

Contract for Work

pursuant to Section 2586 et seq. of Act 89/2012 Coll., the Civil Code, as amended
(hereinafter the “Contract”)

Client’s contract number:

Contractor’s contract number:

ISPROFOND/ISPROFIN:

for a public contract

“RS 1 VRT Praha-Běchovice – Příčany; Preparation of Planning Permit Procedure Documentation – the Praha-Běchovice – Příčany High-speed Railway Line”

Article 1 – Parties

1. **Client:**

Správa železniční dopravní cesty, státní organizace

having its registered office at Prague 1, Nové Město, Dlážděná 1003/7, Postcode 110 00

ID No.: 70994234, VAT NO.: CZ70994234

registered in the Commercial Register kept by the Municipal Court in Prague, File No. Section A 48384,

represented by Ing. Mojmír Nejezchleb, Deputy Director General for Infrastructure Modernisation, under “Authorisation” No. 2372 of 26 February 2018

Contact persons:

a) in contractual matters: [●], tel.: [●], email: [●] (except the signing of this Contract and any amendment hereto)

b) in technical matters: [●], tel.: [●], email: [●]

Correspondence address for notices and tax documents:

Správa železniční dopravní cesty, státní organizace

[to be added before the signing hereof]

(the “Client”)

2. **Contractor:**

.....
having its registered office at Postcode

ID No.:, VAT No.:
registered in the Commercial Register maintained by in, File No.

Represented by:,

Bank and account: account no. with

Contact person: [●], tel.: [●], email: [●]

Correspondence address for notices and tax documents: [●], tel.: [●], email: [●], data box: [●]
(the “Contractor”)

(the Client and the Contractor are hereinafter jointly referred to as the “**Parties**” and individually as the “**Party**”).

3. The Parties undertake to notify each other without delay of any change in their respective data and contact persons specified in Article 1 hereof, and do so by registered letter sent to the pertinent contact address specified in Article 1 hereof; such notice must include at least a certified copy of the document substantiating the change. Alternatively the Parties can notify each other on the above mentioned changes also by electronic message using their electronic data box, while in this case a certified copy of the document substantiating the change is not required.
4. After the signing of this Contract hereof or a change in their respective contact persons, the Parties must deliver each other the contact persons' authorisation documents without undue delay.
5. The Parties acknowledge that the Client's contact person in technical matters specified in Article 1 (1) hereof is entitled to sign and accept Handover protocols and the Protocol on the completion of the Work, give instructions to the Contractor in accordance with this Contract, and contact the Contractor's contact persons to call a conference in accordance with Annex 1 (Specific Terms and Conditions) to this Contract. In particular, the Client's contact person in contractual matters enjoys the right specified in Article 15 (1) hereof. However, none of the Client's contact persons is authorised to approve changes to this Contract or conclude any amendment hereto.
6. In case the purpose or the meaning of the specific provisions of this Contract do not imply otherwise, capitalised terms has the meaning explained below:

Bank Guarantee	financial guarantee under Section 2029 (1) et seq. of Act 89/2012 Coll., the Civil Code, as amended
Price	total sum for the execution of the Work specified in Article 6 (1) and Annex 5
Part of the Price	sum for the execution of Part of the Work specified in Annex 5, which is the Client obliged to pay the Contractor in connection with the completion of Partial Phase of the Work
Part of the Work	part of the Work corresponding to a Partial Phase of the Work according to the Detailed Time Schedule
Initiation of the Work	the date specified as the "Initiation of the Work" in the Detailed Time Schedule, unless specified otherwise by the Contract
Partial Phase of the Work	time period corresponding to a specific Part of the Work according to the Detailed Time Schedule
Work	all the work and activity and/or their part forming the Planning Permit Documentation according to 2 (1) a), b), c), f), g), h) and i) of this Contract
Documentation of Building	documentation for construction pursuant to Act No. 183/2006, the Building Act, as amended
Detailed Time Schedule	graphical illustration of the execution of the Work consisting of Partial Phases of the Work, forming Annex 13 of the Contract
Internal Norms of the Client	internal norms of the Client mentioned in the General Technical Terms and/or norms that were made known to the Contractor or provably available to the Contractor
Tender	tender of the Contractor in the Public procurement procedure
Client	contractual party identified as the "Client"
PPPD	documentation in the level of detail for the purpose of the Planning Permit Procedure according to the internal norm of the Client No. 11/2006 as amended, Decree No. 499/2006 Coll., on construction documentation, as amended, and

	Decree 503/2006 Coll., on Planning Permit procedure and construction, as amended
Protocol on the completion of the Work	written protocol confirming the handover of the Work as a whole by the Contractor to the Client
Handover protocol	written protocol confirming the handover of Part of the Work by the Contractor to the Client
Contract	Contract for Work
State	Czech Republic
Subcontractor	contractor providing Part of the Work instead of the Contractor to the extent specified in Annex 3
SŽDC	abbreviation of the official name of the Client
Technical terms	document forming Annexes 1 and 14
Public procurement	public procurement identified as "Public procurement"
Tender documentation	documentation identified as "Tender documentation", part of it is the "Contractor Guideline"
Contractor	contractual party identified as the "Contractor"

Article 2 – Purpose

1. The purpose hereof is, in particular, the defining of the basic terms and conditions in respect of:
 - a) Preparation of Planning Permit Procedure Documentation – Praha-Běchovice – Příčany High-speed Railway Line (the “**PPPD**”) in connection with the envisaged implementation of a pilot section of the Praha-Běchovice – Příčany High-speed Railway Line (the “**Plan**”) along with all technical, economic and other documentation related to the PPPD in general and the Project’s summary cost estimate (the “**SCE**”), as well as the preparation of EIA documentation pursuant to Act No. 100/2001 Coll., on the Environmental Impact Assessment and amending some related laws (the EIA Act), as amended) and the application for the commencement of the planning permit procedure;
 - b) Maximum possible compliance with the below-specified project objectives, which are detailed in Annexes 6 and 9, prioritised as follows:
 - i. positive result in interrelated decision-making processes in the shortest time possible;
 - ii. maximum certainty that contract performance progresses by the time schedules milestones;
 - iii. securing support of the Plan from the general public;
 - iv. minimising administrative burden and maximising the accuracy of the data for processing.
 - c) Identifying and managing the risks to which the Contractor believes the Client is exposed as a result of implementing the public contract or using the public contract’s outputs for the follow-up building permit procedure, in the light of the project objectives; refer to Annexes 7 and 10 for more detail.
 - d) Specifying the right of option to carry out additional performance, which should contribute to better compliance with project objectives to the maximum degree possible; refer to Annexes 8 and 11 for more detail.
 - e) Specifying the right of option to obtain: the EIA opinion (this process involves the submission of approved environmental impact assessment (the “**EIA**”) documentation, activities related to the EIA process and obtaining a final positive EIA opinion); the decision on the location of the railway construction (submission of the application for the issue of the final decision concerning the location of the railway construction to the affected

- authority, activities related to the proceedings, obtaining a final decision on the location of the railway construction).
- f) Consultations, conferences and the handover of the PPPD and the SCE and all related documents by the Contractor to the Client and third parties, including the filing of the application for the railway line structure location decision as part of the Plan;
 - g) Using and other disposing of the PPPD, the SCE and all related documents by the Client and third parties in connection with the implementation of the Plan or the Client's operations;
 - h) Determining the fee for the preparation of the PPPD, the SCE and all related documents; and
 - i) Assessing the quality standard of the PPPD, the SCE and all related documents.
2. The Parties agree that, in addition to the purpose expressly specified in Article 2 (1) of the Contract, they shall also observe and abide, throughout the term hereof, by any other purpose arising from the meaning of the provisions hereof.

Article 3 – Work

1. The Work means the preparation of the PPPD “**RS 1 VRT Praha-Běchovice – Poříčany**”, Preparation of Planning Permit Procedure Documentation – the Praha-Běchovice – Poříčany High-speed Railway Line, and all the related documents and activities as specified herein and/or the annexes hereto, including the SCE, EIA documentation pursuant to Act No. 100/2001 Coll., on the Environmental Impact Assessment and amending some related laws (the EIA Act), as amended) and the application for the commencement of the planning permit procedure.
2. The performance specified in Annex 12 – “Summary with Detailed Description of Jobs outside Contract Performance” is outside this Contract's performance.
3. The Contractor undertakes to execute the Work at his expense and risk in due manner and time and the Client undertakes to accept the executed Work in accordance with this Contract and pay the Contractor the agreed Price for the executed Work.

Article 4 – Initial and Binding Documents and Data for Work and Contractor's Obligations Related Thereto

1. The Contractor undertakes to perform the Work in accordance with (including but not limited to):
 - a) Specific terms and conditions for the public contract “**RS 1 VRT Praha-Běchovice – Poříčany**”, which terms and conditions are attached as Annex 1 hereto (the “**Specific Terms and Conditions**”) and General Technical Terms as Annex 14;
 - b) Public contract's procurement conditions: “**RS 1 VRT Praha-Běchovice – Poříčany**” (the “**Public Contract**”);
 - c) Annex 6 – “Expert Level” Criterion Forms, including the technical details for the proposals and actions for the accomplishment of the “Expert Level” criterion's project objectives as specified in Annex 9 – Technical Details for the Proposals and Actions for the Accomplishment of the “Expert Level” Criterion's Project Objectives;
 - d) Annex 7 – “Risk Identification and Management” Criterion Forms, including the technical details for the risk management proposals and actions under the “Risk Identification and Management” criterion as specified in Annex 10 – Technical Details for the Risk Management Proposals and Actions under the “Risk Identification and Management” Criterion;
 - e) Annex 8 – “Value Add” Criterion Forms, including the technical details for additional performance under the “Value Add” Criterion as specified in Annex 11 – Technical Details

