

Annex 1 to Contract of Works, SAP ref. no. [REDACTED]

## **SKANSKA GENERAL SPECIFICATIONS OF THE CONTRACTUAL TERMS AND CONDITIONS FOR SUBCONTRACTORS DATED 15.01.2024**

### **I. Specified conditions**

1. The reference to these General specifications of contractual terms and conditions defines part of the Contract of Works (hereinafter referred to as “the Contract”) concluded by and between the Contractor and Skanska SK a.s., Company ID: 31 611 788, its organizational unit, or Skanska a.s., Company ID: 262 71 303 (its organizational units included), or any of its direct or indirect affiliates (hereinafter referred to as “the Skanska Group”), being the Client.
2. Different provisions of the Contract have priority over the wording of these General specifications.
3. Contractor Contractor Contractor Contractor Contractor The Contractor declares that he has been duly informed by the Client and is fully aware of the fact that the Contractor is carrying out the work which is the subject of this contract as a Subcontractor to a builder with whom the Client has concluded a contract for work, the subject of which is also the work which is the subject of this Contract. In the contract concluded between the builder and the Client, the Client acts as contractor. The Contractor declares that he is aware that the work executed by him will be handed over to the builder. The Contractor declares that he is fully aware that the performance of the Client under this Contract is dependent on the performance of the Builder and enters into this Contract with that knowledge. The Client and the Contractor expressly agree that any changes to the work covered by this Contract which are agreed between the builder and the Client, as well as changes and instructions of the builder, shall be binding on the Contractor and the Contractor undertakes to accept such changes and instructions and, if so requested by the Client, to enter into an amendment to this Contract with the Client within 5 days of receipt of the written request, incorporating the changes and instructions of the builder into this Contract.

### **II. Project input data, location and construction method**

1. The Contractor declares that they have all necessary input data to duly construct the project, and that they know all conditions of the construction site.
2. The Contractor familiarized himself and reviewed the input data provided by the Client with due diligence, especially the project documentation, manufacturing documentation, and confirms the data do not contain imperfections which could prevent project completion, or which could result in defective works.
3. Rights and duties agreed pursuant to the previous paragraphs of Clause II. shall not affect the Contractor’s obligation to notify the Client in writing about the improper nature of other materials or instructions regarding the project provided by the Client.
4. All input data the Client provided to the Contractor shall remain the Client’s property. The Contractor is allowed to use them only for the execution of the construction project and must return them to the Client upon project handover and acceptance.
5. Unless the nature of the construction project implies otherwise, the contract shall be performed at the construction site. The construction site shall also mean areas beyond the construction site but related thereto, directly used by the Contractor to construct, especially landfills or preparation areas.
6. The Client handed the construction site over to the Contractor under conditions which allow the construction. The Contractor inspected the construction site and confirms it is located within the project area without any (latent or overt) obstacles which would impede the agreed construction procedures.
7. The Client shall define utility (energy and water) supply points. At its own expense and risk, the Contractor shall connect utility supply points with electrical/water devices, consumption meters, unless agreed otherwise by the Parties. The Contractor shall reimburse the Client for consumed electricity and water based on prices agreed with energy/water suppliers and the data measured by consumption meters. The Contractor shall provide a utility lines at its own expense.
8. The Parties shall record the construction site handover and acceptance in writing, stating the extent and conditions of the construction site when accepted by the Contractor, survey measurement of essential vertical points and directions, access roads and location of sewage inlets, or waste/waste water management measures (if required), and other areas necessary for use the construction site.
9. The Contractor is allowed to use the construction site only for the construction of the project. Only access roads stated in the construction site handover and acceptance protocol, or defined by the Client, can be used to enter or leave the construction site. The Contractor can park motor vehicles only within areas of the construction site defined by the Client for such purpose. Accommodation at the construction site is strictly forbidden.
10. The Contractor is entitled to signpost the construction site with its company name or other identification data which confirm its participation at the construction project, only following the Client’s prior written consent.
11. Should a historically, artistically, scientifically or otherwise valuable object be found at the construction site, the Contractor must adopt all measures required by legal regulations and inform the Client without undue delay.
12. The Contractor must clear the construction site within 3 days of project handover and acceptance.
13. The Contractor undertakes to carry out the works according to the Client’s instructions.
14. The construction site can be shared by various Contractors and participants of the construction project. The Parties take into account standard and anticipated restrictions of such conditions when they enter into the contract.
15. The Parties hereby commit themselves to the maximum possible prevention of mutual restrictions or restrictions of other participants of the construction project throughout its duration. The Contractor is mainly obliged to adjust its partial performance, use of machinery, devices, supply of construction products or construction materials to the construction site to achieve continuity of works.
16. The Contractor commits itself to avoid negotiations about the conditions of project construction with the Constructor or any supplier higher in the supply chain.
17. The Contractor bears the risk of damage to structures, and equipment or materials used to construct them, at the construction site, from when the construction site is handed over to the Contractor. The risk of damage to equipment/works is transferred to the Client upon its acceptance of the subject of construction works. However, if the Client accepts the subject of works with defects, the risk of damage to equipment/works is transferred to the Client upon the removal of all defects identified in the handover and acceptance protocol to

the structure. The risk of damage to the construction site is transferred to the Client upon its handover and acceptance, and the removal of all of the Contractor's equipment.

18. The Contractor is liable for risk of damage to working equipment, materials, tools and property it acquired from the Client for its contractual performance, until these are returned to the Client, or used in the construction project. In case of destruction, loss, robbery or devaluation of the Client's aforementioned property, the Contractor shall reimburse the Client with the property acquisition price, or the repair costs if caused damage can be fixed.
19. The Works are and shall be owned by the Client.

### **III. Construction period and Contractor's delay**

1. Deadlines applicable to Works or a part thereof are specified in the Contract.
2. If continuous construction is impeded by the method statement or synergy needed for the construction of the project, the Contractor must adjust its performance to such circumstances, and follow the Client's instructions without any change to the agreed construction period or project price.
3. The Contractor is allowed to stop the works only based on the Client's prior written instruction delivered by the Client. The instruction is considered sufficient if recorded in the Site Diary.
4. If there was or is risk of damage to health, the environment or considerable property damage caused by the Contractor breaching its duties, the Contractor must always stop the works upon the Client's request. The latter does not affect the Contractor's responsibilities valid throughout the duration of the project. If the situation described in Clause III. (4) occurs, the Contractor must continue with the works upon the Client's request after the damage has been removed, and the Contractor is not entitled to an extension of the deadline.
5. The Client is entitled to record in the Site Diary the Contractor's working hours throughout the project's duration, especially the start and end of the business day. The latter should also be specified for Saturdays, Sundays and holidays. The Contractor is obliged to fully comply with such working hours.
6. Should the Contractor delay the start of works, or the works are visibly delayed, especially because the Contractor fails to meet deadlines for individual works, or its procedure contradicts the Contractor's duties, the Client is entitled to urge the Contractor to solve the delay, especially by compliance with the deadlines, or by removing defects caused by defective procedures, and by due execution of works, within a reasonable deadline established by the Client.
7. Should the Contractor fail to solve the delay of works even when the deadline established by the Client expires, and especially if the Contractor fails to comply with the deadlines of individual works, or fails to remove defects caused by its defective procedure, and cannot duly proceed with the works, the Client is entitled to adopt at the Contractor's expense and risk all measures needed for timely and due performance of the works, especially by doing necessary activities or by removing defects itself or aided by a third party, while the Contractor's liabilities should not be affected. The Client is entitled to set-off such sum against the Contractor's receivable, be it due or not, even if such sum is not yet due.
8. The failure to perform the project in its entirety or a part thereof is considered a serious breach of the Contract.
9. Should the Contractor fail to timely and duly fulfil its contractual duties, the Client is entitled to withhold payment of the Contractor's partial invoices:
  - a) until works are duly completed, and the fact is recorded in the Site Diary, or
  - b) until defects and semi-finished works notified by the Client in writing during the construction are duly and completely removed and completed, respectively.
  - c) until the Contractor has fully and properly fulfilled the obligation or obligations under the Contract to which the Contractor has been notified in writing by the Client during the performance of the Works.

