (i) the final report on guarantee test A of the relevant Stage has been issued in accordance with Article 15.5.6; (ii) the Contractor has delivered the parts subject to wear and tear in accordance with the Technical Requirements (A1, "Scope of the Work"); and at the same time (iii) all documentation in accordance with the Technical Requirements (A7, "Requirements for Documentation") which the Contractor is obliged to submit has been handed over to the Client.

15.6.2 In the written invitation for preliminary acceptance of the relevant Stage, the Contractor shall indicate, inter alia, the proposed dates for preliminary acceptance of the relevant Stage, which shall not be earlier than 10 working days after the last of the conditions specified in Article 15.6.1 has been fulfilled. Preliminary acceptance of the relevant Stage shall take place on a date confirmed in writing by the Client on the basis of the above-mentioned invitation from the Contractor; otherwise on the last proposed date. If the Contractor does not send an invitation for preliminary acceptance of the relevant Stage within 10 working days after the last of the conditions listed in Article 15.6.1 has been met, the date for preliminary acceptance of the relevant Stage shall be set for the 20th working day after the last of the conditions listed in Article 15.6.1 has been met.

15.6.3 The Contractor is obliged to hand over to the Client at the acceptance procedure of the respective Stage all necessary documents at least in triplicate (original + 2 copies), unless they have been submitted earlier, in particular the following:

- a) the bank guarantee according to Article 14.2;
- b) evidence of the disposal of waste generated by the construction works on the relevant Stage in accordance with the Waste Act and its implementing regulations;
- c) records and reports concerning all prescribed tests of the relevant Stage according to Article 15;
- d) geodetic survey of the completed Stage and a survey sketch;
- e) evidence of other prescribed tests, attestations, certificates, declarations of conformity for the materials and products used in the relevant Stage;
- f) a properly maintained Construction Log;
- g) documentation for each piece of technical equipment in electronic and printed form and documents on operator training;
- h) reports and documents required by the relevant administrative decisions relating to the relevant Stage;
- i) the Operation and Maintenance Manual (i.e., including handling, operating and maintenance schedules and documentation) for the relevant Stage; and
- j) other documentation to be submitted by the Contractor to the Client upon handover of the Work in accordance with this Contract and the Technical Requirements.

15.6.4 The Client is not obliged to accept the relevant Stage if any of the parts of the handover documentation referred to in Article 15.6.3 are missing.

15.6.5 The preliminary acceptance of the relevant Stage shall be evidenced by a report on preliminary acceptance of the Stage signed by both Parties, no later than three (3) working days after the date of preliminary acceptance of the relevant Stage

according to Article 15.6.2. Each Party shall receive one (1) copy of the report. The report on preliminary acceptance of the Stage shall include, in particular:

- a) the Stage designation;
- b) designation of the Client and the Contractor and the date of conclusion of the Contract;
- c) the commencement and completion of work on the Stage under construction;
- d) the Client's declaration of acceptance of the relevant Stage;
- e) the date and place of drafting the report;
- f) the names and signatures of the Contractor's and Client's representatives authorised to hand over and accept the Stage;
- g) a list of documentation submitted;
- h) an inventory of costs from the start to the completion of the Stage;
- i) the deadline for clearing the construction site of the respective Stage;
- j) the date of commencement of the base warranty period according to Article 17.1 relating to the relevant Stage and the date of the extended warranty period according to Article 17.1 relating to the relevant Stage;
- k) the date for guarantee test B of the Stage and final acceptance of the Stage; and
- l) a list of any defects and backlogs with a time limit for their removal, which must be set before the expiration of the base warranty period according to Article 17.1.

15.6.6 If the Client accepts the relevant Stage with minor defects and backlogs, these minor defects and backlogs will be listed in the report on preliminary acceptance of the relevant Stage. In that case, the Contractor undertakes to remedy these minor defects and backlogs within the time limit agreed in the report on preliminary acceptance of the respective Stage, and if no time limit is agreed in the report, then within 20 working days after the report on preliminary acceptance of the respective Stage is drawn up. In the event that the preliminary acceptance of the Stage occurs under the conditions set out in Article 15.6.1(a), the Contractor shall also be obliged to remedy defects and backlogs resulting from the final report on guarantee test A drawn up in accordance with Article 15.5.6.

15.6.7 Upon the issuance of the report on preliminary acceptance of the Stage signed by both Parties, the preliminary acceptance of the Stage shall be deemed to be completed, the commercial operation period of the Stage shall commence and the warranty periods specified in Article 17.1 shall start to run. It is expressly agreed that the Client shall not commence commercial operation until the issuance of the report on preliminary acceptance of the Stage.

15.6.8 If the acceptance of a Stage is delayed by more than six (6) months for reasons on the Client's side and the Contractor has fulfilled its contractual obligations due by that date, the preliminary acceptance of the Work or the commencement of the warranty period shall not commence automatically. In that case, however, the Contractor becomes entitled to invoice the amount of 50 % of the last Payment Milestone (PAC), i.e., the Contractor shall issue an invoice for 5 % of the relevant Stage, payment shall be made taking into account the advance payment for each Payment Milestone, i.e., in the amount of 3.5 %. The remaining 50 % of the last Payment Milestone shall not be affected and the invoice shall be issued and paid only after all conditions set out in Article 15.6 have been met and the acceptance of the relevant Stage occurred. The period of delay under the first sentence of this Article due to reasons on the Client's side shall not be counted towards the delay in acceptance of the Stage that results in associated penalties referred to in Article 18.21b). During that period of delay, the Client shall provide security for the Work of the relevant Stage and the construction site, and during the period the Client shall provide security at its own expense. A report will be issued and signed by both Parties on the subsequent acceptance by the Client and following handover back to the Contractor.

15.7 **Guarantee test B**

15.7.1 Guarantee test B of the relevant Stage of the Work shall be carried out before the expiry of the base warranty period of the relevant Stage pursuant to Article 17.1 (notwithstanding any extension of the base warranty period); however, no earlier than 12 months after the preliminary acceptance of the relevant Stage pursuant to Article 15.5.3 and no later than two (2) months before the expiry of the base warranty period of the relevant Stage pursuant to Article 17.1 (notwithstanding

any extension of the base warranty period). In the framework of guarantee test B, the Contractor is obliged to follow Article 7.1 of the Technical Requirements (A5, "Acceptance Procedures"). The same conditions apply for guarantee test B as for guarantee test A; Article 15.5 shall apply mutatis mutandis.