- for Additional Performance under the “Value Add” Criterion – but only if the Client exercises his right of option;
- f) the right of option to obtain: the EIA opinion (this process involves the submission of approved environmental impact assessment documentation, activities related to the EIA process and obtaining a final positive EIA opinion); the decision on the location of the railway construction (submission of the application for the issue of the final decision concerning the location of the railway construction to the affected authority, activities related to the proceedings, obtaining a final decision on the location of the railway construction) – but only if the Client exercises his right of option;
 - g) SŽDC Policy No. 20 determining and breaking down capital cost of the structures of the Správa železniční dopravní cesty state-owned organisation, ref. no.: 28169/2017-SŽDC-GR-NM, as amended;
 - h) Rules “Structure Breakdown to Operating Units (OUs) and Constructed Units (CUs)”;
 - i) Regulations No. 499/2006 Coll., the Structure Documentation Regulations, as amended;
 - j) Technical Qualitative Requirements for State Railway Structures, as amended (“**TQR for Structures**”);
 - k) Czech technical standards and the Client’s internal regulations listed in the relevant chapters of the TQR for Structures and in the Technical Qualitative Requirements for Public Road Structures (“**TQR for Public Roads**”) – available at <http://typdok.tudc.cz>;
 - l) Other annexes to this Contract referred to in Article 15(15) hereof.
2. The Contractor represents he holds the aforesaid documents or was provided the same prior to the execution hereof, and is acquainted with, and bound by, the content of the documents. The Client allows the Contractor to access internal regulations via <http://www.tudc.cz/> or <https://www.szdc.cz/> (“O nás” → “Vnitřní předpisy” link “Dokumenty a předpisy”) and via <https://www.sfdi.cz/pravidla-metodiky-a-ceniky/metodiky/>.
 3. While executing the Work, the Contractor must abide by all the legal and technical standards, the Client’s regulations, policies and other related documents in force. The Contractor undertakes to follow any such change to the Client’s related regulations that concerns the Work and parts thereof even if such change is made during the execution of the Work and is notified to the Contractor by the Client in any way. If the Client concludes that such change requires making a change to this Contract, the Contractor undertakes to enter into written agreement to this Contract with the Client in order to modify the altered scope of the Work and raise or reduce the Price adequately and alter deadlines if applicable. The Contractor’s breach of the obligation to enter into such agreement constitutes the Client’s right to withdraw from this Contract.
 4. The Contractor undertakes to prepare the Work pursuant to Director’s General Direction No. 4/2016 “Exchanging Digital Documentation and Data between SŽDC and External Parties” dated 30 August 2016, as amended.
 5. In the course of the work, the Contractor must make sure he obtains all the necessary documents from the Client at the Contractor’s expense and efforts in due manner and time. Any document, regulation, document and information (the “**Information**”) so obtained by the Contractor must be solely used for the purpose of performing the Work.
 6. The Contractor must ensure, using all available means, that the Information is adequately protected against misuse or disclosure to any unauthorised third party. In no case may the Information be disclosed to third parties without a prior written express consent of the Client. Prior to the first access to the Information all persons must be duly instructed by the Contractor and obliged in writing to maintain confidentiality in connection with the disclosure of the Information.
 7. For the avoidance of doubt the Parties agree that if the Contractor considers a disclosed item of the Information to be inappropriate or incorrect and notifies this to the Client, that does not extend the deadline specified in this Contract for completing the work or make the Contractor to be entitled to be reimbursed any cost incurred in connection with the suspended preparation of the Work. Should that be the case, the Client also retains all the rights resulting from defective Work.

8. In the event of conflict between any of the documents referred to in the first paragraph of this Article and other documents provided by the Client, the prevailing document is that which is higher in the following hierarchy:
- a) this Contract;
 - b) Specific Terms and Conditions;
 - c) Other annexes hereto, including the annexes to the Specific Terms and Conditions (unless the annexes are listed under a paragraph other than (a) to (e);
 - d) Public Contract's procurement conditions identified as Contractor Guidelines;
 - e) other documents provided by the Client for the execution of the Work.
- If, for example, conflict exists between this contract and Annex 1 (Specific Terms and Conditions), this Contract prevails.
9. The Contractor undertakes to secure at its own expense all documents ensuring comprehensive public consultation and securing of all necessary documents and certificates necessary for issuing the Planning Permit Decision, or Planning Permit Consent or statement of the relevant building authority on the compliance of the proposed building with the zoning plans according to Act No. 183/2006, the Building Act, as amended, and its implementing decrees, including implementing decrees and related regulations, unless the Contract provides otherwise.
10. The Contractor undertakes to submit details of the measures and methods it proposes to adopt for the execution of the Work whenever requested by the Client. No significant change to these measures and methods shall be made without prior notice to the Client.
11. The Contractor undertakes, at its own expense, to obtain all relevant authorizations to perform all work in the performance of the Work as the subject of its activity or business. The Contractor is obliged to ensure that the selected activities requiring a certain authorization or educational attainment are carried out by individuals who have all the required authorizations and educational attainment. The Contractor must also have all other authorizations required for the performance of activities related to the performance of the Work, generally binding legal regulations, Internal Norms of the Client or the Contract. The Contractor shall ensure that all authorizations required by the Contract remain in force for the entire duration of the Contract. The acceptance of these obligations by the Contractor shall be considered by the Client and the Contractor as a declaration within the meaning of Section 5 (1) and Section 2912 (2) of the Civil Code.
12. The Contractor shall keep the necessary records so that the Client or a person designated by the Contractor can inspect these statements and records for a period of 10 years after the handover of the Work, termination of the Contract or after the final payment, whichever is later. The Contractor shall ensure and be responsible for keeping records and statements of all Subcontractors or third parties in such a way that they can be properly inspected by entities under the previous sentence. With respect to the provisions of § 1769 of the Civil Code, the contracting parties declare that the obligations of the Subcontractors pursuant to this Article are not negotiated as a third party performance within the meaning of the said statutory provision. The Contractor undertakes to ensure fulfilment of these obligations by not concluding a contract with any Subcontractor who does not commit to these obligations.
13. The Contractor undertakes to provide the Client with all the assistance, including the submission of documents related to the performance of the Contract, in the inspection of the Client or Subcontractors by the Czech audit authorities (NKÚ, SFDI, FÚ, MD etc.), including the inspection requested by the European Commission, OLAF and / or the European Court of Auditors and undertakes to respect the procedure and methodology set out by the Client or a person authorized by it or by the inspection body, in particular those laid down in the European Community rules on the protection of the European Communities' financial interests against fraud and other irregularities.
14. The Contractor undertakes to conclude and maintain the insurance specified in Annex 15 to the Contract for the entire duration of the Contract within fifteen (15) days from the effective date of the Contract.

15. All documents to be submitted by the contracting parties under the Contract must be in Czech or the original language with their translation into Czech. For all authentic official documents, such translation must be officially certified.

Article 5 – Performance Deadlines

1. The Parties agree that the Work is to be performed in parts and by the dates specified in Article 5 (4) of Annexes 1 – Specific Terms and Conditions and 13 – Work’s Detailed Time Schedule”.
2. For the avoidance of doubt and with regard to the specific nature of the Work, the Parties agree that the Contractor does not become entitled to be paid part of the Price until the relevant Part of the Work is executed, in accordance with the rules set out in Article 6 hereof, and handed over to the Client by a Handover protocol signed by both parties. The Contractor has no right to demand any advance payment for the execution of the Work from the Client.
3. A relevant Part of the Work (partial performance) is handed/taken over by handing over all the Contractor’s outputs specified for the relevant partial performance in Annex 9 – “Technical Details for the Proposals and Actions for the Accomplishment of the ‘Expert Level’ Criterion’s Project Objective” and approving the Handover protocol whereby the part of the Work (the given partial performance) is handed/taken over; the protocol must bear the signatures of the respective persons authorised to represent the Contractor and the Client or the Client’s and the Contractor’s respective contact persons for technical matters. The handover protocol evidencing the handover/takeover of Part of the Work (the given partial performance) must also bear the signatures of all those Qualified Persons (as these are defined below) who are to take part in the given Part of the Work in accordance with Annex 2 hereof and approve by their signatures a proficient standard of the execution of the Work.
4. The entire Work is not considered to have been completed in due manner until all and any partial performance has been completed, i.e. the entire Work has been completed, and the final Protocol on the completion of the Work has been concluded and shows the signatures of the respective persons authorised to represent the Contractor and the Client or the Client’s and the Contractor’s respective contact persons in technical matters. In other cases the Client is not obligated to take over Part of the Work and pay for the same the remaining amount of the Price.
5. Upon the handover of each partial performance and the entire Work the Contractor must always specify and confirm in writing in the Handover protocol that the Contractor holds and has all the rights and consents of the authors of the Work or part thereof that may be required for the Client to use or dispose of the Work or part thereof in accordance with this Contract in general and Article 12 hereof in particular. In the process of handing over any partial performance and the entire Work the Contractor must always specify which persons are the authors of the copyrighted works which are part of the Work and must also present documents substantiating the Contractor has obtained from such persons all the required rights pertinent to the Work or parts thereof, such as an employment certificate or a certified copy of a contract. Should the Contractor breach this obligation, the Client is not obligated to take over the Work or part thereof and pay the pertinent Price. In that case the Client is entitled to contractual penalty in accordance with Article 9 (1) hereof.
6. If the Client identifies a defect or arrears of work in the process of the handover of the Work or part thereof (partial performance) even though the Client is under no obligation to make such checks, the Client may refuse to take the Work or part thereof (partial performance) over or take the same over with a reservation that the Handover protocol must specify the defects identified and the time limit for rectification. The time limit to rectify defects and arrears of work is 5 business days unless the Client determines a longer time limit.
7. Clause 6 of this article and Article 10 (1) of the Contract are without prejudice to the Client’s right to inspect the work as the Client may choose and demand remedy if identified by the Client that the Contractor is not executing the work in due manner. Unless the Contractor makes remedy in a reasonable time, that constitutes the Client’s right to withdraw from the Contract if the Contractor has been notified of that risk of withdrawal.
8. The place of performance is the Client’s registered office and, if needed, any other suitable place as instructed by the Client.

9. The right to manage part of the Work passes to the Client by that Part of the Work being handed/taken over. The Contractor bears the risk of damage to the Work in progress between the commencement of performance and the moment the Work is taken over by the Client unless the damage is caused by the documents received from the Client or by those who performed the Client's tasks or directions.
10. The Contractor has the right to an adequate extension of the deadline for handing over the relevant Part of the Work in the event of any of the following circumstances:
- amendment of the Work pursuant to Article 15 of the Treaty,
 - circumstances giving rise to an extension of the time-limit under the Contract and its specific provisions,
 - if the obligation to compensate for damage is waived pursuant to Section 2913 (2) of the Civil Code,
 - any delay, obstruction or measure caused or attributable to the Client, Client's employees or other suppliers of the Client,

whereas the right to an adequate extension of the deadline for the handover of the Work or the relevant Part of the Work arises only when the extension of the deadline is strictly necessary and the Contractor proves objective reasons for the extension of the deadline.

11. If the Contractor considers that he has been entitled to an extension of the deadline for the performance of any of the Partial Phase of the Work, the Contractor shall notify the Client of these facts without delay and no later than fifteen (15) days after the occurrence of the facts giving rise to this claim that he know or could learn and at the same time submit to the Client a detailed justification of the submitted claim, i.e. all supporting arguments on which the above mentioned claims are based. The arguments presented later will no longer be taken into account and are considered as not being raised.
12. In the event that the Contractor becomes entitled under the Contract to extend the deadline for completion of any Partial Phase of the Work, the Client undertakes within seven (7) days from the delivery of the Contractor's invitation to agree with the Contractor to modify the Schedule of Performance in a written amendment to the Contract. The amendment shall include the adjustment of the period of performance of the relevant Partial Phase of the Work by the period of time that constituted the right to extend the deadline for completion of the relevant Partial Phase of the Work. The amendment shall also include an adequate extension of the deadlines for completion of the following Partial Phases of the Work.
13. The Contractor undertakes that if it is clear from the process of performance of the Work that the Work or Part of the Work is not completed in time or due to the Contractor's delay in performing the Work, and one of the deadlines for the fulfilment of any Partial Phase of the Work according to the Detailed Time Schedule may be breached, the Contractor undertakes to draw up and submit for acceptance to the Client a Detailed Schedule with an accompanying report describing the revised methods it intends to adopt in order to speed up the progress of the Work and to meet the other milestone dates as much as possible. The detailed schedule shall include the timing of the procedure by which the Contractor intends to carry out the Work.
14. The Client is entitled to instruct the Contractor at any time in justified cases to interrupt the progress of work on the Work or Part of the Work, and the Contractor is bound by this instruction. An instruction to interrupt work in the event of a breach of the Contractor's obligations within the meaning of Section 2593 of the Civil Code shall also be considered justified if it appears necessary for the Client to remedy and carry out the Work properly.
15. In the event that the Client instructs the Contractor to interrupt the work on the Work or Part of the Work, the Contractor undertakes to immediately terminate all work on the Work or Part of the Work, except for work that cannot be delayed to prevent harm of the Client or third parties, in particular on life, health, property or safety, and the work necessary to comply with the obligations laid down by generally binding legal regulations and public decisions.
16. If the Contractor is in delay with the handover of any Part of the Work and / or incurs costs by complying with the Client's instructions and interrupting the work on the Work and / or resuming work, the Contractor shall notify the Client thereof. In such a case, the Contractor shall be entitled to extend the deadlines of the Detailed Time Schedule by a period corresponding to the period during which the Work was interrupted by the Client's instruction.