### **IV. Works quality and performance**

1. The Contractor shall construct the works in line with the Contract, the Client's justified instructions for works construction, the Project Documentation, and in compliance with the legal regulations, technical standards and valid Slovak and European technical standards which apply to the material and works pursuant to the Contract, including Slovak and European technical standards which are not considered generally binding, the building permit, statements or measures requested by public and/or governmental authorities.
2. The fulfilment of duties arising from legal regulations and binding decisions, statements and measures adopted by public and/or governmental bodies shall always have priority over other of the Contractor's duties, if there is a contradiction. The fulfilment of other of the Contractor's duties shall always have priority over duties arising from Slovak and European technical standards which are not generally binding, if there is a contradiction.
3. The Contractor commits itself to carry out all works or activities, or performances, at its own expense and risk, even if not specifically mentioned within the works in the Contract, provided that their realization is or becomes indispensable for due performance of the works. The latter concerns especially the supply of necessary products, components, materials, their transport to the construction site, lifting mechanisms, energy and water consumption, preparation, operation and removal of construction site equipment, adoption of transport and other measures required by the project, measures in the Winter time, a security service for the construction site, fire protection, transport of waste from the construction site, land-use of publicly available areas and other measures and steps needed for the due completion of works.
4. The Contractor's commitment to carry out the works includes the submission of all mandatory documents, mainly documents for the products and equipment, inspections, attestations and product test protocols, operational and emergency manuals, assembly instructions, operation and maintenance instructions for devices, equipment or operating units, if included in the works, warranty certificates, lists of spare parts, declarations of conformity, certificates or documents required by legal regulations and technical requirements applicable to the products, and other documents necessary to use constructed structures, or required in the Building Permit, necessary for the submission of the Final Handover Request or the Preliminary Occupation Permit.
5. Should the Contractor's commitment to perform the works not expire by their completion, but by other means instead, the Contractor must forthwith provide the Client with documents defined in Clause IV. (4) regarding already completed performance.

6. Before the works begin, the Contractor shall provide the Client with method statements or guidelines on how the works should be completed. Such method statements or guidelines must include at least the instructions for individual activities completed for the works, their continuous sequence and concurrence, a list of applied machinery, equipment or special working equipment or tools, instructions for their use, types of auxiliary structures used for the construction purposes, such as scaffolding, structural supports or platforms, vertical or horizontal means of transport of construction products or construction materials at the construction site, the description of necessary roads, landfills, related occupational health and safety measures, and protection of the construction work after working hours and the measures adopted in exceptional conditions.
7. In case the Contract defines the quality and design of construction products or construction materials applied for the construction of the project based on samples and industrial patterns, the Contractor must store approved samples and patterns at the construction site to be available for the final inspection of completed works. The Contractor shall also store samples of completed works at the construction site, if required under the Contract in order to review technical or aesthetic quality requirements. These concern especially samples of facade materials, floors, paints or coatings.
8. The Contractor's commitment includes the provision of the digital and hard copy version of the As-built documentation. The format of the documentation must allow its distribution. It should include the details of the construction drawings of the project documentation, to the extent necessary for the submission of the Final Handover Request or the Occupation Permit Request, including the survey measurement of parts of the project subject to recommended or mandatory survey measurements. The Contractor's authorized representative must stamp and sign each drawing of the As-built documentation. The scale of drawings cannot be smaller than the scale of drawings in the project documentation.
9. The As-built documentation must be approved by the Client. The Contractor is obliged to remove all defects in the As-built documentation following the Client's instructions and deadlines. The Client is not obliged to accept the works without prior submission and approval of the As-built documentation.
10. The Contractor is entitled to entrust the performance of works or part thereof to a third party, only following the Client's prior written consent. If the Contractor entrusts the works or parts thereof to a third party without the Client's prior written consent, the Contract shall be considered to have been breached.
11. The Contractor's commitment to the project includes the definition of the vertical and horizontal alignment, related protocols, definition of coordinates and vertical points, evaluation of deviations in the project documentation and follow-up survey measurement data and As-built measurements.
12. In case the Contractor entrusted the works or parts thereof to a third party, and delayed the payment of receivables to such third party, which could put at risk the progress of works, the Client is entitled to urge the Contractor to fulfil such duty within a sufficient period of time. After such period expires, the Client is entitled to fulfil the Contractor's duty on behalf of the latter, and the Contractor is obliged to pay the costs incurred to the Client thereby. The Client is entitled to set-off such sum against the Contractor's receivable, be it due or not, even if such sum is not yet due.

## **V. Inspection of completed works, tests and site diary**

1. The Client is at anytime entitled to inspect the progress of works. For the purpose of inspections, the Client shall be provided with access to the construction site, and to production plants and warehouses not located at the construction site, where materials and products needed to construct the project are produced or stored. The Contractor is obliged to allow the Client's inspections and ensure its own Contractors also allow their realization.
2. There are inspection days scheduled by the Client throughout the construction period. The Contractor is obliged to participate. The Parties must record the conclusion of inspection days. Such records serve for organizational purposes and coordination only; they cannot be used to amend the Contract.
3. The Contractor must prove upon the Client's request that all permits, registrations or consent mandatory for the construction project under the relevant legal regulations have been obtained by the Contractor, its employees or its suppliers.
4. The Contractor undertakes to forthwith inform the Client about any defects of works which put at risk human life, health or safety, even if such defects were not caused by any breach of the Contractor's duties.
5. The Contractor undertakes to inform the Client about third parties' complaints or incentives related to the construction of the project or works, without undue delay, immediately after it becomes aware of such facts.
6. The Contractor must remove from the construction site material, equipment or objects provided by the Client which do not comply with the Contract or legal regulations, within an adequate period of time defined by the Client. If the Contractor fails to do so, the Client has the right to remove such material, equipment or objects at the Contractor's expense.
7. Should the Constructor reproach defects in works, activities or other performance in the Contractor's charge, and withholds the payments to the Client on such grounds, the Client is entitled to withhold the corresponding retained sum from its payments to the Contractor. By doing so, the Client does not delay the payment. The latter does not affect the agreed retention fee.
8. The Contractor commits itself to record in the Site Diary at least three days in advance the Client's inspection of works which shall be covered or otherwise rendered inaccessible as the works progress. Such record serves to keep the Client notified. Should the Client fail to appear at the inspection despite the Contractor's due invitation, the Contractor is entitled to proceed with the works. Should the Contractor breach its duty to timely invite the Client for such inspection, the Contractor undertakes to allow for such inspection at its own expense within an appropriate period of time defined by the Client.
9. The Client has the right to ask the Contractor to provide additional inspection of works to be covered or otherwise rendered inaccessible, even if duly invited for such inspection pursuant to Clause V. (8). Should that be the case, the Client shall bear the inspection cost, if the inspected works do not have any defects.
10. The Contractor shall immediately notify the Client about any insurance claim with all data required by the insurer. Any breach of this Contractor's duty is considered a serious breach of the Contract. The Contractor also undertakes to provide needful synergy, including a signed copy of the injury report/investigation report, within the legally stipulated deadline.
11. The Contractor's commitment to carry out the works includes all tests agreed in the Contract or required by legal regulation and valid

Slovak and European technical standards, even those which are not generally binding, or by technical standards referred to in the Contract, within the appropriate period of time considering the progress of the works, but not later than on the Project Handover Date to the Client. The costs of tests of the contracted works were included in the price of the works.

