

TERMS AND CONDITIONS

OF PRAGUE AIRPORT, INC.

FOR THE WORKS AGREEMENT FOR SUPPLY AND INSTALLATION (HEREINAFTER "AGREEMENT"):

(HEREINAFTER "TERMS AND CONDITIONS")

1. INTRODUCTORY PROVISIONS

1.1 For the purposes of the Agreement and the Terms and Conditions, the following terms shall have these meanings unless provided otherwise in the Agreement:

- 1.1.1 Bank guarantee**, if agreed in the Agreement, it means an irrevocable, unconditional bank guarantee issued in accordance with these Terms and Conditions as surety for the Supplier meeting its contractual obligations. The bank guarantee must be payable at the first summons, wherein the Client will only state that the Supplier is in breach of its contractual obligations for which the Client requests appropriate payment be made from the bank.
- 1.1.2 Price of the Works** means the total price for the completed Works set by the Client in the Agreement.
- 1.1.3 Works** means the outcome of the activities of the Supplier specified by the Agreement, including any Changes in the Works carried out in accordance with article 10 of these Terms and Conditions.
- 1.1.4 Principal**, if agreed in the Agreement, means an amount deposited by the Supplier into the account of the Client for the purpose of ensuring the fulfillment of the obligation of the Supplier for payments to be made to the Client.
- 1.1.5 Security**, if agreed in the Agreement, means Security for the realization and/or Security for the guarantees deposited in the form of Principal and/or Bank Guarantee.
- 1.1.6 Security for realization**, if agreed in the Agreement, means a Principal or Bank Guarantee on deposit, which the Client can use to satisfy any of its claims on the Supplier from the commencement of work on the Works until the Works has been duly completed.
- 1.1.7 Security for guarantees**, if agreed in the Agreement, means a Principal or Bank Guarantee on deposit, which the Client can use to satisfy any of its claims on the Supplier from the Duly Completed Works to the end of all warranty periods and the removal of all defects in the Works under warranty.
- 1.1.8 Civil Code** means Act 89/2012 Coll., Civil Code, as amended and effective.
- 1.1.9 Works Area** means the precise location (buildings, parts of them, or land) on which the Works is to be carried out.
- 1.1.10 Transferred Documentation** means all documents submitted by the Client to the Supplier prior to signing the Agreement. By signing the Agreement, the Supplier states that it is properly acquainted with the Transferred Documentation.
- 1.1.11 Transfer Protocol** means a protocol on the handover and acceptance of the Works signed by both Parties, a sample of which is attached to this Agreement.
- 1.1.12 Duly Completed Works** means (cumulative) (i) the making of the Works in accordance with the Agreement and these Terms and Conditions, including removing all possible defects in the Works, (ii) handing over all documents and papers to the Client required by the Agreement or these Terms and Conditions, (iii) properly handing over the Works Area back to the Client, at a time prescribed by the Agreement.
- 1.1.13 Properly Completed Work** means the outcome of the Duly Completed Work.
- 1.1.14 Agreement** means a Works Agreement for Supply and Installation concluded between the Parties, including all annexes, and including these Terms and Conditions, as well as all their changes and addenda, which shall be drawn up by the Parties in accordance with the appropriate provisions of the Agreement.
- 1.1.15 Parties** means the Client and Supplier collectively, whereas in singular form Party means any of the Parties.
- 1.1.16 Force majeure** means an extraordinary event or circumstance that could not have been foreseen or avoided by either of the Parties prior to concluding the Agreement and which is beyond the control of either Party and was not caused intentionally or by negligence or an omission by either Party. Such events or circumstances are particularly, but not exclusively:
- (a) Natural disasters - earthquakes, floods, tornadoes, etc.;

- (b) Events related to human activity - e.g. wars, civil unrest, aircraft accidents, and radioactive contamination by fissile material or radioactive waste, but not labor strikes, economic conditions and similar circumstances related to the activities of the Party that invokes force majeure;
- (c) Prevailing acts of state and local authorities - laws, regulations, decrees, etc., including instructions from the Client emanating by necessity from them, but not administrative, judicial or other decisions issued in a particular case to the detriment of the Party invoking force majeure, if the reason for issuing them is a breach of legal obligation by that Party or due to its negligence.

1.1.17 Interim Certificate means a certificate prepared by the Supplier after carrying out Changes to the Work containing an inventory of all work carried out, or not carried out, and supplies and services that the Supplier submits to the Client for approval.

1.1.18 Change in the Works means a deviation from the specification of the Work or work schedule provided directly by the Agreement or procedure under the Agreement.

1.2 The Agreement and Terms and Conditions form an indivisible whole. If the Agreement is spoken about, it likewise means these Terms and Conditions, unless the context indicates that only the Agreement is meant.

1.3 Persons designated in the Agreement as the representatives of the Parties in technical matters are authorized to act and sign on behalf of the Client and Supplier within the framework of performance under the Agreement, i.e. in matters relating to the performance and payment of the Works (handover of the Works Area, entries in the construction log, handover and acceptance of the Works, documentation for payment, etc.), but not relating to the Agreement itself, i.e. negotiating addenda to the Agreement, taking action leading directly to the termination thereof, etc.

1.4 The Client is entitled to designate subcontractors named by the Client, a list of which in this case shall be provided in the Agreement. Subcontractors named by the Client will carry out work on the Works, each part of which will be likewise specified in the Agreement, and this on the basis of a contract which each subcontractor named by the Client shall conclude with the Supplier. The Supplier shall be responsible to the Client for the activities of the subcontractors named by the Client the same as for the subcontractors the Supplier chooses itself. In view of this, the Supplier must regulate its contractual relations with the subcontractors named by the Client so that it is able to ensure the fulfillment of their obligations. The provisions of subcontractors has no effect on the responsibility of the Supplier to make the Works, which shall bind the Supplier to the Client for the entire duration of this contractual relationship.

2. DURATION OF PERFORMANCE

2.1 The Supplier is obliged to make the Works and carry out other activities in accordance with this Agreement within the deadlines stipulated by the Agreement. Prior to the start of making the Works, the Supplier is obliged to pay due attention to discussing and clarifying the work schedule that forms an annex to the Agreement with the Client. With the exception of the deadline for starting the process of accepting the Works, a change in the work schedule is only possible on the basis of an entry in the construction log, with which both Parties shall express their written consent.

2.2 The deadline for completing the Works shall be reasonably extended without applying sanctions in the event that the Supplier can prove that the delay was the fault of circumstances beyond its responsibility or was the fault of the Client. Extending the deadline for completing the Works is only possible in the form of an addendum to the Agreement.

3. PRICE OF THE WORK

3.1 The Client agrees to pay the Supplier the Price of the Work specified in the Agreement. Payment will be made in the same currency in which the Price of the Work is stated in the Agreement.

3.2 An itemized breakdown of the Price of the Works is provided in the price calculation that forms an annex to the Agreement.

