

General Contractual Terms and Conditions for Performance of Work

that, pursuant to Section 1751(1) of Act No. 89/2012 Coll., the Civil Code, determine part of the content of Performance Contract No./...

I. Basic Provisions

1. The General Contractual Terms and Conditions for Performance of Work (hereinafter "TaC") are an integral part of the aforementioned performance contract (hereinafter "PC").
2. The contracting parties agree that the contractor cannot refer to its business terms and conditions or any other business terms and conditions, e.g. drafted by specialist or special-interest organisations.
3. Conflicting provisions in the performance contract have priority over the text of these TaC.

II. Rights and Duties of Contractor in Relation to Subject of Work

1. For the type and extent of performance, deliveries and work what is decisive is the contract and source documents handed over, even those additionally drafted during the course of the performance of work. The extent of the performance of the work comprises all performance, deliveries and work that are necessary for full compliance with the contractor's contractual obligations, including ancillary and additional activities in such a manner that the subject of performance is fully functional and is in accordance with the relevant technological regulations, project documentation and legal regulations. Deliveries, activities and work that the contractor performed over the framework of the contractual assignment without the client's written authorisation do not have to be paid for by the client. The contractor shall compensate for damage that the client suffers due to this. In the event that source documents for the performance of the work handed over later entail a change to the extent of the work or the method of performance or are such that the contractor could not have expected them based on the source documents handed over at the time the contract was signed, while exercising all due diligence, such changes will be dealt with in accordance with the provisions on additional/less work in these TaC.
2. Unless the PC provides otherwise, the subject of performance by the contractor includes the following activities:
 - Arranging of the necessary materials, things, energy and other necessary media;
 - Transport of the necessary materials, things, machinery, tools, equipment and devices, as well as a sufficient amount of labour for the performance of the work;
 - The performance of all tasks that are part of the performance—assembly, work and deliveries of all preparatory, demolition, excavation and installation work, all ancillary and associated activities (e.g. arranging permits for related deliveries to the Czech Republic, certificates, tests, inspection reports and other specified documents, etc.);
 - Equipment and clean-up of the building site/workplace for the contractor's needs;
 - Surveying work necessary for the performance of the work;
 - The performance of measures necessary to protect current and newly-built utility networks that could be damaged by the performance of the work. The contractor also takes note that the information handed over by the client regarding current utility networks stated in the source documents and instructions of network administrators may not be precise. The contractor is therefore obligated, before the start of work, to perform research and a survey of all utility networks affected. In the event this duty is breached, it is liable for damage;
 - Fencing of excavations when realising the work and returning affected areas and roads to their original condition, or a condition determined by the relevant permit for excavation work;

- Storage of temporarily disassembled equipment and machinery, maintenance of the work until its handover to the administrator authorised by the client;
 - Preparation of source documents for surveying the work and surveying of the work performed by the contractor;
 - All ancillary work related to the performance of the work, including the payment of costs for its performance, for example removal and disposal of waste, surplus earth and construction rubble, including the costs of loading, the costs of transport, operation and disposal of building site equipment, including measuring of energy used, all movements of materials, the costs of ensuring safe operation and occupational safety at the workplace, any charges related to the use of public land and roads;
 - The costs of correcting any damage or dirtying of roads in connection with the performance of the work, etc.;
 - The drafting and handover of workshop and production documentation, if necessary in a specific case, or if required by the client;
 - *Ongoing making and handover to the client of photographic documentation of the construction project (with photograph captions) and its storage on a data medium (including photographic documentation of covered structures);*
 - Drafting and handover of documentation of the actual performance of the work;
 - Handover of all documents required by the relevant regulations concerning quality, in particular the handover of construction technical certifications ("**Certificates**") for products built in to structures in accordance with Act No. 22/1997 Coll., on technical requirements for products, as amended, and its implementing regulations, and a Declaration of Performance for Construction Product incorporated in a permanent manner in construction works in accordance with Regulation (EU) No 305/2011 of the European Parliament and of the Council laying down harmonised conditions for the marketing of construction products.
 - Preparation and handover of operational documentation concerning subsequent operation, service and maintenance of the work;
 - As far as concerns deliveries of equipment – their adjustment, bringing into operation and arranging of test operation for a period of no less than 14 days for the purpose of participation of a competent person, including operator training;
 - Handover of documents on tests performed, inspections and other necessary related documents;
 - Handover of all documents necessary for the handover and acceptance of the work and for the performance of occupation approval proceedings and for the issue of an occupation approval consent, as well as the performance of work and activities that may result from the requirements claimed as a part of the acceptance of the work by the client and from occupation approval proceedings.
3. The contractor will perform, as a part of its contractual deliveries, work and activities (i.e. the work), in addition to the above, all necessary additional, ancillary and supplementary activities that may not be expressly stated in the source documents for the contract, but that are necessary for the full material and professional performance of the contractual work and activities or for their functionality, in connection with the other deliveries, work and activities. All the activities stated in this and the previous section are not regarded as additional work for the purposes hereof and are already covered by the price of performance.
4. The contractor undertakes to perform obligations resulting from decisions of administrative bodies, if such decisions were handed over to the contractor through an entry in the site diary or in another demonstrable manner. At the client's request, the contractor will participate in discussions in administrative proceedings and submit the relevant opinions. All related activities and costs of the contractor are contained in the agreed price of the work.
5. Extent of Work, Changes to Extent, Additional Work/Less Work
- 5.1 Additional Work, Less Work

- a) The client is entitled to expand or limit the extent of the work or request any change to the work or any of its parts (additional work or less work) directly related to the work and for this purpose it is entitled to issue the contractor with instructions for the performance or non-performance of such work, through an entry in the additional work diary, an entry in the site diary, the confirmation of a list of work done or in another written form that the contractor and the client demonstrably agree on for this purpose.
- b) A change to the work ("additional work" or "less work") is understood to mean the performance of the work with a qualitative (material, standards) or quantitative (volume) extent different to that stated in the source documents for the performance of the work, i.e. the performance of additional work that was not be part of the source documents for the performance of the work and that is to be performed (additional work) or the non-performance of work that was part of the source documents for the performance of the work, but was demonstrably not performed (less work). A change to performance can occur based on one of the following facts:
 - i. A request of the client; or
 - ii. A change to a source document for the performance of the work; or
 - iii. A decision of the competent state administration body related to the work issued after the conclusion hereof; or
 - iv. A request of network administrators affected by the performance of the work issued after the conclusion hereof.
- c) The following, in particular, are not additional work:
 - i. Work, activities and deliveries that result from a specification of the work in accordance with higher levels of project documentation; such specifications do not include an expansion of the subject of the work to include additional, unforeseen parts, but govern, to the necessary extent, the subject of the work in such a manner that the work, as part of the construction project, meets, in all its parts and functions, the requested resulting useful, functional and technical parameters;
 - ii. Work, activities, deliveries and other performance that was, with specialist care, foreseen at the moment of conclusion of the PC and that is also necessary for the work to be completed in full and on time in accordance with the source documents and standards applied to it;
 - iii. The work stated in Articles II.3 and II.4 of these TaC.

Although the aforementioned performance does not represent additional work, the contractor is obligated to draw the client's attention to the necessity of its performance within three calendar days. The work does not have an influence on the price or the date of performance of work and its performance is confirmed by a representative of the client at the construction site (for realisation matters) by an entry in the site diary.

5.2 Approval of Additional Work or Less Work

- a) In the event of the making of a request for a change to the subject of performance in accordance with para. 5.1(a) and/or (b) of this article, the contractor is obligated, within three business days of receiving a request for a change to the work, to submit to the client an itemised breakdown of the price for the requested change and, if necessary, a new schedule for the work that includes the expected change, and to ensure compliance with the final date for the completion of the work. The breakdown of the price will be based on unit prices at the same price level as the prices in the contractor's bid, which is an annex to the performance contract. In the case of work and deliveries not stated in the contractor's bid, the price breakdown will be based on the relevant prices stated in the ÚRS Praha, a.s., pricelist reduced by 10%. In the event the contractor, within three business days of receiving a request for a change to the work, does not submit to the client an itemised breakdown of the price for a requested change and/or a new schedule for work in accordance with the first and second sentence, the contractor is obligated to make such change without an impact on the contracted

schedule or date of completion of work and, if it is additional work, also on the price of the work.