17. If the interruption of work on the Work or a Part of the Work is caused by the Contractor, the Contractor shall be obliged to compensate the Client for any damage that he / she demonstrably caused or incurs in connection with the interruption of work. The Client shall notify the Contractor of the rise of this claim and its amount immediately after the claim arises.
18. The Contractor undertakes to resume work on the Work without delay after receiving the Client's instruction to resume work.

Article 6 – Price for the Execution of the Work:

1.

Total price for the execution of the Work without VAT	CZK LEAVE BLANK!
VAT (base rate)	CZK leave blank!
Total price for the execution of the Work with VAT	CZK leave blank!

(“**Price**”) – note to bidders: Bidders should leave this part blank. The selected contractor will not complete this part until contract signing in the meaning of section 122 (3) of the PPA.

The Parties represent that the Price also covers the Contract's performance specified in

 - a) Annex 6 – “Expert Level” Criterion Form, including the technical details for the proposals and actions for the accomplishment of the “Expert Level” criterion's project objectives as specified in Annex 9 – Technical Details for the Proposals and Actions for the Accomplishment of the “Expert Level” Criterion's Project Objectives;
 - b) Annex 7 – “Risk Identification and Management” Criterion Forms, including the technical details for the risk management proposals and actions under the “Risk Identification and Management” criterion as specified in Annex 10 – Technical Details for the Risk Management Proposals and Actions under the “Risk Identification and Management” Criterion;

but does NOT cover the activities subject to the Client's right of option, i.e. the activities specified in

 - c) Annex 8 – “Value Add” Criterion Forms, including the technical details for additional performance under the “Value Add” Criterion as specified in Annex 11 – Technical Details for Additional Performance under the “Value Add” Criterion.
 - d) Article 2 (1) e) of the Contract and consisting in carrying out engineering services in connection with obtaining: the EIA opinion (this process involves the submission of approved environmental impact assessment documentation, activities related to the EIA process and obtaining a final positive EIA opinion); the decision on the location of the railway construction (submission of the application for the issue of the final decision concerning the location of the railway construction to the affected authority, activities related to the proceedings, obtaining a final decision on the location of the railway construction).
2. Annex 5 – “Price Breakdown” details the breakdown of the Price for the Work. The Price for the Work, including the items in Annex 5, is a fixed price and the maximum permitted price.
3. **The Client shall pay the Price for the completion of the Work by instalments, after the completion of each Partial Phase of the Work:**
 - a) **Partial performance 1 under Article 5 (4) (1) of Annex 1 of the Contract** – 30 % of the Work's Price to be invoiced.
 - b) **Partial performance 2 under Article 5 (4) (2) of Annex 1 of the Contract** – 30 % of the Work's Price to be invoiced.
 - c) **Partial performance 3 under Article 5 (4) (3) of Annex 1 of the Contract** – 40 % of the Work's Price to be invoiced.
4. The Client is not obligated to take over Part of the Work from the Contractor and pay for the same the Price under paragraph 3 of this article if the Part of the Work has defects or the Client takes over the Work with reservations specified in the Handover protocol. In such case the

Contractor does not become entitled to issue the invoice and be paid the Price for the Part of the Work (partial performance) until the given part of the Work is completed in due manner and all defects and arrears of work are rectified, i.e., the given Part of the Work is free of any defect with regard to the purpose defined herein.

Article 7 – Terms of Payment

1. Payments for the Work are to be made on the basis of tax document issued by the Contractor; the Handover protocol for the Work or part thereof as the evidence of the Work or part thereof (partial performance) having been completed in due manner must be attached to each tax document.
2. The tax document must show the data regular for this type of document (pursuant to Section 28 (3) of Act No. 235/2004 Coll., the Value Added Tax Act, as amended (the “**VAT Act**”), and the data required for tax documents pursuant to Section 11 (1) of Act No. 563/1991 Coll., the Accounting Act, as amended, and Section 435 of Act No. 89/2012 Coll., Civil Code, as amended (the “**Civil Code**”). If a tax document fails to show all the data required under this Contract, the Client may return the document to the Contractor without defaulting on payment. If having been returned a tax document, the Contractor must immediately issue a new tax document and deliver the same to the Client's contact address specified in Article 1 hereof. The new tax document must show a date of issue different from the date of the defective tax document and a new due date, with the time of payment not including the already-expired time of payment pursuant to the defective (and returned) tax document.
3. The Contractor charges value added tax (“**VAT**”) pursuant to the pertinent provisions of the VAT Act.
4. The tax documents – invoices for completed work fall due, given the nature of the obligation, on the 60th day of the Work or part thereof being taken over by the Client. This contractual maturity is considered reasonable by the contracting parties also with regard to arranging the ongoing payment of the Price of the Work, which the Parties deviated from the provisions of Section 2610 (1) of the Civil Code.
5. The Contractor must issue a tax document within 15 days of the date of being required to declare VAT or the supply rendered, and deliver the document to the Client immediately; the Client undertakes to pay the amount billed.
6. The money due is to be paid as electronic transfer to the account specified by the Contractor in the pertinent tax document. The money is paid once credited to the account of the Contractor's provider of payment services. Changing the Contractor's account or adding a new one may only be made at the Contractor's request and requires contract amendment. Such request must be made in writing and sent as a message from the Contractor's data box to the Client's data box (if legal entities) or as an officially certified document (if the contractor is a natural person) unless such Contractor has its own active data box.
7. If the Contractor becomes an unreliable VAT payer in the meaning of Section 106a of the VAT Act or the Contractor's tax document shows a payment bank account which is not in the public register of reliable accounts, the Client may use the financial performance and pay VAT to the tax authority with local and subject-matter jurisdiction over the Contractor direct.
8. The tax documents – invoices for the Client must always be issued by the leading partner, i.e. a tax document must show (identified) the leading partner as an entity which does business as service provider (in compliance with the VAT Act).
9. The Contractor undertakes to allow employees of the state organisation Správa železniční dopravní cesty and those of the State Fund for Transport Infrastructure to audit the effective use of funds for any part of the Work funded and paid for by the Fund. Such audits must be carried out within the powers vested by Act No. 104/2000 Coll., the State Fund for Transport Infrastructure Act, as amended. The Contractor must also provide any other auditing body with any necessary co-operation, including the co-operation of persons required to cooperate in the performance of financial control in the meaning of Section 2 (e) of Act No. 320/2001 Coll.

regulating financial control in public administration and amending some act (the Financial Control Act), as amended.

10. The Contractor undertakes not to set-off unilaterally any claim.
11. No funds provided to the Contractor under this Contract may be subject to the exercise of third-party rights.
12. The following information must be shown for payer in tax documents:

Správa železniční dopravní cesty, státní organizace

Dlážděná 1003/7, 110 00 Praha 1 - Nové Město

IČ: 70994234 Tax ID No.: CZ70994234

Obchodní rejstřík u Městského soudu v Praze, spisová značka A 48384 [Commercial Register kept by the Municipal Court in Prague, file no. A 48384]

Full name of the structure as given herein.

Article 8 – Method of Performing the Work

1. The Contractor must perform the Work in accordance with this Contract and the annexes thereto, plus the Client's instructions if any. Instructions in respect of performing the Work under this Contract may be given to the Contractor by the Client's contact person in technical matters or any other person authorised therefor by the Client in writing if such authorisation is delivered to the Contractor. For the avoidance of doubt the Parties represent that the Client will only give specific instructions to a limited extent and only if necessary, given to the Contractor's expertise and proficiency. The sole responsibility for due performance to good quality standard lies with the Contractor.
2. Performing the Work, the Contractor must ensure:
 - a) maximum possible accomplishment of the project objectives detailed in Annex 6 – "Expert Level" Criterion Forms and Annex 9 – Technical Details for the Proposals and Actions for the Accomplishment of the "Expert Level" Criterion's Project Objectives;
 - b) maximum possible identification and management of the risks specified by the Contractor in Annex 7 – Risk Identification and Management Criterion Forms and Annex 10 – Technical Details for Risk Management Proposals and Actions in "Risk Identification and Management Criterion";and, if the Client exercises his right of option and awards the contract to the Contractor, the Contractor must also ensure that:
 - c) the Client is supplied, in connection with performing the Contract, with the performance specified in Annex 8 – Value Add Criterion Forms and Annex 11 – Technical Details for "Value Add" Criterion Additional Performance and such performance contributes as much as possible to the accomplishment of the aforesaid project objectives of the Client;
 - d) in due manner and time, engineering services are provided, and final decision concerning the EIA opinion (this process involves the submission of approved environmental impact assessment documentation, activities related to the EIA process and obtaining a final positive EIA opinion); and the decision on the location of the railway construction (submission of the application for the issue of the final decision concerning the location of the railway construction to the affected authority, activities related to the proceedings, obtaining a final decision on the location of the railway construction) are obtained.
3. The Contractor must attend meetings with the Client in accordance with the rules set out in Annex 1 to this Contract (Specific Terms and Conditions) and consult at such meetings, among other things, the manner of performing the Work, the findings made by the Contractor and the working versions of outputs. The rules for calling meetings and determining meeting agenda and frequency are set out in Annex 1 (Specific Terms and Conditions) hereto.