3.3 By concluding the Agreement, the Supplier confirms that:

3.3.1 The Price of the Works is correct, complete and sufficient to cover all costs associated with making the Duly Completed Works; and

3.3.2 It has determined the Price of the Works based on full acquaintance with all Transferred Documents and input information, the Works Area, the necessary scope of the work and any other factual information, with due diligence, which can be expected from a most knowledgeable and experienced Supplier.

- 3.4** The Price of the Works has been agreed as the maximum and may not be amended with the exception of Changes to the Works, then by adding or subtracting the price of these Changes to the Works on the basis of the accounting further specified in article 10 of these Terms and Conditions. Should the costs of labor and/or material and/or energy change during the course of making the Works and it does not concern any extra work or deviations from the original award of the Works requested in advance by the Client, these additional costs shall be paid solely by the Supplier. The price for any extra work requested by the Client shall be addressed in an addendum to the Agreement.
- 3.5** The Price of the Works includes all direct and indirect costs incurred necessarily and reasonably by the Supplier in connection with meeting its obligations under the Agreement, especially the costs for equipment and modifications in the Works Area, for transport, illuminating workplaces, for energy, auxiliary installation work, duties on imported supplies and all fees associated with the delivery of components and the realization of the Works, the costs for the proper disposal or reuse of waste generated by the activities of the Supplier, cleaning the Works Area and its surroundings, administrative work associated with preparing documents transmitted with the Works, performing all tests in accordance with valid technical standards and prevailing legal regulations, including issuing the documents for performing these tests. The Price of the Works includes the Supplier meeting all its obligations arising from the Agreement and all items and activities necessary for Duly Completed Works and removing all defects in it.
- 3.6** The Supplier declares that the unit prices used for valuating the Works are the maximum for the entire duration of the Works.
- 3.7** Work, supplies and services not carried out during the performance of the Works will not be charged by the Supplier and the price for this work and supplies will be deducted from the total Price of the Works.
- 3.8** Any work performed by the Supplier outside the arrangements in the Agreement as a result of an arbitrary departure from the terms of the Agreement will not be paid by the Client. The Supplier must remove the work under the previous sentence at the request of the Client within the specified time and reimburse the Client for the damages incurred by the Client as a result.
- 3.9** The Price of the Works or an amount to be paid to the Supplier on the basis of a single, partial or final invoice may be reduced by the Client by any claim of the Client against the Supplier arising, e.g. in respect of paying a contractual penalty or reimbursement for damages.
- 3.10** If, in accordance with Act 235/2004 Coll., Value Added Tax Act, as amended, the Contractor:
- 3.10.1** will be designated an unreliable payer by a decision of the tax authority, or
 - 3.10.2** will be required to pay for a taxable supply under this Agreement to a bank account that has not been made public to the tax authority in a manner enabling remote access, or to a bank account managed by the provider of payment services outside of CZE,

The Client is entitled to pay to the bank account of the Supplier only the Price for providing the taxable supply without value added tax (hereinafter "**VAT**"). Should the VAT be charged and constitutes a part of the payment by the Client under the Agreement, the Client is entitled to pay it directly to the account of the appropriate tax administrator. In this case, this amount of VAT within the Price shall not be considered an outstanding commitment towards the Supplier, and the Supplier is thus not entitled to ask for the VAT as an additional payment or to apply any contractual sanctions, interest on arrears or contractual penalties. The Client is required to inform the Supplier about this process, no later than the date of paying the Price.

4. PAYMENT TERMS

- 4.1** The Price of the Works shall be paid by the Client to the Supplier as per the means specified in the Agreement, i.e.
- 4.1.1** either as a lump sum on the basis of an invoice issued after the Proper Completion of the Works, or
 - 4.1.2** gradually on the basis of individual invoices issued at intervals stipulated by the Agreement and a final invoice issued after the Proper Completion of the Works. The Parties agree that the total amount for which the individual invoices will be issued prior to the Proper Completion of the Works may not exceed 90% (ninety percent) of the Price of the Works.
- 4.2** Attached to the invoice, or individual invoices under article 4.1 of these Terms and Conditions, must be:
- 4.2.1** A list of the work, supplies and services carried out, signed by the Client, and

- 4.2.2** in the case of a single invoice, or final invoice issued after the Proper Completion of the Works, also
- (a)** individual instructions signed by the Client for making Changes to the Works if they have been approved, and Interim Certificates if Changes to the Works have been made; and
 - (b)** accounting for the Changes to the Works if Changes to the Works have been made, carried out in accordance with article 10.5 of these Terms and Conditions;
 - (c)** copy of the Handover Certificate; and
 - (d)** certificate proving that defects or backlogs indicated in the Handover Certificate were removed in accordance with article 8.4.2 of the Terms and Conditions.
- 4.3** Invoices must be issued within the legal deadlines at the latest so that they are delivered to the Client at the contact address of the Client for sending invoices under the Agreement no later than the 5th (fifth) day of the month following the month when the invoiced performance was carried out. In the event of a one-off or final invoice, the Supplier is obliged to send the Client the invoice to the contact address of the Client for sending invoices under the Agreement no later than the 5th (fifth) day of the month following the month when the Handover Certificate was signed by both Parties.
- 4.4** An inventory of the work, supplies and services under article 4.2.1 of these Terms and Conditions must be submitted in both paper and electronic form, namely in XLS format.
- 4.5** The invoice must comply with the requirements of a tax document under prevailing laws and must include factually correct information in relation to the invoiced performance.
- 4.6** After receiving the invoice, the Client has 10 (ten) working days to decide whether the invoice has been correctly issued, especially but not only whether it meets the conditions specified in articles 4.2, 4.3 and 4.5 of these Terms and Conditions. The Client has the right to return an invoice, even repeatedly, if the invoice has not been issued correctly, in which case the Client is not obliged to make any payment based on it. Returning an incorrectly issued invoice suspends the due date and a new maturity period begins after the delivery of a duly corrected invoice. The Supplier is obliged to correct all defects in the invoice without undue delay and at its own expense.
- 4.7** If the due date falls on a Saturday, Sunday, or holiday in the meaning applicable and effective under the legal code of the Czech Republic, or on 31. 12, or on a day which is not a working day in accordance with Act 370/2017 Coll., on payments, as amended, the due date shall be moved up to the next working day.
- 4.8** The Price of the Works or individual payments shall be paid directly to the bank account of the Supplier maintained at a bank in the Czech Republic and specified in the Agreement, unless a different bank account is indicated on the invoice. Payment shall be considered made on the date the relevant amount is debited to the account of the Client. Debiting the amount from the account of the Client fulfills the obligation of the Client.
- 4.9** All payments shall be made in Czech crowns unless provided otherwise in the Agreement.
- 4.10** The Client and Supplier agree that any changes in the legal tender of the Czech Republic will have no effect on the validity and binding nature of the Agreement and the Terms and Conditions and that neither of the Parties is entitled to request changes in the Agreement, with the exception of any technical changes, which will be the direct result of regulations relating to any change in the legal tender of the Czech Republic. The Parties further agree that any fixing of the exchange rate of the Czech Crown (CZK) to the Euro (EUR) as the only currency in the Czech Republic or conversion of the financial commitments of the Agreement from the Czech Crown (CZK) to the Euro (EUR) does not entitle either of the Parties to prematurely terminate or change the Agreement, it is no cause for the early payment of amounts due under the Agreement, and it constitutes no reason for the liability of one Party to the other Party for any losses, including direct or indirect damages arising on the basis of the circumstances described above and the exchange rate risks associated with them, unless the Parties expressly agree otherwise. At the moment the Czech Crown (CZK) ceases to be the legal tender of the Czech Republic all payment obligations arising from the Agreement will be converted to the Euro (EUR) using the exchange rate set by the prevailing laws at the date of introducing the Euro (EUR) in the Czech Republic. Should the Euro cease as currency, all commitments from the Agreement will be denominated in the legal tender of the Czech Republic under the conditions established by the prevailing laws, especially in the use of the appropriate exchange rate; the provisions of this paragraph relating to the introduction of the Euro as currency shall be reasonably applied in such case.
- 4.11** The Client is entitled to set off any of its claims, whether due or not, against the Supplier with the claims of the Supplier, whether due or not, against the Client arising from the Agreement.