- b) In the event that changes have an influence for a technical or technological reason on the further progress of work (related work or the date of completion of the work), a written notification of such influence of a change will be part of the price breakdown and any new schedule.
 - c) After the written approval of the subject of a change by the client, the contractor is obligated to start performing a change to the subject of work. Any non-agreement on the price and date of a change is not a reason not to start or complete such change or to suspend or halt work.
 - d) If the contracting parties reach an agreement on a change, including the price and date, its approval is binding on both contracting parties. The contractor subsequently undertakes to sign the amendment to the contract in connection with an agreed change to the extent and price of the work or the date, within seven calendar days of the approval of the change.
- 5.3 The contractor undertakes to accept any changes to the extent of the work requested in writing by the client in accordance with the previous sections up to a total amount of 10% of the contractual price, without an entitlement to a change to the date of completion of the work. A condition is that the client makes a request on time in such a manner that the performance of work by the current date of completion is realisable.
- 5.4 The capacity or technical inability to perform a change in accordance with the date agreed or requested by the client will be stated and proved in writing to the client by the contractor without delay.
- 5.5 In the event of a change to the subject of the work that has an influence on the date of completion of the work and that takes the parties over the 10% limit, the other parts of the work not affected by this change will be performed by the contractor on the original dates (milestones), unless the contracting parties agree otherwise.
- 5.6 Additional work must be billed under a separate tax document, which can be issued after its contracting in the form of an amendment to the contract and its performance.
6. If the contractor does not perform its duties resulting from Article II.4 to II.5 of the TaC even after a repeated call of the client stated in the site diary, the client is entitled to arrange the realisation of the requested changes by another contractor. In this case the contractor will reimburse the client for any and all demonstrable additional costs and damage arising, where such interference by a third party with the subject of the work does not terminate the contractor's duty to guarantee the quality of the work as a whole.
7. The contractor is obligated to attend meetings/inspection days on the site that are convened in writing by the client's representative in the site diary, and send a representative to them who is entitled to decide (even immediately) on technical and realisation matters. Minutes of these inspection days will be made and signed by the authorised representatives of both parties. Minutes of an inspection day cannot amend the contract's provisions. Agreed dates and other provisions signed in the minutes of an inspection day or otherwise agreed in writing by the contracting parties are binding on both parties, unless they are in conflict with a contract concluded and/or these TaC.

III. Actions by Client in Event of Non-performance of Contract by Contractor

1. The client is entitled to get involved in the event of non-performance of the contract's provisions by the contractor, at the contractor's expense. The client is entitled, for this purpose, to request a remedy by a deadline it states, it can give the contractor an instruction to suspend work in the

event uncorrected defects fundamentally endanger the quality of work as a whole, will not approve work not done in the required quality for the purposes of a statement of work done; it can also, itself or through a third party, realise some parts of the work, supplementary and ancillary work, cleaning, security measures, etc., especially in the following cases:

- a) The contractor is more than one week late compared to the approved work schedule, on both the whole work and on its part, and measures that the contractor proposed at the client's request in the site diary are not leading to the correcting of the delay;
- b) There is no daily cleaning of the workplace or removal of waste arising through the contractor's activities, even by an additional deadline set by an entry by the client in the site diary;
- c) Despite a written notification from the client in the site diary, the contractor is not complying with OHS, fire prevention or environmental protection regulations at the building site;
- d) The structures or other parts of the work performed are not, even after a request from the client stated in the site diary, brought into compliance with the requirements for the quality of the performance of the work (see the contract, project documentation, legal regulations and valid standards).

Such interference with the contractor's work performed by the client or a third party based on the client's instruction does not affect the contractor's duty to complete the work in time, in the required quality and with all requisites and penalties in the event of the non-performance of such duties in accordance with the performance contract. It also does not terminate the contractor's warrantee for the quality of the work as a whole or its liability for defects in the work as a whole, and the obligations and duties resulting from the contract are not affected; the contractor cannot waive them or otherwise get out of them, which applies in full to any partial obligations and duties of the contractor in this regard.

2. If the contractor was not able to perform the work or part thereof in a timely or quality manner and the client performed such work, deliveries and activities or they were performed by a third party at the client's instruction, the client is entitled to draw such related costs after their calculation from the banker's guarantee or other security, or unilaterally set them off against the contractor's receivables that are due or not yet due.
3. The client is entitled to withdraw from the contract in the event of a material breach of the contract by the contractor. Withdrawal from the contract does not affect a claim for compensation for damage arising through a breach of the contract or an entitlement to a contractual penalty. After withdrawal from the contract by either of the contracting parties, the contractor is not entitled, without the client's prior written consent, to assign any receivables from the client to a third party. Such assignment would be invalid.
4. In addition to cases in accordance with Section 2002(1) of Act No. 89/2012 Coll., the Civil Code, the following are regarded as a material breach of the contract:
 - a) Grossly or repeatedly poor-quality performance by the contractor;
 - b) A delay by the contractor performing the work lasting more than two weeks compared to the contracted dates, the approved work schedule or dates agreed on inspection days;
 - c) The realisation of the work or part thereof by a subcontractor of the contractor that was not approved by the client;
 - d) The use of source documents handed over for purposes other than those stated in the performance contract or these TaC or their provision to a third party without the client's knowledge;
 - e) A breach of regulations on occupational health and safety, fire prevention and environmental protection;
 - f) The wilful suspension of work or the performance of work in a manner that evidently does not correspond to the agreed extent of the work or the deadline for the performance of the work;
 - g) A declaration of the contractor stated in Article II(6) of the performance contract proves to be untrue;
 - h) A breach of a duty of the contractor stated in Article V(10) or (11) of the performance contract;

- i) A breach of a duty of the contractor stated in Article V(13) of the performance contract;
 - j) A breach of a duty of the contractor stated in Article IV(7) of these TaC;
 - k) A declaration of the contractor stated in Article IV(15) to (18) of these TaC proves to be untruthful or the contractor breaches any conditions of the licence stated in Article IV(15) to (18) of these TaC;
 - l) A repeat breach of the other provisions of the performance contract or these TaC.
5. The client is entitled to withdraw from the contract also in the event the legal facts stated in para. 5 and 6 of Article IV.a of the PC occur.
6. The client is entitled to withdraw from the contract also in the event that a declaration of the contractor in accordance with paragraph 13 and/or 14 of Article XI of these TaC proves to be untrue, or if it stops being true, or if another fact foreseen in Section 109 of the VAT Act giving rise to a guarantor's obligation of the client for the contractor concerning unpaid value added tax occurs.
7. The client is also entitled to withdraw from the contract in the event that, in accordance with the conditions of a contract concluded between the client and a higher client, such higher client orders the replacement of the contractor by a third party.
8. The client is entitled to withdraw from the contract also in the event the contractor does not perform a duty in accordance with Article XV(2) of these TaC.
9. The contracting parties expressly agree to exclude Section 2004(1) of Act No. 89/2012 Coll., the Civil Code, i.e. in the event of withdrawal from the contract the obligations resulting from it are cancelled as of the moment of delivery of a written expression of will of the authorised contracting party stating that it wants to withdraw from the contract to the other contracting party.
10. At the client's written request, the contractor is obligated to dismiss from the performance of the work any worker whose behaviour demonstrably endangers the full performance of the work, which is understood to mean, in particular, a repeated breach of regulations on fire prevention, public health, occupational health and safety or environmental protection, poor-quality or unqualified performance of work, or unsuitable or disrespectful behaviour regarding other persons at the workplace.
11. The contracting parties expressly agree on the exclusion of Section 2595 of the Civil Code, i.e. the contractor cannot withdraw from the performance contract for the reason that the client insists, even after a warning from the contractor, on the performance of the work in accordance with an evidently unsuitable order or the use of an evidently unsuitable thing.
12. If the obligation to perform the work terminated other than through performance, in particular if it terminated as a consequence of withdrawal from the contract, the client is obligated to pay the contractor always no more than the amount by which the client was demonstrably enriched by the performance of the work. The value of such enrichment will be calculated based on unit prices in accordance with the PC and the volume of work actually done by the contractor until the moment of withdrawal, where it will not exceed the agreed maximum allowable price of the work. The performance that the contractor received from the client will always be set off against enrichment to the extent to which they overlap. In the event of a positive balance, the contractor has to return the performance to the client without undue delay.
13. In the event of the termination of the legal effects of the contract based on withdrawal from the contract, in accordance with an express agreement of the parties this will not terminate entitlements to contractual penalties, to a discount on the price in accordance with Article IV.a of the PC, arrangements on securing a debt, arrangements on liability for defects in the work including the warrantee for quality, liability for damage and non-asset detriment, and the contractor's obligations not to assign and not to pledge its receivables under the contract to a third party do not terminate, unless the client gives its written consent to this, and the licence and related duties do not terminate in accordance with Article IV(15) and (18) of these TaC.