4. The Client and/or his representatives attending the meetings and giving instructions thereat does not release the Contractor from his responsibility for completing the Work in due manner and time in accordance with this Contract. Therefore, the Contractor is particularly obligated to review, with professional care, all the Client's instructions, documents and Information supplied by the Client, and notify in writing any defect, inconsistency or vagueness in the said instructions, documents or Information. If instructions given by the Client are demonstrably wrong or defective, the Contractor is only released from liability for defects of the Work to the extent to which a defect is due to demonstrably defective instructions of the Client and to which the demonstrable defectiveness of the instruction(s) is notified in writing by the Contractor to the Client.
5. The Contractor undertakes to ensure that the Work is performed, until full, due and perfect completion, exclusively by:
 - a) the persons listed in Annex 2 to this Contract (the **"Qualified Persons"**) so that each particular Qualified Person used by the Contractor for proving his compliance with the Public Contract's qualification requirements performs activities corresponding to the person's expertise (qualification) and the person's position in respect of which the person qualified for the Public Contract and to the extent which is standard for such position; and
 - b) the persons listed in Annex 3 or persons the identity of which is notified by the Contractor to the Client in writing.
6. Subject to the conditions for engaging Qualified Persons and Substitute Qualified Persons (as this term is defined below), the Contractor may engage the other persons listed in Annex 3. The Contractor must continuously update the list of the persons participating in the Work and listed in Annex 3 and the updated list, following a change thereto, send to the Client without undue delay (making a contract amendment is not required).
7. A change to the Qualified Persons listed in Annex 2 does not require making an amendment to this Contract in writing and, once the change is approved by the Client, the Contractor must prepare updated Annex 2 in writing and deliver the same to the Client, whereby Annex 2 is automatically replaced by the new version of Annex 2 approved by the Client. For the avoidance of doubt the Parties represent that the previous sentence of this article does not apply to persons not listed in Annex 2.
8. Each Qualified Person participates in performing the Work to the extent of the person's job position as specified in this Contract and Annex 2. Each Qualified Person must, throughout the performance of the Work, meet the qualifications specified in the Contractor's Tender and the minimum technical qualification requirements for the person's job position as per the Tender documentation.
9. If a Qualified Person fails to participate in due manner and time in performing the Work to the extent as defined by the Contract, for example, as a result of terminating his collaboration with the Contractor or being absent from work (particularly because of prolonged illness unlikely to be cured within a single month) or death, the Contractor must immediately start performing through a substitute qualified person (the **"Substitute Qualified Person"**) and notify this to the Client within 5 business days of the situation.
10. Within 10 business days of the delivery of the notice under the previous paragraph the Contractor must ensure and prove to the Client that the Qualified Person is substituted with a Substitute Qualified Person with sufficient qualifications. Unless the Client agrees to the specific Substitute Qualified Person, the Client is entitled to request that the Contractor deploy a different person with the same qualifications proposed by the Contractor within 15 days of receiving the Client's request, or repeated requests, for different Substitute Qualified Person; performance is provided through the Substitute Qualified Person originally proposed by the Contractor until the Client agrees with a specific Substitute Qualified Person. The procedure under Article 8 (16) b) of the Contract and this provision applies in the event of a change in Evaluated Qualified Person.
11. Any cost incurred in connection with securing a Substitute Qualified Person and proving his qualifications is solely borne by the Contractor, even if the Client repeatedly disagrees with the specific Substitute Qualified Person appointed.
12. If the Contractor breaches the obligation to ensure and prove to the Client that the Substitute Qualified Person meets at least the qualification requirements applicable to the Qualified Person

to be substituted (including where the Contractor fails to ensure and prove replacement for the Qualified Person), the Contractor must pay the Client a contractual penalty at 0.01% of the Price for the Work for every commenced day of being in breach. This is without prejudice to the Client's rights out of defective performance. Breach of this obligation is considered by the Client as a serious breach of Contract in the meaning of Section 48 (5) d) of Act No. 134/2016 Coll., the Public Procurement Act, as amended (the "**PPA**").

13. The Contractor must ensure that each Qualified Person (i.e. including any Substitute Qualified Person) must be, upon prior request with the Contractor, fully available to the Client in accordance with the obligations under this Contract and provide the Client with all required cooperation in connection with the performance of the Work unless prevented from doing so by objectively serious obstacles. Any such obstacle must be notified and proved by the Contractor to the Client immediately. Each Qualified Person must, in particular, attend all meetings and discussions with the Contractor's representatives that pertain to the performance assigned to the respective qualified Person in Annex 2 hereto. If the Contractor fails to fulfil his obligation under the previous paragraph, the Contractor must pay the Client a contractual penalty at 0.01% of the Price for the Work for each instance of breach. Instance of such breach also covers each day of breach of the obligation to ensure cooperation of the Qualified Person or the Qualified Person's presence at a required meeting (discussion) with the Client's representatives.
14. Objectively serious obstacles are short-term illness, temporary incapacity for work or quarantine of the Qualified Person, all this for a maximum of 1 month, the Qualified Person's short-term absence of up to 2 weeks as holiday in the meaning of Section 211 et seq. of Act No. 262/2006 Coll., Labour Code, as amended (the "**Labour Code**"), notified by the Contractor to the Client no later than 10 business days prior to the Qualified Person's expected absence, force majeure events preventing the Qualified Person from attending a meeting or providing cooperation temporarily. Objectively serious obstacles exclude, among other things, long-term illness of the Qualified Person, long-term incapacity for work, quarantine or other long-term absence of the Qualified Person longer than 1 month or 3 months in aggregate during a single calendar year; leave from work due to military service; study or similar leave in the meaning of the pertinent provisions of the Labour Code; or other personal bars preventing the Qualified Person from performing the Work for a period longer than 2 weeks or 3 months in aggregate during a single calendar year.
15. At reasoned request of the Client the Contractor must immediately change the Qualified Person if the Qualified Person has been objectively performing below the average repeatedly or over a long time in performing this Contract or has been breaching the Client's internal or other communicated regulations repeatedly or over a long term or does the Client harm or exhibits actual qualities that do not meet the standard required for the job position.
16. Other Client's requirements in respect of Qualified Persons, namely the "team leader" (the "**Evaluated Qualified Person**"):
 - a) the Evaluated Qualified Person must participate in performing the Work to the extent and in the manner as defined for the Evaluated Qualified Person in Annex 2 hereof.
 - b) Unless the Evaluated Qualified Person participates in the performance of the Work in due manner to the extent defined in this Contract, the Parties take course of action as per aforesaid provisions and the Client checks and evaluates, beyond the scope of aforesaid provisions, the abilities and qualities of a substitute Evaluated Qualified Person using the Evaluated Qualified Person evaluation rules pursuant to the Public Contract's Procurement Conditions. If the new person proposed by the Contractor as part of the said evaluation is awarded a score lower than that assigned to the Contractor in the Public Contract's procurement procedure, the Contractor must pay the Client a contractual penalty at 1 % of the Price for the Work for each 1 point of the difference, with 25 % of the price for the Work being the maximum contractual penalty for the Evaluated Qualified Person. Change in the Evaluated Qualified Person, however, must not affect the overall ranking of the bidders for the Public Contract. In other words, it must not be the case that the winning contractor should earn, as a result of such change, an overall evaluation that is worse than that of any other bidder in the original ranking in the Public Procurement.
17. The sum of all the contractual penalties under this Article 8, without the contractual penalty under Article 8 (16) b), may not exceed 25 % of the Price for the Work.

18. The Contractor must notify the Client of all such identified serious facts concerning the subject of the Work that are fully in the competence of the Contractor.
19. Within 2 weeks of being delivered a written request of the Client the Contractor must confirm and substantiate that a particular person participating in the Work has the qualification and competence necessary for that person to participate in the pertinent part of the Work and necessary for the Work to be made in due professional care.
20. If the Contractor used a subcontractor (the **“Qualified Subcontractor”**) to prove the Contractor’s qualification under the relevant provisions of the PPA and the Tender Documentation, the Qualified Subcontractor must in person execute that part of the Work which corresponds to the obligations submitted in the Contractor’s Tender for the Public Contract (the **“Work Reserved to Subcontractor”**) or that added at the Client’s request before the Contract is entered into.
21. Each Qualified Subcontractor must meet the qualification requirements fulfilled through him throughout the execution of the Work Reserved to Subcontractor.
22. Unless a Qualified Subcontractor participates in due manner in performing the Work Reserved to Subcontractor to the extent set out in this Contract, for example, as a result of the termination of the Qualified Subcontractor’s collaboration with the Contractor or the Qualified Subcontractor’s prolonged inactivity (inactivity longer than 1 month in particular), or the Qualified Subcontractor’s qualification drops below the standard of the qualification requirements fulfilled through that Qualified Subcontractor, the Contractor must notify this to the Client immediately but no later than 3 business days. If the Contractor breaches this obligation, he must pay the Client for each instance a contractual penalty at 0.05% of the Price for the Work for each commenced day of being in breach. This is without prejudice to the Client’s rights out of defective performance.
23. Within 3 business days of being delivered a notice under the previous paragraph the Contractor must ensure and prove to the Client that a substitute Qualified Subcontractor (the **“New Qualified Subcontractor”**) will take part in performing the Work as adequate substitute for the Qualified Subcontractor. Unless the Parties agree in writing otherwise, the New Qualified Subcontractor must have qualification no worse than that of the Qualified Subcontractor to be substituted by the New Qualified Subcontractor and must always meet the qualification requirements to the extent demonstrated by the Qualified Subcontractor in the procurement procedure for the Public Contract. If the Contractor breaches his obligation under the previous sentence, he must pay the Client a contractual penalty at 0.05% of the Price for the Work for every commenced day of being in breach.
24. If the Contractor breaches the obligation to ensure and prove to the Client that the New Qualified Subcontractor meets at least the qualification requirements to the extent demonstrated by the Qualified Subcontractor in the procurement procedure for the Public Contract (including where the Contractor fails to ensure and prove replacement for the Qualified Subcontractor), the Contractor must pay the Client a contractual penalty at 0.05% of the Price for the Work for every commenced day of being in breach. This is without prejudice to the Client’s rights out of defective performance. Breach of this obligation is considered by the Client as a serious breach of Contract in the meaning of Section 48 (5) d) of the PPA.
25. If neither the Qualified Subcontractor nor the New Qualified Subcontractor executes the Work Reserved to Subcontractor in person and this result in the Work Reserved to Subcontractor having to be executed by any other party, the Contractor pays the Client a contractual penalty at 0.05% of the Price for the Work for each instance of breach of this obligation.
26. For the avoidance of doubt the Parties agree that if the New Qualified Subcontractor is qualified better than the replaced Qualified Subcontractor, the Client is not obligated to compensate the Contractor for such improvement of the professional qualification in any way or waive any already existing contractual penalty claims under previous paragraphs.
27. This Article 8 (14) applies to the New Qualified Subcontractor by analogy.
28. The Contractor must prepare the Work in accordance with those relevant technical standards, TNŽ, EN-ČSN and the Technical Qualitative Requirements for State Railway Structures, as amended (the **“TQR for State Railway Structures”**), railway regulations and laws including implementing decrees, Act No. 266/1994 Coll. the Railways Act, as amended, Regulations No. 173/1995 Coll. issuing of railway transport rules, as amended, and Regulations No. 177/1995

Coll. issuing railway building and technical rules, as amended, which are pertinent to the completion of the work as at the date of the documentation.

The Contractor represents he is acquainted with the content of the said regulations and rules. The scope and content of the work are specified in the Tender Documentation.

29. The Work must meet the requirements of Act No. 183/2006 Coll., the Planning and Building Rules (the Building Act), as amended, as well as Regulations 268/2009 Coll., technical requirements for structures, as amended.
30. The Contractor undertakes contractually to ensure that the Subcontractor selected performs its part in the performance of the Work in person and does not transfer it to another Subcontractor nor to have it performed by another Subcontractor under his / her personal guidance under Section 2589 of the Civil Code. With respect to the provisions of Section 1769 of the Civil Code, the Contracting Parties declare that this obligation of the Subcontractor is not negotiated as a third party performance within the meaning of the said statutory provision. The Contractor undertakes to ensure fulfilment of this obligation by not concluding a contract with any Subcontractor who does not commit to this obligation.
31. The persons forming the group/holding with the Contractor shall be reasonably subject to the obligations of the Subcontractors and the Contractor shall be entitled to use in the performance of the Work only those members of the Group who undertake to fulfil such obligations in the same way as the Subcontractors.
32. The Contractor shall be liable for the performance of all of its Subcontractors and for any damage caused by them to the same extent as for the Contractor's actions or damage caused by the Contractor. Unless otherwise specified:
 - The Contractor shall be entitled to perform the Subcontractors listed in Annex 3 of the Contract with further limitation to the extent of the performance specified therein;
 - Subcontractors listed in Annex 3 to the Contract, their percentage in the performance of the Work or the subject of their subcontract shall not be changed or supplemented during the Work execution without the Client's written consent in the form of an amendment to the Contract.
33. The Contractor undertakes that the Subcontractor will have appropriate authorizations to perform the relevant works on the Work. The Contractor shall also be responsible for ensuring that the Subcontractor ensures that the selected works on the Work for which a particular authorization or educational attainment is required are carried out by individuals who have all the required qualifications and educational attainment. The Subcontractor selected by the Contractor must also have all other authorizations required for the performance of activities related to the performance of the Work, generally binding legal regulations, the Client's Internal Norms or the Contract. With respect to the provisions of § 1769 of the Civil Code, the contracting parties declare that the obligations of the Subcontractors pursuant to this Article are not negotiated as a third party performance within the meaning of the said statutory provision. The Contractor undertakes to ensure fulfilment of these obligations by not concluding a contract with any Subcontractor who does not commit to these obligations.