15.7.2 If, for reasons on the Client's side, it is not possible to carry out guarantee test B within 30 working days of the last date proposed by the Contractor in the report on preliminary acceptance of the Stage, guarantee test B shall be deemed to have been successfully carried out for the purposes of further progress in the implementation of the Work or the relevant Stage. The Client reserves the right to notify the Contractor that it does not require the performance of guarantee test B.

15.8 Final acceptance of the Stage (FAC)

15.8.1 Final acceptance of the relevant Stage shall occur after:

- a) a successful completion of guarantee test A of the relevant Stage according to Article 15.5;
- b) a successful completion of guarantee test B of the relevant Stage according to Article 15.7, if required by the Client;
- c) the Contractor has eliminated all defects and backlogs of the Stage in question, which have been included in the report on preliminary handover and acceptance of the respective Stage according to Article 15.6.1; and
- d) the fulfilment of the conditions for the final approval of the Work, or, the respective Stage, according to the terms and conditions of the competent building authority.

15.8.2 The final acceptance of the respective Stage shall be recorded in a report drafted by both Parties. Article 15.6.55 shall apply mutatis mutandis. Each Party shall receive one (1) copy of the report.

16 TITLE, RISK OF DAMAGE

16.1 The Client is the owner of the Work, or each respective Stage, the execution of which is the subject-matter of this Contract, even during the execution thereof at the Site of the Work. The Client acquires the ownership right to the items that are not already in the Client's possession or that the Contractor procures for and during the execution of the Work upon their installation or other fixed connection with the Work at the Site of the Work, or at the moment when they become a part or accessory of the Work at the Site of the Work; as for items of which the Client is not the owner as aforesaid and of which the Client does not acquire ownership in any of the aforesaid ways, the Client shall acquire the ownership right at the moment of their delivery, performance or provision to the Client at the Site of the Work. In all cases, however, the ownership right shall be acquired by the Client at the latest at the moment of signing the report on preliminary acceptance of the respective Stage according to Article 15.6.55.

16.2 After the construction site is handed over to the Contractor for the execution of the relevant Stage under this Contract, the risk of damage to the property (Stage) and for damage caused by its operation shall pass to the Contractor until the Client takes back the construction site or until the moment of preliminary acceptance of the relevant Stage by the Client under this Contract, whichever occurs later. Likewise, the Contractor shall bear the risk of damage and loss to all materials, substances and equipment used and employed in the execution of the Work.

17 WORK WARRANTY AND LIABILITY FOR DEFECTS

17.1 The Contractor shall provide the Client with a warranty for the entire Work and the individual Stages. The Contractor provides the Client with a warranty for the base warranty period of 24 months for the individual components and the boilers delivered. For construction works (e.g., steel structures of buildings, walkable platforms, staircases, etc.), the Contractor provides the Client with an extended warranty period of 60 months. For the avoidance of doubt, the Parties acknowledge that the Contractor does not provide the Client with a warranty, in Stage K80 and Stage K90, for the parts and materials that are already part of the K80 and K90 boilers and that will be mechanically handled (e.g., dismantled and reassembled) in the performance of the Contract; however, the Contractor is liable for damage to these parts and materials that arises from the handling thereof in the performance of the Contract.

17.2 The base warranty period and the extended warranty period under Article 17.1 shall commence in relation to the relevant Stage upon the completion of the preliminary acceptance of the Stage under Article 5.3. In the event that there is a delay in the preliminary acceptance of the Stage compared to the deadline specified in the Time Milestone in Article 5.3 for more than six (6) months due to a reason on the Client's side, the warranty periods specified in Article 17.1 shall be reduced by

- one (1) month for each full month exceeding the 6-month delay in the preliminary acceptance of the Stage compared to the deadline specified in the Time Milestone in Article **Error! Reference source not found.**; even in such a case, the warranty periods specified in Article 17.1 for the relevant Stage shall commence in relation to the relevant Stage upon the completion of the preliminary acceptance of the relevant Stage in accordance with Article 15.5.3. The warranty period does not run for the period during which the Client could not use the Stage or a part thereof according to this Contract due to defects of the Work for which the Contractor is responsible; the warranty period shall be extended by that period.
- 17.3 In the event that, during the warranty period, as a result of a legitimate complaint by the Client, the Contractor removes the defect by delivering a replacement performance or carrying out the necessary repair, if the defect is repairable, a new warranty period of 24 months shall start to run for that newly delivered replacement performance or repair, and it starts at the moment of signing the report on the removal of the claimed defect by both Parties. Each Party shall receive one (1) copy of the report. However, the new warranty period shall not exceed 48 months from the preliminary acceptance of the relevant Stage as per Article 15.6.
- 17.4 The Contractor shall be responsible for defects discovered during the warranty period and for repairs and replacement of any defective parts of the Work. The Contractor warrants that the Work and the individual Stages will be free from defects in materials and workmanship.
- 17.5 Further warranty terms and conditions are specified in Article 5 of the Technical Requirements (A6, "Guaranteed Values").
- 17.6 In the event of a breach of the Contractor's obligations arising from liability for defects during the warranty period, the Client is entitled to demand a contractual penalty according to Article 18.2.
- 17.7 The Contractor shall not be held liable for defects in the Work if such defects have been caused:
- a) by using items handed over to the Contractor by the Client in the event that the Contractor, even with the exercise of due professional care, could not have detected the unsuitability of these items, or warned the Client of their unsuitability in writing and the Client nevertheless insisted on their use;
 - b) by following inappropriate instructions given to the Contractor by the Client if the Contractor warned the Client in writing of the inappropriateness of those instructions and the Client insisted on them, or if the Contractor could not have discovered the inappropriateness even with the exercise of due professional care;
 - c) by failure of the Client to comply with the instructions in the Operation and Maintenance Manual for the Work, including failure to comply with preventive maintenance and the inspection plan;
 - d) by normal wear and tear;
 - e) by improper, incomplete or unprofessional maintenance, handling, storage, installation or operation or any modification of the equipment by the Client;
 - f) by failure to maintain the prescribed quality of fuel, operating substances (e.g., sand) and energy (e.g., air, water) used during the warranty period; or
 - g) by force majeure.
- 17.8 The Contractor makes no warranties or guarantees other than those expressly stated in the Contract. Any other warranties and guarantees or liability for defects, including but not limited to latent defects, or liability and guarantees of fitness for a particular purpose, which may be expressly stated or implied by law, are not provided by the Contractor. The warranties and guarantees provided under this Contract are the Client's sole and exclusive remedies for any defects or nonconformities in the Work.
- 17.9 The Client shall not make any technical changes to the Work or its equipment that could affect the technical condition and function of the Work or its equipment without the Contractor's knowledge and shall inform the Contractor within a reasonable time of any defects in the Work or the equipment in question. The Client shall provide the Contractor with the necessary assistance in identifying the causes and eliminating the defects. For the purpose of rapid replacements of parts subject to wear and tear according to the Technical Requirements (A1, "Scope of the Work") during the warranty period, the Client shall use only parts defined and provided by the Contractor in the performance of the Work.
- 17.10 However, the Contractor shall be held liable for defects in the Work caused by the Client as a result of improper use of the Work if the Contractor has not specified in the Operation and Maintenance Manual, in writing, the appropriate

measures to be observed by the Client, provided that the Contractor could have foreseen such measures by exercising due professional care.

