TERMS AND CONDITIONS

of Strojírny a stavby Třinec, a.s. for the procurement of works and services, effective from 1 November 2024

Registered office: Průmyslová 1038, Staré Město, 7369 61 Třinec
Company registration number: 47674539
registered in the Commercial Register maintained by the Regional Court in Ostrava, Section B, File 637

I. General Provisions

I.1. These Terms and Conditions (hereinafter referred to as the 'T&Cs') are terms and conditions within the meaning of Section 1751 of Act No. 89/2012 Coll., the Civil Code, as amended (hereinafter referred to as
the "Civil Code"), and form part of the contract between the client or purchaser, namely the company Strojírny a stavby Třinec, a.s. (hereinafter referred to as the "Client"), and the contractor or service provider, being a legal or natural person who, under this contract, provides the Client with work and/or services, or carries out a project for the Client (hereinafter referred to as the "Contractor"), irrespective of the specific type of contract (hereinafter referred to as the "Contract").

I.2. For the purposes of these General Terms and Conditions, 'work' means the Contractor's performance as agreed in the Contract, which consists of the creation of a specific item, unless it falls under a contract of sale, or the performance of other works and services (hereinafter referred to as 'Work').

I.3. The Contract consists of the text of the Contract itself and these GTC, provided that the GTC are attached to the text of the Contract or that the text of the Contract contains a reference to the GTC and the Contractor confirms in the Contract or by other means that they are familiar with the content of the GTC. The body of the Contract and these GTC constitute the entire agreement between the contracting parties and supersede all terms and conditions previously proposed by the Client or the Contractor, as well as any prior oral or written agreements relating to the content of the Contract. Any deviating provisions in the body of the Contract or in its other annexes shall take precedence over these GTC. The Contract shall also come into existence upon the Contractor's acceptance or final confirmation of the Client's order. Acceptance (confirmation) of the order shall be deemed to constitute agreement to its entire content.

I.4. Any amendments to the Contract shall only be binding if made in writing in the form of a numbered, dated addendum signed by both parties on the same document.

I.5. Legal acts carried out in writing shall also include those carried out by electronic or other technical means enabling the content to be recorded and the person acting to be identified, provided that their content is specific and comprehensible and the legal act is carried out by the person specified in the Contract or another person authorised to do so; this does not apply in the case of acts referred to in Article I.4 of these General Terms and Conditions.

I.6. Unless otherwise specified in the Contract, the terms contained therein shall have the meanings assigned to them by law.

II. Subject-matter of the Contract

II.1. Under this Contract, the Contractor undertakes to carry out the Work for the Client at its own expense and risk, and the Client undertakes to accept the Work and pay the agreed price for it.

II.2. The Contractor is obliged to carry out the Work in such a way that it complies with the Contract, within the agreed timeframe, with due care and in accordance with the laws and other regulations and standards (including technical standards which are not generally binding) in force and effective in the Czech Republic.

II.3. A Contractor who, either publicly or in dealings with the Client, has declared themselves to be a member of a particular profession or body, or who presents themselves as such to the Client, or who, in view of all the circumstances, reasonably appears to the Client to be such, is obliged to carry out the Work with the professional care associated with that profession or body.

III. Price of the Work

III.1. Where the price of the Work is agreed as a fixed sum, it shall be final and non-negotiable, and shall be deemed to have been agreed taking into account all the Contractor's costs associated with the performance of the Contract, including, but not limited to, the costs of packaging and transport, insurance, site facilities, testing and commissioning of equipment, arranging inspections, procurement of materials, subcontracted works and other services, and the removal of waste arising from the execution of the Works; the Client shall not be obliged to reimburse the Contractor for these costs.

III.2. Where the price of the Works is agreed by reference to an itemised quotation which forms part of the Contract or was communicated to the Client by the Contractor prior to the conclusion of the Contract, the provisions set out in Article III.1 of these General Terms and Conditions shall apply to the price of the Works and the individual items in the quotation. The Contractor shall not be entitled to demand an increase in the price of the Work on the grounds of errors resulting from incomplete, inaccurate or otherwise incorrect pricing of the Work in the Contractor's estimate, nor shall the Contractor be entitled to do so even if the scope or cost of the Work results in the estimate being exceeded. The Contractor guarantees the completeness of the estimate.

III.3. Changes to the method of execution, scope, outcome or other conditions of the Work constitute an amendment to the Contract in accordance with Article I.4 of these General Terms and Conditions, unless otherwise specified in these General Terms and Conditions. The Contractor is entitled to have such changes reflected in the price of the Work and the delivery times, and to receive the necessary additional cooperation from the Client, only if this is agreed in accordance with the same clause of these General Terms and Conditions, unless otherwise stipulated in these General Terms and Conditions.

III.4. Where the price of the Work is agreed on a unit basis (i.e. usually an hourly rate), the Contractor is obliged to invoice the price of the Work at the unit prices thus agreed and to the extent specified in the survey report pursuant to Article IV.2. of these GTC; otherwise, taking into account the usual time required to carry out the relevant activity and the usual quantity of materials used (consumed) to carry out the Work.