12. Before the project is handed over to the Client, the Contractor must provide additional tests of the works requested by the Client. The Client shall reimburse the Contractor's costs for providing such tests, if test results confirm the works comply with the contractual provisions. Should that not be the case, the Contractor shall bear the costs of the tests.
13. The Contractor must timely invite the Client to participate in tests.
14. Test results must be written in a test protocol. If the Client fails to attend the tests, a reliable, independent person with the required expertise who attended the tests, shall confirm such protocol. Upon the completion of tests, the Contractor must deliver a counterpart of the test protocol to the Client without undue delay.
15. Upon the Client's request, the Contractor must participate in all tests related to works, activities or contractual performance the Contractor carried out at the project, the handover and acceptance tests included.
16. In the event the Contract's subject-matter is also tested by the Client, the Contractor's duty to carry out the works timely and duly shall remain unaffected.
17. While works are being carried out and their defects removed, the Contractor must keep a Site Diary.
18. The Contractor shall record in the Site Diary all important facts about the project's construction, especially the programme of works, the scope and method statements of performed contractual duties, the number of employees or individuals which participate in the works, any deviations from the project documentation, construction site conditions, weather conditions, data about the application of machinery and vehicles, adopted occupational health and safety, fire protection and environmental measures, information about emergency or extraordinary situations, such as occupational injuries, or conflicts with other participants in the construction, damage incurred during the construction of the project, damage to the project and obstacles to the progress of works.
19. The Client is entitled to record, review and request extracts from the Site Diary, akin to other individuals and public authorities authorized to do so to the extent permitted by legal regulations. The Site Diary must be available during working hours at the construction site to all authorized individuals and public authorities.
20. The Site Diary is numbered; it must not contain blank lines or blank pages, and pages cannot be removed. The Contractor must keep at least two counterparts: one given to the Client not later than at the beginning of working hours on the date following the recorded date, another stored separately to replace the original in the event it is lost, stolen or destroyed.
21. The Contractor always records in the Site Diary on the date when the event described in the record takes place. The record can be only exceptionally, and for reasons subject to special consideration, made the next day.
22. A record in the Site Diary can neither modify nor cancel the Contract.

## **VI. Works modifications**

1. Unless stated otherwise herein, the works can only be amended by mutually agreed written amendment. Should a modification of the works require a revised building permit (a construction project change prior to its completion), such contract amendment can enter into force not sooner than on the effective date of the revised building permit, or on the issue date of the Building Office notification wherein the Building Office confirms it does not object to such change prior to the project's completion.
2. If the Contractor considers a change to the ongoing construction project necessary, or the Client suggests discussions about such potential change, both Parties undertake to immediately discuss the proposed change. The Contractor shall submit for the Client's review the proposed change, specifying its extent, related changes to the project, deadlines, and potential changes to other project conditions (if any).
3. The Contractor is not allowed to carry out such change (especially additions) before a written amendment to the Contract which specifies the scope of changes has been concluded. The Contractor must remove additional works performed without having such amendment concluded, within a reasonable period of time defined by the Client. Should the Client fail to urge the Contractor to remove such additional works, and accepts the works, additions included, such additional works shall be considered covered by the price of the works, and the Client cannot increase the latter.
4. While carrying out the works, the Client has the right to reduce the agreed scope of works by means of a written notification delivered to the Client, provided that the total value of reduced works, activities and other performed services - calculated based on unit prices applied to calculate the contractually agreed price of the works - does not exceed 10% of the total price of the works, and provided that the reduction concerns works, activities and services not yet performed by the Contractor.
5. Upon the Client's written request, the Contractor must carry out extra works. Their scope cannot exceed 10% of the total price of the works. Doing the extra works, the Contractor must proceed with maximum diligence and carefulness to minimize their implementation costs. The price offer for extra works must be based on unit prices used in the price offer for the works. Should materials or works not priced in the Contractor's price offer be used, the Contractor must calculate with average prices valid in the construction sector in the period when extra works are carried out.

## **VII. Price of Works and payment terms**

1. The price of the works is agreed based on unit prices defined in the Contract, and cannot exceed the total sum specified in the Contract. Price breakdown with unit prices must be used for invoicing purposes. Unless the Parties agree otherwise upon a project change, the price breakdown is also fixed for calculations of the price of works, activities and other services not performed by the Contractor (reduced works), and those performed beyond the contractually agreed scope (extra works), if their price can be so calculated.
2. Apart from the price of the works, the Contractor shall charge the value added tax pursuant to the legal regulations in force when the taxable income is generated, if the Contractor is, or becomes, the VAT payer while carrying out the works.
3. Unless explicitly stated otherwise by the Contract, the price of works also includes all costs needed to duly perform the Contractor's liabilities.
4. The Client shall pay to the Contractor the price of works based on invoices issued by the Contractor pursuant to the contractual

conditions.

5. While works are carried out, the Contractor is entitled to issue partial monthly invoices to sums corresponding to the contracted performance done for the Client in the previous calendar month. A monthly invoice is based on the list of completed works approved by the Client in writing. Such list of completed works includes the contracted performance done by the Contractor in the previous calendar month and priced based on unit prices defined in the Contract. The Contractor's list has the form of a breakdown by building objects. The Client shall reject to approve the list of completed works if it includes performed defective or undone works/activities/services by the Contractor, or incorrect data. The list of completed works signed and approved in writing by the Client shall be annexed to each monthly invoice. To have the list of completed works and/or the Practical Completion Protocol signed by the Client for the previous calendar month, the delivery date of the partial performance shall mean the last day of the calendar month when the Contractor carried such partial performance out for the Client.
6. The Client's authorized representative's approval of the list of completed works serves for the monthly invoicing, or the payments of partial monthly invoices, and it does not replace the Client's acceptance of invoiced performance.
7. After the Contract's subject-matter has been handed over and accepted, the Contractor shall issue the final invoice with the breakdown of all sums of the partial monthly invoices. Annexed to the final invoice should be the list of completed works for the calendar month when the works were handed over and accepted, with the Client's written approval, along with the works handover and acceptance protocol.
8. The Contractor is entitled to issue partial monthly invoices and the cumulative final invoice up to the sum of the contractually agreed total price of the works.
9. Provided that the Parties agree on the total price of works without defined unit prices, the Contractor is entitled to issue partial monthly invoices with sums corresponding to the proportional completed performance for the Client in the previous calendar month, compared to the total price of the works. If, in the latter case, the Client fails to pay the invoiced sum or part thereof without prior justifiable return of the invoice to the Contractor, the Client must notify the Contractor about the reasons for payment rejection not later than upon a transaction of a different sum.
10. If the Client's contractual duties include payments in instalments agreed in advance, and regularly scheduled, and the Contractor is delayed with the works, the Client is entitled to refuse to pay the agreed instalment or part thereof, if its payment considerably disrupts the balance of completed contracted performance and paid sums, while such imbalance exists.
11. If the Client provides the Contractor with a contracted advance payment, the Contractor must include such advance payment in the next invoice issued after the start of the works.
12. Data on invoices issued by the Contractor must comply with the requirements specified in the Contract and legal regulations. Invoices must include mandatory data and all of the following:
  - a) project name (the construction project), SAP order number or ORACLE number or any other number announced by the Client to the Contractor for invoicing purposes
  - b) the financial institution responsible for the Contractor's bank account to which to credit the payments, bank account number and variable symbol,
  - c) the breakdown of taxable income per building object the Client disclosed to the Contractor before the Contract was concluded,
  - d) retention fee,
  - e) Contractor's stamp and signature of its authorized representative.
  - f) value added tax data, mainly the tax liability date and the wording "transferred tax liability" (if applicable),
13. The invoices are due within the contractually agreed period, or within 60 calendar days from the invoice being delivered to the Client's seat, or another invoicing address specified in the Contract.
14. If the invoice does not contain particularities required by legal regulations and the Skanska General Specification of Contractual Terms and Conditions, or the Contract, its annexes included, or if its data result in being inaccurate, the Client is entitled to return such invoice to the Contractor within the invoice payment period identifying the missing or inaccurate data. Invoice maturity ceases to elapse in such case, and a new invoice payment period starts to elapse when a corrected invoice is delivered to the Client.
15. The Client shall pay up to 90% of the sum invoiced in the Contractor's legitimately issued invoices, VAT excluded, and the Client shall simultaneously pay the sum total of invoiced VAT. The remaining 10% of the invoiced sum, VAT excluded, is the retention fee. The Contractor is entitled to receive the retention fee upon the completion of conditions agreed in the Contract or the Skanska General Specifications of Contractual Terms and Conditions.
16. The invoice is considered to have been paid when the relevant sum is transferred from the Client's bank account.
17. The Contractor is entitled to delegate its receivable to have the retention paid (related to the Contract) only based on the Client's prior written consent. The Client's consent is not required if the receivable is delegated to a member of the Skanska Group.
18. The Contractor is entitled to pledge its receivable to have the retention paid (related to the Contract) only based on the Client's prior written consent. The Client's consent is not required if the pledgee is a member of the Skanska Group.
19. The Client is entitled to set off its payable and non-payable receivables against all payable and no-payable receivables the Contractor claims from the Client.
20. The Contractor must provide at its own expense a 10% performance guarantee (10% of the price of the works, VAT excluded) to be delivered to the Client within 14 days of the Contract being signed. Such performance bond must follow the provisions of §313 et seq. of the Commercial Code. The performance bank (hereinafter referred to as "the bank bond" or "PB") must be provided by a bank with its registered seat in the Slovak Republic, or by a foreign bank branch located in the Slovak Republic. The bank shall declare in writing in the Performance Bond it commits to irrevocably, without any objections and upon the Client's first request to pay monetary amount(s) - their total sum cannot exceed the monetary value considered the performance bond by the Client, if the Contractor breaches its contractual obligations or obligations arising from the generally binding legal regulations related to the carried out works. Selection of the bank which provides the Performance Bond is subject to the Client's prior approval. The Contractor must ensure a valid and effective Performance Bond enforceable until the works without defects are accepted by the Acceptance Protocol. The Contractor must extend the Performance Bond's validity until the works are duly completed and all defects identified during the handover and acceptance procedure have been removed. The Contractor shall submit to the Client the proof of the extended