17.11 Complaints

17.11.1 The Client is obliged to complain in writing to the Contractor about defects without undue delay after their discovery. The Client shall send any such notification of defects (complaint) to the address of the Contractor specified in the header of this Contract. A written complaint shall also be deemed to be a notification of defects sent by email to the Contractor's email address listed below. In the case of emergency defects, it is sufficient for the Client to notify the Contractor verbally of the occurrence of such defect to the Contractor's telephone number listed below. The Contractor is obliged to ensure that the Client has the Contractor's up-to-date email address and a continuously working telephone number for these purposes throughout the warranty period. The complaint must describe the defects or state how the defects are manifested. The Client shall state in the complaint what type of remedy it is requesting.

17.11.2 The contact details of the Contractor for reporting defects are:

email address: [TO BE COMPLETED]

mobile phone: [TO BE COMPLETED]

data box: [TO BE COMPLETED]

17.11.3 The Contractor shall be entitled, at its sole discretion, to provide the following under the warranty:

- a) removal of the defect by supplying a replacement (for defects in materials, equipment, machinery, etc.); or
- b) removal of the defect by repair, if the defect is repairable; or
- c) a reasonable discount on the agreed Price of the Work under this Contract if the defect is only removable when limiting the use of the Work for its purpose or if it is an irremovable defect that does not prevent and does not limit the use of the Work for its purpose.

17.11.4 The Client is entitled to designate as an emergency or accident such a defect of the Work which by its consequences prevents the use of the Work for the purpose resulting from the nature of the Work or if, as a result of such a defect, the normal operation or performance of the Client's business is prevented or restricted, or if there is a risk of subsequent damage to the Client's property or the health of persons is endangered.

17.11.5 A complaint may be filed no later than the last day of the warranty period, while a complaint submitted by the Client on the last day of the warranty period is considered timely filed. The complaint is deemed to have been delivered to the Contractor at the moment when the written act of the Client containing the complaint reaches the Contractor. If the written act is sent by post, the Client's written act containing the complaint shall be deemed to have reached the Contractor within three (3) calendar days of the date on which the Client handed over the letter containing the act to a postal licence holder for carriage. In the case of acts performed by electronic mail or data mailbox, the Client's written act containing the complaint shall be deemed to have reached the Contractor on the date of sending such written act from the Client's electronic mail address or data mailbox to the Contractor's electronic mail address or data mailbox.

17.12 Conditions for removal of claimed defects

17.12.1 If the Client demands the removal of the defect in the complaint, the Contractor is obliged to start work to remove the claimed defect immediately after receiving the Client's complaint. The Contractor must always state in writing within what period of time it will remedy the defect.

17.12.2 The Contractor shall commence work to remove the claimed defect within five (5) calendar days after receipt of the Client's complaint at the latest, unless otherwise agreed by the Parties in a particular case. Such an agreement must be made in writing; for these purposes, a written agreement shall be deemed to have been entered into when the Parties express consistent intent in electronic form, including by email.

17.12.3 If the Contractor does not start actions to remove the claimed defect within five (5) calendar days, the Client is entitled to commission another professionally qualified legal entity or natural person to remove the defect, or the Client is entitled to remove the defect itself. In that case, the Client is entitled to compensation for direct damage and reimbursement of reasonable, justified and documented costs from the Contractor. Any costs so incurred by the Client shall be reimbursed by the Contractor within 30 calendar days of the date on which the Contractor received the Client's written demand for

payment of such costs or damages. In case the Contractor fails to pay the costs for the removal of the claimed defect, the Client shall satisfy its financial claims from the provided bank guarantee. If the Client has entrusted the removal of defects to another professionally qualified natural person or legal entity or has removed the defects itself, the Contractor's warranty under Article 17 shall not apply to the removal of defects by a person/entity other than the Contractor.

17.12.4 If the Client explicitly states in the complaint that it is an emergency or accident, the Contractor is obliged to start work on the removal of the emergency defect within 24 hours after receipt of the complaint (notification), unless otherwise agreed by the Parties in a particular case. Such an agreement must be made in writing; for these purposes, a written agreement shall be deemed to have been entered into when the Parties express consistent intent in electronic form, including by email.

17.12.5 If the Contractor does not start actions to remove the claimed emergency defect within the agreed time limit after receipt of the Client's complaint (notification), the Client is entitled to commission another professionally qualified legal entity or natural person to remove the emergency defect, or the Client is entitled to remove the defect itself. In that case, the Client is entitled to compensation for direct damage and reimbursement of reasonable, justified and documented costs from the Contractor. Any costs so incurred by the Client shall be reimbursed by the Contractor within 30 calendar days of the date on which the Contractor received the Client's written demand for payment of such costs or damages. In case the Contractor fails to pay the costs for the removal of the claimed defect, the Client shall satisfy its financial claims from the provided bank guarantee. If the Client has entrusted the removal of defects to another professionally qualified natural person or legal entity or has removed the defects itself, the Contractor's warranty under Article 17 shall not apply to the removal of defects by a person/entity other than the Contractor.

17.12.6 If it is proven that the Client has made an unjustified complaint, i.e., that the defect claimed by the Client is not covered by the Contractor's warranty, the Client shall be obliged to pay to the Contractor all reasonable, justified and documented costs incurred by the Contractor in connection with the removal of such defect. The provision in the preceding sentence shall not affect the Contractor's obligation to remedy the claimed defect within the meaning of Articles 17.12.2 and 17.12.3, nor the provisions of Articles 17.12.4 and 17.12.5.