III.5. If it is agreed in the Contract that the Contract is concluded without the price of the Work or any part thereof having been agreed, the Contractor is obliged to invoice the price of the Work or any part thereof in the amount and to the extent specified in the survey report in accordance with Clause IV.2. of these GTC; otherwise, the Contractor is obliged to apply the usual prices and to report the usual quantity of materials used (consumed) to carry out the Work or the usual time required to carry out the Work.

III.6. In the cases referred to in Articles III.4 and III.5 of these General Terms and Conditions, the Contractor is obliged to provide conclusive evidence of the amount of the price of the Work so invoiced. In the event of a dispute regarding the amount of the price of the Works thus determined and invoiced by the Contractor, the Client shall not be obliged to pay it until an agreement on the price of the Works has been reached, or until the amount of the price of the Works so invoiced has been substantiated.

III.7. The price of the Work, including individual price items, is stated exclusive of value added tax (hereinafter "VAT"). VAT shall be charged on the price of the Work at the rate in force on the date of the relevant taxable supply, as provided for by Act No. 235/2004 Coll., on Value Added Tax, as

amended (hereinafter referred to as the “VAT Act”).

IV. Terms of Payment

IV.1. Where it is agreed that the Work shall be carried out in stages, or where the Work involves significant costs, the Contractor shall not be entitled to payment of any part of the price of the Work or to any advance payment. Where a price is agreed for a part of the Work, the provisions of this chapter and Chapter XI of these GTC shall apply mutatis mutandis in relation to that part of the Work.

IV.2. The entitlement to payment of the price of the Work arises upon its proper completion, that is, upon the completion of the Work and its acceptance by the Client on the basis of a written document certifying these facts. This written document may be a handover report, a service report, a calibration certificate, an entry in the construction (assembly) log in accordance with Article IX of these GTC, or another similar document with content in accordance with this Article and Article XI.3 of these GTC (hereinafter referred to as the 'Handover Report').

In the case of a Work for which the price has been agreed as set out in Article III.4 or III.5 of these GTC, the so-called 'survey report', which the contracting parties shall conclude in writing, shall be deemed to be the Handover Report for the purposes of these GTC; the survey report shall serve as the basis for determining and invoicing the price of the Work.

If the Client accepts the Work subject to a reservation, the entitlement to payment of the price of the Work, or a part thereof agreed in writing, shall arise only upon the rectification of the defect or outstanding work which is the reason for such reservation.

IV.3. The Client is obliged to pay the price of the Work and the relevant VAT, if duly charged on the price, to the Contractor on the basis of a tax document – an invoice (hereinafter referred to as the 'Invoice'), which the Contractor is obliged to issue within fifteen (15) days of the date of the taxable supply, which is the date of acceptance of the Work by the Client on the basis of the Handover Report. The Contractor is obliged to deliver the Invoice to the Client within three (3) days of the date of its issue.

IV.4. Each Invoice must contain the particulars required of a standard tax document under the VAT Act, the relevant CZ CPA production classification code, and must comply with the conditions set out in Article IV.6 of these General Terms and Conditions. The Contractor is responsible for determining the correct tax regime in accordance with the VAT Act and is also responsible for correctly determining and stating the production classification code number in accordance with the CZ CPA code list on the Invoice. Provided the conditions of Section 92e of the VAT Act are met, the tax document shall be issued under the reverse charge mechanism in accordance with Article V.1 of these General Terms and Conditions.

The Invoice must be accompanied by (i) a photocopy of the Handover Report and (ii) in the cases referred to in Articles III.4 and III.5 of these General Terms and Conditions, a photocopy of the inspection report in accordance with Article IV.2 of these General Terms and Conditions; otherwise, documents conclusively proving the amount of the price charged for the Work.

Should the Invoice fail to contain these particulars, it shall be returned to the Contractor for correction without undue delay, but no later than the final day of its due date, on the understanding that a new payment deadline of the original duration shall commence upon delivery of the corrected Invoice to the Client.

IV.5. The Contractor declares and confirms that it is not an unreliable taxpayer within the meaning of the provisions of
Section 106a of the VAT Act (hereinafter referred to as an 'Unreliable Payer'), and furthermore is not in a position, nor is there any risk whatsoever, that by the due date for the Client's monetary payments it will be in a position where it cannot fulfil its tax obligations under the VAT Act towards its tax authority.

IV.6. The Contractor is obliged to state on each Invoice the bank account into which the price of the Work and the relevant VAT, if duly charged on the price, are to be to be paid by the Client; this bank account of the Contractor shall also be the bank account published by the tax authority in a manner permitting remote access within the meaning of Section 109(2)(c) of the VAT Act (hereinafter referred

to as the ‘Published Account’).

IV.7. The Client is obliged to pay the price of the Work and the applicable VAT to the Contractor by bank transfer to the Published Account specified on the Invoice, within the standard payment term, which is sixty (60)

days from the date of delivery of the Invoice to the Client, unless a different payment term has been agreed. Should the payment term stated on the Invoice differ from that specified in the Contract, the payment term specified in the Contract shall apply.