- 4.12** Should the subject of invoiced services for which an invoice is to be issued after the date of 1. 1. 2012 be for construction work, the Supplier is obliged to substantiate each such invoice with the opinion of an expert in the field of classifying the provision of services in accordance with the Notice of the Czech Statistical Office dated 31. 7. 2008 concerning the introduction of the Classification of Products (CZ-CPA), published in the Statutes, or in accordance with a different notice that replaces the notice above, which are classified into the categories of construction and construction work. Should the opinion mentioned in the preceding sentence not be attached to each invoice, whereby the Supplier is required to attach it in accordance with these provisions, the Client shall consider the invoice to be incomplete and the Client shall not be obliged to pay it. The classification must cover all construction work that is billed in a specific invoice, and must be current with regard to current legislation and invoiced payments.
- 4.13** Should an invoice issued by the Supplier be the subject of an additional tax assessment made by the tax authority with respect to the Client in accordance with Act 280/2009 Coll., Tax Code, as amended, namely for value added tax and/or for penalties and/or interest on arrears, the Supplier has the obligation to make the additional assessed payment to the Client. The Client is entitled to invoice the Supplier for all amounts assessed to it on the basis of a decision of the tax authority, and the Supplier is obliged to pay it in accordance with the invoice issued by the Client. An attachment to the invoice issued by the Client in accordance with the above will always be a copy of the decision of the tax authority.
- 4.14** The Supplier is not entitled to additionally bill the Client value added tax for invoices already issued and received.
- 4.15** Should the Supplier be in arrears with work and/or has failed to fulfill another commitment of the Agreement, the Client is entitled to suspend any payment based on an invoice up until the arrears or breach of obligation are remedied by the Supplier.
- 4.16** In the case of individual invoices under article 4.1.2 of these Terms and Conditions, the Parties agree that the work carried out on the basis of invoices will be considered, for the purposes of Act 235/2004 Coll., on Value Added Tax, as amended, individual taxable supplies. The date of performing an individual taxable supply is, for tax purposes, the last day of the month for which the invoice is to be issued.

5. RETAINAGE AND SECURITY

- 5.1** If so stipulated by the Agreement, the Client is entitled to deduct retainage from each invoiced amount, the amount of which in this case will likewise be stipulated by the Agreement. The retainage will be paid to the Supplier under the conditions stipulated by the Agreement.
- 5.2** If so stipulated by the Agreement, the Client is entitled to require a Security deposit for realization and/or Security for guarantees.
- 5.3** If so agreed, Security for realization must be deposited no later than the date indicated in the Agreement as the date for the commencement of work. The Security for realization, reduced by any amounts withdrawn, will be released by the Client after the Works are properly completed and (if this is to be provided according to the Agreement) and deposited as Security for guarantees.
- 5.4** If so agreed, Security for guarantees must be deposited prior to the completion of the Works. The failure to deposit it means the Works has not been properly completed (i.e. there is no Duly Completed Works). The Security for guarantees, reduced by any amounts withdrawn, will be released after the conclusion of all warranty periods and the removal of all defects in the Works under warranty.
- 5.5** Should the Security be provided in the form of a Bank Guarantee, this guarantee must be provided by the bank with the prior approval of the Client and the text of the guarantee must also be approved by the Client in advance.
- 5.6** Should the amount of the deposited Security fall below the agreed level due to withdraws or for other reasons, the Supplier is obliged to replenish it to the original amount no later than 10 (ten) days after learning of this fact.
- 5.7** In the event the Bank Guarantee has not been replenished to the original amount by the Supplier under article 5.6 of these Terms and Conditions and/or it is set to expire in less than 21 (twenty one) days, the Client is entitled to immediately withdraw the entire Bank Guarantee. The withdrawn amount shall be considered Principal, while the commitments of the Supplier associated with the Bank Guarantee shall be unaffected by this.
- 5.8** In the event the Supplier breaches the obligation to deposit and/or maintain the Security in the stipulated amount and validity, the Client shall not be obliged to pay the Supplier any amounts until these obligations of the Supplier are met. Other rights of the Client arising from this are unaffected.

5.9 In the event that the Security is provided in the form of Principal, the Supplier is obliged to remit the relevant amount into the account in a manner determined by the Client.

5.10 The Supplier is not entitled to any interest on the deposited Security.

6. CONSTRUCTION LOG AND WORKS AREA

6.1 The Supplier is required to maintain a construction log starting on the date of the acceptance of the Works Area. The Supplier shall maintain the construction log in accordance with prevailing laws. The Parties shall record all facts relevant to the making of the Works and performance of the Agreement in the construction log, especially minor deviations, additional documents and paperwork under article 2.4.2 of the Agreement, information important for carrying out the work schedule, repairs, etc. All pages of the construction log must be marked in ascending, consecutive numbers.

6.2 The construction log will be maintained in two copies of the construction log, and the Client is entitled any time during the course of making the Works to request the Supplier to hand over the first copy of the construction log.

6.3 Entries in the construction log shall not be construed as a change in the Agreement, rather they serve as the basis for elaborating supplements and changes to the Agreement.

6.4 The Parties are required to monitor the contents of the construction log and provide their binding opinions to the entries within 48 (forty-eight) hours. The information recorded in the construction log by the Supplier and confirmed in writing by the Client (reciprocal) shall be regarded as indisputable.

6.5 The obligation to maintain the construction log ends on the date of the Duly Completed Works. The Supplier shall give the construction log to the Client on the date of the Duly Completed Works.