17.12.7 The Client is obliged to give the Contractor's personnel access to the places to which access is necessary to remedy the defect; Article 6.24.3 shall apply mutatis mutandis. If the Client fails to do so, the Contractor shall not be deemed in default of the deadline for commencement of the defect removal work or the time limit for the removal of the defect.

17.13 Time limits for removal of claimed defects

17.13.1 The time limit for the removal of claimed defects shall be agreed by both Parties according to the nature and extent of each particular defect claimed. If no agreement is reached between the Parties as to the date of removal of the claimed defect, the claimed defect must be removed within the shortest objectively and practically possible time from the date of the complaint by the Client.

17.13.2 The time limit for the removal of claimed defects identified by the Client as accidents or emergencies shall be agreed by the Parties according to the nature and extent of the claimed defect. If no agreement is reached between the Parties as to the date of removal of the claimed defect (emergency) within three (3) working days of the complaint by the Client, the emergency defect must be removed as soon as practically and objectively possible after the moment of the Client's complaint (notification). The Contractor expressly declares that it will make and use extraordinary efforts and means to remove the defect marked as an emergency as soon as possible and the Contractor hereby acknowledges the extraordinary importance of the removal of such an emergency defect for the Client.

17.13.3 The Client shall draw up a report on the removal of the claimed defect, in which the Client shall confirm acceptance of the completed work to remove the defect and the removal of the defect, or state the reasons for refusing to accept the repair.

17.14 Provision of a discount

17.14.1 In case the Contractor provides, as part of the warranty, a reasonable discount on the agreed Price of the Work according to Article 17.11.3(c), the discount will be granted by the Contractor issuing and delivering a corrective tax document to the Client and transferring the appropriate amount corresponding to the discount to the Client's account within 14 calendar days of the date of the Contractor's receipt of the Client's written notification of the complaint. The amount of the discount on the agreed Price of the Work shall be determined by the Client as the amount corresponding to the damage incurred by the Client by limiting the possibility of using the Work for its intended purpose.

17.14.2 For VAT purposes, the procedure under Article 17.14.1 is a correction of the tax base. If it is not possible to determine the exact partial performance to which the discount relates, the correction of the tax base will relate to the last tax document issued. If the amount of the discount exceeds the amount invoiced under the last tax document, the tax base correction will be allocated to the next documents as per their order of issue.

18 CONTRACTUAL PENALTIES AND DAMAGES

18.1 Each Party shall be liable for damage under this Contract. The Parties undertake to use their best possible endeavours to prevent harm and to minimise damage if damage has already occurred.

18.2 The Client is entitled to a contractual penalty from the Contractor in the following cases:

- a) in the event of a breach of the Contractor's obligation agreed in Article **Error! Reference source not found.** (compliance with the Time Milestones), the Client shall be entitled to a contractual penalty of EUR 3,000 for each individual case and for each commenced day of delay;
- b) in the event of a breach of the Contractor's obligation agreed in Article 5.2 (delay in the completion and handover of individual Stages to the Client), the Client shall be entitled to a contractual penalty of 0.1 % of the price of the respective individual Stage specified in Article 7.2 to which the delay is related; the contractual penalty shall be agreed for each commenced day of such delay;
- c) in the event of a breach of the Contractor's obligation agreed in Article 6.222 (non-compliance with the guaranteed values of the Work), the Client shall be entitled to a contractual penalty for each non-compliance with the guaranteed value of the Work in the amount and under the conditions set out in Article 6 of the Technical Requirements (A6, "Guaranteed Values");
- d) in the event of a breach of the Contractor's obligation agreed in Article 12.10 (compliance with occupational health and safety requirements), the Client shall be entitled to a contractual penalty in the amount according to the OHS penalty schedule provided in Annex 7 to this Contract for each individual case of breach of that obligation;
- e) in the event of a breach of any of the Contractor's obligations agreed in Article 13 (the Contractor's obligations in relation to insurance), the Client shall be entitled to a contractual penalty of EUR 2,000 for each individual case of breach of that obligation;
- f) in the event of a breach of the Contractor's obligation agreed in Article 15.6.66 (failure to meet the deadline for repair of minor defects and backlogs by the Contractor), the Client shall be entitled to a contractual penalty of EUR 50 for each commenced day of delay;
- g) in the event of a breach of any of the Contractor's obligations agreed in Article 17 (breach of the Contractor's obligations in relation to warranty for the Work), the Client shall be entitled to a contractual penalty of EUR 200 for each individual case of breach of that obligation; and
- h) in the event of a breach of the Contractor's obligation agreed in Article 9.7 (delay in vacating and handing over the construction site), the Client shall be entitled to a contractual penalty of EUR 250 for each commenced day of delay.

18.3 The contractual penalties under Article 18.2(a) and (b) shall not exceed in aggregate 15 % of the price of the relevant individual Stage referred to in Article 7.2 to which the delay is related, while the contractual penalty for failure to meet the Time Milestones for the delivery of the documentation discussed with the Client and approved by the Client under Article 5.3 for the relevant Stage shall not exceed 2 % of the price of the relevant individual Stage referred to in Article 7.2 to which the delay is related. The contractual penalty for breach of the contractual obligation referred to in Article 18.2(a) and (b) constitutes a lump-sum compensation for any claims of the Client arising from the breach of the obligations referred to therein.

18.4 The contractual penalty pursuant to Article 18.2 c) shall not exceed in aggregate 15 % of the price of the relevant individual Stage referred to in Article 7.2 to which the breach of the guaranteed value relates, while the contractual penalty for failure to comply with the amount and availability limit of the relevant individual Stage referred to in the Technical Requirements (A6, "Guaranteed Values") shall not exceed 5 % of the price of the relevant individual Stage referred to in Article 7.2 to which the failure to comply with its availability relates. The contractual penalties for breach of the contractual obligations

referred to in Article 18.2 a) and b) constitute a lump-sum compensation for any claims of the Client arising from the breach of the obligations referred to therein.