If the Client discovers a defect in the Work that prevents its proper operation after the Contractor's claim for payment of the price of the Work has arisen, the Client shall not be obliged to pay the Contractor that part of the price of the Work which is reasonably estimated to correspond to the Client's right to a reduction in the price of the Work, irrespective of any other rights arising from such a defect, whether exercised by the Client or otherwise; the due date for payment of that part of the price of the Work under this clause shall be suspended from the moment the Client discovers the defect, and shall resume from the moment the defect is rectified or the Contractor otherwise fulfils its obligation arising from its liability for defects.

In the event that

a/ the Contractor's bank account specified on the Invoice is not, or will not be, a Published Account at the time of payment, or
b/ at the time of the taxable supply or by the time of payment, the tax authority publishes, via a method allowing remote access, the fact that the Contractor is an Unreliable Taxpayer,

the Client shall be entitled to pay the price of the Work only in the amount excluding VAT, provided that the Client is also entitled to pay the VAT applicable to this payment on behalf of the Contractor by way of a 'special method of tax security' within the meaning of Section 109a of the VAT Act.

IV.8. Each Invoice shall be delivered to the Client at the following delivery address for invoices and tax documents:

Strojírny a stavby Třinec, a.s. Průmyslová
1038
739 61 Třinec, Staré Město

Delivery of invoices by email is only possible if the contracting parties have concluded an 'Agreement on Electronic Invoicing', setting out the procedure and conditions for electronic invoicing; in such cases, invoices shall be delivered in accordance with that agreement.

IV.9. The assignment of any claim by the Contractor against the Client, arising from the Contract or from a breach thereof or in connection therewith, is prohibited without the Client's prior written consent. If such a claim by the Contractor against the Client cannot be assigned to another party, it may not, at the same time, be pledged, whether to secure the fulfilment of the Contractor's own obligations or those of third parties. If the Contractor, without the Client's prior written consent, enters into an agreement with a third party concerning the assignment or pledging of a claim arising from the Contract, from a breach thereof or in connection therewith, the Contractor shall be obliged to pay the Client a contractual penalty amounting to twenty per cent (20 per cent) of the nominal value of the claim which it has thus unlawfully attempted to assign or pledge. This shall not prejudice the Client's right to compensation for any loss incurred as a result of the Contractor's actions in breach of the prohibition on the assignment or pledge of the claim. Any agreement on the assignment or pledging of a claim concluded by the Contractor without the Client's prior written consent shall always be null and void, with all the consequences that this entails for the contracting parties and for third parties.

IV.10. In the event of the Client's default on the fulfilment of a monetary obligation undertaken under the Contract or otherwise arising therefrom, the rate of interest on arrears shall be twenty-five thousandths of a per cent (0.025 per cent) of the amount due for each day of default, including any part thereof. Both contracting parties agree that the interest rate thus determined is standard in similar commercial relationships and is not grossly unfair to the defaulting contracting party.

IV.11. Monetary payments under the Contract, other than the price of the Work, are payable within fifteen (15) days of the date of delivery of the relevant invoice to the other party.

V. Reverse charge mechanism

V.1. Provided the conditions of Section 92e of the VAT Act are met, the Invoice shall be issued under the reverse charge mechanism and shall include the statement that 'the tax is payable by the customer'. Where construction or installation works are invoiced on the basis of the services provided – including where invoicing is carried out under an agreement on the temporary assignment of an agency worker relating to such works – this shall be subject to the provisions of Section 92e of the VAT Act (the reverse charge mechanism where the tax liability is transferred to the Client – the recipient of the taxable supply in the case of the provision of construction or assembly works corresponding to the numerical codes CZ-CPA 41 to 43) and construction or assembly works outside this regime (the standard VAT application mechanism), the Contractor undertakes to issue separate invoices for each tax regime, including all statutory requirements applicable to the relevant regime.

V.2. If the tax authority justifiably challenges the Client's application of the relevant tax regime to construction or installation works, the Contractor is obliged to issue a corrective tax document and either pay the VAT or demand payment of it from the Client. Any mutual obligations arising from the VAT correction shall be settled within thirty (30) days of the date on which the corrective tax document is issued. Should the Client be required by a decision of the tax authority to pay interest on arrears or other penalties due to an incorrectly issued Invoice, the Contractor shall be obliged to reimburse the Client for all payments which the Client has paid to the tax authority or otherwise remitted in this respect.

VI. Deadline for performance

VI.1. The Contractor is obliged to carry out the Work as a whole by the deadline specified in the Contract or in stages in accordance with interim deadlines, if agreed in the Contract, or on an ongoing basis in accordance with a written schedule, or otherwise in accordance with the Client's instructions.