The client is also entitled, in the event of withdrawal from the contract, to set off any due and not yet due receivables from the contractor against any due and not yet due receivables of the contractor, i.e. the option of setting off applies also to receivables under any unreasonable enrichment.

14. If the obligation to perform the work terminates other than through performance (i) the client becomes the owner of all materials, project documentation and other things that the contractor delivered to the building site or construction project and that were to be or could have been used for the full performance of the subject of work by the contractor, and (ii) the client is entitled to use, for the usual price, structures, equipment, etc. supplied by the contractor that the contractor used or was to use during the performance of the work, unless, without undue delay, the client decides otherwise and communicates such decision to the contractor. The parties will agree the other conditions for such use in writing; if they do not do so, the use will end upon the delivery of a call of the client for the acceptance of things used by the contractor.

IV. Duties of the Contractor

1. The contractor is obligated, during its activities in accordance with the contract, to comply with the client's instructions, unless they conflict with the contents hereof, these TaC or legal regulations, and to perform them precisely and in time. The contractor will draw the client's attention to any conflict. If the contractor does not perform an instruction of the client without undue delay, the client is entitled to write an instruction in the site or assembly diary, or the additional work diary, or send the contractor a written instruction. If this written instruction is not executed by the contractor within three days of entry in the site diary or delivery, the client is entitled to take any measures it sees fit for the performance of the work on the contractor's account. The client is entitled to set off all such costs against amounts owed to the contractor or amounts that it will be obligated to pay in the future. The claiming of authorisations resulting from this article in no way limits the contractor's liability for the work realised. The contractor is obligated to perform the client's instructions immediately, if the instructions relate to matters concerning the relationship with the public, adjacent properties or compliance with legal standards.
2. The contractor can place the work or part thereof with sub-contractors only with the client's prior written consent. If a sub-contractor is approved by the client, the contractor is liable for it the same as if it performed the work itself. A request for approval of a subcontractor must be in writing and must contain the precise specifications of the subject of work that the subcontractor will perform for the contractor and other information requested by the client. The contractor will inform the client in advance in writing of any changes to the subject of work by a subcontractor.
3. The contractor is responsible for the qualifications of its workers in individual professions, so that it is valid for the entire duration of professional activities (binders, crane operators, welders, fork-lift truck drivers, construction lift operators, construction machinery and equipment operators, etc.). Before the start of work the contractor will hand over to the client copies of qualification permits. The contractor is also responsible for all its workers undergoing a medical examination, based on which they are able to perform work in the relevant profession. In the case of professions where it is required by a legal regulation, the contractor will arrange regular control examinations.
4. The contractor will perform the work to the extent, in the quality and by the dates in accordance with the performance contract and these TaC.
5. The contractor will arrange the marking of all its employees and all employees of any subcontractors of the contractor that enter the building site. Marking shall be understood to mean the visible stating of the first name and surname of persons and the name or logo of the contractor's (subcontractor's) company on work clothing or protective helmets, unless the client requires other marking. The aforementioned duty applies also to the marking of persons that are self-employed.

6. The contractor takes note of the duty of all persons to wear reflective vests, protective helmets, work clothing, work footwear and other necessary protective aids at the building site. The contractor is obligated, when performing the work, to only use equipment for descending and ascending for frequent use (professional category). Exceptions can be permitted only in reasoned cases by the client's site manager (e.g. when performing completion work in the interiors). A written record of the granting of an exemption will be made in the site diary. The contractor will acquire all products at its own expense.
7. The contractor undertakes to comply with the Metrostav Group Code of Ethics: <https://www.metrostav.cz/cs/o-spolecnosti/eticky-kodex-a-eticka-linka>.
8. Always when the contractor is working at the construction project, the contractor is obligated, within 60 minutes of the start of work, to inform the client in writing through an entry in the site diary or by handing over written information that will be an annex to the site diary, at the construction project's office, of the current number, first names and surnames of its employees present at the construction project, where the entry in the site diary or written information will be performed based on a list of names handed over to the client upon the start of work.
9. The contractor is obligated not to exceed the noise and dust levels for its work in accordance with valid Czech technical standards, public health regulations and building permits.
10. The contractor is obligated to protect all current equipment and fittings of the work, construction project and building site, as well as of neighbouring buildings. If damage is caused by the contractor's activities or in connection with them, the contractor is obligated to arrange a prompt professional remedy at its own expense.
11. The contractor is obligated to, promptly or by the agreed dates in ongoing fashion, correct defects in the work ascertained and designated during its realisation by the client's authorised representative in matters concerning quality control and compliance with project documentation and stated in the site diary.
12. Selected materials and services for the performance of the work will be requested by the contractor from preferred suppliers. A list of selected materials, services and preferred suppliers is stated at www.metrostav.cz: "entry for suppliers". In all cases where the range of a preferred supplier is not suitable for the contractor, the contractor is obligated to demonstrably submit to the preferred supplier a better competing bid and ask it to make a specific improvement to its bid (LAST CALL). If the preferred supplier's bid is not demonstrably worse, the contractor is obligated to order the selected materials and services from the preferred supplier.
13. The contractor is obligated to comply with Act No. 505/1990 Coll., on metrology, as amended. The contractor is obligated, before the start of work, to submit a list of all set and working measuring devices that it will use for measurements during the course of the order. Marking of orientation measuring devices, which must be initially calibrated, is also required. If, during the realisation of the work, the validity of calibration or verification of a measuring device that is stated on the list ends, the contractor is obligated to immediately withdraw the measuring device from use and replace it with another measuring device, which it will add to the aforementioned list. If a measuring device is damaged, the contractor is obligated to immediately withdraw such measuring device from use and subsequently remove it from the construction project. Special measuring devices used by the contractor at construction projects can be used only by workers of the contractor that have specialist knowledge or have done special tests. If there is any defect in a measuring device, a worker of the contractor is obligated to immediately stop using the measuring device and check whether the defective measuring device was used for previous measurements. If the error in the measuring device has already influenced the results of measurement, it is obligated, through its signature, to confirm the invalidity of the previous results of measurements.
14. The contractor is obligated to ensure that its workers at the construction project, through their clothing, behaviour and conduct, do not damage the client's professional image.

15. The contractor hereby declares that the subject of performance by the contractor in accordance with the contract does not breach any intellectual property rights of any third party and the use of the subject of performance by the contractor in the manner foreseen in the contract or the usual manner with regard to the subject of performance by the contractor is not a breach of the intellectual property rights of any third party. The contractor also declares that it is fully entitled to provide the client with the licence stated below and that the client will be entitled to make full use of it. The contractor is liable for the aforementioned declarations being true and precise for the time the licence is to apply, regardless of the termination of the other obligations under the contract.
16. The contractor hereby provides the client with its irrevocable consent—a licence to use all intellectual property rights that are part of or an accessory to the subject of performance by the contractor in accordance with the contract. A licence provided by the contractor to the client is exclusive, global, transferable (sublicensable), unlimited in time and granted for all purposes known as of the date of conclusion of the contract, as described below. The client is not obligated to make use of the licence. The contractor agrees that it is not entitled to terminate the licence or withdraw from it and that the licensing provisions are agreed as separate provisions that continue to apply after the termination of the other obligations in accordance with the contract.
17. The client and the contractor also agree that as a part of the licence the client will be entitled to use the subject of performance by the contractor in accordance with the contract for all known purposes, including, in particular, the use of the work, other alterations to the work and its reproduction, and, as a part of the licence, it is entitled, whether directly or indirectly through third parties, to make any alterations or changes or supplementation of the subject of performance by the contractor or any part thereof, link the subject of performance by the contractor or part thereof to other performance or work or a collective work. The contractor hereby provides its express and irrevocable consent to the sublicensing of any intellectual property rights that are the subject of the licence, to any third party without limitation. The contractor is responsible for its employees, subcontractors and any other persons involved in performance by the contractor in accordance with the contract taking all the necessary steps and granting all the necessary consents for the client to make full use of the licence.
18. The fee for the licence is included in the price of the subject of performance by the contractor in accordance with the contract and the contractor is liable for the client not being obligated to pay any additional fees for the licence and its use.
19. For the purposes of the contract, intellectual property rights are understood to mean rights to dispose of works, inventions and other intangible results of the process of human creativity, research and thinking, in particular rights protected in accordance with Act No. 121/2000 Coll., the copyright, act, as amended, industrial property rights, in accordance with Act No. 14/1993 Coll., on measures to protect industrial property, as amended, Act No. 527/1990 Coll., on inventions and improvement proposals, as amended, Act No. 207/2000 Coll., on protection of industrial models, as amended, Act No. 478/1992 Coll., on utility models, as amended, No. 529/1991 Coll., on the production of the topographies of semi-conductor products, as amended, Act No. 206/2000 Coll., on protection of biotechnology inventions, as amended, Act No. 408/2000 Coll., on protection of rights to plant varieties, as amended, Act No. 441/2003 Coll., on trademarks, as amended, and Act No. 452/2001 Coll., on protection of products' designations of origin, as amended, and other similar legal regulations of the Czech Republic and other legal orders.