- 18.5 The Parties expressly state that the agreed amounts of contractual penalties are reasonable and reflect the Client's overriding interest in the timely and proper performance of this Contract. The contractual penalties provided for breach of the obligations under Article 18.2 (a) to (c) shall not exceed in aggregate 25 % of the Price of the Work specified in Article 7.2.
- 18.6 The contractual penalties referred to in Article 18.2 c) to h) are primarily of an incentive nature and do not constitute lump-sum compensation. In the event of a breach of the obligations set out therein, the Client shall be entitled to compensation for damage arising from the breach of these obligations; however, the amount of compensation is limited in accordance with Article 18.12.
- 18.7 In the event of delay by the Client in payment of the Price of the Work or any portion thereof, the Contractor shall be entitled to demand from the Client the payment of default interest of 0.05 % of the amount due for each commenced day of delay.
- 18.8 The Client is entitled to unilaterally set off the contractual penalties against the Contractor's claim.
- 18.9 The Client is entitled to demand from the Contractor the sum of EUR 100,000 in the event of a proven breach of the Contractor's obligations set out in Articles 12.12 to 12.14.
- 18.10 In the event of a breach of any obligation under Article 21, the breaching Party shall be obliged to pay to the other Party a contractual penalty of EUR 50,000 for each individual case of such a breach.
- 18.11 Notwithstanding anything else in the Contract, neither Party shall be liable to the other Party for any indirect or consequential costs, losses or damage that may be suffered by the other Party in connection with a breach of the Contract by the breaching Party, such as loss or reduction of production or business interruption, loss of opportunity, including the opportunity to enter into any contract, or loss of profits.
- 18.12 Notwithstanding anything else in this Contract, the Contractor's total liability to the Client for direct costs, losses, liabilities and damage incurred during and/or as a result of the performance or non-performance of the Contract for any reason whatsoever, including but not limited to the Contractor's negligence, shall not exceed 55 % of the Price of the Work. For the avoidance of doubt, the Parties state that the limit set out in the preceding sentence includes the limit set out in Article 18.5 of the Contract. This limit does not apply to liability for damage in the event of a breach of an obligation set out in Articles 6.15 to 6.19 or in Article 21 of the Contract.
- 18.13 The maximum limits of the Contractor's liability set out in this Article 18 shall not apply in the event of and to the extent of wilful misconduct or gross negligence on the part of the Contractor.
- 18.14 The Contractor shall not be held liable for pollution or environmental damage except to the extent attributable to the Contractor or persons used by the Contractor in the performance of the Contract.
- 18.15 The Contractor shall not be responsible for the initial condition of the soil, subsoil or reservoir; however, the Contractor shall be held liable for any damage caused by the Contractor to the soil, subsoil or reservoir.
- 18.16 The Contractor shall not be liable for any damage, costs or losses of any nature whatsoever arising out of or in any way connected with an act of terrorism caused by a person or entity other than the Contractor or a person other than a person used by the Contractor to perform this Contract.
- 18.17 The Client shall not be entitled to compensation for any damage, cost or loss of any nature other than that expressly provided for in the Contract, on the terms and conditions set out in the Contract.
- 18.18 The Parties hereby exclude the application of the provisions of Sections 2615 to 2619, 2629 and 2630 of the Civil Code.

19 AMENDMENTS TO THE CONTRACT

- 19.1 Any changes or supplements to this Contract shall be made in the form of written amendments numbered in ascending order and signed by both Parties, which shall become an integral part of this Contract.

- 19.2 Any amendments to the Contract must be made in accordance with the provisions of this Contract and the Public Procurement Act in particular. Any amendments made to the Contract that are not a reserved change to the commitment under Section 100 of the Public Procurement Act shall not constitute a material amendment to the Contract within the meaning of Section 222 of the Public Procurement Act, and the rules set forth in Section 222 of the Public Procurement Act shall be considered by the Parties prior to negotiating an amendment to the Contract.
- 19.3 Neither entries in the Construction Log nor minutes of any meetings in connection with the performance of this Contract shall be deemed an amendment to the Contract.
- 19.4 **Reserved changes to the commitment**
- 19.4.1 The Client reserves the right to change the period of performance in Article 5.9. Within 15 working days of the occurrence of an event resulting in a change in the obligation under the Contract, the Parties shall be obliged to conclude an amendment to this Contract; in the event of such a change in the obligation, the Parties shall proceed in accordance with Annex 3 to this Contract.
- 19.5 **Reserved change of Contractor**
- 19.5.1 In accordance with Section 100(2) of the Public Procurement Act, the Client has reserved a change of the Contractor in the Tender Documentation. The reserved change of the Contractor is a right of the Client, not an obligation, and cannot be legally enforced.
- 19.5.2 The Client is entitled to change the Contractor if the Contract is terminated for any of the following reasons:
- a) by agreement between the Parties;
 - b) in one of the ways referred to in Article 2020;
 - c) by withdrawing from the Contract for the reasons specified in Section 223 of the Public Procurement Act;
 - d) upon the dissolution of the Contractor without legal successor;
 - e) in the case of legal succession of the Contractor in connection with its transformation, death or transfer of the Contractor's enterprise or a part thereof;
 - f) in the event of termination of participation of any of the contractors in case of joint participation of contractors under the Public Procurement Act, unless the remaining contractors assume the rights and obligations under the Contract in full;
 - g) in the event of the Contractor being declared insolvent, the Contractor entering liquidation, the Contractor being adjudged bankrupt, the Contractor's assets being placed into administration or the Contractor being placed in a similar situation under the law of the country of its domicile; and
 - h) as a result of the dissolution of the legal entity or the death of the person through which/whom the Contractor has demonstrated compliance with the qualifications pursuant to Section 83 of the Public Procurement Act.
- 19.5.3 If any of the cases described in Article 19.5.2 above occur, the Client shall be entitled to conclude a contract for the performance of the Public Contract with a new contractor:
- a) under the terms and conditions set out in Article 19.5.4 et seq.; and, at the same time
 - b) provided that the new contractor agrees to the change and assumes the rights and obligations under the Contract with the original Contractor.
- 19.5.4 In the event of termination of participation of any of the contractors in case of joint participation of contractors under the Public Procurement Act, the Client is entitled to enter into the Contract with the remaining contractors. In the event the remaining contractors do not assume the rights and obligations under the Contract in full, except for permitted changes, the Client may conclude the Contract with the second ranked tenderer.
- 19.5.5 In the event any of the circumstances referred to in Article 19.5.2 occur, the Client shall be entitled (but not obliged) to invite the second ranked tenderer in the tender procedure for the Public Contract whose tender was ranked second in the tender procedure for the Public Contract to enter into the Contract. If that contractor does not agree to perform the Public Contract in place of the Contractor being replaced, the third ranked contractor, if any, shall be the replacement contractor.