VII. Method of carrying out the Work

VII.1. When carrying out the Work, the Contractor is obliged to comply with

a/ the instructions of the Client's representative authorised to supervise the performance of the Work, provided they do not conflict with the Contract, and
b) the instructions of the senior staff at the Client's relevant site where the Work is being carried out, provided they do not conflict with the Contract or with the instructions referred to in (a) above.

VII.2. If the Site where the Works are carried out is located within the industrial premises of TŘINECKÉ ŽELEZÁRNY, a. s. (hereinafter referred to as the 'TŽ Premises'), the Contractor is obliged, whilst carrying out activities on the construction site, upon entering the TŽ Premises, whilst on the premises and upon leaving them, to comply with
the "Basic Terms and Conditions and Rules for Operating on the Premises of TŘINECKÉ ŽELEZÁRNY, a. s." applicable to the Site of the Works, published at https://sas-trinec.cz/service/obchodni-podminky/, in the version in force at the time of the Contractor's entry into the TŽ Site, whilst on the Site and upon leaving it (hereinafter referred to as the "TŽ Basic Conditions").

By entering into the Contract, in relation to the TŽ Basic Conditions in force, the Contractor declares that it is familiar with their content and has fully understood them, and undertakes to comply with all measures which representatives of TŘINECKÉ ŽELEZÁRNY, a. s. are authorised to impose

authorisation to adopt them. The Contractor undertakes to familiarise all persons involved in the execution of the Works on the TŽ Site, including the personnel of all subcontractors (hereinafter referred to as "the Contractor's Personnel"), with the applicable Basic Terms and Conditions of TŽ. The Contractor shall be liable to the Client for any breach of the TŽ Basic Terms and Conditions by the Contractor's Persons as if the Contractor had committed the breach itself (Article XV.8 of these General Terms and Conditions applies mutatis mutandis).
In the event of a breach of the Basic Conditions of the TŽ by a Contractor's Person, the Contractor shall be obliged to pay the Client a contractual penalty of CZK 40,000 for each individual instance of breach. Should the Contractor or a person employed by the Contractor, whilst driving a vehicle or riding a two-wheeled vehicle within the TŽ premises, exceed the maximum permitted speed as laid down by road traffic regulations or traffic signs, the Contractor shall be obliged to pay the Client a contractual penalty of CZK 1,000 for each such individual instance of speeding. If the Contractor or any of the Contractor's Personnel loses an access pass or Face ID pass authorising them to enter the TŽ Premises, or fails to hand it over to the Client upon request, or, in the absence of such a request, fails to hand it overit to the Client no later than 24 hours after its expiry, or if they damage it to such an extent that it can no longer serve its purpose, they shall be obliged to pay the Client a contractual penalty of CZK 300 for each individual access pass or Face ID pass that the person concerned has lost, failed to hand over or damaged in this manner.

The Client is also entitled to impose a ban on entry/access to the Client's premises on the relevant person of the Contractor who committed the breach. In the event of three or more breaches of the Basic Terms and Conditions of TŽ by persons of the Contractor, the Client shall be entitled to withdraw from the Contract and impose a ban on entry/to the Client's premises on all of the Contractor's Personnel (except where such entry or access is absolutely necessary to secure the Work in progress or to remove items belonging to the Contractor or the Contractor's Personnel). The agreement of a contractual penalty for a breach of obligation by the Contractor or any of the Contractor's Persons, arising from these Basic Terms and Conditions of the Construction Contract, shall not prejudice the Client's right to redress and compensation for damage arising from the breach of obligation to which the contractual penalty relates. Circumstances excluding liability within the meaning of Section 2913(2) of Act No. 89/2012 Coll., the Civil Code, shall not be taken into account.

VII.3. The Contractor is obliged to establish conditions to ensure health and safety at work within the scope of the contractor's documentation, of which the technological or work procedure forms an integral part. The Contractor is responsible for ensuring that all its employees and subcontractors
are professionally and medically fit to carry out the Works, including with regard to the risks specified in the Contract or communicated to the Contractor in accordance with this Contract or on the basis of generally binding legislation. If any of these persons fails to meet these conditions, the Client is entitled to immediately prohibit such a person from carrying out work or from entering the Client's premises, without this affecting the Contractor's obligation to carry out the Work properly.

VII.4. The Contractor may use the Client's equipment or other resources only with the Client's consent and always in accordance with the Client's documentation provided by the Client in relation to such equipment or resources.

VII.5. The Contractor declares and confirms that it has thoroughly familiarised itself with the operating conditions at the site where the Work is to be carried out and, at the same time, that

a/ it is aware of all the facts thus ascertained, and that it was already aware of all such facts at the time of preparing its tender, which it adapted in line with these findings,
b/ prior to preparing the tender, it verified all criteria and requirements communicated to it by the Client as part of the request for quotation in terms of their mutual consistency and compliance with generally binding legal regulations and technical standards (even if not generally binding), and found no inconsistencies during this verification,
c/ these facts and details, as communicated to him by the Client in advance, are therefore entirely sufficient for the proper execution of the Work.