Article 9 – Contractual Penalties and Damages

1. Contractual penalties for failure to meet the deadlines for completion of the entire Work or parts thereof:

The Contractor must pay the Client:

- (a) 2 % of the Price for the entire Work (excluding VAT) as a lump sum and 0.1 % of the Price for the entire Work for each commenced day of delay in the case of delay in handing the entire Work over by the dates and under the conditions defined in Article 5 and Annex 1 – Specific Terms and Conditions;
- (b) a contractual penalty at 0.2 % of the Price for the relevant Part of the Work (excluding VAT), for each commenced day of delay in the case of delay in handing over the duly

executed Part of the Work or submitting the same for acceptance by the deadlines and under the conditions defined in Article 5 and Annex 1 – Specific Terms and Conditions;

The sum of the contractual penalties imposed for this reason must not exceed 30 % of the Price for the Work.

2. Contractual penalties for defects and arrears of work:

The Contractor must pay the Client for breach of the obligation to hand over the Work in due manner and time as follows:

- a) 1 % of the total Price for the Work (excluding VAT) as a lump sum for each defect identified;
- b) 0.01 % of the Price for that Part of the Work (excluding VAT) in which the defect is identified unless the defect is rectified within 14 days of the date of complaint, for each commenced day after the lapse of the said period of 14 days; the Client may adequately extend the said period of 14 days depending on the nature of the defect;
- c) 10 % of the total Price for the work (excluding VAT) if the Contractor does not admit a defect and the alleged defect proves at a later time to have been a real defect, while applying (a) of this Article.

3. Contractual penalties for breach of other obligations of the Contractor:

- a) If the Contractor breaches of any of his obligations set out in Annex 9 – Technical Details for the Proposals and Actions for the Accomplishment of the ‘Expert Level’ Criterion’s Project Objectives and the breach fails to be remedied within 7 business days of the day of the delivery of the Client’s request for remedy, the Contractor must pay the Client a contractual penalty at 0.5 % of the Price for the Work for each day of delay from the date of delivery of the request for remedy, but no more than 20 % of the Price for the Work;
- b) If the Contractor breaches of any of his obligations set out in Annex 10 – Technical Details for the Proposals and Actions for Risk Management in the ‘Risk Identification and Management’ Criterion and the breach fails to be remedied within 7 business days of the day of the delivery of the Client’s request for remedy, the Contractor must pay the Client a contractual penalty at 0.3 % of the Price for the Work for each day of delay from the date of delivery of the request for remedy, but no more than 15 % of the Price for the Work;
- c) If the Client exercises his right of option and awards the public contract to the Contractor and the Contractor breaches of any of his obligations set out in Annex 11 – Technical Details for Additional Performance under the “Value Add” Criterion and the breach fails to be remedied within 7 business days of the day of the delivery of the Client’s request for remedy, the Contractor must pay the Client a contractual penalty at 0.2 % of the Price for the Work for each day of delay from the date of delivery of the request for remedy, but no more than 10 % of the Price for the Work;
- d) For the avoidance of doubt the Parties state that the contractual penalties under this paragraph apply to the Contractor’s breaches of the obligations specified in the aforesaid Annexes to the Contract rather than to failures to accomplish project objectives, eliminate and manage risks or perform better in project objectives as a result of circumstances the Contractor could not control in spite of the Contractor’s best efforts.
- e) In the event that the Contractor fails to fulfil its obligation stipulated in the Contract to maintain the insurance contract required by the Client for the entire period of performance of the Work or fails to submit the required documents to the Client to prove fulfilment of this obligation, the Contractor must pay the Client a contractual penalty at 0.02 % of the Price of the Work for each day of breach of this obligation.
- f) In the event that the Contractor fails to fulfil its obligation to provide and hand over the Client with a Bank Guarantee for performance of the Work or does not maintain the Bank Guarantee to the extent required by the Contract, the Contractor shall pay a contractual penalty at 0.03 % of the Price of the Work for each day of breach of this obligation.

- g) In the event that the construction of the land in question is not included in the inventory of land lots concerned, the Contractor is obliged to pay a contractual penalty of CZK 50,000 for each such affected land lot.
4. If the Contractor breaches any obligation under Article 14 hereof, the Contractor must pay the Client a contractual penalty of CZK 10,000 for each instance of breach.
 5. However, the sum of all the contractual penalties arising from any legal title the Client may claim against the Contractor pursuant to this Contract may not exceed 100% of the Price for the Work.
 6. The payment of a contractual penalty is without prejudice to the Client's right to full compensation of the damage the Client may suffer as a result of the Contractor not handing over the Work in due time or performing the Work or part thereof with defects. The Client has the right to demand from the Contractor damages of up to a maximum of ten times the Price for the Work.
 7. Both contractual penalty and damages fall due on the 30th day of the day a written request for payment is delivered to the Contractor.
 8. If the Contractor defaults on the payment of contractual penalty, the Contractor undertakes to pay default interest at the amount stipulated by generally binding legal regulations. Interest on interest is not permitted to be claimed.
 9. The Client becomes entitled to set off a claim if the Contractor fails to pay contractual penalty by the defined date.
 10. The amounts of contractual penalties under this Contract are always calculated on the Work's total price without VAT.

Article 10 – Liability for Defects and Warranty Period

1. The Contractor shall be liable for all defects that the Work or Part of the Work has at the time of its handover and acceptance by the Client and for defects that come to light at any time within 60 months of handover and acceptance of the Work as a whole.
2. For the period referred to in the preceding paragraph, the Contractor is obliged to hand over to the Client a duplicate of the Work if, after its handover and acceptance by the Client, the Work is totally or partially destroyed and the Client requests a duplicate of the Work. The Client shall bear the cost of duplicate of the Work.
3. In particular, the Contractor shall be responsible for the accuracy and completeness of the Work, i.e. all documentation prepared within the performance of the Contract. The Contractor is responsible for all defects including legal defects.
4. The period according to paragraph 10 (1) hereof does not run:
 - a) during the period during which the Client cannot use the Work or the relevant Part of the Work affected by its defect, properly (in particular, continue the construction) for its defect, for which the Contractor is responsible,
 - b) for the period during which the Contractor removes the defects of the Work or Part of the Work for which the Contractor is responsible and which, while not preventing the Client from using the Work or Part of the Work properly, but occur repeatedly.
5. The defects of the Work are in particular (but not exclusively):
 - a) incompleteness of the Work and such errors and deficiencies, the elimination of which will result in an extension of the deadline for handover of the Work and possibly adversely affect the outcome and timing of the Planning Permit Decision, or Planning Permit Consent or statement of the relevant building authority on the compliance of the proposed building with the zoning plans according to Act No. 183/2006, the Building Act, as amended, and its implementing decrees, including implementing decrees and related regulations,
 - b) incompleteness of the Work and such errors and shortcomings, which will result in a change of the decisive parameters of the construction or an increase in the total costs of

- the construction, which will have a negative impact on demonstrating the economic efficiency of the construction;
- c) any pending deviations from the Contract, incl. valid legal order, standards and Internal Norms of the Client;
 - d) inconsistency between the drawing and text parts;
 - e) targeting errors;
 - f) failure to review binding documents and output data submitted by the Client;
 - g) errors in coordination between different professions in project preparation;
 - h) failure to list any land lot affected by construction in the inventory of land concerned;
 - i) contractual failure to secure any land affected by the construction (paragraph 2 (2) 15) of the General Technical Terms).
6. If the Client cannot use the Part of the Work for a defect, the period according to paragraph 10 (1) does not run even for functionally related Parts of the Work.
7. The period pursuant to paragraph 10 (1) does not always run from the day when the Contractor was obliged to commence the removal of the defect under the provisions of the Contract, but no earlier than from the day when the Client actually allows the Contractor to commence its removal until the Contractor hands over the Client the relevant Part of the Work after defect removal.
8. The period pursuant to paragraph 10 (1) shall always be extended by the period during which this period does not run according to the previous provisions.
9. The Client or another authorized person is obliged to notify the Contractor that the Work or Part of the Work is defective and to request their removal always without undue delay after they have been discovered upon handover and acceptance of the Work or Part of Work, and defects that appear only during period according to 10 (1), without undue delay after having discovered them during this period. The Client or another authorized person shall also notify the Contractor of damages incurred by the Client in connection with the detected defects of the Work.
10. The Contractor undertakes to commence the removal of defects of the Work or Part of the Work without undue delay after receiving notice from the Client or another authorized person that the Work or Part of the Work has defects, including a request for their removal. The Contractor undertakes to continue the removal of defects without interruption and to remove them in the shortest possible technically and technologically possible time, which the Contractor proposes and the Client agrees to. If the contracting parties fail to agree on the deadline for the removal of the defect, the Contractor is obliged to remove the defect within a reasonable period set by the Client according to the nature of the defect. The Contractor shall be obliged to remedy, at its own expense, also those defects of the Work notified by the Client for which it refuses the responsibility, resp. defects that he does not recognize. The defect adjustment of the Work shall be reasonably applied to such defect. If it subsequently becomes undisputed that the Contractor was not really responsible for the defect that he did not recognize, the Client is obliged to reimburse the Contractor for the costs that he purposefully incurred to remedy the defect within 30 days from the date of its proving by the Contractor.
11. In the event that the Contractor fails to fulfil its obligation to remove the defect in the agreed time limit or the Client or another authorized person is entitled to ensure the removal of this defect by its own capacities or by another supplier at the expense of the Contractor. Such procedure of the Client shall not affect the quality guarantee provided by the Contractor for the affected part of the Work, including its possible extension. The Contractor is obliged to pay the costs for removal of the defect to the Client on the basis of a request for payment. The Client has the right to use the Bank Guarantee to cover the costs of removal of defects.
12. In the event that the defect of the Work or the defect of the Part of the Work is irremovable, the Contractor shall perform a replacement Work or Part of the Work or provide the Client with a reasonable discount from the Price of the Work. The decision whether the Client accepts a replacement Work or a discount from the Price of the Work is entirely within the Client's competence and is not affected by the previous exercise of another right from defects. In the event that the Contractor fails to fulfil its obligation to perform a replacement Work or Part of the Work, the Client is entitled to ensure its execution by its own capacities or by another supplier at

the Contractor's expense. The Client has the right to use the Bank Guarantee to cover the costs of performing the replacement Work or Part of the Work or to pay its right to a reasonable discount on the Price of the Work.