Performance Bond 's validity not later than on the expiry date of the original Performance Bond. The Contractor must also extend Performance Bond's validity if the construction period is extended. The Client is entitled to enforce its Performance Bond-related rights in case of any breach of the Contract or generally binding legal regulations by the Contractor. The Client is obliged to return the Performance Bond to the Contractor within 21 days of when the Contractor's request is received following the acceptance of works by signing the Acceptance Protocol and the removal of all defects identified during the handover and acceptance procedure (if any).

21. The Client is entitled to set off any of its payable and non-payable receivables against any payable and non-payable receivables the Contractor claims from the Client under this Contract. The Contractor is entitled to set off any of its Client-related receivables against a Client's receivable. Any overlapping sum of unilaterally set-off of receivables shall cease to exist when the Client's set-off request is delivered to the Contractor.
22. If the Contractor submits a list of completed works for the Client's approval, and such list does not fully correspond to reality, and the Client fails to detect such inaccuracy and confirms such list, the part of such approved list which is not real is considered invalid and the Contractor must issue a credit note to the illegitimately invoiced works/scope of works (a tax document which complies with the legal acts in force), within the construction period of the works, and subsequently return to the Client the illegitimately obtained part of the price of the works invoiced based on the invalid part of the list of completed works. If the Contractor fails to issue the credit note described above within 15 days of the Client's notice, and fails to return to the Client the illegitimately obtained part of the price of the works, the Client is entitled to proceed to unilaterally set-off its receivable (to have the paid illegitimately invoiced sum returned) against any payable or non-payable Contractor's receivable.
23. The effects of default of the Client may only occur if he fails to fulfil his debt properly even within 30 days after the due date. The Client is also not in default for as long as he fails to perform his debt properly and on time
  - due to an obstacle/circumstance of force majeure (extraordinary unforeseeable obstacles arising independently of the will of the customer); or
  - by reason of another extraordinary obstacle/circumstance, if it was not caused solely by him and he has taken action to overcome such extraordinary obstacle/circumstance;unless such cause/obstacle arose only at a time when the Client was already in default.

#### **VIII. Retention fee**

1. The Contractor is entitled to receive first moiety of the retention fee on the due date of the final invoice issued upon the handover and acceptance of works devoid of defects. Should the Client accept works with defects, the Contractor has the right to have the retention fee reimbursed based on its written notice delivered to the Client after all defects defined in the Handover and Acceptance Protocol have been removed, but not sooner than on the final invoice's due date. The Parties agree that the retention fee provisions do not cause considerable imbalance considering the contracted rights and duties of the Contractor, and declare the retention fee is reasonably justifiable to guarantee the Contractor's obligation to duly and timely perform works without any defects.
2. The Client shall pay the second moiety to the Contractor within thirty days of when the written notice is delivered, after the warranty period on complete works expires and all of the Contractor's duties arising from the defect liability have been fulfilled. If the contractual performance, however, only concerns the drafting of the project documentation, the Client shall pay the second moiety to the Contractor within thirty days of the written notice being delivered, after the Final Handover Decision for the construction project concerned enters into force, or after the construction project specified by the project documentation is ready to be used based on a Building Office notice which confirms there are no objections to the preliminary use of the project, and after the removal of all defects indicated by the Client before the aforesaid notice has been received. The fulfilment of all of the Contractor's defect liabilities must be confirmed in a written protocol signed by both Parties. The Parties agree that the retention fee provisions do not cause considerable imbalance considering the contracted rights and duties of the Contractor, and declare the retention fee is reasonably justifiable to guarantee the fulfilment of the Contractor's defect liability-related duties.
3. The Client is entitled to set-off its payable and non-payable receivables (Contractor's defect liability) against the Contractor's claim to have the retention fee returned. The set-off part of the Contractor's retention fee to be returned then ceases to exist.
4. The Client is entitled to schedule the payment of the retention fee sooner, if the Contractor is notified in writing.
5. In the event that bankruptcy proceedings concerning the Contractor's property are announced before the retention fee's payment date, or the Contractor fails to fulfil its duties arising from the provided quality warranty for any other reason, or its duties arising from the quality warranty's expiry for reasons other than their fulfilment, the Contractor is no longer entitled to receive its retention fee back. The Parties agree that the corresponding sum of the retention fee is considered the discount to the price of the works under such circumstances, provided to the Client by the Contractor to compensate warranty liabilities. It shall also mean the end of the warranty period, unless stated otherwise below. The Client and the Contractor agree that such discount to the price of the works shall be provided pursuant to §25 (6) of Act 222/2004 Coll. on Value Added Tax, as amended ("the VAT Act") while the taxable income and tax remain unaffected, i.e. such discount represents a financial settlement irrespective of VAT, and the Client is then entitled to issue confirmation of the provided discount on behalf of the Contractor to the bank account of the latter, pursuant to §72 (4) of the VAT Act. The contractual provision on the discount to the price of works shall remain valid even if the Contract on Works is resolved.
6. The provision in the previous paragraph shall not apply if the court's decision to reject the Contractor's property bankruptcy proceedings comes into force, and the proceedings were rejected for any reason except for insufficient property, or the bankruptcy petition proceedings end without a conclusive court resolution, or if the Contractor's right to have the retention fee returned ceased to exist after the set-off against the Client's monetary receivables before the petition for property bankruptcy proceedings was filed.
7. The Parties agree that should the Contractor's restructuring proceedings (repeatedly) start during the construction period for works (or a part thereof) and/or during the warranty period of works (or part thereof), the price of the works, VAT excluded, should be reduced by 10% (ten percent) on the date when the relevant court rules to begin the restructuring proceedings, provided that the restructuring proceedings start before any sum of the retention fee for the works has been paid.  
The reduction of the price of the works under point 6 is invalid if the restructuring proceedings is stopped by a resolution pursuant to §116 (1) of Act 7/2005 Coll. on Bankruptcy and restructuring proceedings, as amended, or if a company restructuring plan under

§153 (1) of Act 7/2005 Coll. on Bankruptcy and restructuring proceedings, as amended, is confirmed, provided that the Contractor duly fulfilled all its duties to the Client specified in the Contract and annexes thereof.