VII.6. In view of the above facts and the Contractor's previous experience with similar works, the Contractor declares and confirms that it does not anticipate any additional work arising. In the event of any additional work requested by the Client or claimed by the Contractor, the contracting parties are obliged to immediately convene a meeting on site, in the presence of authorised representatives of the Client and the Contractor. Minutes shall be drawn up of this meeting. Any change to the price of the Works constitutes an amendment to the Contract in accordance with Clause I.4 of these General Terms and Conditions.

VII.7. The Contractor is obliged, as part of the Work, to use only and exclusively new items, i.e. not items that have already been used, are otherwise worn out or have been reconditioned. If, in breach of this obligation, the Contractor uses a worn-out/other item in breach of this obligation, the Client shall be entitled to replace that item with a new/correct one, and the Contractor shall be obliged to reimburse the Client for all costs associated with such replacement, including the cost of acquiring the new/correct item, and to compensate the Client for any other losses incurred by the Client as a result of this breach of duty by the Contractor. The use of an item in contravention of this clause shall also constitute a defect in the Work.

VIII. Other obligations of the Contractor

VIII.1. The Contractor shall be liable for the fulfilment of all obligations laid down by the applicable Act No. 435/2004 Coll., on Employment, in connection with the fulfilment of its obligations under the Contract.

VIII.2. When carrying out the Work, the Contractor is entitled to bring assembly and other materials onto the Client's premises exclusively in the quantities and to the extent specified in the project documentation for the Work in question, or in the quantities and to the extent strictly necessary for the proper performance of its activities.

VIII.3. Prior to commencing the Works, the Contractor is obliged to take over the workplace, construction site or other location where the Works are to be carried out (hereinafter referred to as the 'Work Site'), in writing in the form of a record, usually in the construction (assembly) log in accordance with Article IX.1 of these General Terms and Conditions, signed by persons authorised to do so on behalf of the Contractor and the Client. This record of acceptance of the Work Site must include

a/ a description of the Site where the Work is to be carried out,
b/ the designation of access routes and, where applicable, escape routes,
c/ the designation of the responsible persons on the part of the Contractor and the Client and the appointment of a person to coordinate health and safety at work measures,
d/ a description of the areas designated for the collection of waste and materials in accordance with Clause VIII.7 of these General Terms and Conditions, and
e/ the mutual exchange of written information between the Client and the Contractor regarding the risks and measures to mitigate their effects which their activities create at the Site of the Works, unless such information is contained in the Contract or has already been provided; this information must be accessible at the Site of the Works.

The completion of a proper handover report for the Site is a condition for the Contractor to commence performance of the Works. Without prejudice to the provision in the preceding sentence, the Contractor's obligation to perform the Works shall remain unaffected if the handover report for the Site is not completed for reasons attributable to the Contractor.

VIII.4. Where employees of two or more employers are carrying out tasks at a single Site of the Works, their employers are obliged to inform one another in writing of the risks and the measures taken to protect against such risks, which relate to the performance of work and the Site of the Works, and to cooperate in ensuring health and safety at work for all employees at the Site of the Works. On the basis of a written agreement between the employers concerned, the employer designated by this agreement shall coordinate the implementation of measures to protect the health and safety of employees and the procedures for ensuring them. Each of the aforementioned

employers is obliged to ensure that its activities and the work of its employees are organised, co-ordinated and carried out in such a way that the employees of the other employer are also protected at the same time. Should any changes occur during the course of the work that may affect the process of co-ordinating health and safety at work, the other employers must be informed of such changes.

VIII.5. The Contractor's construction site facilities and workplaces within the Worksite are monitored by mobile patrols from the Client's security service provider and other inspection bodies of the Client, in the same way as other premises on the Client's site. Should the security service provider or the Client's supervisory body identify any shortcomings in the protection of the Contractor's property or that of its subcontractors, the Contractor is obliged to remedy the situation without delay. For the avoidance of doubt, this provision does not constitute an agreement to the effect that, nor shall it be interpreted as meaning that the Client and the Client's security service provider are responsible for safeguarding the property of the Contractor or its subcontractors; consequently, none of these parties shall be liable for any damage to the Contractor's property on the Client's premises or at the Client's workplace, including damage arising from its loss, theft, damage or destruction.

VIII.6. The Contractor is obliged to dispose of waste properly at the Site of the Works and to keep the area designated for waste containers in good order.

VIII.7. The Contractor is obliged to properly remove from the Site any waste or materials acquired during the performance of the Works or not used for the performance of the Works, either by handing them over to a person authorised to handle waste or by having them collected; for this purpose, the Contractor is obliged to collect such waste and materials prior to their disposal, and may do so only at the locations specified in the handover report for the Site of the Works in accordance with Article VIII.3 of these General Terms and Conditions.

VIII.8. The Contractor is obliged to secure excavation sites of all kinds, work areas, areas at risk of falling objects, areas with obstacles on roads and all similar areas where there is a risk of injury or damage to property, against unauthorised entry.