If that contractor also does not agree to perform the Public Contract in place of the Contractor being replaced, the Client shall proceed in the same manner in determining the replacement contractor until all contractors whose tenders for the Public Contract have been evaluated have refused to replace the Contractor. The Client will not re-evaluate the tenders received in the tender procedure for the Public Contract, but will rely on the ranking of tenders that was reached in the tender procedure for the Public Contract. Only a contractor who has not been excluded from the tender procedure for the Public Contract may become a replacement contractor.

- 19.5.6 In the event that the Client has not carried out an assessment of the conditions of participation of the contractor who is to become the replacement contractor pursuant to this provision in the tender procedure for the Public Contract, the Client shall carry out such assessment of the conditions of participation prior to the date on which the Contractor is to be replaced and shall assess whether or not the tender of the replacement contractor fulfils the mandatory grounds for exclusion of the selected contractor pursuant to Section 48 of the Public Procurement Act (hereinafter referred to as the “**Grounds for not being able to conclude the Contract with the second ranked contractor**”). If the event of fulfilment of the “Grounds for not being able to conclude the Contract with the second ranked contractor” in the original tender procedure for the Public Contract, the Client may approach the contractor who was ranked next in the order in the evaluation of tenders in the tender procedure.
- 19.5.7 Each of the successively invited tenderers in the tender procedure for the Public Contract shall be obliged to fulfil the following conditions in order to become a new contractor in the event that there is a change of the Contractor at the time when the Contractor has already started the execution of the Work under this Contract:
- a) the text of the contract concluded with the new contractor must be consistent with the Contract, taking into account only the permitted changes directly related to the new contractor;
 - b) portions of the Work already executed by the original Contractor shall be retained in the text of the Contract, with the Contract specifying whether (i) they have been completed and delivered by the original Contractor, or (ii) started or partially performed, including the extent to which they have been started or performed, or (iii) not performed. This procedure will adjust the scope of the subject-matter of performance to match the scope to be performed by the new contractor;
 - c) the performance deadlines of the original Contractor must be maintained, but the difficulties involved in taking over the commitment from the original Contractor may be taken into account;
 - d) the new contractor must assume the commitment and assume the rights and obligations of the original Contractor on the basis of the original Contractor's Tender, not on the basis of its own tender; i.e., the new contractor must assume, in particular, the obligations relating to the Price of the Work and the performance deadlines of the original Contractor, provided that any changes to the commitment resulting from a change of the Contractor in relation to the Price of the Work and the performance deadlines shall be assessed in accordance with Section 222 of the Public Procurement Act; and
 - e) the contract with the new contractor shall be supplemented with provisions concerning the handover and acceptance of the object of performance from the original Contractor.
- 19.5.8 In the event that there is a change of the Contractor at the time when the Contractor has not yet started the execution of the Work under this Contract, each of the successively invited tenderers in the tender procedure for the Public Contract shall be obliged to fulfil the following conditions in order to become a new contractor:
- a) the text of the contract must correspond to the text of the contract submitted by the new contractor in its tender for the Public Contract;
 - b) the price and period of performance shall be in accordance with the tender of the new contractor; and
 - c) the new contractor fulfils the conditions that it is obliged to fulfil before starting to perform the contract.

20 TERMINATION OF THE CONTRACT

- 20.1 This Contract may be terminated by agreement of the Parties, which must be made in writing.
- 20.2 The Parties shall be entitled to withdraw from this Contract only for the reasons expressly set out in this Contract.

- 20.3 The Client is entitled to withdraw from this Contract due to a material breach of the Contract by the Contractor. In such a case, it is at the Client's sole discretion whether to withdraw from the Contract as a whole or only parts or individual Stages. If the Client withdraws from the Contract only in relation to an individual Stage, such withdrawal shall not affect the remaining Stages. A material breach of the Contract by the Contractor shall be deemed to be, in particular:
- a) delay by the Contractor in meeting any Stage completion date as specified in Article 5.2 for more than 90 calendar days if the Contractor is at fault;
 - b) delay by the Contractor in meeting any of the Time Milestones for more than 90 calendar days if the Contractor is at fault;
 - c) if the Contractor, in a serious manner, fails to comply with obligations arising from environmental, social and labour law regulations or collective agreements relating to the subject-matter of this Contract;
 - d) if the Client's claim for any of the contractual penalties reaches the maximum level set out in Article 18 of the Contract;
 - e) delay by the Contractor in remedying a defect according to Article 17 for more than 60 calendar days.
- 20.4 The Client may withdraw from this Contract if the Contractor is in liquidation or if there are insolvency proceedings pending against its assets, in which a bankruptcy decision has been issued or the insolvency petition has been rejected because the assets are insufficient to cover the costs of the insolvency proceedings, or the bankruptcy has been cancelled because the assets are insufficient, or receivership has been introduced pursuant to a special legal regulation.
- 20.5 If the Client withdraws from the Contract for a reason originating from the Contractor, the Parties are obliged to settle financially depending on the stage of performance of the Work within one month of the termination of the Contract. The Client is subsequently entitled to complete the Work through a third party. In that case, the Contractor shall be obliged to compensate the Client for the costs that exceed the difference between the Price of the Work and the amount of the financial settlement between the Parties according to the first sentence of this Article. The maximum limit of the reimbursement of costs that the Contractor is obliged to pay to the Client according to the previous sentence shall in no case exceed 50 % of the Price of the Work.
- 20.6 In the event of default by the Client in the payment of any invoice under this Contract, the Contractor shall be entitled to withdraw from this Contract only if (i) the Contractor has notified the Client of its default in the payment of the invoice under this Contract and (ii) a period of more than 90 calendar days has elapsed since such notification.
- 20.7 Once the Party entitled to withdraw from the Contract notifies the other Party that it is withdrawing from the Contract or that it wishes to continue in the Contract, it cannot change its choice.
- 20.8 If a Party could have withdrawn from the Contract for a material breach of a contractual obligation and did not exercise its right, this does not prevent it from withdrawing from the Contract at a later date with reference to similar conduct by the other Party.
- 20.9 The withdrawal shall take effect on the date of delivery of a written notice of withdrawal to the other Party. Upon withdrawal from the Contract, the obligation is extinguished from the beginning.
- 20.10 If one of the Parties has performed the Contract partially, the other Party may withdraw from the Contract only in respect of the unfulfilled remainder of the performance. However, if such partial performance is of no use to the entitled Party, that Party may withdraw from the Contract in respect of the whole performance. If the Contract obliges a Party to provide continuous or recurrent activities or provide a progressive partial performance, the other Party may withdraw from the Contract only with effect from that moment onward. This does not apply if partial performances which have already been accepted are no longer in themselves relevant for the other Party.
- 20.11 Withdrawal from the Contract is without prejudice to the right to contractual penalties, default interest if accrued, the right to compensation for damage resulting from a breach of contractual obligations, performance warranties under the Contract or arrangements which, due to their nature, are binding on the Parties even after the withdrawal from the Contract, in particular, but not exclusively, the provisions concerning the method for resolution of disputes, confidentiality, damages and their limitation, contractual penalties and their limitations, and warranties. If the debt has been secured, the withdrawal from the Contract shall not affect the security.
- 20.12 The Client may terminate this Contract by notice in the event that its performance cannot be continued without a material change in the obligations under this Contract within the meaning of Section 222 of the Public Procurement Act. In the

