

INFORMATIVE TRANSLATION FROM THE CZECH LANGUAGE

Annex No. 3 to the Contract for Work

AGREEMENT ON A UNIFORM PROCEDURE FOR AGREEING CHANGES TO THE SUBJECT-MATTER OF THE WORK

(hereinafter referred to as „Agreement“)

1 INTRODUCTORY PROVISIONS

- 1.1 The Agreement is based on the provisions of Article 3 and Article 5.9 of the Contract for Work concluded on [●] between ŠKO-ENERGO, s.r.o., with its registered office at tř. Václava Klementa 869, Mladá Boleslav II, 293 01 Mladá Boleslav, Company ID No.: 61675938, registered in the Commercial Register maintained by the Municipal Court in Prague, file No.: C 38550, as the Client, and [TO BE COMPLETED], as the Contractor, (hereinafter referred to as the "Contract") and deals with the organisation, application, negotiation and approval of changes to the Work, which are specified in particular in Article 3 of the Contract. The procedure of the Parties pursuant to this Agreement shall allow for a comprehensive and uniform registration of all changes to the subject of the Work and their possible impact on the Price of the Work and the Payment Milestone and the Time Milestone for the execution of the Work.
- 1.2 Unless otherwise explicitly stated in this Annex, capitalized terms and expressions used and not defined in this Annex shall have the meanings set forth in the Contract.
- 1.3 For the purposes of this Agreement, a change means in particular, but not limited to, changes specified in Article 3 of the Contract, i.e., changes to the Work that are not a material change to the commitment under the Contract relating to a Public Contract within the meaning of Section 222 of the Public Procurement Act ("Change").

2 DEMAND FOR A CHANGE

- 2.1 A demand for a Change shall be submitted by the Party proposing or initiating the Change promptly after the need for the Change has been identified, in writing in one of the following forms:
 - a) by entry in the construction log or, where appropriate, in the change log;
 - b) the minutes of the construction inspection day; or
 - c) minutes of another meeting (e.g., a meeting called directly to deal with the Change).
- 2.2 The record will contain a description of the Change (i.e., in relation to the materials used, changes to the partial technical solutions, modifications and additions to the design solution, etc.) and its justification (for what reason the Change is required). On the basis of the record, the Party that has triggered the Change shall promptly convene a meeting on the Change.

3 CHANGE SHEET

- 3.1 Based on the record and discussion of the Change, the Contractor shall prepare a Change Sheet and provide a line-item budget for the Change. In the line-item budget of the Change ("Change Budget"), the subparts of the Change shall be prepared in such a way that they can be assigned to the changes pursuant to Section 222(4-6) of the Public Procurement Act. When preparing the Change Budget, the Contractor shall classify each Change under one of the reasons for permitted changes under Section 222(4-6) of the Public Procurement Act.
- 3.2 The Contractor shall first seek to classify the Changes under one of the grounds set out in Section 222(5) or (6) of the Public Procurement Act. In the event that a Change cannot be classified under any of the grounds set out in the preceding sentence, the Contractor may classify the Change under Section 222(4) of the Public Procurement Act; however, the Contractor shall only be entitled to do so if it can be expected with a high degree of probability that further Changes will not be implemented during the course of the Work or that subsequent Changes, including Changes already implemented, will not exceed the limits set out in Section 222(4) of the Public Procurement Act.
- 3.3 The Change sheet will be approved and signed by the Construction Supervisor and the person authorised to act in technical matters for the Contractor. The Change sheet shall then be submitted to the Client for approval. After approval by the Client, the Change sheet shall be submitted for signature by the authorised representatives of the Parties.