VIII.9. Each work team operating on the Contractor's behalf must have a pre-designated team leader as the person responsible for organising the work of that team and for
compliance with the Contract. The work group leader must be recorded in the construction (assembly) log in accordance with Chapter IX of these General Terms and Conditions, including their telephone contact details; and in the event of their absence from the Site, they must be reachable at all times throughout the execution of the Works.

VIII.10. Where the subject matter of the Works consists of construction works carried out in connection with the construction, alteration or maintenance of a completed structure, or in connection with the demolition of a structure, as services which the Client supplies to a third party within the contractual chain of contractors, the Contractor is obliged, no later than upon commencement of the Works, to provide the Client with

a) a written confirmation issued by the Czech Social Security Administration stating that the Contractor has no outstanding arrears in social security contributions and penalties, or in contributions to the state employment policy and public health insurance, dated no more than 3 months ago, and
b) a written confirmation issued by the health insurance providers of the Contractor's employees stating that the Contractor has no outstanding arrears in respect of public health insurance, dated no more than 3 months previously, and
c) a written confirmation issued by the State Labour Inspection Office stating that, during the 12-month period preceding the commencement of the Works, no final and binding fine exceeding CZK 100,000 has been imposed on the Contractor for a breach of obligations arising from labour law regulations.

VIII.11. Should the Contractor fail to duly submit the above-mentioned documents to the Client, the Client shall be entitled to extend the standard payment term for the Invoice in accordance with Article IV.7 of these General Terms and Conditions so that the Invoice becomes due

a) on the fifth (5) working day following the date on which the Client's guarantee obligation in respect of the wage claims of the Contractor's employees and all its subcontractors, arising from generally binding legislation, ceased to exist (in the event that the Client was not requested in good time to satisfy such claims), or
b) the thirtieth (30th) day following the date on which the Client has satisfied, by virtue of its guarantee obligation, the wage claims of the Contractor's employees and all its subcontractors (in the event that the Client was duly and timely requested to satisfy them).

The Client is entitled to set off against the Contractor's claim arising from the Invoice its own claim for reimbursement of the performance it provided on behalf of the Contractor to satisfy the wage claims of the Contractor's employees, irrespective of the due dates of the mutual claims thus set off.

IX. Construction (Installation) Log

IX.1. The Contractor is obliged to keep a construction (assembly) log (hereinafter referred to as the 'Construction Log') as the primary record of the physical and chronological progress of the Works, as well as of the quality, tests and defects of the Works being carried out. The Construction Log shall be kept from the date of handover of the Site of Performance of the Works in accordance with Article VIII.3 of these General Terms and Conditions, or from the date of handover of the item which is the subject of the Works, or from the date of commencement of the Works (whichever occurs first), until the Works have been duly handed over to the Client and, where applicable, until any defects and outstanding work have been rectified. The log must be accessible at all times during the works at the Site to all authorised persons.

IX.2. If the Work constitutes a building within the meaning of the applicable Building Act, the Construction Log shall contain the particulars specified in the applicable decree on building documentation.

IX.3. The Construction Log shall be kept in such a way that it is available in three (3) copies, namely the original and two (2) detachable carbon copies. No blank spaces may be left in the daily entries. The Contractor is obliged to submit a copy of the entries in the Site Log to the Client at least once (1x) a week. The Contractor is obliged to store another copy separately from the original so that it is available in the event of the loss or destruction of the original.

IX.4. The Client is obliged to monitor the contents of the Site Log on an ongoing basis and to append their comments (approval, objections, solutions, etc.) to the entries.

X. The Contractor's Subcontractors

X.1. The Contractor's Basic Subcontractor Scheme, setting out the persons with whose assistance the Contractor is authorised to carry out the Works, and, where applicable, the scope of activities of these subcontractors and the persons responsible for their activities, signed by the persons authorised to do so on behalf of the Contractor and the Client on the same document, forms part of the Contract (hereinafter referred to as the "Basic Subcontractor Scheme"). Any amendment to the Basic Subcontractor Scheme shall always take effect upon the drawing up and signing of a new Basic Subcontractor Scheme in accordance with the procedure set out in the preceding sentence.

X.2. In addition to the subcontractors listed in the Basic Subcontracting Scheme, other persons may also participate in the execution of the Works, provided they are approved in writing in advance by the Client. The Client's consent may also be given by an entry in the Site Log.

X.3. The Contractor undertakes that the Works shall be carried out exclusively by the persons listed in the Basic Subcontractor Scheme and by the persons referred to in Article X.2. of these General Terms and Conditions, irrespective of the contractual relationship on the basis of which these subcontractors carry out their activities and to whom they are accountable for the proper performance of their activities, that is, irrespective of the level at which they operate as subcontractors in relation to the Contractor when carrying out the Works.

XI. Handover and Acceptance of the Works

XI.1. The Contractor is obliged to inform the Client at least three (3) working days in advance of the date of completion and handover of the Work. The Work shall be handed over by the date specified in the Contract.

XI.2. The Client is under no obligation to accept the Work if it contains defects or is incomplete, even if the Work constitutes a building.