event of termination of the Contract by notice, the notice period shall be two (2) months, with the notice period commencing on the first day of the month following delivery of the notice to the other Party.

- 20.13 In the event of termination of this Contract other than by its completion, the Parties undertake to settle the existing contractual performance by mutual agreement in writing within one (1) month of termination of the Contract. This shall be without prejudice to Article **Error! Reference source not found.**

21 CONFIDENTIALITY

- 21.1 The Parties shall maintain the confidentiality of all information of a commercial, financial, manufacturing and technical nature (hereinafter referred to as “**Confidential Information**”) of which the Parties are aware or which they have obtained or have had in their possession in connection with the conclusion or performance of this Contract and which is not generally available to the public. The Parties are obliged to ensure the secrecy of the Confidential Information also with regard to third parties they have used in the performance of the Contract. This obligation shall survive the termination of this Contract. Either Party shall be entitled to claim a contractual penalty under Article 18.10 in the event of a breach of any obligation set out in Article 21 by the other Party.
- 21.2 Neither Party shall be entitled to use the Confidential Information concerning the other Party of which it has been made aware in the conclusion or performance of this Contract contrary to the interests of the other Party or for the benefit of third parties.
- 21.3 The Parties are obliged to create the conditions to ensure the protection of Confidential Information and to arrange for its protection.
- 21.4 The Parties shall be entitled to use the Confidential Information solely and exclusively for the purposes of cooperation under this Contract.
- 21.5 Confidential Information disclosed in accordance with the provisions of this Contract to the other Party in “tangible form” (written, electronic, etc.), including copies thereof, shall be returned to the disclosing Party upon termination of the Contract.

22 PERSONAL DATA PROTECTION

- 22.1 In connection with this Contract and the processing of personal data related thereto, the Parties undertake to comply, in particular, with Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (hereinafter referred to as the “**GDPR**”). The GDPR is followed by Act No. 110/2019 Coll., on the processing of personal data, as amended.
- 22.2 The Contractor acknowledges that it is a processor of personal data within the meaning of all the aforementioned legal regulations, with all the consequences and obligations arising therefrom. The Client is the controller of the personal data, with all the consequences and obligations arising therefrom.
- 22.3 The provisions on the mutual obligations of the Client and the Contractor as data controller and data processor in the processing of personal data ensure that no unlawful use of personal data relating to data subjects or its transfer into the hands of an unauthorised third party occurs. The Parties have agreed on the conditions for ensuring adequate measures to safeguard the protection of personal data and the fundamental rights and freedoms of data subjects in the processing of personal data by the processor.
- 22.4 The Contractor undertakes to process only and exclusively that personal data that is necessary for the performance of its activities under this Contract. The Contractor is entitled to process personal data under this Contract only and exclusively for the duration of this Contract. The Contractor is entitled to process personal data only for the purposes set out in the subject-matter of this Contract.
- 22.5 The Contractor is obliged to follow the Client's explicit instructions, if any, whether oral or written, when processing personal data. The Contractor is obliged to inform the Client immediately if, in its opinion, an instruction given by the Client violates the GDPR or other data protection regulations.

- 22.6 The Contractor is obliged to ensure that the persons through whom the Contractor performs this Contract will undertake to keep confidential all activities related to this Contract, and in particular to keep confidential all personal data to which they will have access or with which they will come into contact.
- 22.7 The Contractor is obliged, within the meaning of Article 32 of the GDPR, to take appropriate technical and organisational measures, taking into account the state of the art, the cost of implementation, the nature, scope, context and purposes of the processing and the risks (of different likelihood and severity) to the rights and freedoms of natural persons, in order to ensure a level of security appropriate to the risk, in particular to secure personal data against accidental or unlawful destruction, loss, alteration, disclosure to unauthorised parties, misuse or other processing in breach of the GDPR.
- 22.8 The Contractor shall notify the Client in writing of any suspected or actual breach of security of the processing of personal data under the provisions of this Contract, e.g., any deviation from the instructions given, deviation from the agreed access for the Client, planned disclosure, upgrades, tests, etc, which may modify or alter the security or processing of personal data, any suspected breach of confidentiality, any suspected accidental or unlawful destruction, loss, alteration, disclosure to unauthorised parties, misuse or other processing of personal data in breach of the GDPR. The Client shall be notified immediately of any material breach of these provisions on the processing of personal data.
- 22.9 The Contractor is not entitled, within the meaning of Article 28 GDPR, to involve another processor in the processing of personal data (prohibition of chain processing) without the prior approval and written consent of the Client.
- 22.10 The Contractor is obliged and undertakes to provide any and all cooperation to the Client that is requested in connection with the processing of personal data or that directly results from the GDPR. The Contractor is obliged to make its written technical and organisational security measures available to the Client on request and to enable the Client to check compliance with the technical and organisational security measures submitted.
- 22.11 Upon termination of this Contract, the Contractor shall be entitled to archive all personal data in its possession for a period of 10 years to be used as evidence of its activities in disputes, if any. Upon expiration of the archiving period, the Contractor shall erase or otherwise dispose of all personal data in its possession and, if it has not already provided it to the Client, shall hand it over to the Client and further erase or otherwise dispose of all existing copies thereof. The obligation referred to in this Article does not apply if EU or national law requires the Contractor to retain the personal data after the end of the said archiving period.

23 COMMUNICATION

- 23.1 The address for service of documents shall be the address specified in the Contract or the address notified as such in writing by the relevant Party to the other Party after the conclusion of the Contract.
- 23.2 The expression of will contained in the relevant consignment shall be deemed duly made towards the addressee even if the addressee refuses to accept the expression of will or otherwise intentionally prevents its delivery, or if the respective postal licence holder returns the expression of will sent to the addressee's mailing address to the sender as undelivered for any reason.