6.6 In the construction log, the Supplier shall invite the Client with at least 48 (forty-eight) hours advance notice to inspect all work that will be covered over in the next phase or else will become inaccessible. The acceptance of this invitation will be the signature of the Client's representative under this invitation in the construction log. Should the Client fail to arrive at the inspection despite receiving the invitation to attend it, it will be assumed that the Client agrees with covering over the work. Should the Supplier fail to invite the Client to the inspection in accordance with the first sentence of this article, the Client is entitled to require the work to be uncovered at the risk and costs of the Supplier.

6.7 An entry will be made in the construction log about the handover and acceptance of the Works Area (at the start of commencing the making of the Works and after completing the Works).

6.8 The Client shall give the Supplier the documents required under applicable law for making the Works and using the Works Area no later than the handover of the Works Area. Together with the handover of the Works Area, the Client: (i) shall transfer supply points for water and electricity to the Supplier, (ii) transfer the space for the equipment of the Works Area to the Supplier, and (iii) designate the entrance to the Works Area.

6.9 At the request of the Supplier, the Client shall provide the Supplier electricity, water and a telephone line for payment. The Client shall determine the points of connection. The Supplier shall manage the connections within the framework of the equipment in the Works Area and likewise provide metering. Consumption will be regulated by separate contracts.

6.10 In accordance with the provisions of section 101 of Act 262/2006 Coll., Labor Code, as amended, the Client and Supplier are obliged to keep each other mutually informed in writing about risks and the measures adopted to provide protection from the effects of them that concern the performance of work in the Works Area, and work together to ensure the occupational health and safety (hereinafter "OHS") for all employees in the Works Area.

6.11 The Supplier is obliged to provide training in OHS for all personnel who will enter the Works Area under its management. An integral part of this training will be an acquaintance with the OHS documentation transmitted by the Client.

6.12 The Supplier is fully responsible for OHS for all personnel in the Works Area. All personnel who enter the Works Area under the management of the Supplier must be equipped with personal protective equipment according to the risk of the operations they carry out.

6.13 Should there be more than one Supplier active in the Works Area, the Client shall determine the required number of OHS coordinators in the Works Area in accordance with the provisions of section 13 of Act 309/2006 Coll., on ensuring other conditions of occupational health and safety, as amended, taking into account the scope and complexity of the Works and the demands it places on coordination in the phase of preparation and phase of realization.

- 6.14** The Supplier is fully responsible for ensuring fire prevention in the Works Area. The Supplier is required to provide documented training for the personnel who will enter the Works Area under its management. An integral part of this training will be an acquaintance with the fire prevention documentation transmitted by the Client.
- 6.15** Based on previous discussions with the Client within the framework of the equipment for the Works Area, the Supplier is entitled to put equipment, objects and mechanisms necessary for making the Works in the Works Area.
- 6.16** The Client is obliged to provide the Supplier use of the Works Area free of charge from the date of its handover to the date of the reverse acceptance of the Works Area under the Agreement.
- 6.17** If so stipulated by the Agreement, the Client shall provide the Supplier, prior to the commencement of work, all assistance leading to familiarity with the utility lines of industrial networks and equipment affected by the realization of the Works, namely on adjacent land or properties of the equipment of the Works Area. The Client and Supplier shall also provide each other with the technical information necessary for realizing the Works. Surveillance and protection of the transferred Works Area and its equipment and the workplaces of the Supplier shall be the affair of the Supplier during nonworking times and holidays. During the absence of the Supplier, no tools shall be allowed in the Works Area without supervision. Material may be left in the Works Area only in such amount that does not prevent the normal operations of the Client on that site.
- 6.18** The Supplier is obliged to continuously maintain order and cleanliness in the Works Area and to perform basic cleaning in the workplace and in its immediate vicinity and in access ways should they be affected by the activities of the Supplier or their consequences.
- 6.19** The Client is entitled to carry out constant supervision in the Works Area, which however shall not affect the responsibility of the Supplier for all activities carried out in the Works Area.
- 6.20** The Supplier is obliged to vacate the Works Area with its equipment and put it in its original state no later than the date stipulated in the Agreement. The Supplier is required to hand over the Works Area and the Works in a clean and good condition, and put the land, objects and ways affected by the construction in their original state. Should this obligation be breached, the Works shall not be considered properly completed (i.e. it will not be considered Duly Completed Works). The Client shall confirm the acceptance of the Works Area by signing the protocol for the acceptance of the Works Area.
- 6.21** The Supplier shall participate in the inspections and tests of the Works carried out by the Client. Their conclusions are binding for it. The Client shall record defects identified in the Works in the construction log.
- 6.22** The Client and Supplier are entitled to convene an inspection day by making an entry in the construction log with at least 3 (three) working days advance notice. A record shall be drawn up for each inspection day that will especially include the date and location of the inspection, list of participants, matters that were discussed and conclusions accepted and the signatures of the participants. An entry that the inspection day was carried out will be made in the construction log.
- 7. METHOD OF MAKING THE WORKS**
- 7.1** The Supplier will have fulfilled its obligation to make the agreed Works upon the Proper Completion of the Works.
- 7.2** For the Proper Completion of the Works, it is necessary for the Supplier to transmit to the Client all the material documenting the proper and quality making of the Works and its fitness for use, especially inspection reports, documents on carrying out comprehensive testing in accordance with current technical standards and prevailing regulations, documents on carrying out other tests, certifications for the products used in the making of the Works, conformity declaration, etc., furthermore user, operator and maintenance instructions in the Czech language in 4 (four) copies, warranty certificates for products and equipment, documents on the training of operators, and other documents requested by the Client during the course of making the Works.
- 7.3** All technical work must be carried out by employees of the Supplier or subcontractors possessing the appropriate qualifications. At the request of the Client, the Supplier is obliged to provide proof of the qualifications of employees.
- 7.4** Each subcontractor must be approved by the Client in writing prior to proceeding with the realization of the Works. The Supplier is responsible for fulfilling this obligation.
- 7.5** The Supplier is required to make the Works at its own cost and risk, in accordance with the Transferred Documentation, applicable regulations, prevailing and recommended Czech and European technical standards (ČSN, EN), the instructions of authorized operational personnel of the Client, and with good practice.
- 7.6** The Supplier shall make the Works in the quality established by prevailing laws, technical standards, applicable regulations, any decisions of the public authorities, and in accordance with the technological procedures agreed for all work carried out.