13. In addition to the relevant provisions of the legal regulations governing the Client's claims for defective performance, the Contractor undertakes to pay the Client a share of the extra costs incurred by the Client in the execution of the construction under the Construction Documentation due to defects in the Work. The additional cost pursuant to the previous sentence shall mean the costs that the Client will have to pay as costs of works and deliveries in the construction process according to the Documentation of constructions that were not captured by the Contractor, despite they shall be, lowered by costs which will be achieved (less work) as a result of the elimination of the same defects in the Work and the resulting change in the procedure for the implementation of the Construction. The Client shall be entitled to require the Contractor to participate in additional costs pursuant to this provision, even repeatedly, up to a maximum of 10% of the total final Price of the Work, including all amendments to the Contract. The Contractor shall pay this share of the additional costs at the Client's written request, no later than 60 days from the delivery of the request for payment. The maximum amount of the share already reflects the fact that the Client will not detect any defects of the Work after its inspection, although it should have been able to identify them. This provision does not in any way exclude the right to damages, payment of a contractual penalty or other rights from defective performance, but to the extent that the Client's claim for payment of a share of the extra costs is asserted arising from the same defect.
14. The right to assert claims for defective performance shall be barred by the expiry of a period of fifteen years, counting from the date on which the right could be asserted for the first time.
15. The provisions of this Article shall not affect the provisions of Section 2630 of the Civil Code to.
16. For the avoidance of doubt, the contracting parties expressly exclude the use of any and all provisions of the Civil Code which (either alone or in conjunction with Section 4 (2) of the Civil Code) exempt the Contractor from liability of the Contractor or other than those specified in this Agreement. The provisions of § 1917, § 1920, § 1921, § 1923, § 1925, § 2101 to § 2104, § 2106, § 2107, § 2110, § 2111 and § 2112, § 2595 and § 2618 of the Civil Code shall not apply, and shall be replaced by arrangements under this Contract.
17. The assertion of the Contractor's liability for defects shall not affect any other claims of the Client, in particular claims for damages and contractual penalties.
18. All communication regarding defects and liability, including defects of instructions and documents submitted by the Client, must be made in writing and must be addressed to the contact person of the Client in technical matters.

Article 11 – Bank Guarantee

1. The Contractor handed over the Bank Guarantee for performance of the Work to the Client prior to the signing of the Contract in accordance with the conditions specified by the Client in the Contractor Guidelines. The Bank Guarantee for performance of the Work (the “**Bank Guarantee**”) shall ensure compliance with the contractual terms, quality and deadlines for performance of the Work. The Bank Guarantee shall be used by the Client as compensation for claims arising from the Contractor's failure to comply with its obligations under the Contract.
2. The Client shall be entitled to use the Bank Guarantee in the amount corresponding to the amount of the contractual penalty due, any outstanding debt of the Contractor to the Client, costs necessary to remedy the defects of the Work or any claim for a discount from the Price, damage caused by the breach of Contract by the Contractor or any amount which, in the Client's opinion, corresponds to the compensation of defective performance of the Contractor.
3. The Bank guarantee for performance of the Work will be issued by a Czech bank or another Czech person authorized to issue bank guarantees within its business or by a foreign bank (credit institution) based in an EU Member State with a branch in the Czech Republic (the “**Czech bank**”) or a foreign bank (credit institution) based in an EU Member State operating in the Czech Republic under the right to freedom to provide services (the “**foreign bank**”) for the

benefit of the Client as authorized. If the Bank Guarantee is issued by a foreign bank, the Contractor shall ensure that the Client's position in case of withdrawal from the Bank Guarantee and the enforcement of its rights from the Bank Guarantee is not less favourable than it would be in the case of withdrawal from the Bank Guarantee and the enforcement of its right from a Bank Guarantee issued by Czech Bank (mainly that the applicable law, the drawing procedure and the recovery process are not less favourable) and that the additional costs associated with it are fully borne by the Contractor. This can be done, for example, by confirming the Bank Guarantee by a Czech bank. In this context, the Client reserves the right to call on the Contractor to prove such facts, including the submission of the relevant documents, in case of uncertainty.

4. The bank guarantee shall meet the following conditions:
 - a) The Bank guarantee must be issued as irrevocable and unconditional, with the Czech bank or foreign bank (i.e. the issuer of the Bank Guarantee) committing to performance without objection and at the first request of the Client,
 - b) The Bank Guarantee shall be valid for at least the period of performance of the Work stipulated in the Contract and at least 2 months after the handover and acceptance of the Work.
5. The Client shall be entitled to claim from the Bank Guarantee its claims pursuant to paragraph 11 (2) hereof in the following cases:
 - a) the Contractor does not perform the Work in accordance with the terms of the concluded Contract or has failed to fulfil its obligations under the Contract; or
 - b) the Client withdraws from the Contract for reasons on the part of the Contractor; or
 - c) the Contractor does not reimburse the Client for any damage or contractual penalty to which the Contractor is obliged under the Contract and which has been claimed against it by the Client; or
 - d) insolvency proceedings are pending against the Contractor's assets in which the insolvency decision was issued or the insolvency petition was rejected because the assets were not sufficient to cover the costs of the insolvency proceedings, or the bankruptcy was cancelled because the assets were completely inadequate or forced administration was imposed under specific legislation.
6. The Contractor shall ensure that the Bank Guarantee for performance of the Work will be valid and enforceable until the Contractor and the Client have signed the Protocol on the completion of the Work. If the Conditions of the Bank Guarantee specify the date (the "**expiry date**") when the obligations of the Czech bank or foreign bank (i.e. the one that issued the Bank Guarantee for the Work) expire and the Contractor has not obtained the right to receive the Protocol on the Completion of the Work by thirty (30) days prior to the date of expiry of the Bank Guarantee, then the Contractor shall extend the validity of the Bank Guarantee accordingly until the Work is completed, and all defects rectified.
7. The Client is entitled to exercise the right from the Bank Guarantee further if:
 - a) the Contractor shall not extend the validity of the Bank Guarantee for the performance of the Work in cases where it is obliged to do so under the Contract;
 - b) the Contractor shall not pay the Client the amount due, as agreed between the parties, or as decided by the person competent to decide on the claims under the Contract in the event of such claims by the Client, within forty (40) days after such consent or decision;
 - c) The Contractor fails to fulfil his / her unfulfilled obligation within forty (40) days after receiving the notice of the Client requesting fulfilment of such an obligation.
8. The Client shall return the Warranty Certificate to the Contractor within twenty (20) days from the date on which the Client and the Contractor signed the Protocol on the Completion of the Work.

Article 12 – Licence Arrangements

1. The Contractor hereby grants the Client an exclusive licence to exercise the right to use the Work:
 - a) for the duration of the proprietary copyrights;
 - b) worldwide;
 - c) for any use while taking account of the nature of the Work; and
 - d) to an unlimited quantity;

in compliance with other terms and conditions hereof (the “**Licence**”). The Licence applies to the Work and parts thereof and to all copyrighted works (in the meaning of Section 2 of Act No. 121/2000 Coll. regulating copyrights and copyright-related rights and amending some acts, as amended (the “**Copyright Act**”)), and in particular databases in the meaning of Section 88 of the Copyright Act, computer programs, graphic works and any outputs of the Contractor supplied to the Client pursuant to this Contract that meet the requirements set out in Section 2 of the Copyright Act. The Client is not obligated to use the Licence.
2. The Licence includes the Client’s authorisation to do the following, among other things, in relation to the Work: publishing, altering including finishing, processing, translating, linking to another work, making copies, incorporating into a collected work, completing unfinished Work or marketing on behalf of the Client. The Contractor must also hand over to the Client all related documents (including complete and comprehensibly prepared specifications, reference manuals, working documents, background data etc.) no later than the day the Work or pertinent part thereof is completed; the scope of disposal of these documents corresponds to the Licence.
3. The Licence also applies to any update provided for the Client by the Contractor any time in future on the basis of any title, as well as any new (additional) versions of the Work.
4. The Contractor grants, and the Client acquires, the authorisation under this Article 12 by the handover of the Work or each part thereof handed over to the Client in the agreed stages.
5. The Contractor represents that the legitimate interests of the author may not be significantly adversely affected by the Client’s not using the Licence at all or in part. Notwithstanding this the Parties hereby agree that the Contractor may not exercise his right of withdrawal under Section 2378 of the Civil Code before the expiry of ten (10) years of the granting of the Licence.
6. The Contractor agrees that the Client may sub-license the Work or assign the Licence to the Work to third parties to the extent of the Licence, free of charge and without additional consent of the Contractor.
7. Pursuant to this Article 11 the Contractor may not use anything of the Work or license the same to a third party unless the Parties agree otherwise in writing or the Client commissions the Contractor to further develop, finish or alter the Work. Should that be the case, the Contractor only becomes entitled to use the Work for further development, finishing or alterations thereof.
8. If the completion of the Work requires using a copyrighted work with respect to which the Contractor is not authorised to exercise the proprietary rights, the Contractor undertakes to obtain authorisation to exercise these proprietary rights from the authorised third parties including the right to grant a sub-licence and assign the licence with respect to the relevant copyrighted works. Should that be the case, the Contractor must, in relation to such third parties’ copyrighted works, secure and grant sub-licence to the Client in the scope as per Article 11 (1) a) – d) hereof (the “**Third Party Licence**”). The Contractor represents he is authorised to grant the Third Party Licence to the Client to the agreed extent and has all the consents necessary for such granting.
9. The Parties agree that the fee for the Licence, and the Third Party Licence if any, is included in the Price for the completion of the Work. The Contractor represents that with regard to the nature of the profit from the Licence, the conditions for the application of the provisions of Section 2374 of the Civic Code cannot occur, i.e. that the fee for the Licence to the Work cannot be clearly disproportionate to the profits from the use of the Licence and to the importance of the pertinent Work for generating such profit.

10. The Parties agree that if the performance of this Contract leads to the creation of a database, the creator's rights to such database are vested in the Client under Section 89 of the Copyright Act.
11. The Licence under this Contract is to be applied, to the maximum extent permitted by Czech law, to not only the Work, but also any results of the subject-matter of intangible property rights including know-how, inventions, utility models, domain names, any unregistered designations related to the Work and the use thereof, industrial designs, improvement proposals etc. which the Contractor creates as part of executing the Work (the **"Objects of Intangible Property Rights"**). The Contractor hereby grants the Licence to the Objects of Intangible Property Rights for the Price (a Licence fee) pursuant to Article 6 and expressly agrees that the Client is authorised to register any Object of Intangible Property Rights in the relevant register in any country of the world; the Contractor undertakes to provide any cooperation that may be necessary in the registration process.
12. The Contractor represents that, prior to entering into this Agreement, he did not grant any third party any licence or other authorisation to the Work created for the Client upon commission under this Contract.
13. The Contractor represents he is entitled to grant the Client the authorisation to the extent specified in this Article 12. The Contractor represents he has no knowledge of any third-party rights that do or may pose an obstacle to valid granting of the Licence and other authorisations under previous paragraphs of this Article 12. The Contractor is fully liable for any damage that the Client may suffer as a result of these representations being false.
14. At the Client's request, the Provider must ensure, even after the termination of this Contract, the execution/signature of all deeds and documents which may be necessary to acknowledge the legal effects of this Article 12 and the purpose hereof, which purpose consists in the Contractor to provide the Client, to a maximum extent permitted by Czech law, with the exclusive right to use the Work and/or assign the right to exercise the title to the copyright to the Work.