24 FORCE MAJEURE

- 24.1 Neither Party shall be held liable for failure to perform any of its contractual obligations under this Contract as a result of an event of force majeure. Payment obligations incurred prior to the event of force majeure will not be waived by that event.
- 24.2 For the purposes of this Contract, force majeure shall mean an extraordinary, objectively unavoidable circumstance that cannot be prevented even if every effort is made to do so under the circumstances of the particular case. As a rule, only an unavoidable event of a more general and extensive nature shall be deemed an event of force majeure, regardless of whether it is a natural event (e.g., a natural disaster) or event of a social nature (e.g., an event of war, a contagious disease of the nature of an epidemic, a strike, etc.). However, this may not be a circumstance that is unavoidable only subjectively, which results from the personal, especially economic, circumstances of a Party (e.g., illness, death by accident) and obstacles to performance that the Party was obliged to overcome or remove.

- 24.3 In the event of any delay by the Contractor or the Client in the performance of its obligations under this Contract due to events of force majeure, the obligated Party shall be entitled to extend all performance deadlines for such time as is reasonable and necessary to overcome the consequences of such events of force majeure.
- 24.4 Upon becoming aware of the occurrence of an event of force majeure, the Party whose performance under this Contract is threatened by such an event shall immediately notify the other Party in writing and shall use its best efforts to overcome its inability to perform its obligations under this Contract.

25 FINAL PROVISIONS

- 25.1 This Contract comes into force and effect upon its signing by both Parties.
- 25.2 No (general) terms and conditions of business, whether created or applied in other contractual relations by the Client or the Contractor, professional organisations and associations of a national or international nature or other entities and bodies, shall form part of this Contract, nor shall such terms and conditions apply to this Contract or any rights and obligations arising from or related to it.
- 25.3 Any disputes arising out of the Contract, including disputes arising out of relations related to the Contract, as well as questions of validity or invalidity of the Contract, which cannot be resolved by negotiations between the Parties, shall be finally decided by the Arbitration Court attached to the Czech Chamber of Commerce and the Agrarian Chamber of the Czech Republic in accordance with its Rules by three arbitrators. The Parties agree on the Czech language as the language of arbitration. The Contract shall be considered before the Arbitration Court in accordance with Czech law. The costs of translation into another language, if any, shall be borne by the Party who ordered such translation.
- 25.4 The titles of the various paragraphs and Annexes in this Contract are for convenience of reference only and shall in no way affect the interpretation of this Contract.
- 25.5 By signing this Contract, the Contractor confirms that it has received from the Client, sufficiently in advance of the conclusion of this Contract, the Technical Requirements, that it has them in its possession, and that it has assessed and examined the Technical Requirements in sufficient detail prior to the conclusion of this Contract and considers them to be a sufficient basis for the conclusion of this Contract and the proper performance of the Work under this Contract in such a way as to ensure that the Work serves its purpose and meets all the conditions agreed in this Contract and the requirements imposed on and expected of it, without the need for any extra work, change of dates or increase in the Price of the Work. The Contractor further declares that it has sufficiently familiarised itself with the Client's intentions to carry out the Work and its requirements in relation to the Work (in particular its further use, etc.), that it has carefully studied and assessed all the documents referred to in this Contract or provided to the Contractor, that it has clarified any ambiguities with the Client before concluding the Contract, and that it proceeds to conclude this Contract on the basis of these facts.
- 25.6 The Contractor agrees to publish the contents of the Contract or its parts in accordance with Act No. 106/1999 Coll., on free access to information, as amended. The Contractor is aware of the fact that the Client, as a public contracting authority, is obliged under the Public Procurement Act to publish the full text of this Contract, including all annexes and amendments, and the amount of the price actually paid on its contracting authority profile after the termination of the Contract.
- 25.7 The Contractor is not entitled to assign any claim arising from this Contract to a third party without the prior written consent of the Client. The Contractor is not entitled to set off any of its receivables from the Client under this Contract against any receivables of the Client from the Contractor.
- 25.8 Where references are made in the Contract to business packages (abbreviated as OBs), these business packages (OBs) shall have the meaning as set out in the Technical Requirements.
- 25.9 The rights and obligations of the Parties under this Contract shall be governed by the laws of the Czech Republic, in particular the relevant provisions of the Civil Code.
- 25.10 If any provision of this Contract should be invalid, ineffective, void or unenforceable, such a provision shall not render the entire Contract invalid, ineffective, void or unenforceable. In such an event, the Parties shall, without undue delay after becoming aware of such a provision, replace any such invalid, ineffective, void or unenforceable provision with another provision that best fulfils the same purposes as the invalid, ineffective, void or unenforceable provision in terms of content and purpose.

25.11 This Contract has been drawn up in two counterparts originally in the Czech language, each with the validity of an original instrument, one copy for each of the Parties.

25.12 The following Annexes are an integral part of this Contract:

- 1 Technical Requirements;
- 2 Proposed technical solution of the Work submitted by the Contractor in the Tender;
- 3 Model agreement on a uniform procedure for agreeing changes to the subject-matter of the Work;
- 4 Guaranteed values filled in by the Contractor;
- 5 Visiting Rules of ŠKODA AUTO a.s.
- 6 List of members of the implementation team;
- 7 OHS penalty schedule;
- 8 Contractor-completed Annex J to the Tender Documentation – Operating Expenses Form for the purpose of evaluating tenders under the tender procedure for the Public Contract;
- 9 Contractor-completed Annex K to the Tender Documentation – Price offer and timetable.

The Parties acknowledge that they have read and understood the terms and conditions contained in this Contract. In witness of their genuine willingness to accept the obligations under this Contract, the Parties hereto affix their signatures below. The Parties hereby acknowledge receipt of the relevant number of counterparts of this Contract.

CLIENT

CONTRACTOR

In _____, on _____

In _____, on _____

ŠKO-ENERGO, s.r.o.,

Jaromír Vorel, Executive Director

[TO BE COMPLETED],

Name: **[TO BE COMPLETED]**, title: **[TO BE COMPLETED]**

In _____, on _____

In _____, on _____

ŠKO-ENERGO, s.r.o.,

Tomáš Kubín, Executive Director

[TO BE COMPLETED],

Name: **[TO BE COMPLETED]**, title: **[TO BE COMPLETED]**