- 7.7** During the course of making the Works, the Supplier is obliged to observe prevailing laws, especially concerning occupational health and safety, air safety and security, environmental, fire, sanitary, and property protection regulations, as well as the internal regulations of the Client which concern the performance of the Agreement. The Client shall give the Supplier the internal regulations of the Client during the handover of the Works Area and will inform it about any changes in it that can have an effect on the making of the Works and the performance of the Agreement. In discharging its obligations under the Agreement, the Supplier is obliged to follow the instructions of the Client. The Supplier is required to follow the orders of the Client concerning the method of making the Works. The provisions for a Change to the Works under these Terms and Conditions are unaffected by it.
- 7.8** The Client is entitled to request samples from the Supplier, possibly the testing of components and materials used in the installation.
- 7.9** The Client shall provide the media for the tests and comprehensive testing of the Works within 5 (five) days of receiving a written notice of the requirement from the Supplier.
- 7.10** The Client shall provide training for the Supplier's supervisory personnel in operational regulations, the knowledge of which is necessary for the activities of the Supplier in carrying out an installation at Prague Airport, for the price set by the current price list of Prague Airport, Inc. The supervisory personnel are required to familiarize the personnel who will be doing the realization with these regulations (both employees of the Supplier and any subcontractor).
- 7.11** The Supplier is the originator of the waste generated during the making of the Works. The Supplier shall remove or reuse this waste at its own cost. The Supplier is obliged to follow all prevailing laws and the regulations of the Client in the area of waste management during the course of realizing the Works.
- 7.12** The Supplier is liable for damages to health, property and for environmental damage incurred by its employees and property in the course of its activities or in connection with them, and for the damages incurred by third parties and the Client as a result of the activities of the subcontractor's employees or workers or in connection with them.
- 7.13** The Supplier is obliged to train operators of the Client and familiarize them with the rules of maintenance and to include the price for these activities in the Price of the Works.
- 7.14** The areas bordering the Works Area and the Works Area itself can be used for promotional purposes only with the consent of the Client on the basis of a written contract and for a price.
- 7.15** The Supplier shall ensure that its employees and the employees of its subcontractors are trained in moving about in the non-public area of the airport and have identification cards from the Client allowing them entry to the restricted area of Prague Airport. The employees of the Supplier and employees of its subcontractors are required to move about only in the designated Works Area and along specified approaches. The Client will arrange identification cards and vehicle permits in exchange for payment after receiving a list of the names of the workers, machinery and vehicles, and after the workers have completed training in safety and fire prevention applicable at the construction site. For preparing these access cards, the Supplier is required to provide a list of the names of all personnel to be issued cards and to keep this list updated. Should legal regulations stipulate special obligations for personnel having access to special security zones, the Supplier is obliged to meet these obligations for the personnel making the Works.
- 7.16** The Client shall issue identity cards for the employees/workers of the Supplier, in exchange for payment, which are necessary for entering the restricted area of Prague Airport. The price for issuing these identity cards is set by the current price list of Prague Airport, Inc.
- 7.17** The Supplier is entitled to use radio stations only with the prior consent of the Client, which shall not be reasonably unreasonably refused or denied and where the Client shall establish the conditions for using them. The Supplier shall ensure that the conditions established by the Client for using the radio stations are observed so that no disturbance occurs in the radio operations of Prague-Ruzyně Airport, otherwise the Supplier is liable for any damages caused.
- 7.18** In the context of preventing pollution and damaging the environment and in the procedure established by EMS (Environmental Management System) under ISO 14001 for the Client, the Supplier shall refrain from any activities that may directly or indirectly cause damage to or threaten individual components of the environment. In the event of a malfunction or accident, the Supplier is obliged to contact the employees of the Client through the contacts given below (telephone numbers always in the form of 220 11x xxx):
- 7.18.1** In case of fire, leakage of unknown substance: 3333, 2222;
- 7.18.2** Fire protection engineer: 1231, 2563;

7.18.3 Medical outpatient office: 3301, 3302;

7.18.4 Security control room: 1000;

7.18.5 Central dispatcher's office — faults, accidents: 6000;

7.18.6 Telephone line disorders: 3000.

7.18.7 Should there be any questions or suggestions for improvement in individual areas, the Supplier may contact the staff of the Client via the contacts below:

(a) Work safety: bozp@prg.aero;

(b) The environment: zivotni.prostredi@prg.aero;

(c) Complaints: stiznosti@prg.aero;

(d) Fire protection engineer technik.po@prg.aero.

7.19 The Supplier is obliged to maintain all prescribed records and keep the documents associated with the subject of performance throughout the duration of the Agreement and then to archive them for at least 5 (five) years. This applies in particular to documents concerning occupational health and safety (OHS) as well as those documents arising from the internal standards of the Client, which the Supplier was demonstrably made familiar with within the instructions.

7.20 If within the framework of making the Works in the transferred workplace, the Supplier will carry out activities with an increased risk of fire, with all types of welding equipment (oxyacetylene kit, electric arc or resistance, plasma, aluminum-thermal welding, etc.), using electric soldering irons, gas blowtorches, using propane-butane welding torches, cutting and modifying material causing the formation of sparks and scale, perhaps other hazardous work after they have been evaluated by the fire engineer of Prague Airport, the Supplier is obliged to inform the delegated representative of the Client about it in writing with at least 3 (three) working days advance notice or directly to the fire engineer at the address technik.po@prg.aero. The fire engineer will evaluate the possible fire hazards in relation to the type of fire hazardous activity, specify the authorizations and obligations of the personnel performing this work, establish the requirements for ensuring fire safety, including the means and extent of fire supervision, and finally issue a written permit for this work – Special Fire Safety Measures (SFSM).

7.21 The Supplier is also obliged to:

7.21.1 comply with all applicable safety regulations;

7.21.2 ensure the safety of all persons who have the right to be in the Works Area;

7.21.3 ensure that the Works Area has no unnecessary obstacles so as to prevent danger to persons who have the right to be in the Works Area;

7.21.4 provide all auxiliary work (including roads, paths, shelters, fences and road signs), which may be necessary for the realization of the Works and for the use and protection of the public and owners and users of adjacent land; and

7.21.5 provide a fire assistance watch during the performance of all fire hazardous work in accordance with the relevant regulations (especially Act 133/1985 Coll., Fire Protection, as amended).

7.22 The Client is entitled to continuously check the making of the Works.

7.23 In order to prevent serious accidents in accordance with the serious accidents prevention system introduced by the Client at the Prague/Ruzyně International Airport, which is defined in the "Serious Accidents Prevention Policy", the Supplier is obliged to refrain from any activities that could be a direct or indirect cause of a serious accident, and furthermore promote activities that strengthen the prevention of serious accidents.

7.24 The Supplier shall participate in the inspections and tests of the Works carried out by the Client. Their conclusions are binding for it. The Client shall record defects identified in the Works in the construction log.