8. The Parties agree that should the Contractor's restructuring proceedings start during the construction period for works (or a part thereof) and/or during the warranty period of works (or part thereof), the prescriptive period on any of the Client's claims against the Contractor should be extended by the time between the start of the Contractor's restructuring proceedings and its end.
9. The Parties agree that should the Contractor found itself in the winding-up procedure during the construction period for works (or a part thereof) and/or during the warranty period of works (or part thereof), the Contractor grants to the Client an additional 10% (ten percent) discount from the price of the works, VAT excluded, upon the notification about its company's liquidation in the Commercial register. The Client is entitled to unilaterally set-off the receivable in the form of the aforesaid discount pursuant to this paragraph against any of the Contractor's payable and/or non-payable monetary receivables (retention fee, or Performance Bond(s) pursuant to the Contract included). The procedure described above shall also apply for repetitive winding-up proceedings on the Contractor's side.
10. The Contractor is allowed to replace the retention fee or part thereof with the performance bond based on prior agreement with the Client after the works have been handed over and accepted. The wording of the performance bond must, in advance, be discussed and approved by the Client. The Contractor is entitled to have the retention fee or part thereof reimbursed after fifteen days have elapsed from when the written performance bond is delivered to the Client, but not later than on the due date of the final invoice. In such case, the petition to start the bankruptcy proceedings regarding the Contractor's property shall not affect the warranty period. In the event the validity and efficiency of the performance bond expires before the warranty period expires, the Contractor must adequately extend the validity and efficiency of the performance bond.
11. Should the Contractor's duty to complete the works or part thereof cease to exist for reasons other than its fulfilment, the sum of the retention fee shall be defined to reimburse the Contractor for its already completed performance accepted by the Client. This being the case, the sum and due date of the retention fee shall be adequately defined pursuant to the previous paragraphs of this Clause.
12. The Parties agree the Client is entitled to withhold the payment of due invoices, if defects of works under construction are identified. For the purposes of this contractual provision, defects of works under construction shall mainly mean those defects identified in quality and parameter tests. Such withheld sum is a non-delegable receivable, which cannot be set-off. Such sum shall be withheld until the removal of latent defects and reimbursement of the withheld sum is agreed by the Parties.
13. The amount of the retention fee does not represent the unpaid part of the agreed price of the work which the Client would be in default in paying, but by agreement of the parties, this outstanding claim of the Contractor constitutes a security for the Contractor's obligation (in favour of the Client), in particular for the purpose of rectification of defects in works performed by the Contractor.

#### **IX. Works handover and acceptance**

1. The Contractor shall record in the Site Diary and thus invite the Client for works handover and acceptance at least 5 days in advance.
2. The Parties shall record the progress and result of the works handover. The record must at least specify:
  - a) the construction project's name and a description of the works,
  - b) the Contractor and the Client,
  - c) the Client's confirmation of works acceptance,
  - d) the summary of implemented changes and deviations from the project documentation, agreed with the Client during the construction of the works,
  - e) the list of annexes to the record,
  - f) the Parties' signatures.
3. The Client is also entitled to accept the works with potential defects which neither themselves nor combined impede or hamper the use of the works.
4. As part of the handover and acceptance procedure, the Contractor submits to the Client the original Site Diary, inspection records to the works and its covered parts, and documents included in the Contractor's commitment to construct the works. Should the Contractor fail to submit such documents to the Client, the Client is entitled to refuse to accept the works, unless the Parties agree otherwise.
5. In the event the works contain technical or other equipment or devices, the Contractor must train individuals appointed by the Client for their operation and maintenance to be able to operate such equipment or devices. Individuals to be trained by the Contractor must have at least minimum knowledge of operation of similar machinery, equipment or devices. A written record shall document the training.
6. Not later than during the works' handover and delivery, the Contractor shall submit to the Client a draft agreement on technology, equipment and device maintenance, if applicable for the construction of works.
7. Unless the contract provides otherwise, the Client is not obliged to accept a part of the works only.
8. The handover protocol signed by both Parties corresponds to the prerequisite of substantive law for the handover and acceptance of the works and/or their completed part. In the event the handover protocol is not available, the works and/or a completed part thereof cannot be considered timely and duly constructed and handed over
9. The Contractor exercises the property rights and grants the Client the license to use the works or a part thereof by all means pursuant to §19 (4) of Act 185/2015 Coll. on Copyright and related rights (hereinafter referred to as "the Copyright Act"), even beyond the time, substantive and territorial aspects agreed in the Contract, i.e. unrestrictedly. The reward for the license is included in the purchase price of works. In case separate (partial) works are created, the reward for a granted license is the aliquot part of the contractually agreed price for the specific part of the works which includes the partial works. At the same time, the Contractor grants its consent to the Client's sub-license and delegation of the property rights to a third party. In the event the Constructor for the Investor in the Client's project applies an exclusive license to the works or a part thereof, the Contractor hereby agrees to grant an exclusive license for the works' use in line with Clause IX. (9). If the Contractor hires a supplier to construct the works, the Contractor hereby declares it to be fully authorized to grant such and it hereby grants to the Client the property rights to the works or a part thereof, and allows the Client to issue a sub-license and delegate the property rights to a third party. The Contractor confirms having obtained all necessary rights/permits for the purpose under these paragraphs (especially the right to grant consent to the sub-license and to delegate the

property rights, to consent to the Client possibly granting a sub-license or delegating property rights to the works). The Parties also agree that once the property rights to the works or a part thereof are transferred to the Client, the Contractor ceases to have rights under §33 (5) and §33 (6) of the Copyright Act, because the application of such rights contradicts the legitimate rights of the Client, and the Contractor declares it has provided an author's waiver of rights pursuant to §33 (5) and §33 (6) of the Copyright Act, if required. The Contractor also grants its consent to construction adjustments and maintenance works unrestricted by provisions in §33 (7) of the Copyright Act and confirms it has provided such author's consent.

## **X. Liability for defects**

1. The Contractor undertaking the works shall comply with the agreed qualities and requirements of related legal regulations. In the event some qualities of the works cannot be specified, the Contractor undertakes to deliver works of standard quality. The Contractor guarantees the works shall achieve all agreed or standard qualities for a period of 60 months following their handover and acceptance, unless the Contract provides for a different warranty period.
2. The Quality Warranty does not affect the Contractor's legal liability for defects.
3. The Client's claims related to the Contractor's defect liability are subject to the prescriptive period of four years from when the Contractor was notified of a defect. The total duration of the prescriptive period cannot exceed ten years from when the statute of limitations started to apply to a defect liability-related claim for the first time.
4. The Client is entitled to remove a reported defect itself or aided by a third party, provided that this right was applied in the notice of a defect. The Contractor must fully reimburse the Client's costs specifically allocated to have such defects removed. The removal of defects at the Contractor's expense neither affects nor restricts the Contractor's defect liability.
5. In the event the defect liability entitles the Client to a reasonable purchase discount, the Client is entitled to have lost profit reimbursed until the discount to compensate imperfections of the works subject to such discount is granted. If the imperfection can be repaired, the reasonable purchase discount shall equal the standard repair fee; in other words, the standard fee for similar repair at the time when the discount is claimed.
6. The agreement on a retention fee shall not affect Client's right to refuse to pay to the Contractor a payable sum for the price of works, provided that such sum corresponds to the reasonable works price discount and the Contractor failed to remove such defect duly reported by the Client.
7. The Client can at anytime change the form of rights claimed based on the Contractor's defect liability. The Client is entitled to have reimbursed all expenses related to its claim of rights based on the Contractor's defect liability.
8. The Contractor must proceed to remove a reported defect without undue delay (after the notice), and remove it within an adequate period of time defined by the Client, or alternatively within a reasonable period of time considering the nature and scope of the reported defect; within 24 hours since reported if the defect potentially puts at risk the safety or use of the works, unless the Parties agree upon a different deadline to have the reported defect removed.
9. If the Contractor delays the removal of the reported defect, the Client is entitled to remove it itself or aided by a third party, even if it has never applied such defect liability-related right thus far. The Contractor must pay all of the Client's costs specifically allocated for such removal of defects. If possible, the Client shall notify the Contractor in advance about the aforesaid procedure. The Contractor's defect liability, the scope of such liability and the Client's right to claim a contractually agreed delay penalty shall remain unaffected by the removal of defects at the Contractor's expense.
10. The warranty period shall be always extended by the period when the works or a part thereof cannot be used due to defects falling under the Contractor's responsibility.
11. On the day of removal of the defect, the warranty period begins again for those parts of the work for which the defect was removed or which are related to defective performance. However, if such a defect made it impossible to use other parts of the work or the entire work, the warranty period will begin again for these parts of the work or for the entire work.
12. In the event the Contractor's commitment to construct the works fully or partially ceases to exist for reasons other than by its fulfilment, the Contractor is liable for the defects of contractual performance to the extent and under the conditions stipulated in the previous paragraphs of Clause X. The Client must inform the Contractor without undue delay about any detected defects, not later than upon the warranty period's expiry. The warranty period starts on the date when the Contractor's commitment to construct the works fully or partially ceases to exist for reasons other than by its fulfilment.
13. The Contractor must remove at its expense also defects reported by the Client which the Contractor does not consider its liability. The procedure for such defect shall follow the provisions regarding the defects of the works. Should it subsequently be proven as undisputed that the Contractor was indeed not liable for a defect it refused to acknowledge, the Client must reimburse to the Contractor proven costs allocated for the removal of such remedy, within 30 days of the Contractor being proven not to have been liable for the defect.
14. Should the quality tests prove the works do not have the agreed qualities and/or qualities required by technical standards and/or the construction project's investor, the Client is entitled to claims detailed below:
  - a) to have the damage reimbursed, while the damage shall mean costs needed to remove defects of the works (costs incurred from additional coatings, treatment, removal of defective project structures, to construct such removed structures, and costs of delay to the construction progress (potential penalties charged to the Client by the Constructor included)).
  - b) immediate resolution of this Contract.