V. Knowledge of Place, Project and Technical Sequencing of Deliveries

1. The client has handed project documentation over to the contractor in one counterpart. The arrangement of other counterparts necessary for the contractor's work or the preparation of as-built documentation will be arranged by the client based on an order of the contractor, for a fee. The contractor can use source documents that were handed over to it by the client only for the performance of the contract. Any other use is permitted only with the client's prior express

written consent. All source documents handed over remain the client's property. The contractor confirms that it has assessed the project documentation handed over with due diligence, in particular in technical terms, and that it found it free of defects and quite sufficient so that it can perform the work based on it.

2. The contractor is obligated, before the performance contract is signed, to check and test all the source documents handed over and the situation at the building site and in its surrounding area and to notify the client in writing of all defects ascertained, omissions, conflicts, incomplete descriptions and comments on the expected manner of performance of the work, even if they are linked to other work, deliveries, equipment and performance, and in accordance with the purpose for which the work is designated, together with written proposals for the correction of the defects ascertained. In the case of parts of the project documentation and other source documents supplied by the client after the signature of the performance contract it is the contractor's duty to check the source documents handed over no later than within 10 days of their acceptance. It is then obligated to inform the client, without undue delay but no later than before the start of work, in writing, of defects, conflicts and incompleteness ascertained in the project documentation handed over and in other source documents, materials and other things handed over, accepted from the client for the completion of the work, including proposals for their resolution, which must be, following an agreement between the contracting parties, performed within a reasonable period. The contractor is not entitled to object later that it was not aware of defects and shortcomings in source documents or documentation that it could have ascertained from the source documents handed over while exercising due diligence. If the contractor does not make such written notification of the shortcomings in the source documents or documentation handed over, or draws attention to the unsuitability of the client's instructions, it is responsible for all the related consequences and damage and is responsible for performing all contracted work and performance necessary for the full completion of the work and correcting defects arising through the use of source documents or documentation containing shortcomings.
3. The contractor is obligated to check, before the start or performance of its work and activities, the status of deliveries and work already realised that its performance follows on from or that its activities are related to and to promptly notify the client of any shortcomings ascertained promptly in the site diary, together with a proposal for their correction. The contractor is fully liable for detriment and losses that arise due to the non-performance of this duty. The contractor is therefore not entitled to object later that it was not aware of these shortcomings, as it is its duty to ascertain all such facts in advance.

VI. Basic Documents and Documentation during Work

1. The contractor will hand over to the client 10 days before the start of the work for approval:
 - a) Technological procedures/technological regulations binding for the work performed. Technological procedures/technological regulations handed over must primarily contain a cover sheet, references to the technical standards, regulations and other source documents cited, references to related legal regulations, the procedure for performing construction work, production and assembly tolerances, control and acceptance testing, requirements for security and protection of occupational health, fire prevention and environmental protection including related legal regulations and the risks of the relevant technology in accordance with the template for drafting a technological procedure/technological regulation that is part of the performance contract as the annex. A technological procedure/technological regulation must be drafted for work and activities in accordance with Government Regulation No. 591/2006 Coll., annexes nos. 3 and 5, as amended, and also for work and activities in accordance with the requirements of the client (or investor). In the case of the non-handover of technological procedures/technological regulations, the client is entitled to create such documents at its own expense and these costs, including overheads, can be drawn by the client from a banker's guarantee or other security or can unilaterally be set off against receivables of the contractor that are due or not yet due;

- b) Documents on the quality of built-in materials and products (declaration of conformity, declaration of performance, certification, certificate, etc.) in accordance with the requirements of Act No. 22/1997 Coll., on technical requirements for products, Regulation (EU) No 305/2011 of the European Parliament and of the Council and other related generally binding legal regulations, as amended. In the event the manufacturer uses simplified procedures in accordance with articles 36 to 38 of Regulation (EU) No 305/2011 of the European Parliament and of the Council, it will submit the relevant technical documentation or specific technical documentation;
 - c) A check and testing plan (CTP) in accordance with the template for preparing a CTP that is part of the performance contract as an annex (the CTP must specify specific criteria, values, tolerances, including records where the results of tests and checks are stated).
2. The contractor will hand over to the client during the performance of the work:
- a) Written documents (assessments) of checks performed, check tests and measurements in accordance with the approved check and testing plan (CTP) including structures to be covered, depending on the technology for performance, but no later than the day after their performance in such a manner that the client can, in time, perform a check on them or a check measurement and verification of the declared values. Documents from tests performed by an accredited laboratory or notified body will be handed over to the client promptly after the issue of a test record. In the case of the non-handover of such documents, the client is entitled to perform the requested tests and measurements at its own expense and these costs, including overheads, can be drawn by the client from a banker's guarantee or other security or can unilaterally be set off against receivables of the contractor that are due or not yet due;
 - b) In accordance with the client's instructions a survey of the performance of the work done to the extent set out by the requirements of future operators (e.g. network administrators) or administrative authorities or to an extent that enables a sufficient check on the precision of the work from the viewpoint of related work, in particular load-bearing structures;
 - c) No later than the day of the start of pre-acceptance procedures in accordance with Section X.1 of these TaC, the contractor will hand over to the client the other documents necessary for proceedings on the handover and acceptance of the work or its part.
3. The site manager or another authorised employee of the contractor maintains, from the day of acceptance of the building site (workplace), a construction (assembly) diary on the work performed, in which he enters the facts specified in Section 157 of Act No. 183/2006 Coll., the construction act, as amended, and Implementing Regulation of the Ministry for Regional Development No. 499/2006 Coll., on documentation for construction, as amended, as well as all facts decisive for the performance of the contract, in particular data about the timetable for work and its quality, justifications for deviations in work performed from the project documentation and data necessary for an assessment of work by state administration bodies. He will also state the first names and surnames of persons working at the building site on the work that is done under the contract (i.e. including the names of persons of any and all subcontractors). In addition to the site manager, the necessary entries in the construction (assembly) diary will also be made by the client's authorised worker. The name of the contractor's worker that is authorised to maintain the construction (assembly) diary is stated in the performance contract, any change to him can be made only by a written notification of a person authorised to sign the contract. The contracting parties are obligated to promptly take measures to correct defects criticised. If the contractor does not make a statement on the client's entry in the site diary within two business days, it is regarded as consenting to the relevant entry of the client. The contractor will ensure that the construction (assembly) diary is accessible during working hours. The contractor is obligated to hand over one signed copy of every page from the construction (assembly) diary to the client. At a time work is suspended or halted, the construction (assembly) diary will be stored in the client's office. The original construction (assembly) diary will be handed over by the contractor to the client during the handover of the work.