8. HANDOVER AND ACCEPTANCE OF THE WORKS

- 8.1** The Supplier shall handover the Duly Completed Works to the Client no later than the deadline stipulated in the Agreement. The Supplier is entitled to make and hand over the Works as a whole after giving timely prior written notice to the Client before the deadline for completion stipulated in the Agreement.
- 8.2** The handover and acceptance of the Works shall be preceded by technical inspections and tests with the participation of the Supplier, Client and other entities authorized by the Client. The Client shall make records of the technical inspections that will be provided to the Supplier as the basis for the acceptance procedure. The Supplier shall submit documents to the Client for checking for the technical inspections in accordance with article 7.2 of these Terms and Conditions. After the successful completion of the technical inspections, the Supplier shall request the acceptance procedure from the Client in writing. The Client shall announce a date for the acceptance procedure within 5 (five) working days of receiving the request.
- 8.3** During the handover of the Works, an inspection of the Works will be made with the participation of both Parties.
- 8.4** After the completed inspection:
- 8.4.1** the Works will be accepted by the Client if it is made without evident defects and in accordance with the Agreement and with these Terms and Conditions; a Handover Protocol shall be drawn up for the acceptance; or
 - 8.4.2** the Works will be accepted by the Client according to its discretion even if it has defects. The Handover Protocol will be drawn up for the acceptance and include a list of the minor defects identified and a deadline determined by the Client for the Supplier to remove them. After the defects are removed, the Supplier shall invite the Client to accept the Duly Completed Works. The Client shall confirm the removal of the defects for the Supplier in writing. Only after the written confirmation of the Duly Completed Works by the Client is the Supplier entitled to issue the Client an invoice; or
 - 8.4.3** the Works will not be accepted by the Client because it has defects. A record signed by both Parties will be drawn up about the refusal to accept the Works.
- 8.5** To avoid any doubt, it is agreed that it is the exclusive right of the Client to decide whether to accept the Works demonstrating defects under article 8.4.2 of these Terms and Conditions, or to refuse it under article 8.4.3 of these Terms and Conditions.
- 8.6** A flawed Works does not mean that the Works Area will not be handed back to the Client unless this action, according to the Agreement, is to be done later than the Works itself.
- 8.7** The Supplier shall give the Client all documents under article 7.2 of these Terms and Conditions at the latest when the Works is handed over, as stipulated by the Agreement. The equipment and imported products must have all the required documents in the Czech language. The delivery of incorrect, false or incomplete documents required by the Agreement or these Terms and Conditions will not be evaluated as a Duly Completed Works. In ascertaining these matters, the Client shall inform the Supplier, and the Supplier is obliged to rectify the situation within 3 (three) working days. For the failure to abide by this three-day deadline, each day of the delay will be considered a delay on the part of the Supplier with completing the Works.
- 8.8** The Works will be completed and handed over to the Client as a whole. The Works is completed if the ability to demonstrate its purpose has been demonstrated. In accordance with the instructions of the Client, it is possible to hand over and accept individual parts of the Works if the transferred parts will be operational by themselves and the need for their acceptance will arise during the course of making the Works. The Supplier has the obligation to complete and hand over a separate part of the Works according to the instructions of the Client. The form of the acceptance (e.g. early use) will be established according to the actual transferred part of the Works.
- 8.9** The conclusions set out in the Handover Protocol is binding for both Parties.
- 8.10** The Client shall decide with advance notice about the need to complete and hand over separate individual parts of the Works for early usage. The Supplier is obliged to create the right conditions for the early usage of specific parts of the Works. The Client is not obliged to accept a completed separate part of the Works that might be eventually offered to it by the Supplier for acceptance.
- 8.11** After the Works is properly completed, the Supplier is obliged to maintain all documentation, records and material related to the Works and the Agreement during the warranty period. Immediately after the end of all warranty period and the removal of defects under warranty, the Supplier shall give all documents, records and material according to the previous sentence to the Client.

8.12 The Supplier bears the risk of damage to the made Works up until the acceptance of the Works by the Client. By accepting the Works, i.e. signing the Handover Protocol, the Client is responsible for further maintaining it and for its safe operation. The Supplier shall further bear liability arising from the guarantee.

8.13 The ownership of the Works passes to the Client continuously as the Works is made. The materials and equipment pass to the ownership of the Client the moment they are incorporated into the Works.

9. QUALITY ASSURANCE WARRANTY FOR THE WORKS

9.1 The Supplier provides the Client a quality assurance warranty for the Works with the warranty period given in the Agreement. The warranty period begins on the date of the official handover of the entire Works, or partially on an earlier date when the Client accepted a corresponding part of the Works under articles 8.8 and 8.10 of these Terms and Conditions. For parts of the Works done by the Supplier within the framework of removing defects under article 8.4.2 above, the warranty period begins on the date when the Client confirms the removal of these defects in writing.

9.2 Defects in the Works caused by normal wear, deliberate mishandling on the part of the Client or neglectful or improper maintenance shall not be considered defects in the Works covered by the warranty.

9.3 In the event defects appear in the Works during the warranty period, the Client is obliged to inform the Supplier of this matter in writing. In this notice the Client shall indicate a reasonable deadline for removing the defect in the Works .

9.4 The Supplier is obliged to remove a defect identified in the Works covered by warranty at its own costs and risk within the deadline set by the Client under article 9.3 of these Terms and Conditions.

9.5 The Supplier is furthermore obliged to pay the Client all costs incurred by the Client as a result of a warranty-covered defect in the Works.

9.6 The Supplier shall provide a new warranty for a warranty-covered repair for warranty-covered defects in the Works, whereby the warranty period commences with the acceptance of the repair by the Client and lasts for the time provided in the Agreement. In the event of the repeated occurrence of the same defect in the Works, this new warranty is to be provided repeatedly, without limitation on the overall duration of it.

10. CHANGES TO THE WORKS

10.1 Changes to the Works means any deviation from the specifications of the Works, work procedure, tests, etc., especially but not exclusively:

10.1.1 changes in the levels, locations and/or dimensions in the Works or parts of it;

10.1.2 changes in quantity, quality or other features of the Works or parts of it;

10.1.3 Leaving out any part of the Work;

10.1.4 Adding a new part to the Work; or

10.1.5 Changes in the sequence, scheduling or the postponement of the performance of the Work.

10.2 Only the Client is entitled to unilaterally give the Supplier an order to make a Change to the Works. The order to make a Change to the Works must be done in writing by the Client and the person referred to in the Agreement is authorized to issue it for the Client.

10.3 Obligation to work in an amended scope as a consequence of a Change to the Works:

10.3.1 The Supplier is obliged to make the Change to the Works on the basis of an instruction signed by the Client to make the Change to the Works.

10.3.2 The Supplier shall not deviate from the specifications of the Works as stipulated in the Agreement unless and until the Client issues an instruction to make a Change to the Works.

10.4 The instruction to make the Change shall include:

10.4.1 A description of the work and supplies necessary within the framework of making the Change to the Work;

10.4.2 General financial impact of making the Change to the Works on the Price of the Works.

10.5 Determining the price of the Change to the Works:

10.5.1 Unless the price of the Change to the Works is given in the instruction to make the Change to the Works signed by the Supplier, the price of the Change to the Works will be determined so that

(a) An Interim Certificate is prepared after the Change to the Work is complete and submitted to the Client for approval;

(b) Work, supplies and services carried out or not carried out and mentioned in the Interim Certificate approved by the Client in writing shall be valued in accordance with the valuation contained in the price calculation, which forms an annex to the Agreement;

(c) Work, supplies and services carried out and mentioned in the Interim Certificate approved by the Client in writing that cannot be evaluated in accordance with the price calculation, which forms an annex to the Agreement, will be valued with prices

(a) in the amount determined by an agreement between the Parties; or

(b) in the amount corresponding to the prices contained in the proceedings of recommended prices published by RTS, Inc., ID: 25533843, or ÚRS PRAHA, Inc., ID: 47115645 for the period in which the present works, supplies and services were carried out. The present work, supplies and services will always be valued according to the volume that contains more favorable prices for the Client.