Article 13 – Termination and Withdrawal

1. The Client is entitled to withdraw from the Contract in the following cases:
 - a) inspecting how the Work is being executed, the Client identifies the Work is not being executed in compliance with this Contract and requires these defects to be rectified, but the Contractor fails to rectify the defects in the time limit determined by the Client, which time limit may not be shorter than 30 calendar days;
 - b) the Contractor breaches the scope of specifications defined in the procurement procedure terms and conditions and the Tender Documentation, including the date for submission (of performance) immediately caused by the Contractor;
 - c) the Contractor has defaulted on completing and handing over the Work or Part of the Work for longer than 90 calendar days in respect of the Detailed Time Schedule for the progress of the Work;
 - d) the Contractor wrongfully suspends executing the Work for longer than 10 days;
 - e) the Client proves that in the previous 3 years the Contractor made serious or prolonged errors in performing previous contracts with the Client or other public contracting authority which errors resulted in damage, early termination of contract or other comparable sanctions;
 - f) a court adjudicates the Contractor insolvent or imminently insolvent or decides the Contractor is to be liquidated or the Contractor is unable to discharge his financial obligations for other reasons;
 - g) it is established that a representation, a promise or an offer the Contractor made or expressed in the procurement procedure which this Contract follows up is false in a material statement (especially a statement which is related to the assessment of the tenders for the Public Contract or to qualification pursuant to the Public Contract);

- h) the Contractor fails to provide the Client with a Bank Guarantee according to article 11 of the Contract and/or fails to provide the Client with the relevant and agreed insurance contract or
 - i) other cases specified herein.
- 2. The Contractor may withdraw from the Contract in the following cases:
 - a) the Client has defaulted on the payment of the Price for the Work for more than 2 months unless the default is due to the Client not having received funds from subsidy projects or the State Fund for Transport Infrastructure;
 - b) a court adjudicates the Client insolvent or imminently insolvent or decides the Client is to be liquidated or the Client is unable to discharge his financial obligations for other reasons;
 - c) executing the Work, the Contractor identifies hidden obstacles that prevent the Work to be executed in due manner and time and notifies these to the Client in writing and, in a reasonable time not shorter than 6 months, these fail to be removed or no agreement is reached as to amending this Contract for reasons on part of the Client; or
 - d) having been repeatedly requested by the Contractor in writing, the Client fails to provide the necessary cooperation required by this Contract within an additional time limit of 3 months.
- 3. Withdrawal must be delivered by the withdrawing Party to the other Party in writing as a registered letter, return receipt requested, to the relevant Party's address specified in Article 1 hereof, or via data box, without undue delay, but no later than 3 months of the reason for withdrawal.
- 4. Upon the withdrawal from this Contract, all rights and obligations of the Parties arising from the Contract shall cease to be effective from the very beginning of the Contract (*ex tunc*). Once the contractual relation constituted by this Contract ceases to be effective, the Contractor must:
 - a) return to the Client all the documents and things received from or obtained or created for the Client, including all files and contractual documentation;
 - b) refund the Client any Price for the Work already paid if paid by the Client after the completion of partial performance. This obligation is discharged by the Contractor once the full funds are credited to the bank account immediately communicated by the Client for that purpose; and
 - c) do nothing that would be aimed at influencing employees, clients or any other contracting partners of the Client.
- 5. In his written notice of withdrawal the Client may divert from the previous paragraph and determine that the parties' rights and obligations out of the Contract cease to be effective as from the written notice of withdrawal being delivered to the Contractor (*ex nunc*). In that case the withdrawal is without prejudice to the Contractor's liability for (defects in) the parts of the Work (partial performance) already handed over and the Contractor's obligation to rectify the defects. In that case the Contractor must do the following without being entitled to receive consideration from the Client:
 - a) return to the Client all the documents and things received from or obtained or created for the Client, including all files and contractual documentation;
 - b) refund the Client any Price for the Work already paid if paid by the Client after the completion of partial performance, but only if such was defective;
 - c) hand over to the Client all parts of the Work, whether complete or not, including all source documents and related data;
 - d) provide the Client with all and any cooperation the Client may identify as necessary for the Client to complete the Work himself or through a different contractor; and
 - e) do nothing that would be aimed at influencing employees, clients or any other contracting partners of the Client.
- 6. Withdrawal is without prejudice to the Client's being entitled to compensation for any damage suffered as a result of breach of the Contract, contractual penalty, the Licence, Third Party Licences, Objects of Intangible Property Rights, dealing with disputes between the Parties and

other provisions which, by the parties' expressed volition or by their nature, are to survive the termination hereof, and the provisions regulating the consequences of withdrawal in particular.

7. The Client's withdrawal under this Contract is considered to be the Contractor's serious breach of Contract in the meaning of Section 48 (5) d) of the PPA.
8. The Client has the right to narrow unilaterally the scope of Work under this Contract, by written notice taking effect at the end of a partial performance (Part of the Work) which is a billing performance. The written notice narrowing the scope of the Work must be delivered to the Contractor no later than 1 month prior to the date for the completion of that partial performance (Part of the Work). As a consequence of the narrowing of the scope of the Work the Client may refuse to take over and pay for any other partial performances (Parts of the Work) and the scope of the Work is reduced by so narrowed partial performances. Except for the reduction of the scope of the Work all other provisions hereof remain unaffected. The Parties agree that upon such reduction of the scope of the Work the Contractor is only entitled to receive part of the Price for the Work as specified in Article 6 for the parts of the Work (partial performances) completed and handed over in due manner and time, plus 5 % of the total amount of the Price for the Work as specified in Article 6 for those parts of the Work (partial performances) already taken over. This is without prejudice to the Contractor's liability for defects and that for due performance of the parts of the Work already handed over.

Article 14 – Personal Data Processing

1. The Parties agree that the Contractor will process personal data for the Client for the purpose of completing the Work under, and to the extent of, this Contract.
2. The Contractor undertakes to process personal data for the Client solely for the stated purpose, in a manner and on the basis of documented Client's instructions and conditions, and in accordance therewith, as such instructions and conditions result from this Contract.
3. On the basis of this Contract the Contractor is to process the following categories of personal data subjects for the Client:

Client's employees; natural persons whose opinions or consents are required for the completion of the Work; natural persons with whom contracts required for the completion of the Work are entered into
(the "**Data Subjects**").
4. On the basis of this Contract the Contractor is to process for the Client the following types of personal data in respect of the categories of Data Subjects:

in respect of the Client's employees – identification and contact data (name and surname, phone number, email address, degree), job position data (job position);

in respect of other natural persons – identification and contact data (name and surname, sex, date of birth, phone number, email address, permanent residence – contact address, degree, account number and type, bank);
(the "**Personal Data**").
5. The Contractor is to process and store the Personal Data on the servers housed at the Contractor's "**to be completed by the contractor before executing the Contract**".
6. If the Contractor processes such Personal Data following an explicit instruction of the Client that are not explicitly stated in 14.4 hereof, these new Personal Data must be processed subject to the same conditions.
7. This Article hereof remains in effect until all the obligations in connection with the termination of the processing of Personal Data under this Contract have been discharged.
8. Contractor's obligations in connection with the processing of Personal Data:
 - the Contractor undertakes to adopt appropriate technical and organisational measures pursuant to Regulation (EU) 2016/679 of the European Parliament and of the Council of 27th April 2016 on the protection of individuals with regard to the processing of personal data and

on the free movement of such data and repealing Directive 95/46/EC (the General Data Protection Regulation – the “**GDPR**”), which apply to him as the Contractor, and prove compliance with these duties at the Client’s request;

- the Contractor must immediately inform the Client if the Contractor believes that certain instructions of the Client are in conflict with the legal regulations in effect;
 - the Contractor may only transfer Personal Data to a third country or an international organisation in the meaning of the GDPR if specifically instructed so by the Client. If such transfer is based on a duty resulting from the legislation of the European Union or that of a Member State which is applicable to the Client, the Contractor must inform the Client of that statutory requirement prior to such transfer unless that legislation prohibits such informing for important reasons of public interest;
 - the Contractor must ensure that the persons authorised to process the Personal Data undertake to maintain confidentiality in respect of all the Personal Data processed by the Contractor under this Contract and maintain confidentiality of security measures, the disclosure of which would compromise the protection of the Personal Data;
 - the Contractor may only engage Subcontractors for the processing upon a prior written consent of the Client;
 - the Contractor undertakes to make contracts with such Subcontractors in order to ensure compliance with the rights and obligations stipulated in this Contract, in particular the obligation to maintain confidentiality and ensure security of the Personal Data and provide sufficient guarantees that Subcontractors implement the same technical and organisational measures;
 - the Contractor must also take into account the nature of the processing, be of assistance to the Client through appropriate technical and organisational measures for the compliance of the Client’s duty to respond to requests for the exercise of Data Subject’s rights under the GDPR;
 - the Contractor must be of assistance to the Client in ensuring compliance with the duties under Articles 32–36 of the GDPR, while taking account of the processing of the information which the Contractor has available. Where the nature of the matter requires that Contractor informs the Client, the Contractor must inform the Client without undue delay;
 - the Contractor must allow the Client and the person authorised by the Client to inspect, at the Contractor’s registered office during regular business hours, compliance with the Personal Data processing obligations resulting from this Contract, within 3 months of the termination of the Contract;
 - After the termination of Personal Data processing under this Contract the Contractor must provide the Client with all the devices containing Personal Data, if possible, and delete all the Personal Data subject to processing from all his systems and/or databases (and delete all backup copies) except where non-deletion is required by legal regulations or approved by a written consent of the Client.
9. If the Contractor processes the Personal Data beyond the scope defined herein or substantiated instructions of the Client, controller of such processing is the Contractor. If such processing beyond the scope defined herein or substantiated instructions of the Client causes the Client damage, the Contractor must cover that damage.

Article 15 – Contract Amendments

1. This Contract may only be amended, supplemented or cancelled by written amendments with signatures in a single instrument; an amendment may be proposed by either Party. Possible changes concerning this Contract or the manner of executing the Work and diverting from this Contract may be discussed by the Contractor’s contact persons with the Client’s contact person for contractual matters. However, any change concerning the execution of the Work so discussed do not take force and effect until a written amendment is signed by the respective persons authorised to represent the Parties.

The Parties especially emphasise that in the tender documentation the Client reserves himself a right of option, the object of which is specified in more detail in Article 2 (1) e) and Annex 8 – “Value Added” Criterion Forms, including technical details for additional performance under the “Value Added” criterion specified in Annex 11 – Technical Details for Additional Performance under the “Value Add” Criterion. The right of option may be exercised in negotiated procedure without publication and by executing an addendum hereto.

The right of option may also be exercised by stages, i.e. not the entire scope of the right of option needs to be subject to negotiated procedure without publication and an amendment to this Contract; if this is the case, the relevant provisions hereof, for instance 4 (1) e) and f), 8 (2) c) and d) and 9 (3) c), are only activated in relation to the currently used scope of the object of the right of option.