VII. Building Site, Fire Prevention, Health and Safety, Personal Data

1. The building site can be entered solely by the persons named in the list of workers handed over to the client in accordance with and under the conditions of Section IV.8 of these TaC. Other persons can enter the buildings site only with the knowledge of the client's representative at the building site in realisation matters stated in the contract.
2. The building site (workplace) handed over under a record will be used by the contractor solely for the purposes of the subject of performance, for the duration of realisation of the work and for the necessary period for the vacation of the building site (workplace). The contractor will vacate the building site (workplace) no later than the day of acceptance of the work by the client.
3. Unless the PC provides otherwise, the client will arrange, at its expense, a permit for the use of public space and excavations in it. The contractor will pay the price for a period of use of such space longer than permitted and any related asset penalties, if such extension of use is caused by a breach of its duties under the performance contract.
4. The contractor will perform all the necessary measures at the building site handed over, which will limit the undesirable influences of the construction project on the properties adjacent to the building site, the client will be promptly informed of any complaints.
5. The contractor is responsible for public spaces and roads temporarily used for the contractor's building site and left for use by the public (e.g. pavements under scaffolding, underpasses, crossings) being securely protected, maintained and, after dark, illuminated in accordance with the relevant regulations. If the use of public space and roads interferes with the smoothness of transport, the contractor, following an agreement with the client, will arrange a substitute transport solution in time. After the end of work, the contractor will return the public space and roads to their original condition.
6. The client will hand over to the contractor conditions that are stipulated by the owners or administrators of utility networks at the building site or adjacent spaces directly affected by the performance of the work and the contractor undertakes to respect the conditions.
7. The contractor undertakes to comply with the client's instructions, keep the building site (workplace) accepted, exits from it, adjacent pavements and utility networks handed over clean and tidy, and it is obligated, every day, to remove waste and dirt arising through its work at its own expense and risk. The principle is that when workers of the contractor leave the construction project, each building site (workplace) must be clean every day. In the event of non-compliance with the aforementioned conditions, the client will arrange cleaning and tidying and it will bill related costs to the contractor in a separate tax document—an invoice at prices determined by the client.
8. The contractor undertakes to perform the following at the workplace:
 - a) Comply with the legal and other regulations ensuring occupational health and safety, in particular Act No. 309/2006 Coll., on ensuring other conditions for occupational health and safety, Government Order No. 361/2007 Coll., stipulating the conditions for occupational health, and No. 591/2006 Coll., on more detailed minimum requirements for occupational health and safety at building sites, as well as regulations on public health, fire prevention and environmental protection;

- b) Notify the client of all circumstances that could lead, during its activities at the client's workplace, to the endangering of the life and health of workers of the client or third parties or the endangering of operations or the safe state of technical equipment and structures;
- c) In the event of the performance of welding or other work with a naked flame, issue a written order and comply with the necessary fire safety measures in accordance with Decrees of the Ministry of the Interior No. 87/2000 Coll., on the conditions for fire safety when welding and heating bitumen in smelting vessels, and No. 246/2001 Coll., on fire prevention. An order before the start of work will be submitted by the contractor to the client for its information;
- d) Arrange and make available 24 hours a day a telephone line for the contractor's responsible worker, on working days and on non-working days, in the event of an extraordinary event.

The contractor is aware that it is liable also for damage caused by circumstances that have their origin in the nature of machinery or another thing that is used when performing the work and that it cannot release itself from this duty.

- 9. In the event of an accident involving a worker of the contractor, the contractor will investigate it and draft a record of it in co-operation with the client's responsible representative at the site in realisation matters or the person authorised thereby. In the event of an occupational injury or other extraordinary event during work performed using mining techniques, then in accordance with the relevant mining regulations (Decree of the Czech Mining Authority No. 55/1996 Coll., on the requirements to ensure occupational health and safety of operations performed using mining techniques underground, as amended, Government Order No. 201/2010 Coll., stipulating the method of records, reporting and sending of a record of accident, a specimen record of accident and the group of bodies and institutions to which an occupational injury is reported and to which a record of accident is sent, and other matters) an urgent reporting duty applies, in particular regarding the relevant management of the construction project and the affected person's company.
- 10. When performing the work, the contractor is also obligated to comply with Decree No. 48/1982 Coll., stipulating the basic requirements to ensure the safety of work and technical equipment, as amended, and Decree No. 50/1978 Coll., on professional capability in electrical engineering, as amended, (and in the case of work performed using mining techniques Decree No. 55/1996 Coll., on the requirements to ensure occupational health and safety of operations performed using mining techniques underground, as amended).
- 11. The contractor is obligated to equip all its workers with the necessary personal protective equipment in accordance with the nature of the work done and they have to use it for the performance of work systematically, in accordance with Section 104 of the Labour Code, and Government Order No. 495/2001 Coll., stipulating the extent and more detailed conditions for the provision of personal protective equipment.
- 12. The contractor is obligated, before the start of work, to familiarise its workers with the OHS Plan, if drafted, and the risks concerning OHS, fire prevention and environmental protection. A record must be made of training performed with demonstrable signatures of the participating persons, and a copy will be handed over to the client before the start of work.
- 13. The contractor is obligated to perform work at heights in accordance with Government Order No. 362/2005 Coll., on more detailed requirements for occupational health and safety at workplaces where there is a danger of a fall from a height or to a depth, as amended, only through workers that comply with the provisions stated below:
 - a) A valid medical examination for them expressly states "able to work at heights";
 - b) A demonstrable document on training and an orientation re-testing for work at heights is not more than 12 months old. This provision also concerns workers of the contractor that manage work at heights.

At the request of the client's authorised representative, the contractor is obligated to promptly and demonstrably document compliance with these requirements.

14. Costs related to arranging occupational health and safety are paid by the contractor.
15. The client does not accept any guarantees for material and equipment of the contractor stored at the building site (workplace).
16. The contractor will respect the fact that at the building site/workplace handed over there are multiple contractors and it undertakes not to limit them in their activities. This fact is not a reason for an amendment to the contractual conditions.
17. The contractor declares that it meets all duties resulting from 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 (GDPR) regarding data subjects whose personal data is, based on the contract, handed over or otherwise disclosed to the client. In particular that it has a valid legal reason for such handover or other disclosure.
18. The contractor respects the fact that the building site cannot be used for any accommodation of persons, even short-term accommodation.

VIII. Duties of the Contractor from EMS Viewpoint

1. The contractor undertakes to comply with all statutory requirements concerning the environment and administrative decisions that apply to the relevant construction project and are set out in the construction permit, in the realisation documentation for the construction project and in the record of handover of the building site by the client.
2. The contractor undertakes to inform the client of changes to technology and of the use of hazardous substances or chemical products at the building site.
3. The contractor undertakes to comply with general instructions to prevent an oil accident and, in the event one occurs, to proceed in accordance with the client's instructions.
4. The contractor undertakes to arrange for all equipment containing oil substances, after the end of work, to be parked on a hardened area protected against leaks by trays or absorption mats.
5. At the building site accepted, the contractor undertakes to separate waste in accordance with its type, and to store the waste in the collection bins designated and marked.
6. The contractor, as a waste originator, undertakes to maintain statutory documentary records of all types of waste arising (including municipal) and arrange its disposal, including compliance with the statutory reporting duty in accordance with Act No. 185/2001 Coll., on waste, as amended, and related generally binding decrees on waste management.
7. The contractor undertakes, when managing water, to comply with Act No. 254/2001 Coll., on water, as amended, and not to release into the sewers especially hazardous substances without the permission of the water rights authority for handling water (when using surface and underground water or during work in flood areas, water course beds and in protected water source belts), to have the consent of the water rights authority and comply with the protected belts of water mains and sewers.
8. The contractor undertakes to comply with Act No. 114/1992 Coll., on the protection of the countryside and landscape, as amended, and when performing work not damage wood species and other growth in the area of the construction project.
9. The contractor undertakes to hand over the following source documents to the client upon the start of the construction project;
 - a) A list of all unfavourable impacts on the environment that could arise from activities performed by the contractor at the construction project;

- b) Specific measures adopted to correct such unfavourable impacts on the environment and persons responsible for their realisation;
 - c) A list of hazardous substances that are used at the construction project and copies of their safety sheets provided by the manufacturer;
 - d) Emergency plans, following an agreement with the client.
10. The contractor undertakes to comply with the requirements for an environmental policy (EMS) in accordance with CSN EN ISO 14 001:2005. A binding declaration of the client on its environmental policy is published at the address: http://www.metrostav.cz/cz/profil/zakladni_informace/certifikace_a_normy/environment
11. The contractor is aware of the fact that it bears liability for any environmental detriment arising during the performance of its operating activities and their correction and that it has a duty to perform an assessment of the risks of environmental detriment in accordance with Act No. 167/2008 Coll., on the prevention of environmental detriment and remedying it, as amended, and other implementing regulations.