10.5.2 After determining the price of the Change to the Works, the Supplier shall prepare a statement of accounting for the Change to the Works and deliver it to the Client.

10.6 The instructions for making the Change to the Works will be an integral part of the Handover Protocol pursuant to article 8 of the Terms and Conditions.

11. CIRCUMSTANCES EXCLUDING LIABILITY

11.1 Circumstances excluding liability mean according to the Parties unforeseen and likewise unavoidable events at the signing of the Agreement, for example, Force Majeure.

11.2 To exclude any doubt, it is stated that no delay with fulfilling the obligations of the contractual partners of the Supplier, strike by the employees and contractual partners of the Supplier, no insolvency, indebtedness, bankruptcy, settlement, liquidation or similar incident affecting the Supplier or any contractual partner of the Supplier, or the distraint of the property of the Supplier or any contractual partner of the Supplier shall be considered a circumstance excluding liability.

11.3 The Party affected by circumstances excluding liability is obliged to inform the other Party of their existence without undue delay once it is objectively possible to make such a communication. The Party invoking the existence of a circumstance is obliged to demonstrate it at the request of the other Party.

11.4 Each Party shall make every effort to minimize the negative consequences of circumstances excluding liability. Should any circumstance excluding liability occur, the Party on whose side it occurred shall take every step that can be reasonably asked of this Party to restore normal activities in accordance with the Agreement and these Terms and Conditions, and as quickly as possible in view of the circumstances that caused the circumstance excluding liability.

11.5 In the event of conditions excluding liability, further progress shall be in accordance with the instructions of the Client should these instructions represent a Change to the Works, the affected activities shall follow the provisions of article 10 of these Terms and Conditions, whereby the responsibilities of the Parties are governed by articles 11.6 and 11.7 of these Terms and Conditions.

11.6 The Party affected by a circumstance excluding liability shall not be in delay with fulfilling its obligations if this circumstance prevents or significantly affects the fulfillment of the obligations of this Party arising from the Agreement and/or these Terms and Conditions. The previous sentence of this article applies only for the period of the existence of such circumstance excluding liability for the duration of its consequences and only in relation to the obligation or obligations of the Party directly or immediately affected by such circumstance.

11.7 If work becomes suspended in connection with circumstances excluding liability, then the costs and those associated with it shall be borne by the Supplier.

12. INSURANCE POLICY OF THE SUPPLIER

12.1 The Supplier shall conclude an insurance policy with an insurance company that has been previously approved by the Client and maintain this insurance at the minimum for the period of time mentioned in article 12.3 of the Terms and Conditions, unless provided otherwise in the Agreement, and it shall properly pay the premiums as well as fulfill all other obligations arising from the insurance policy so that an insurance payment is not jeopardized.

12.2 The Supplier is obliged to provide:

12.2.1 liability insurance coverage for damage incurred by third parties, including liability insurance for damage caused by construction and assembly activities, and liability for defects in the Works/product for an insured amount, the minimum of which is stipulated in the Agreement; and

12.2.2 insurance for construction and assembly risks within the scope of "all risk" coverage (mainly due to a natural disaster or intervention by third parties in carrying out the Works, including vandalism and theft, etc.) for an insured amount, the minimum of which is stipulated in the Agreement; and

12.2.3 any additional insurance required by the Agreement and/or regulations.

12.3 The duration of the Supplier's insurance according to article 12.2.1 of the Terms and Conditions shall at least cover the entire duration of realizing the Works (i.e. at least from the commencement of work on the Works, or from the handover of the Works Area to the Supplier, on the date that occurs first) up until the handover of the Duly Completed Works to the Client, as well as for the duration of the liability for defects in the Works/product, unless the Agreement provides otherwise. The duration of the Supplier's insurance according to article 12.2.2 of the Terms and Conditions shall at least cover the entire duration of realizing the Works (i.e. at least from the commencement of work on the Works, or from the handover of the Works Area to the Supplier, on the date that occurs first) up until the handover of the Duly Completed Works to the Client, unless the Agreement provides otherwise.

12.4 The indemnity stated in article 12.2.2 of these Terms and Conditions in relation to the assets of the Client must be blocked in favor of the Client.

12.5 The Supplier shall submit to the Client (i) copies of the insurance policies and (ii) an application confirmed by the insurer to include the Works in the insurance policy of the Supplier if such an obligation is stipulated in the insurance policy of the Supplier, or insurance certificate, in which the insurance coverage for the Works will be confirmed by the insurer sufficiently in advance of the commencement of work on the Works, or prior to the handover of the Works Area to the Supplier (and prior to that from the dates above, which occurs earlier) for assessing the fulfillment of the requirements for insurance under these Terms and Conditions and the Agreement. The Supplier is obliged at any time during the period of insurance coverage to immediately inform the Client in writing about any possible change in insurance representing a limitation on insurance coverage and to bring the insurance in line with the Agreement within ten (10) calendar days.

12.6 The Client is entitled to reject the insurance policy concluded by the Supplier in the event that it does not provide sufficient security to cover risks and reimbursement for damages and to request the Supplier to conclude a different insurance policy. To avoid any doubt, it is agreed that it is the exclusive right of the Client to decide whether the insurance of the Supplier provides adequate security to cover risks and reimbursement for damages.

12.7 The Supplier may not lower the amount of insurance coverage or significantly change the terms of the insurance policies, including changes in the bond of insurance payments during the insurance period without the prior written consent of the Client.

12.8 Should the Supplier breach its obligation to conclude and maintain any of these insurance policies effective, the Client may arrange such insurance after pointing this out to the Supplier and set off any premiums it pays against any payments requested by the Supplier or to recover these amounts as a debt owed by the Supplier.

12.9 Regardless of the agreed amount of coverage, the Supplier is liable to the Client for all damage to the Client caused by the Supplier, in full.