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4 DISCUSSION OF CHANGES

- 4.1 The following persons are authorised to discuss the Changes:
- a) on behalf of the Client:
 - Name: [will be completed by the Client before the conclusion of the Contract]
 - Position: [will be completed by the Client before the conclusion of the Contract]
 - Phone number: [will be completed by the Client before the conclusion of the Contract]
 - e-mail: [will be completed by the Client before the conclusion of the Contract]
 - b) on behalf of the Contractor:
 - Name: **[TO BE COMPLETED]**
 - Position: **[TO BE COMPLETED]**
 - Phone number: **[TO BE COMPLETED]**
 - e-mail: **[TO BE COMPLETED]**
 - c) on behalf of the Designer:
 - Name: [will be completed by the Client before the conclusion of the Contract]
 - Position: [will be completed by the Client before the conclusion of the Contract]
 - Phone number: [will be completed by the Client before the conclusion of the Contract]
 - e-mail: [will be completed by the Client before the conclusion of the Contract]
- 4.2 When discussing the Change, the Contractor submits and warrants:
- a) technical description, reasons for the Change and the Change Budget;
 - b) an arrangement for the preparation of an amendment to the Project Documentation if the Change requires a revision of the Project Documentation or amendments to the Project Documentation; the design of the Change shall always take into account any continuity with other parts of the modernisation of the Heating Plant being carried out by other contractors;
 - c) if the Change requires a change to the Payment Milestone or Time Milestone, that they shall procure the preparation of an amendment to the Payment Milestone or Time Milestone;
 - d) that the technical design of the Change has been discussed with the Designer; and
 - e) that the Change Budget is prepared in accordance with the Contract.
- 4.3 When discussing the Change, the Designer examines the following:
- a) whether the Change has been triggered by the facts set out in the justification of the Change prepared by the Contractor and verifies the necessity of the Change in relation to the Project Documentation and the situation during the execution of the Work; and
 - b) the accuracy of the Contractor's amendment to the Project Documentation, in particular in relation to the original Project Documentation and in relation to the continuities with the individual subparts of the Project Documentation, if the Change requires the preparation of the Project Documentation or an amendment to the Project Documentation.
- 4.4 When discussing the Change, the Construction Supervisor shall examine:
- a) the accuracy of setting the unit prices under the Contract and the accuracy of calculating the price of the Change;
 - b) on the basis of the Designer's opinion, the possibility and necessity of executing the Change pertaining to the situation during the implementation of the Work.
- 4.5 The discussed Change, accompanied by a clean copy (final version) of the Change Sheet, is submitted for approval.
- 4.6 The following persons are authorised to approve the Change:
- a) On behalf of the Client: [will be completed by the Client before the conclusion of the Contract]
 - b) On behalf of the Contractor: **[TO BE COMPLETED]**.
- 4.7 The Client verifies the approval of the Change and confirms that the Change submitted in the Change Letter expresses the intention of the Parties to implement the Change. The Client further consents to the execution of the Change under the price terms set out in the Change Budget with an adjustment to the period of performance due to the execution of the Change.
- 4.8 The Contractor, by approving it, verifies the execution of the approved Change under the price terms set forth in the Change Budget and within the timeframes specified in the Change Sheet.

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5 APPROVAL OF THE CHANGE

- 5.1 The Change is approved once the Change Sheet is signed by authorised representatives of both Parties. The approved Change must be included in the scope of the Work in the Contract, in the form of an amendment to the Contract, whereupon the Change may be implemented by the Contractor and invoiced in each case by a separate invoice supported by an itemized list of deliveries and performances.

6 FINAL PROVISIONS

- 6.1 The Parties shall keep a record of all agreed Changes.
- 6.2 The following annexes form an integral part of this Agreement, which is Annex No. 4 to the Contract:
Annex No. 1 to the Agreement – the Change Sheet

ON BEHALF OF THE CLIENT

In _____ on _____

ŠKO-ENERGO, s.r.o.,

Jaromír Vorel, the Executive

In _____ on _____

ŠKO-ENERGO, s.r.o.,

Tomáš Kubín, the Executive

ON BEHALF OF THE CONTRACTOR

In _____ on _____

[TO BE COMPLETED],

[TO BE COMPLETED], [TO BE COMPLETED]

In _____ on _____

[TO BE COMPLETED],

[TO BE COMPLETED], [TO BE COMPLETED]

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Annex No. 1 of the Agreement

Change Sheet

Change sheet name		Change sheet designation	
Change impact	Project documentation		YES / NO
	Change on the Contractor's side		YES / NO
	Change in construction / installation		YES / NO
Documents supporting the change sheet			

Description of the change and its impact:

Grounds for the change:

Activities arising from / needed because of the change:

Change impact on the contract price (all prices excluding VAT)	
Item price impacted by the change	
Original item price	
Increase / decrease in item price	
Final item price after the increase / decrease	

Change impact on the execution date	
Execution date impacted by the change	
Original execution date	
Extension / shortening of the execution date	
Final date	

Client change approval	
Project lead	
Date	
Person authorized to act on behalf of the Client	
Date	

Contractor change approval	
Construction Supervisor	
Date	
Person authorized to act on behalf of the Contractor	
Date	