IX. Substitute Materials, Checks on Work Performed

1. Different materials and products compared to the project documentation can be used by the contractor only following the client's prior written consent in the site diary, which is conditional on an agreement on quality and price. Any change to the price must be subsequently confirmed by an amendment to the contract. In such case, the contractor undertakes to conclude an amendment to the contract within 7 days of the submission of a proposal by the client.
2. The contractor undertakes to call on the client, in an entry in the site diary, to check all work that is to be built in or that will become inaccessible, at least four days in advance. If the client does not come and does not perform a check on this work, the contractor will continue with the work. If the client subsequently requests the uncovering of the work, the contractor is obligated to comply with this request at the client's expense, provided that the subsequent check does not find that the work was not done properly. If the contractor does not call on the client to check such work, the contractor is obligated, at the client's written request in the site diary, to uncover and re-cover it and to bear all such related costs, even in the event the work was performed in the proper manner.
3. The contractor undertakes, through an entry in the site diary, to call on the client, at least four business days in advance, to attend tests in accordance with paragraph X.6 of these TaC.
4. The contractor will submit to the client, at least 40 days before their planned building in, samples of materials for approval, in particular samples of materials that result from the project documentation or the nature of the work. The samples of surfaces and any other materials will be submitted, at the client's request, in a sufficient range. The same applies to production documentation. The client will approve samples of materials and production documentation or communicate its objections within 20 days of their submission.

X. Ownership of Work, Completion of Work, Handover and Acceptance of Work

1. The work is an independent unit and will be handed over at one time. Before the overall completion of the work, the client will call, based on the contractor's written notification on the completion of the work, for the pre-acceptance of the work, as a part of which the client will assess the work's preparedness for proceedings on handover and acceptance of the work and the quality and completeness of the work performed will be assessed. The client will draft a record of pre-acceptance that will contain, in particular, specifications of any defects preventing the acceptance of the work. Such pre-acceptance does not replace the acceptance of the work or the specification of all defects.

2. The owner of the completed work is the higher client (see Article VI(3) of the performance contract) from the beginning, the risk of damage to the work is born by the contractor until its acceptance. In the event the client accepts the work with defects and outstanding work, the contractor bears the risk of damage until the correction of the defects and outstanding work.
3. The work is performed, if it is completed and handed over, i.e. if its ability to serve its purpose is demonstrated and the client accepts it. The completed work will be accepted by the client without reservation or with reservations stated in the record of handover and acceptance of the work.
4. The work is regarded as being completed and handed over at the moment of the signature of a record of handover and acceptance of the work between the contractor and the client.
5. The work's readiness for acceptance will be notified by the contractor to the client in the site diary and it will call for acceptance proceedings usually within seven days of such notification. The contractor is obligated to hand over the work prepared in such a manner no later than the last day of the delivery period (date of completion of work). The contractor is obligated to hand the work over to the client in a state corresponding to the contract and will, for this purpose, make all the necessary repairs or substitute deliveries and performance at its own expense, if the work is, in any way, damaged, stolen or destroyed in the meantime. The contractor will promptly notify the client of any damage, losses and detriment and agree on the dates and method of their disposal and reimbursement.
6. A condition for the handover and acceptance of the work is the successful performance of all tests prescribed, in particular, by the relevant regulations, the valid standards, the project documentation, the performance contract, including annexes, and the client, which the contractor will perform at its own expense. The contractor will hand over a record of the course and result of tests to the client within two days of its performance.
The contracting parties expressly agree to exclude the following provisions of Act No. 89/2012 Coll., the Civil Code:
 - Section 2607(1), part of the second sentence after the semicolon, which reads: "if the client does not participate in tests and, if it is not excluded by the nature of the matter, it does not prevent their performance";
 - Section 2607(2), after the semicolon, which reads: "if the client is not present, instead of it the record will be confirmed by a credible, professional and impartial person that attended the tests. If it is not in conflict with the nature of the obligation, the contractor is obligated to hand the record over to the client at its request."
7. All documents through which the contractor is obligated to prove the full performance of the work will be submitted by the contractor to the client no later than the day pre-acceptance starts. This primarily concerns the following documents:
 - a) The as-built documentation in three counterparts and one counterpart in electronic form on a data medium. The as-built project is understood to mean the current project for the performance of the construction work in which any documented deviations in the as-built state compared to the project for the performance of the work are professionally drawn in. In cases where a diagram is manually altered due to a large quantity of changes and is not then comprehensible, the contractor will draft a new diagram. The as-built project will be marked on each diagram with the stamp and signature of a person of the contractor authorised to do so in accordance with the contract.
 - b) All documents prescribed showing the full and high-quality performance of the work, including the "Contractor's Declaration on Quality and Completeness" of the work that the contractor has not yet demonstrably handed over to the client.
 - c) Operating regulations, manuals for use, operation and maintenance in Czech in four counterparts.
 - d) A draft service contract (for technology files and technical equipment).
 - e) Warrantee sheets for products and equipment.
 - f) Documents on operator training.
 - g) Surveying of the work done.

- h) Documents proving disposal of waste created by the contractor in accordance with Act No. 185/2001 Coll., on waste, as amended.
 - i) Other documents requested by the client during the performance of the work, *including photographic documentation of the work done.*
8. If it is ascertained, during the acceptance of the construction project as a whole by the investor or during the occupation approval proceedings, that it is necessary to provide other documents, the contractor undertakes to provide such documents to the client on a date determined by the client based on a request of the investor or the competent authority.
9. The delivery of incorrect, untruthful or incomplete documents required by the performance contract or related documents will be regarded as non-performance of the work. If this fact is ascertained, the client will notify the contractor and the contractor has three days to effect a remedy, unless the contracting parties agree otherwise in writing. If this three-day period is not complied with, every additional day of delay is assessed as a delay by the contractor with the completion of the work, with the consequences stipulated in Article XII.2 of the TaC.
10. The contractor is liable for defects that the work has at the time of its handover to the client. In the event of a dispute about whether the work handed over has defects and requires outstanding work, in accordance with an express agreement of the contracting parties this will be regarded as being the case until the opposite is proved; in such case the contractor will bear the burden of proof.
11. This is without prejudice to Sections 2615 to 2619 of Act No. 89/2012 Coll., the Civil Code.
12. During the handover of the work the client will draft a record that will be signed by all the parties to the acceptance proceedings. By demonstrating the work's ability to serve its purpose and signing the record the work is handed over to the client. Acceptance can be denied in the event of the full or partial non-compliance of the contractual performance of the work by the contractor, if the requested documents are not submitted for acceptance proceedings or if defects are ascertained.
13. The client can accept the work even in the event it has occasional minor defects that, of themselves and in connection with others, do not prevent the full use of the work and do not burden it and do not prevent the performance of related work. In such case the record of handover and acceptance of the work will contain a list of specific defects with the dates of their correction, or an agreement on a discount on the price in the case of defects that cannot be corrected.
14. In the event that any defects are ascertained (with the exception of minor defects in accordance with the previous section) during the handover of the work, the client is entitled to suspend acceptance proceedings, draft a list of defects ascertained with the dates of their correction and, after the correction of the defects, continue with the acceptance proceedings.
15. The contracting parties agree to exclude the application of Sections 2609(1) of Act No. 89/2012 Coll., the Civil Code, which reads: "If the subject of the work is a thing, the contractor can sell it on the client's account in a suitable manner, if the client does not accept the thing without undue delay after the work was to be completed; if it is completed later, then without undue delay after notifying of the completion of the work. If it is not prevented by the nature of the thing, the contractor will notify the client of the intended sale and set for it a replacement deadline for the acceptance of the thing, but no more than one month later."

XI. Invoicing and Payment Terms and Conditions

1. All payments are made cashlessly.
2. The contractor will hand over to the construction project's office a draft list of work done (hereinafter a "LoW") as of the date stated in the PC. The client's representative entitled to

approve invoiced amounts in accordance with the contract (hereinafter the “AR”) checks the material correctness of a draft LoW from the following viewpoints:

- The description of the items of work done;
- The specification of the quantity and measurement units, including unit prices and the total amount for invoicing;
- The relevant handover records (certifications, CTP, etc.) in accordance with the contract.

In the event that it is in order, the client will confirm the LoW through the AR’s signature.