13. TERMINATION OF THE AGREEMENT

13.1 The Client has the right to withdraw from the Agreement in the event that:

- 13.1.1** The Supplier breaches its obligations under the Agreement or the Terms and Conditions, although it was invited by the Client to remedy the situation; and/or
 - 13.1.2** The Supplier is in delay compared to the agreed schedule of works by more than thirty (30) calendar days; and/or
 - 13.1.3** The Supplier does not make the Works in accordance with the Agreement; and/or
 - 13.1.4** The Supplier has become factually or legally unfit to make the Works; or
 - 13.1.5** The Supplier is bankrupt; and/or
 - 13.1.6** The Supplier has breached its obligations regarding the Security for realization and/or Security for guarantees (if they are stipulated in the Agreement) and this status has not been remedied before the end of a grace period of 30 (thirty) calendar days; and/or
 - 13.1.7** The Supplier is late with removing a warranty-covered defect by more than 30 (thirty) calendar days; and/or
 - 13.1.8** The Supplier will conclude a contract with a subcontractor to carry out the entire Works or will assign the Agreement without the written consent of the Client; and/or
 - 13.1.9** The Supplier does not correct errors in an invoice issued by it before the end of a grace period of 30 (thirty) calendar days.
 - 13.1.10** The Supplier breaches any obligation stipulated by the Agreement that is ensured by contractual penalty and it fails to rectify the situation within a reasonable time provided by the Client.
- 13.2** Either of the Parties is entitled to withdraw from the Agreement if circumstances excluding liability prevent the continuation of work by more than 120 (one hundred twenty) calendar days.
- 13.3** The withdrawal shall become effective on the date when the notice of withdrawal of the withdrawing Party is delivered the other Party.
- 13.4** The withdrawal of the Client from the Agreement does not prejudice any other rights of the Client under this Agreement (especially the exercise of claims arising from contractual penalties or in respect of the obligation for compensation of damages), legal regulations or resulting from another title.
- 13.5** In the event the Works is unfinished due to the existence of circumstances excluding liability or the withdrawal from the Agreement by the Client or Supplier, the Supplier has the right to the reimbursement of only costs it incurred in the making of the Works, to the extent to which the results of its activities for the Client are usable, reduced by the costs and damage which the Client incurred due to the Works remaining unfinished. The Supplier, however, has the right to only the reimbursement of those costs that it incurred up to the withdrawal from the Agreement. The Client may cover the costs for the acquisition of material already prepared or can request the Supplier to remove it.
- 13.6** In the event of the termination of the Agreement due to withdrawal by the Supplier, the Supplier has the right to the payment of the price proportional to the extent of work that was properly completed.
- 13.7** The termination of the Agreement may occur only for the reasons provided in the Agreement and/or these Terms and Conditions, unless the possibility of terminating the Agreement for other reasons arise from the mandatory provisions of legal regulations.
- 13.8** Even after the termination of the Agreement by any of the methods specified in the Agreement and/or in these Terms and Conditions, the validity and effectiveness of the provisions on contractual penalties, which constitute a part of the Agreement, including the arrangements of the Agreement specifying the claim for contractual penalties, shall remain intact.
- 13.9** In the event of withdrawal from the Agreement by either of the Parties, the Supplier is obliged to return the Works Area to its original state, and is perhaps obliged to cooperate with the Client in handing it over to a newly selected Supplier, according to the wishes of the Client.
- 13.10** The Party that was provided payment by the other Party prior to withdrawing from the Agreement is not obliged to refund this payment unless the Client decided to put the Worst Area in its original state.

14. SANCTIONS

14.1 For the failure of the Supplier to meet its commitment from the Agreement, contractual penalties are stipulated in the Agreement.

14.2 The payment of the contractual penalty does not affect the right to full compensation for damages.

15. CONFIDENTIAL INFORMATION

15.1 The Parties agree that all information designated in writing by the Client as “confidential” shall remain secret (hereinafter “**Confidential Information**”).

15.2 The Supplier shall not disclose Confidential Information to a third party and shall take such measures that prevent third parties from having access to it. The provisions of the previous sentence do not apply in cases where:

15.2.1 The Supplier has the opposite obligation as stipulated by law; and/or

15.2.2 The Supplier may disclose such information to parties that have the legal obligation of confidentiality provided that the Supplier informs the Client in writing which third party has been given access to Confidential Information, and this third party is bound by the same obligation of confidentiality as the Supplier itself; and/or

15.2.3 such information becomes publicly known or accessible other than through a violation of the obligation arising from this article 15 of the Terms and Conditions; and/or

15.2.4 The Client gives written consent to disclose specific Confidential Information.

15.3 If any state or local authority, court or other public body requests the provision of any Confidential Information, the Supplier shall immediately inform the Client about it in writing and will cooperate with it in applying all means to prevent the disclosure of Confidential Information in accordance with the law.

16. OTHER ARRANGEMENTS

16.1 Prohibition against set-offs, pledges and assigning receivables by the Supplier:

16.1.1 The Supplier is entitled to set off its due and undue receivables from the Client solely on the basis of a prior written agreement with the Client.

16.1.2 The Supplier may pledge any of its claims against the Client arising from the Agreement and/or these Terms and Conditions exclusively on the basis of a prior written agreement with the Client.

16.1.3 The Supplier may not assign any of its rights arising from the Agreement and/or these Terms and Conditions to a third party without the prior written consent of the Client, not even partially.

16.2 As the Party against whom the rights of the Client as creditor from the Agreement are subject to the statute of limitations, expressly declares by signing the Agreement and accepting these Terms and Conditions that, within the meaning of the applicable provisions of the Civil Code, it is extending the length of the statute of limitations of the rights of the creditor arising from the Agreement to 15 (fifteen) years.

17. FINAL PROVISIONS

17.1 The Parties undertake to ensure that consignments are handed over at the contact points referred to in the Agreement. Dispatched documents shall be considered delivered at the moment of their delivery. For the purposes of this Agreement, a consignment sent with the use of postal service carrier shall be deemed delivered no later than the third working day after sending it. In the event that registered mail is not taken by the addressee within 10 (ten) working days after it was stored with the carrier that unsuccessfully attempted to deliver it and notified the addressee about it by normal means, it shall be deemed delivered for the purposes of the Agreement. A consignment shall likewise be deemed delivered in the event that the addressee refuses to take it or its delivery has been otherwise frustrated.

17.2 The Agreement may be amended only with a written addenda approved by both Parties with the exception of the contact details of the Parties if they concern addresses, names, telephone and fax numbers, and email, in which case a unilateral notification to the other Party will suffice.

- 17.3** All legal relations arising in connection with this Agreement shall be governed by Czech law. Legal relations not treated by the provisions of the Agreement shall be governed by the Civil Code.
- 17.4** Any dispute between the Parties within this context of the Agreement will be definitively resolved by the courts of jurisdiction of the Czech Republic by the procedural regulations of the Czech Republic, unless the Parties agree otherwise. The Parties agree that the jurisdiction for hearing disputes from the Agreement is the general court with proximity to the Client.
- 17.5** Should any provision of the Agreement and/or these Terms and Conditions becomes or is determined to be invalid, ineffective or unenforceable, then such invalidity, ineffectiveness or unenforceability will not affect (to the maximum possible extent permitted by law) the validity, effectiveness or enforceability of the remaining provisions of the Agreement and these Terms and Conditions. For such a case, the Parties agree to promptly replace the invalid, ineffective or unenforceable provision with a valid, effective and enforceable one in order to achieve, to the maximum extent permitted by law, the same effect and result that was the object of the superseding provision, or else to conclude a new agreement.
- 17.6** In the event of the liquidation or bankruptcy of the Supplier, the Supplier is obliged to immediately inform the Client of this matter.
- 17.7** These Terms and Conditions shall come into force and effect as an integral part of the Agreement on the same day the Agreement comes into force.