These claims are cumulative. The Client shall notify the Contractor in writing about claims based on defects of the works immediately after it becomes aware of unsatisfactory results of quality tests.

The rights and duties of the Parties applicable to the Contractor's warranty shall not cease to exist if any Party resolves the contract.
15. Should the contract concern the provision of project documentation for a specific construction project, the Contractor is responsible for the appropriate nature, technical feasibility, and compliance of the solution proposed in the project documentation with legal regulations and relevant Slovak and European technical standards (even if not generally binding). The Contractor confirms its proposed solution takes into account the purpose of the contract and the construction project subject to the project documentation. The Contractor is also obliged to reimburse to the Client damage caused by errors in the Bill of Quantities, especially any costs



incurred to performance not included in the Bill of Quantities because of such errors in the provided project documentation. Project documentation errors shall also mean errors and imperfections apparent in the structures constructed according to the Contractor's design, and caused by incorrect design or engineering works which resulted in a delay or increased costs or other damage to the Client. The Parties agree that the solution of such project documentation errors or drawbacks shall adhere to the procedure and deadlines and warranty period defined in Clause X herein. For the avoidance of doubt, the Parties explicitly agree that the minimum prescriptive period for the Client's claims based on defects of the works is four years from when the Client notifies the Contractor about a specific defect, and this warranty period applies to errors in the project documentation which existed when accepted by the Client.

## **XI. Contractual penalties**

1. Should the Contractor delay the start of works construction or miss any interim deadline for the works, the Client has the right to charge a contractual penalty of 0.05% of the price of the works for each new day of delay.
2. Should the Contractor delay the fulfilment of its commitment to construct and hand over the works, the Client has the right to charge a contractual penalty of 0.1% of the price of the works for each new day of delay.
3. The contractually agreed penalty of EUR166 shall be charged to the Contractor for each reported defect and day of delay in defect removal.
4. Should the Contractor delay its departure from the construction site, the Client has the right to charge a contractual penalty of EUR332 for each new day of delay.
5. If the Contractor entrusts the works or parts thereof to a third party without the Client's prior written consent, the Client has the right to charge a contractual penalty of 0.5% of the price of the works, and the minimum sum of the penalty is EUR1,660.
6. If the Contractor breaches its duty to refrain from negotiation on project performance conditions with the Constructor, or the supplier positioned higher in the supply chain, the Client has the right to charge a penalty of EUR330 for each occasion when this duty is breached.
7. If a Party breaches the confidentiality clause, or a third party for which the Contractor is responsible discloses confidential data in a manner contradictory to these specific terms and conditions, the other Party has the right to charge a contractual penalty of EUR3,320.
8. Should the Contractor breach any obligation under Clause XIV herein, the Client has the right to charge for each breached obligation a contractual penalty of 0.1% of the price of the works, VAT excluded.
9. Should the Contractor pledge its receivable against the Client created under the Contract, without the Client's prior written consent, the Contractor shall be charged a contractual penalty of 5% of the price of the works.
10. Should the Contractor prematurely terminate its construction of the works and leave them incomplete despite the Client's notices, the Client has the right to charge a contractual penalty of 10% of the price of the works.
11. If the Contractor fails to extend the performance bond's (PB) validity according to Cl. VII (19), the Client has the right to charge a contractual penalty of EUR100 for each day of delay without the PB extension. The contractual penalty shall be paid based on the Client's invoice delivered to the Contractor's registered seat.
12. Should the Contractor breach its duty to submit the Site Diary to the Client, or if it fails to keep mandatory daily records in the Site Diary, the Client has the right to charge a contractual penalty of EUR166 for each and any breach defined in this paragraph for each new day of delay.
13. Should the Contractor breach its obligation to inform data subjects, as required under Clause 14 of 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, repealing Directive 95/46/EC ("General Data Protection Regulation"), or should the Contractor fail to provide the consent of data subjects to have their data processed, the Client has the right to charge a contractual penalty of EUR1,000 for each Contractor's obligation breached as provided in this paragraph. The Contractor is also obliged to fully reimburse the Client for damage beyond the contractual penalty if such damage was caused by the Contractor's breach of obligations. The damage shall forthwith be reimbursed after the Contractor has been asked to pay.
14. The invoice issued to charge the contractual penalty is payable within 14 (fourteen) days of its delivery to the Contractor's seat.
15. If the contractual penalty is defined by a percentage of the price of the works, and for the purposes of contractual penalty calculation, the price of the works shall mean the total price of the works, VAT excluded, specified or implied by the contract, if a fixed price of the works was agreed upon; or a total maximum acceptable price of the works, VAT excluded, (which cannot be exceeded), or a sum specified in the contract (the total estimated price of the works, VAT excluded).
16. In the event of a breach of the contractor's obligation to ensure the permanent presence of a designated representative of the contractor at the place of execution of the work, the client is entitled to a contractual penalty in the amount of EUR 166 for each day of breach of this obligation.
17. The agreement upon contractual penalties do not affect the right to have damage fully reimbursed, and reimbursed beyond the contractually agreed penalty, if such damage was caused by obligation subject to a contractual penalty being breached.
18. The Client is entitled to set-off its contractual penalty against the Contractor's receivable, be it payable or not, even if such sum is not yet due.
19. The Contractor is familiar with the sums of contractual penalties agreed by the Client and the Constructor to secure the performance dependent on timely and duly fulfilled liabilities that the Contractor owes to the Client. The obligation subject to the contractual penalty shall not cease to exist when the penalty is paid.

## **XII. Contract resolution**

1. Each Party is entitled to dissolve the Contract if the other Party enters into liquidation, or applies for bankruptcy proceedings (being a debtor if it goes bankrupt), or if a petition for the Contractor's restructuring procedure was filed.
2. The Client is entitled to dissolve the Contract if the Contractor delays the construction of works or misses an interim deadline set for works completion, and the delay in the latter case exceeds five days. The Client is entitled to dissolve the Contract, if a reasonable period defined for the fulfilment of a breached Contractor's obligation expires in vane.
3. The Client can also dissolve the Contract, if the Constructor or Client dissolves the construction contract on the construction project

which includes the works. In such a case, the Parties shall settle their disputes and liabilities pursuant to the relevant provisions of the Commercial Code.

4. The Client is entitled to dissolve the contract immediately after the Contractor is listed amongst VAT payers whose VAT registration could be cancelled. The list is kept by the Tax Office of the Slovak Republic.
5. If there is a change in the project documentation after the contract has been concluded, and the construction of works based on the revised project documentation requires the contract to be modified, the Client is entitled to invite the Contractor in writing to negotiations regarding the conclusion of an agreement on contract modification. A record in the Site Diary is not sufficient for such invitation for negotiations. The Client is entitled to resolve the contract if the agreement on contract modification is not concluded within ten days of the Client inviting the Contractor for negotiations, unless the Client specifies a longer period of time in its invitation notice. Contract resolution defined in the previous sentence is not possible in case of contractual performance completed by the Contractor before the project documentation was changed.
6. The contract can be only resolved in writing. In the event of withdrawal from the contract, the provision of Section 351(2) of the Commercial Code shall not apply.
7. If a liability ceased to exist on grounds beyond the Client's control and responsibility, the Contractor has the right to claim the payment of the corresponding value of demonstrably completed works, based on unit prices specified in the contract or the Contractor's price list included in the contract. The Client is also entitled to have reimbursed all of its expenses caused by premature termination of the contract, all damage caused to the Client, and especially all costs incurred to have the works completed by a third party. The Client is entitled to set-off the costs defined in Clause XII. (6) against the Contractor's payable or non-payable receivable.
8. The Client is also entitled to resolve the contract if the Contractor, its affiliate, shareholder, cooperative member, board member, proxy, employee, another representative or the Contractor's attorney, individual superior or dependant on the Contractor in line with §66a of Act 513/1991 Coll., the Commercial Code, as amended, the Contractor's business partner and/or an individual or entity participating directly or indirectly in rendering the contractual performance for the Client as a member of supply chain of the Contractor, is person:
  - a) registered in some of the Sanctions Lists below,
  - b) subject to international sanctions specified below, or
  - c) seated, located or organized in a country or a territory subject to country - or territory-wide Sanctions.