3. If the contractor requests a payment for work over the framework of the contract concluded, the AR will submit for approval a special draft of the list of additional work done (hereinafter the “LAWD”) concerning only such work over the framework of the contract. The AR will review this draft LAWD (quantity and quality of work) and, in particular, will assess whether it is work over the framework of the contract concluded and whether it was requested by the client. If the information in the draft list of additional work is in order, the AR will approve the list of additional work in writing and start negotiations about an amendment to the contract.
4. In the event of the non-approval of a draft LoW (or LAWD) submitted, the AR will state the extent of work done and the amount to which he thinks the contractor is entitled. In addition, in the LoW (or LAWD) he will specify and value deductions to which the client became entitled in accordance with the contract concluded and will return the draft LoW (or LAWD) to the contractor for re-drafting with a rejection of the claims and with a justification in accordance with a concluded contract, no later than the date set in the PC.
5. In the event of the approval of a draft LoW (or LAWD) submitted, the client’s authorised representative will issue the contractor with an accompanying form for the subcontracting, which will state:
 - Whether the value of the currently recognised LoW is lower or equal to the value of the contract;
 - The correct total amount for invoicing and the correct amount for payment;
 - The due date;
 - The amount of the retention money in accordance with Article IV.5(c) of the contract;
 - The number of the contract (order) based on which the contractor will issue an invoice.Both the aforementioned documents—the approved list of work done and the accompanying form for the subcontracting, confirmed by the AR, will be available to the contractor (for collection) no later than the date set in the PC.
6. A tax document—invoice, annexes to which will be the *original of the accompanying form for the subcontracting* and the LoW, both confirmed by the AR, will be delivered by the contractor by registered mail or in person to the client’s mailing address stated in the contract between 07:00 and 14:00.
7. The payment period for a tax document—invoice is set in the contract and starts to run from its delivery to the client’s mailing address stated in the contract.
8. The date of taxable supplies is regarded as being the day of approval of a list of work done, the day of issue of a tax document, the day of acceptance of a payment or the day of handover and acceptance of work or part thereof, whichever is the earlier.
9. The day of payment of a tax document—invoice is understood to be the day a transfer order is handed over to the bank.
10. A tax document—invoice will have the annexes in accordance with Article IV(5)(a) of the performance contract and will be issued in accordance with the requirements of Act No. 235/2004 Coll., on value added tax, as amended. If a tax document—invoice does not contain the aforementioned requisites or it states them incorrectly or if defective performance is invoiced, the text of the tax document will be in conflict with the contract or these TaC, and the client is entitled to request its re-drafting by the due date. The client will notify the contractor of

- its reservations about a tax-document—invoice in writing. A new payment period starts to run after the delivery of a corrected or newly-issued tax document—invoice.
11. The client agrees to the use of tax documents in electronic form. The address for them to be sent to is faktury@metrostav.cz
 12. The client's guarantee, as the recipient of taxable supplies, for VAT not paid by the contractor due to the performance is governed by Section 109 of the VAT Act.
 13. The contractor declares that at the time the contract is concluded it is not an "unreliable payer" in accordance with Section 106a of the VAT Act and it undertakes, in the event that it becomes an unreliable payer during the performance of the contract, to notify this fact to the client promptly.
 14. The contractor declares that its account stated in the header of the performance contract is an account that is published by the VAT administrator in a manner enabling remote access and that it will remain such account for the entire duration of the contract's effect.
 15. If a declaration of the contractor in accordance with paragraph 13 and/or 14 of this article proves to be untrue, or if it stops being true during the contract's term, or if another fact foreseen in Section 109 of the VAT Act giving rise to a guarantor's obligation of the client for the contractor concerning unpaid value added tax occurs, the client is entitled:
 - a) Without the contractor's knowledge, to pay tax to the creditor (tax administrator) and unilaterally set off the claim arising against the contractor concerning its due and not-yet-due or future receivables from the client; or
 - b) To withhold an amount equal to the VAT until its demonstrable payment by the contractor; or
 - c) To take other suitable measures to secure a future claim against the contractor due to compliance with a guarantor's obligation for tax not paid by the contractor; and/or
 - d) To withdraw from the contract.
 16. A contractor that has fully performed its contractual and statutory duties can request the payment of contractual default interest totalling 0.02% of the amount not paid for every day of delay from a client that is in arrears with the payment of a monetary debt.
 17. The contractor declares that in the period before the effective term of the contract it did not establish a lien on future receivables that will result from the contract and that it will not establish such lien after its conclusion.

XII. Contractual Penalties

1. In the event of a delay with the performance of work by the contractor compared to the penalty-related milestones stated in the performance contract or marked in the approved work schedule, the client will claim from the contractor a one-off contractual penalty totalling CZK 50,000 for each milestone not reached and a contractual penalty of CZK 5,000 for each day of delay, until compliance with the relevant milestone. In the event a delay is made up and the final deadline for the completion of the work is met, the client will return one-off contractual penalties for not meeting milestones to the contractor in the final invoice. The contractual penalty for specific days of delay is not returnable.
2. In the event of a delay by the contractor starting the work by the date in accordance with the contract or in the event of a delay by the contractor completing the work by the deadline in accordance with the contract and its handover to the client, the contractor will pay the client a contractual penalty totalling CZK 20,000 for each day of delay for the first 14 days of delay and totalling CZK 25,000 for each day of delay, starting from the 15th day of delay.

3. If the contractor does not comply with the deadline for the correction of defects from the acceptance proceedings, it will pay the client a contractual penalty totalling CZK 1,500 for each defect and day of delay.
4. If the contractor does not comply with the deadline for the vacation of the building site after the end of work (see section VII.2 of these TaC), it will pay the client a contractual penalty totalling CZK 5,000 for each day of delay.
5. If the contractor does not start work on the agreed date for the correction of a defect complained about during the warrantee term or, in the event such deadline is not agreed, on the contractually set date, it will pay the client a contractual penalty totalling CZK 1,500 for each defect and day of delay.
6. If the contractor does not comply with an agreed deadline for the correction of a defect complained about during the warrantee term or, in the event such deadline is not agreed, the contractually set date, it will pay the client a contractual penalty totalling CZK 1,500 for each defect and day of delay.
7. In the event of the absence of the contractor's authorised representative at inspection days, the contractor will pay the client a contractual penalty totalling CZK 3,000 for each case, even repeatedly.
8. In the event of the non-performance of a task agreed at an inspection day and after the expiry of the substitute deadline, the contractor will pay the client a contractual penalty totalling CZK 2,000 for each case and day of delay.
9. In the event the contractor is late handing over a technological procedure, the check and testing plan, an itemised breakdown of the price and a schedule for the work for changes to the work requested by the client in accordance with section II.5 of the TaC, it will pay a contractual penalty totalling CZK 3,000 for each day of delay and individual case.
10. In the event that the contractor does not hand over the necessary documents concerning the contractor's work that are required primarily for occupation approval proceedings on time to the client (Article X.8 of the TaC), or it does not maintain the site diary in the proper manner, it will be fined CZK 5,000 for each case, even repeatedly.
11. In the event that the contractor does not hand over to the client on time documents (assessments) of checks performed, check tests and measurements in accordance with the approved check and testing plan (CTP), it will pay a contractual penalty totalling CZK 1,500 for each day of delay and individual case.
12. For each breach of regulations on occupational health and safety, fire prevention and environmental protection highlighted by the client in the site diary where the contractor does not effect a remedy by the deadline set therein or does not respond to such entry, the client is entitled to request a contractual penalty totalling CZK 3,000 for each case, or CZK 8,000 in the event of a serious breach endangering the health or life of persons. Such contractual penalty will be billed under an independent invoice and set off against the contractor's receivables. A repeat breach of the regulations on occupational health and safety, fire prevention and environmental protection will be regarded as a material breach of the contract and can be a reason for withdrawal from the contract by the client.
13. If the contractor breaches its duty to perform daily cleaning of the workplace and cleaning of waste arising through its activities within two days of a call from the client and also in cases where the client legitimately uses the measures specified in Section III.1 of the TaC, it will pay the client a contractual penalty totalling CZK 3,000, or CZK 5,000 in the event of a repeat, for each individual case.
14. If the contractor, despite a warning entered by the client in the site diary, does not ensure unconditional compliance with Section IV.8 of the TaC (reporting of persons at the construction

project), it will pay the client a contractual penalty totalling CZK 1,000, or CZK 2,000 in the event of a repeat, for each individual case of breach.

15. For each breach of a duty to purchase selected materials and services in accordance with Section IV.12 of the TaC the client is entitled to bill the contractor a contractual penalty totalling *(from CZK 5,000 to 5% of the contractor's bid price for the parts of the work where the materials or services not purchased occur).*
16. If the contractor breaches an obligation in accordance with Article XI, para. XI.17, of these TaC or its declaration proves to be untrue, the contractor is obligated to pay the client a contractual penalty totalling 10% of the price of the work and the client is entitled to withdraw from the performance contract.
17. Claiming a contractual penalty does not affect an entitlement to compensation for damage in full.
18. The client is entitled to set off contractual penalties billed, compensation for damage, default interest and claims due to defects in the work in a unilateral action against due and not-yet-due receivables of the contractor from the client. Section 1987(2) of the Civil Code does not apply to the receivables stated in this paragraph.
19. The payment of the penalties stated in Sections XII.1 to 16 does not release the contractor from the duty to perform the relevant activities with the aim of minimising the causes and increasing prevention to ensure they are not repeated.