XI.3. The handover and acceptance of the Work shall take place at the Site of Performance and shall be confirmed by the signing of the Handover Report; at that moment, the risk of damage to the Work shall pass to the Client. In addition to the requirements set out in Article IV.2 of these General Terms and Conditions, the Handover Protocol shall contain, in particular: a) identification details of the Work; b) an assessment of the quality of the Work; c) a declaration by the Client that it accepts the Work being handed over; d) a list of annexes; e) the signatures of authorised persons – representatives of the Client and the Contractor.

XI.4. If the Client accepts the Work, or part thereof, subject to a reservation, the Handover Report shall also contain
(i) a description of the defect or outstanding work constituting the grounds for such reservation, and (ii) a deadline for rectifying such defect or outstanding work. The rectification of the defect and outstanding work shall be confirmed in writing by the contracting parties without delay by amending the Handover Protocol to reflect this fact or by means of another written record.

XI.5. In the event of a delay by the Contractor in completing and handing over the Work in accordance with Article XI.1, the Contractor shall pay the Client a contractual penalty amounting to 0.5 per cent of the price of the Work (excluding VAT) for each day or part thereof of delay. In the event of a delay by the Contractor in rectifying defects or completing outstanding work, the Contractor shall pay the Client a contractual penalty amounting to 0.1 per cent of the price of the Work (excluding VAT) for each day or part thereof of delay. These provisions regarding contractual penalties shall not affect the Client's right to compensation or redress for any loss caused by such delay on the part of the Contractor.

XI.6. The Contractor is obliged to vacate the Site within ten (10) working days of the Client's acceptance of the Work or of the rectification of defects and outstanding work, unless otherwise agreed in the Handover Report. In the event of a delay by the Contractor in vacating the Site, the Contractor shall pay the Client a contractual penalty amounting to 0.1 per cent of the price of the Works (excluding VAT) for each day or part thereof of delay. This provision regarding the contractual penalty shall not affect the Client's right to compensation or redress for any loss caused by such delay on the part of the Contractor.

XII. Warranty, warranty conditions, complaints procedure

XII.1. The Contractor provides the Client with a guarantee as to the quality of the Work for the period agreed in the Contract. By this warranty, the Contractor undertakes that, at the time of its acceptance by the Client, the Work shall possess and, for the duration of this warranty, shall retain the characteristics agreed in the Contract, or otherwise the characteristics customary for such work, and that it is and shall remain fit for the purpose specified in the Contract, or otherwise for its customary purpose. If no warranty is agreed in the Contract, statutory liability for defects in the Work shall apply in accordance with the relevant provisions of Act No. 89/2012 Coll., the Civil Code.

XII.2. The Client shall always make a claim for defects without undue delay after discovering them. In the claim for a defect in the Work, the Client shall describe such defect and is entitled to specify how they require the defect to be remedied, or whether they are seeking a reduction in the price of the Work or asserting another claim arising from the Contractor's liability for defects.

XII.3. Unless the Client states otherwise in the complaint regarding a defect in the Work, in the event of a defect preventing the proper operation of the Work, the Contractor is obliged to

a/ to attend the site of the defect without delay in order to assess the extent and causes of the defect and, within twenty-four (24) hours of receiving the complaint, to commence work on rectifying the defect, regardless of whether the Contractor acknowledges the defect or not,
b/ within twenty-four (24) hours of receiving the complaint, inform the Client of the proposed method of rectifying the defect, the estimated time required to rectify it, and any other relevant information; and
c/ to rectify the defect within forty-eight (48) hours of receiving the Client's complaint, unless the contracting parties agree otherwise in writing.

In the event of a delay by the Contractor in rectifying a defect preventing the proper operation of the Work, the Contractor shall pay the Client a contractual penalty amounting to half a per cent (0.5%) of the price of the Work (excluding VAT) for each day or part thereof of delay, but not less than one thousand Czech korunas (CZK 1,000) for each day of delay, including any part thereof; this provision regarding the contractual penalty shall not affect the Client's right to compensation or redress for any loss caused by such delay on the part of the Contractor.

XII.4. In the event of a defect that does not prevent the proper operation of the Work, the Contractor is obliged:

a/ attend the site of the defect within seventy-two (72) hours of receiving the complaint and commence work on rectifying it at a time requested by the Client having regard to the operation of the Work, or otherwise within seventy-two (72) hours of receiving the complaint, regardless of whether the Contractor acknowledges the defect or not,
b/ within seventy-two (72) hours of receiving the complaint, inform the Client of the proposed method of rectifying the defect, the estimated time required to rectify the defect, and any other relevant information,
c/ to rectify the defect within ten (10) calendar days from the date on which rectification commences, unless the contracting parties agree otherwise in writing.

In the event of a delay by the Contractor in rectifying a defect that does not prevent the proper operation of the Work, the Contractor shall pay the Client a contractual penalty of one thousand Czech koruna (1,000 CZK) for each day of delay, including any part thereof.

XII.5. The Contractor is obliged to rectify all defects in the Work on an ongoing and systematic basis without unjustified delays, and must act in such a way that these defects are rectified within the shortest possible time, objectively speaking.