In the event the Contractor discovers some of the decisive circumstances stated above, the Client must be forthwith notified about such fact and the measures adopted to solve it. For the purposes of this paragraph, Sanctions Lists shall mean the Consolidated Sanction List maintained by the United Nations Security Council, the Consolidated List of Natural and Legal Entities subject to EU sanctions, and the Office of Foreign Assets Control (OFAC) list maintained by the US Department of the Treasury. Additionally, international sanctions shall also mean sanctions imposed by the government of the Slovak Republic in line with Act 289/2016 Coll. on the Implementation of international sanctions, amending Act 566/2001 Coll. on Securities and investment services (the Securities Act), as amended; international sanctions imposed by the EU or any of its member states, and/or member states of the European Economic Area, the United Nations Security Council, the United Kingdom of Great Britain and Northern Ireland, and also sanctions imposed by the United States Government including the Office of Foreign Assets Control ("OFAC") of the US Department of the Treasury, the US Department of State and the US Department of Commerce.

### **XIII. Authorized individuals and contract interpretation**

1. The contract shall define appointed representatives of the Parties for the construction of the works.
2. The Contractor undertakes to secure a permanent presence of its appointed representative at the construction site of the works throughout their duration.
3. The primary role of appointed representatives of the Parties is to negotiate the technical details of the construction of works on behalf of the Parties, to sign the construction site handover protocol, to record in the Site Diary, and to sign the works handover and acceptance protocol. The Client's appointed representative also supervises the ongoing works, or related measures, and comments on the list of completed works used for invoicing purposes on behalf of the Client.
4. Appointed representatives of the Parties cannot conclude agreements on contract modification on behalf of the Parties, unless these general specifications provide otherwise. The Contract, including its Annexes, constitutes the entire agreement between the Parties and supersedes in its entirety any contractual or non-contractual arrangements between the Parties made prior to the effective date of the Contract, unless otherwise specified in the Contract. The Parties agree that all works, services, activities and deliveries carried out prior to the conclusion of the Contract, relating to the subject matter of the Contract, which have been duly ordered by the Client and performed by the Contractor up to the date of validity and effectiveness of the Contract, shall be subject to all rights and obligations arising for the Parties under the Contract.
5. Changes to the Parties' representatives do not required a modification of the contract. However, the Party whose representative has changed must notify the other Party without undue delay in writing, at least by a record in the Site Diary. The record makes the change effective for the other Party. If the constructed works consist of performance which does not require the use of the Site Diary, the change of appointed representatives of the Parties must be notified in writing and becomes effective on the delivery date to the other Party.
6. The appointment of the Client's representative shall not affect the Client's right to have ongoing works supervised by other individuals, especially by an expert technician, designer, health and safety technicians and the environmental protection department.
7. Unless otherwise implied, the contract in these general specifications shall mean contract on works with these terms and conditions annexed thereto.
8. Unless the contract provides otherwise, the Client, the Contractor or the Party shall also mean their legal successors.
9. The project documentation shall mean any stage of the project documentation, or production drawings, unless implied otherwise.
10. Detail Design shall mean the project documentation updated for the construction of works, with the complex level of details necessary

to have the project constructed.

11. Deadlines specified in days refer to calendar days.
12. For the purpose of these general specifications, the Constructor shall also mean the main contractor or another entity which ordered the construction project, including the Contractor's works, from the Client.
13. Unless otherwise provided, the communication language is Slovak. The Contractor is obliged to submit all documents referred to in the contract or these general specifications in Slovak.
14. Should there be any contradiction, the wording has priority over numbers.
15. Correspondence address shall mean the address specified in the contract or the address reported by a Party to another in writing after the contract has been concluded. Any changes to the Contractor's identification data must be notified to the Client in writing within 10 days.
16. Should the addressee refuse to acknowledge receipt of correspondence delivered in person, or otherwise wilfully impedes its delivery, or the post office returns the document sent to another Party's address as having been undeliverable for any reason, the legal effects of the wording of the consignment enter into force upon the addressee's denial to acknowledge the receipt, or upon the wilful obstacle to, or the return of the undelivered document to the sender by the post office. The latter shall not apply if such provision with legal action validity contradicts the legal regulations.
17. The Parties agree that their liabilities under the contract shall be governed by Act 513/1991 Coll., the Commercial Code, as amended. Any dispute shall be resolved pursuant to Slovak law. Any potential dispute shall be decided by Slovak courts.
18. A circumstance excluding the Client's liability and/or an event constituting force majeure shall exclude the Contractor's claim for damages, contractual penalties and any other claim of the Contractor under this Contract arising from the Client's breach of the Client's obligations under this Contract in connection with the circumstance excluding the Client's liability and/or the event constituting force majeure. The Client shall not be in default in the performance of any of the Client's obligations under this Contract during the period of the Circumstance excluding the Client's liability and/or Force Majeure Event. A circumstance excluding the liability of the Client and/or a Force Majeure Event shall result in a reasonable extension of time for the performance of the Client's obligations under this Contract which the Client has failed to perform as a result of and/or in connection with the circumstance excluding the liability of the Client and/or the Force Majeure Event. For the purposes of this Contract, a circumstance excluding the liability of the Client and/or an event constituting force majeure shall also be deemed to include, for all purposes of this Contract, an unexpected failure of the Client's electronic systems for any reason whatsoever (hereinafter referred to as an "Emergency") or the occurrence of any new facts or circumstances in connection with an Emergency.
19. The application of the Contractor's (general) terms and conditions or any other contractual terms and conditions differing from these terms and conditions is hereby expressly excluded, unless the parties agree otherwise in writing.

#### **XIV. Industrial relations**

1. The Contractor undertakes to construct the works with its own employees in an employment relationship, or Contractors who employ employees for the purposes of the construction project, or temporarily allocated employees.
2. The Contractor undertakes to duly fulfil obligations in legal regulations which concern the employment and residence of foreigners. The Contractor is forbidden to employ for the construction project foreigners without a valid working permit or a valid residence permit, if such permits (authorization of a specific employee) are required. The Contractor's conduct contradictory to the provisions in the previous two sentences shall mean a serious breach of its contractual obligations, and the Client is thus entitled to dissolve the contract. The Contractor is also obliged to reimburse to the Client all damage caused by such breached obligations of the Contractor.
3. If the Contractor employs foreigners, it must prove upon the Client's request to have obtained the permit to employ employees from abroad, to have obtained their working permits and residence permits, if required by legal regulations.

#### **XV. Rights and obligations of the contracting parties in relation to legal liability for unpaid tax**

1. The Contracting Parties find it necessary to determine the conditions of financial settlement in relation to the potential performance of the Customer as a guarantor for unpaid VAT in accordance with Act No. 222/2004 Coll. on Value Added Tax, as amended (hereinafter referred to as the "VAT Act"), therefore they have agreed to regulate their mutual rights and obligations as specified in this Article of the contract terms.
2. The Contractor solemnly represents that he is not a tax debtor, that he does not have any arrears in VAT and also there are no reasons why his VAT registration could be cancelled as referred to in § 81 (3) (b), second point, of the VAT Act. The Contractor also represents that he is not included on the list of persons for whom there are reasons for cancelling the VAT registration as referred to in § 81 (3) (b), second point, of the VAT Act disclosed on the website of the Financial Directorate in accordance with § 69 (15) of the VAT Act (hereinafter referred to as "the List").
3. The Contractor shall inform the Customer without any undue delay, in any case within 3 days, of the occurrence of any situation which makes him unable to pay the VAT or a part thereof from invoices which he has issued or is supposed to issue to the Customer for the supplied performances as well as the occurrence of any reasons why his VAT registration could be cancelled as referred to in § 81 (3) (b), second point, of the VAT Act. The Contractor is also obliged to inform the Customer without any undue delay, in any case within 3 days, that he has been included on the List and state the date of disclosure of the Contractor on the List.
4. If the Contractor has not paid or is unable to pay the VAT specified in an invoice issued on the basis of and in relation to the contract, and the Customer knew or should have known based on sufficient reasons at the time of establishment of the tax liability that the entire VAT or a part thereof for the supply of a performance in accordance with the contract would not be paid, while such sufficient reason shall be understood as the Customer's knowledge of the fact that:
  - a) the consideration for the performance specified in the invoice is unreasonably high or unreasonably low

without any economic reason;

- b) at the time of establishment of the tax liability, the Contractor's statutory body, member of the statutory body or partner was his statutory body or a member of the statutory body or a partner;
- c) in accordance with the information stated in the invoice, the consideration for the performance or a part thereof would be paid to a different account held with a payment services provider or with a foreign payment services provider than the bank account of the Contractor who on the order date made a deposit or transferred funds as a consideration for the invoiced performance, disclosed in the list of bank accounts notified in accordance with provision of the VAT Act,

then the Customer is entitled to withhold a part of the invoices issued by the Contractor for the performance in the extent of the calculated VAT.