XIII. Abuse of Insolvency Proceedings

1. Both contracting parties undertake not to use the means resulting from Act No. 182/2006 Coll., on insolvency and the methods of dealing with it (the insolvency act), as amended, including using them as a means of pressure to resolve disputes between them resulting from the contract, in particular not to submit against the other party a bullying insolvency application.
2. In the event of a breach of the obligation not to submit a bullying insolvency application against the other party, the parties agree a contractual penalty of CZK 500,000. The party to which the contractual penalty is to be paid is entitled to claim compensation for damage caused by a breach of the duty to which the contractual penalty applies, in an amount exceeding the contractual penalty.
3. This provision remains valid even in the event of the termination of the contract in a manner other than performance, in particular withdrawal in accordance with Section 2001 et seq. of Act No. 89/2012 Coll., the Civil Code.

XIV. Quality of Work, Warrantees, Liability for Defects

1. Before the start of the work, the contractor will familiarise the client with its quality system (QS) and hand over to the client the source documents requested about the QS.
2. The contractor will enable the client to perform a check on the QS to the requested extent.
3. The contractor is liable for the work meeting the requirements for quality specified in the project documentation and related valid technical standards, including technical requirements for construction products in accordance with Act No. 22/1997 Coll., on technical requirements for products, as amended, Regulation (EU) No 305/2011 of the European Parliament and of the Council laying down harmonised conditions for the marketing of construction products, and other valid legal regulations. The values stated in these standards as recommended are hereby set as binding, unless the parties agree otherwise in writing.

4. The work cannot have quality shortcomings. The contractor accepts the obligation that the work—and each part thereof—will be fully fit for the purpose resulting from the contract or the usual purpose and that it will retain the contracted or usual properties, for the whole warrantee term. Any deviations from the definition of the work designated by the contract, with the exception of deviations (changes) requested by the client during the performance or changes that result from occupation approval proceedings will be, in accordance with Section 2615 of Act No. 89/2012 Coll., the Civil Code, regarded as defective performance.
5. The contractor guarantees that the used materials, deliveries and equipment are new, exchangeable in short times, correspond to the project documentation handed over and standards agreed in the performance contract.
6. The length of the warrantee term is agreed in the performance contract. The warrantee for quality provided does not concern claims and deadlines concerning liability for defects in the work.
7. In the event a defect in the work is ascertained during the warrantee term, the client is entitled to request and the contractor is obligated to correct the defect free of charge at its own expense by the agreed date. The contractor undertakes that as of the day of handover and acceptance of the work it will hand over to the client addresses and telephone numbers at which it will be possible to report a defect complained about and the names of the responsible persons. It will also state the contact person, including the telephone number, and persons to whom it will be possible, 24 hours a day, to report an accident.
8. The contractor undertakes to start the correction of any defects ascertained during the warrantee term promptly, but within no more than three days of the making of a complaint by the client and to correct the defects as soon as possible. If this concerns an accident or defect endangering the security of persons or the operation of the construction project, the contractor undertakes to commence the correction of a defect no later than within 24 hours of the making of a complaint. The date and method of correction of the defects is set in an independent written agreement; in the event an agreement on the date is not reached, the contractor will correct the defect by a date and in a method set by the client with regard to the nature and extent of the defect and any requirements of the higher client. If a defect in performance proves to be impossible to correct, the contractor undertakes to supply substitute performance within 14 days of this fact and pay compensation for damage, unless the contracting parties agree otherwise in writing.

The contractor will commence the correction of a defect also in the event it does not recognise a complaint; the costs of correction of a defect will be borne by the contractor in disputed cases until a decision by a court or agreed arbitration body. If, in disputed cases, it is proved that the client incorrectly complained about a defect, the client is obligated to pay the contractor demonstrable costs that it incurred in connection with the correction of such defect.

The day a complaint is dealt with is the day the client confirmed the complaint was dealt with to the contractor.
9. The client is entitled to complain about a defect to the contractor in writing for the entire duration of the warrantee term.
10. The contractor is obligated to compensate for damage arising from defects complained about during the warrantee term.
11. If the contractor does not comply with the agreed or set date for the correction of a defect during the warrantee term or does not start its correction by a date in accordance with these TaC, the client is entitled to correct the defect itself or through a third party at the contractor's expense. The correction of a defect in the work during the warrantee term or its part by another legal entity or natural person in no way affects the client's warrantee claims regarding the contractor. The contractor can therefore not release itself from liability for defects by showing that the defects were corrected by a third party. The contractor is, in such case, obligated to pay the client an amount equal to the price the client demonstrably paid a third party as a consequence of such actions. The contractor will also pay the client a contractual penalty totalling CZK 50,000

for each such defect corrected. If the client insists on the correction of a defect by the contractor, the contractor will pay it a contractual penalty in accordance with Section XII.6 for each day of delay and an individual case until the correction of the defect. Any receivables from the contractor arising as a consequence of the non-correction of defects complained about by the set dates can be unilaterally set off by the client against due and not-yet-due receivables of the contractor or drawn from the banker's guarantee provided by the contractor.

12. In the event of the termination of obligations under the contract other than through performance, in particular in the case of withdrawal from the contract by either contracting party, the contractor will remain liable for defects in the work, including the warrantee for quality, in the part of the performance rendered by the contractor. Such liability will in no way be affected by any completion of the work by the client or a third party.

XV. Provisions Related to Criminal Liability of Legal Entities

1. The contractor is obligated to perform and carry out activities that are the subject of the work in accordance with the performance contract concluded and/or related activities that it executes in order to perform the performance contract in accordance with the law.
2. If, in connection with the performance of the work, a criminal prosecution is commenced against the contractor, its statutory representative, its contractual representative or one of its employees, the contractor is obligated to promptly notify this fact to the client in writing. In such case the client is entitled to withdraw from the contract due to a breach of duties on the contractor's part.
3. The contractor is obligated to, promptly and in writing, notify the client that a court, in accordance with Act No. 418/2011 Coll., on the criminal liability of legal entities and proceedings against them, as amended, has temporarily suspended the performance of one or more activities or prohibited activities, if they are activities that are the subject of performance in accordance with the performance contract concluded. If performance by the contractor thereby becomes completely impossible, the obligation terminates. If performance by the contractor thereby becomes only partly impossible, the obligation terminates in such part. The client is, however, regarding the remaining performance, entitled to withdraw from the performance contract.
4. If the obligation terminates due to the aforementioned impossibility of performance in full or in part, the contractor is obligated to compensate the client for the damage it caused.

XVI. Other Provisions

1. The parties to the contract will deliver documents to each other by mail or another licenced postal services operator, or in person to the address of the other party stated in the header of the performance contract or to the address last notified in writing (valid address). In the event that mail, despite being properly sent to a valid address, is returned as undeliverable, or its acceptance by the addressee is rejected, or it is not collected within the deposit period, delivery will be regarded as having occurred on the day the mail was returned as undeliverable, or on the day of rejection of its acceptance by the addressee, or on the last day of the deposit period.
2. The contractor is obligated to promptly, at first call, compensate the client for penalties, fines, damage, compensation for damage provided or other claims and expenses, including reimbursement of the costs of any proceedings, arising based on proceedings conducted against the client in connection with the performance of the construction project and caused by a breach of the contractor's duties in accordance with legal regulations or in accordance with the contract.
3. The contractor is obligated, if a case stated in the previous section occurs, always at the client's call, to take all the necessary out-of-court steps that would prevent the start of the relevant

proceedings; if it does not manage to do this, it shall provide the client with all the necessary evidence, explanations and other necessary co-operation, including entry to the relevant proceedings, in such a manner that it averts an unfavourable result of proceedings for the client. During such proceedings conducted against the client, the contractor undertakes to take legal steps leading to the contractor being able to participate in the proceedings as an enjoined party, unless the contractor is directly called on by the relevant body.

4. The contractor expressly declares that before signing these TaC it familiarised itself with all their provisions, it had the opportunity to influence their text and discuss them with the participation of its legal representative, it understands them and accepts all the provisions of the TaC without reservation.

Prague, on:

For the client:

For the contractor:

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Director, Division
Metrostav a.s.

.....
Division Deputy Director
Metrostav a.s.
or, Deputy Director, Division
or, District Director for Region