XII.6. If the Contractor does not accept the complaint, it shall state the reasons for rejecting liability. If it is established that the Client has made an unjustified complaint regarding defects, the Client shall be obliged to reimburse the Contractor for all costs incurred in rectifying the defect.

XII.7. If the Contractor fails to commence the resolution and rectification of the claimed defect within the time limits specified above, or fails to rectify the defect within these or agreed time limits, or even within a further reasonable period granted to it by the Client, the Client shall be entitled to rectify the defect itself or to instruct a third party to do so. The Contractor is obliged to reimburse the Client for all costs incurred as a result.

XII.8. In the case of justifiably claimed defects, the warranty period shall be extended by the period from the Contractor's receipt of the complaint until the claimed defect has been fully rectified.

XII.9. The rectification of any reported defect shall always be confirmed by a written record between the contracting parties.

XIII. Force majeure

XIII.1. Force majeure shall consist of extraordinary, unforeseeable and insurmountable circumstances arising independently of the will of a contracting party, which, in accordance with the provisions of Section 2913(2) of the Civil Code, jeopardise or prevent the proper performance of the Contract.

XIII.2. The contracting parties are obliged to notify each other in writing without undue delay (usually by means of an entry in the Site Log) of any event of force majeure, on the understanding that, for the duration of such an event, the contracting party affected by the force majeure shall not be in default of its obligations, the performance of which is precluded by the force majeure. Once the force majeure event, due to which the performance of the Contract was suspended, has ceased, the contracting parties undertake to notify each other of this fact without delay in a similar manner and to discuss the next steps jointly.

XIV. Other provisions

XIV.1. The contracting parties may terminate the Contract by written agreement.

XIV.2. The entitled party shall have the right to withdraw from the Contract only in the event of a material breach of the Contract by the obligated party; such a material breach shall include, but is not limited to,

a/ a delay by the Contractor in handing over the Work, or part thereof, of more than thirty (30) calendar days,
b/ a delay on the part of the Client in paying the price of the Work, which continues even after the expiry of thirty (30) calendar days from the delivery to the Client of a written reminder from the Contractor,
c/ a delay by the Contractor in providing the Client with any of the documents specified in Article VIII.10 of these General Terms and Conditions.

XIV.3. Furthermore, either party may withdraw from the Contract in the event that a/ a

force majeure event occurs which lasts for more than six (6) months,
b/ a court rules that the other party is bankrupt.

XIV.4. Withdrawal shall take effect upon delivery of written notice of withdrawal from the Contract to the other party.

XIV.5. In the case of a Project involving recurring or long-term activities of the same nature, and the Contract is concluded for an indefinite period, the Client is entitled to terminate the Contract by giving two (2) months' written notice, which shall commence on the first (1st) day of the calendar month following the date of its delivery to the Contractor.

XV. Final Provisions

XV.1. The Client has implemented an environmental management system in accordance with EN ISO 14001, a quality management system in accordance with EN ISO 9001 and ISO 50001, and the Contractor is obliged to comply with the necessary requirements set out in these standards, even if the Contractor itself is not certified.

XV.2. The Contractor is obliged to provide the Client, upon request, with information regarding compliance with the requirements of the SA8000 International Standard for Social Responsibility.

XV.3. The Contractor has assumed the risk of a change in circumstances following the conclusion of the Contract, and as such is not entitled to assert the rights set out in Section 1765(1) and Section 2620(2) of the Civil Code.

XV.4. Any documents, data and information provided by one contracting party to the other in connection with the performance of the Work may only be disclosed by either contracting party to third parties with the prior written consent of the other contracting party. All such information constitutes a trade secret of the disclosing party, who is committed to protecting and keeping this trade secret confidential. The Contractor is not authorised to disclose any documentation forming part of the Work to persons other than the Client, whilst the Client is authorised to use such documentation solely for the purposes for which it was provided.

XV.5. Where the Contract has been concluded on the basis of an order placed by the Client, the Contractor is obliged to state the order number in a prominent position on all documents relating to such Contract.

XV.6. Any disputes arising from the Contract which cannot be resolved through amicable negotiations between the contracting parties shall be settled in accordance with Czech substantive and procedural law by the court having jurisdiction over the matter, the local jurisdiction of which shall be determined by the address of the Client's registered office.

XV.7. Legal relationships arising from or in connection with the Contract, as well as any other matters not addressed in the Contract, shall be governed by Czech law, in particular the relevant provisions of the Civil Code.

XV.8. If the Contractor fulfils its obligations under the Contract through another person, including its own employees or representatives or persons referred to in Chapter X of these General Terms and Conditions, it shall be liable to the Client for the fulfilment of such obligations as if it had fulfilled them itself; for the avoidance of doubt, a breach of an obligation under the Contract by any such person shall be deemed a breach of that obligation by the Contractor.

XV.9. The Contractor acknowledges that the Client carries out an internal assessment of the quality of the Contractor's performance under the Contract.