- 5. The Customer is also entitled to withhold a part of the invoices issued by the Contractor for the performance in the extent of the calculated VAT issued after the date of disclosure of the Contractor in the List. If the Customer withholds a VAT amount as referred to in the previous sentence, he shall pay the withheld VAT amount to the Contractor's account if the Contractor unambiguously demonstrates that the VAT from the issued invoice has been paid to the tax administrator (by solemn declaration and confirmation of the personal account status issued by the tax administrator, demonstrating the non-existence of any arrears in the administered taxes). The Customer is entitled to withhold a VAT amount during the period of time when the Contractor is disclosed on the List, in any case at least until the date when the Contractor submits the documents as referred to in the previous sentence.
- 6. If the Customer withholds a part of the invoices issued by the Contractor for a performance in the extent of the calculated VAT in accordance with paragraph 4, he shall pay the withheld VAT amount to the Contractor's personal account held by the Contractor's tax administrator and disclosed on the website of the Financial Directorate, while the Customer shall identify the VAT payment as if paid by the Contractor, i.e. identify it with the variable symbol: 1109mmyyyy, where mm is the taxable period/month and yyyy is the calendar year when the Contractor's obligation stated in the invoice was established.
- 7. The Contracting Parties have agreed that, in the cases as referred to in paragraphs 4 and 5, the Customer is not considered to be delayed in payment of any invoice in the extent of the withheld VAT amount.

#### **XVI. Personal data protection**

- 1. To perform its contractual duties, and based on its legitimate interest, the Client is entitled to keep, save, share and use the Contractor's data and the data of its employees or others' personal data provided by the Contractor. Anytime the Contractor provides Client with personal data of natural persons whose activity contributes to the performance of contractual duties (e.g. a contractually agreed person authorized to act on behalf of the Contractor), the Contractor is obliged to prove it has timely informed data subjects on behalf of the Client pursuant to Clause 14 of 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, repealing Directive 95/46/EC ("General Data Protection Regulation" herein), or pursuant to national legal regulations which concern the protection of personal data of data subjects, akin to GDPR, if required.  
In such case, the Contractor must inform the data subjects that the Client is the Data Controller, and notify data subjects about the purpose and legal basis of personal data processing, and the category of personal data provided to the Client. Last but not least, the Contractor must also inform data subjects about their right to access their personal data processed by the Client, their right to have their personal data corrected, deleted, to restrict or to object to their personal data processing, and the right to complain to the data protection officer ("DPO")
- 2. Should the processing of personal data of individuals whose activity contributes to the contractual performance, and which are provided by the Contractor to the Client, be conditioned by the consent of data subject(s) with personal data processing, the Contractor undertakes to timely provide such free informed consent form in writing to the Client.
- 3. The Contractor is obliged to prove its compliance with all of the Contractor's obligations under Clause XVI. (1) and (2) upon the Client's request without undue delay.

#### **XVII. Specific provisions on the public procurement process**

- 1. The Contractor is entitled to approach the Constructor-Public Authority or the authority in line with §8 of Act 343/2015 Coll. on Public procurement, and on amendments and supplements to certain acts, as amended (the "Public Procurement Act"), and request proper payments to be directly paid to the Contractor not later than within 15 days of the delivery of a written notice to the Client. The Contractor's notice shall specify the sum requested from the investor and its reasoning.
- 2. If the Contractor approaches the Constructor with the role of the Public Authority or the authority in line with §8 of the Public Procurement Act and requests proper direct payments to the Contractor without prior written notice pursuant to par. 1, or before a period of 15 days following the delivery of a written notice to the Client pursuant to par. 1 expires, the Client is entitled to charge a contractual penalty of 5% of the sum claimed by the Contractor for direct payment, and the Client is also entitled to resolve the contract.
- 3. If the Contractor approaches the Constructor with the role of the Public Authority, or the authority in line with §8 of the Public Procurement Act and request improper direct payments to the Contractor, the Client is entitled to charge a contractual penalty of 5% of the sum claimed by the Contractor for direct payment, and the Client is also entitled to dissolve the contract.

4. If the Contractor participates in the construction of a bid subject to the Public Procurement Act, and the Contractor in the role of the Public authority, or entity pursuant to §8 of the Public Procurement Act requested in the tender documentation, the Contractor must comply with the tender conditions for economic operators and/or there cannot be reasons for its exclusion pursuant to §40 (6) a) through h) and §40 (7) of the Act (hereinafter referred to as the “Constructor’s requirements), the Contractor declares that it complies with the Constructor’s requirements upon signing the contract. In the event the Contractor does not comply with the Constructor’s requirements upon signing the contract, it undertakes to comply therewith within 10 calendar days. The Contractor’s declaration under this paragraph is considered its commitment. The Contractor confirms it is familiar with the wording of tender documents pursuant to this paragraph.
5. If during the call for bids under the Public Procurement Act the Contractor assumed the role of the entity pursuant to §33 (2) and/or entity pursuant to §34(3) of the Public Procurement Act, and provided the Client with financial support and/or technical capacities, used by the Client to prove its financial and economic situation and/or technical or professional expertise, the Contractor declares that it has registered the end benefit users in the register of public sector partners (hereinafter referred to as the “register”), and that it is devoid of any reasons for exclusion pursuant to §40 (6) a) through h) and §40 (7) of the Public Procurement Act. Contractor’s declaration under this paragraph is considered its commitment.
6. If the Contractor breaches any of its commitments under pars. 4 or 5 herein, the Client has the right to charge a contractual penalty of 5% of the contracted price of the works, and to dissolve the contract immediately.
7. Should the Contractor cease to comply with the Constructor’s requirements pursuant to par. 4 herein throughout the duration of the contract and/or fails to report a change in the data in the register and to provide all necessary documents to the claimant, the Client has the right to charge a contractual penalty of 5% of the contracted price of the works, and to dissolve the contract immediately.

**XVIII. Confidentiality Clause**

1. The Parties commit themselves to keep information provided as such by another Party confidential, and undisclosed to third parties, except for requests of such data by courts or other authorized public authorities.
2. Confidential data shall mean any type of data, including business, technical information or method statements, and information obtained before or after the contract is signed, obtained by the Party during negotiations or by other communication means, except for:
  - a) information currently known and to become fully known by the general public in the future for reasons which demonstrably exclude any breach of these General Specifications of the Contractual Terms and Conditions,
  - b) information a Party is authorized to publish because such information was available before their submission by another Party, as can be undeniably proven,
  - c) information obtained or to be obtained from a third party not bound by the contract, as can be undeniably proven.
3. The Parties undertake to ensure that confidential information is only disclosed to employees whose nature of work requires that it be disclosed, and to bind such employees with confidentiality pursuant to Clause XVIII. (1).
4. The Parties agreed to ensure that confidentiality is also maintained by third parties which participate in the construction project as the Parties’ Contractors.
5. Neither Party is allowed to make copies or otherwise reproduce confidential information except for justifiable reasons.
6. The Contractor is not allowed to use construction project data for marketing purposes without the Client’s prior written consent.

In ..... on .....  
On behalf of the Client:

On behalf of the Contractor:  
.....

.....  
**on behalf of Skanska SK a.s.**  
Ing.....  
.....board of directors

.....  
**on behalf of Skanska SK a.s.**  
Ing.....  
.....board of directors