2. Given the nature of the Work and the subject of this Contract the Parties acknowledge that the Client may have an interest in changing the scope of the Work during the performance of the Contract. Therefore, the Parties agree that the Client may any time request the Contractor in writing to enter into discussion about changing (narrowing or broadening) the scope of the Work, and if the Client is of the opinion that such change requires amending this Contract, the discussion is to include appropriate changes to this Contract (i.e. not only in the cases specified in Article 4 (3) of this Contract). The Contractor undertakes to enter into written amendment to this Contract with the Client in order to modify the altered scope of the Work and raise or reduce the Price adequately and alter deadlines accordingly if applicable. Change to the Price for the Work and deadlines must proportionately correspond to the lower or higher demands on the execution of the Work in relation to the agreed Price for the Work and deadlines as per this Contract.
3. The Parties agree that the Client's right to request change to the scope of the Work and thereby also this Contract and the corresponding obligation of the Contractor accept the change to the scope of the Work and this Contract only apply to changes to the Work corresponding to similar as are the subject of the Work as to type of service but corresponding to any railway line in the Czech Republic as to scope.
4. In connection with a change to the Work or other services corresponding to the scope as per the previous paragraph or in connection with the right of option the Client may initiate a procurement procedure under the PPA (or a tendering procedure or negotiations with supplier or third parties outside the PPA regime) in order to enter into an amendment hereto or an independent services contract (in the scope corresponding to the previous paragraph).
5. If the Client does so pursuant to 15 (4) prior to the handover and takeover of the entire Work, the Contractor must participate in such procurement procedure, tendering procedure or negotiations, submit his tender(s) meeting the Client's requirements and enter into the amendment to this Contract or the independent services contract as required by the Client. The Contractor will be obligated to offer for such services binding prices corresponding (depending on which price is lower) to the prices corresponding proportionally (in proportion corresponding to the scope of such services):
 - a) Price for the Work under this Contract;
 - b) price as per Annex 5 hereto (Price Breakdown); or
 - c) market prices, and
 - d) for the right of option the price may not exceed the maximum price specified by the Contractor in the procurement procedure and specified in Annex 8 – “Value Add” Criterion Forms.

The terms and conditions for performing the Work, including the Contractor's liability, must in material aspects match the terms and conditions for performing the Work under this Contract.

6. If the Contractor breaches his obligation to enter into an amendment hereto or the new contract under the rules specified above in this Contract (and this Article 15 in particular), that breach constitutes the Contractor's obligation to pay the Client a contractual penalty at 2 % of the Price for the Work and constitutes, if the Contractor fails to enter into an amendment, the Client's right to withdraw from this Contract.

Article 16 – Execution of Work on the railway route

1. The Contractor undertakes to ensure that, if part of the Work in the execution of the Work is carried out on the railway route, all its activities on the railway shall be carried out under the direct and permanent guidance of an adequate number of professionally and physically competent employees and employees of Subcontractors. These employees (executives) shall be obliged to present valid eligibility documents to all authorized employees of the Client and employees of relevant public authorities upon request. With respect to the provisions of § 1769 of the Civil Code, the contracting parties declare that the obligations of the Subcontractors pursuant to this Article are not negotiated as a third party performance within the meaning of the said statutory provision. The Contractor undertakes to ensure fulfilment of these obligations by not concluding a contract with any Subcontractor who does not commit to these obligations.
2. The Contractor further undertakes to ensure, in accordance with the relevant Internal Norms of the Client, that all of its employees or employees of its Subcontractors who perform managing work (i.e. act as manager staff) have valid certificates of competence (i.e. certificates of professional competence, issued on the basis of authorization pursuant to the provisions of Section 22 of Act No. 266/1994 Coll., on Railways, as amended; medical competence and safety training). The Contractor shall prove professional competence in the manner and to the extent specified by SŽDC Zam1 regulation on professional competence and knowledge of persons in the operation of railway and railway transport, issued under file no. : S 23 376/2014-O10 of 2nd July 2014, with effect as of 1st September 2014, as amended. The relevant internal order of the Client (SŽDC Zam1 regulation), which the Contractor is obliged to follow, is also stated in the General Technical Terms. The Contractor undertakes to prove the eligibility documents to the Client prior to commencement of work on the Work and in case of any change it undertakes to submit copies of the relevant eligibility documents without delay. Until such documents are submitted to the Client, the Contractor may not carry out work on the Work. With respect to the provisions of § 1769 of the Civil Code, the contracting parties declare that the obligations of the Subcontractors pursuant to this Article are not negotiated as a third party performance within the meaning of the said statutory provision. The Contractor undertakes to ensure fulfilment of these obligations by not concluding a contract with any Subcontractor who does not commit to these obligations.
3. The Contractor is also obliged to ensure professional competence with the relevant specialists (for signalling equipment, communication equipment) and at the Client's request to submit a certificate of professional competence in electrical engineering pursuant to Section 10 of the Decree. 50/1978 Coll., on Professional Qualification in Electrical Engineering, as amended; and in the case of relevant specialists (for traction lines, for high-current technology, for electrical equipment, if this specialization is required in the professional requirements of the tender documentation), in addition to the certificate pursuant to Section 10 of the Decree. No. 50/1978 Coll. certificate of examination for a person with a higher qualification according to the Decree no. No. 100/1995 Coll., Regulations of Designated Technical Equipment, as amended, Annex No. 4, point 8 (a). c), i.e. for the design of electrical equipment.
4. The Contractor undertakes to comply with generally binding legal regulations and the relevant Internal Norms of the Client, in particular the SŽDC Regulation Ob 1 part II "Issuance of permits for entry into places not accessible to the public. Identity card for third parties", approved by DG SŽDC on 17th March 2014 under Ref. No: S9717 / 2014-030, effective from 1st April 2014, as amended, to ensure that all natural persons when performing the Work to move on the track or in the perimeter of the track in places inaccessible to the public, they were authorized to enter these areas. The issuing body is the headquarters of the state organization SŽDC, Department of Safety, Contact electronic address for submitting applications and for reporting changes and losses is: vstupy@szdc.cz. The relevant generally binding legal regulations and internal norms of the Client, which the Contractor is obliged to follow, are specified in the General Technical Terms.
5. In the case of foreign technical workers, the Contractor undertakes to ensure that they are granted all relevant residence and work permits, if such permits are necessary under Czech law. The Contractor shall be responsible for the return of these employees to the place where they were hired or to their place of residence. In the event that any of these employees or their family members dies in the Czech Republic, the Contractor undertakes to ensure all measures necessary for their repatriation and to pay the costs related thereto.

Article 17 – Final Provisions

1. This Contract may solely be concluded in writing with signatures in a single instrument.
2. This Contract takes force on the date of conclusion and takes effect on the date of publication in the register of contracts and agreements in the meaning of Act No. 340/2015 Coll. regulating special conditions for effectiveness of some contracts or agreements, the publication of such contracts or agreements and the register thereof (the “**Register of Contracts and Agreements Act**”), as amended.
3. In connection with the application of the Register of Contracts and Agreements Act to this Contract the Parties agree as follows:
 - a) the Contract includes no trade secret of either Party and no other information excluded from the publication duty (except as specified below) and the Contract and the annexes thereto are fit to be published in the register of contracts and agreements in the meaning of the Register of Contracts and Agreements Act and the Parties agree that the Contract and the annexes thereto be published; exception is Personal Data such as the names and contact details of the persons specified in this Contract, Annex 2 and Annex 3, which Personal Data are to be rendered unreadable and the trade secrets and confidential information in the meaning of the PPA as designated by the Contractor (note by contracting authority, to be removed after contract is made: trade secret may apply to, among other things, the Contractor-proposed measures in the offer as per Annexes 6, 7 and 8 to the Contract);
 - b) in accordance with Section 5 of the Register of Contracts and Agreements Act the Client must send the register administrator an electronic image of the text content of this Contract and its annexes in an open and machine-readable format and the metadata required by the mentioned act, to the relevant data box of the Ministry of the Interior of the Czech Republic for the publication of records in the register of contracts and agreements, using the electronic form published on the public administration portal;
 - c) the Client must discharge his obligation stipulated earlier in this Article 17 (3) b) immediately but no later than 15 days after the conclusion of this Contract.
4. Executing this Contract the Parties exclude that trade practices are taken into account in legal transactions between the Parties. As a result trade practices take no priority over statutory rules pursuant to Section 558 (2) of the Civil Code. The Parties agree the exclusion of Sections 1799, 1800, 2611, 2612, 2620 (2), 2622, 2632 and 2633 of the Civil Code.
5. All rights and obligations of the Parties arising from this Contract shall be assigned to their legal successors, unless the nature of such rights and obligations makes it impossible. The Contractor may not transfer any right or obligation or any part thereof to any third party without the Client's prior written consent.
6. The Parties agree that making good legal conduct that is defective due to not being made in writing is excluded and that invalidity of such legal conduct that is stipulated by the Parties to be made in writing is permitted to be invoked any time. Therefore the first sentence of Section 582 (1) and Section 582 (2) of the Civil Code do not apply between the Parties.
7. No transaction or conduct by the Client may be considered to be a promise to make a Contract or an amendment thereto. In accordance with Section 1740 (3) of the Civil Code the Client does not permit accepting a contract proposal with amendment or deviation, wherewith the other party agrees by concluding the Contract.
8. Should any provision of this Contract be or become non-existent, invalid or unenforceable, this shall be without prejudice to the validity and enforceability of any other provisions hereof. The Parties undertake to supersede any invalid or unenforceable provision with a new provision with meaning corresponding to the purpose expressed in the original provision and this Contract as a whole, within 30 days of either Party so requesting.
9. Executing this Contract the Parties agree a limitation period of 15 years, pursuant to Section 630 (1) of the Civil Code.
10. Executing this Contract the Contractor assumes the risk of a change in circumstances in the meaning of Section 1765 (2) of the Civil Code.

11. Except as otherwise provided in this Contract, the relevant legal provisions of the generally binding legal regulations of the Czech Republic, in particular the Civil Code and the Copyright Act, as amended, shall apply to the legal relationships resulting herefrom.
12. The Parties undertake to deal with all disputes out of this Contract or their mutual business relations in connection herewith through amicable negotiations in the first place. Unless agreement is reached, the Parties agree that the general court having jurisdiction over the Client's registered office as at the date hereof is the court with jurisdiction for hearing the dispute.
13. The Parties confirm that except the data referred to in Article 17 (3) this Contract does not contain any confidential information, trade secret or other information of the same or similar nature and type.
14. This Contract is prepared in electronic form and each electronic image of this Contract has the validity of original copy.
15. The following annexes form integral part of this Contract:

Annex 1 – Specific Terms and Conditions for the “**RS 1 VRT Praha-Běchovice – Poříčany**” except the documents as per Article 7 (which are binding, but do not form an annex);

Annex 2 – List of Qualified Persons and Scope of Work to be Executed by Qualified Persons;

Annex 3 – List of Other Persons Taking Part in the Work and Scope of Work to be Executed by These Persons including Subcontractors;

Annex 4 – vacant;

Annex 5 – Price Breakdown;

[Contracting authority's note: This **annex** to be filled in by the **contractor** and **submitted in his tender** in the scope and subject to the conditions (including formal particulars) specified in the Contractor Guidelines.]

Annex 6 – “Expert Level” Criterion Forms

[Contracting authority's note: This Annex 6 to the Contract is identical to Annex 8 to Contractor Guidelines – “Expert Level” Criterion Forms. This **annex** to be prepared by the **contractor** and **submitted in his tender** in the scope and subject to the conditions (including formal particulars) specified in 16.3 “Expert Level” of the Contractor Guidelines.]

Annex 7 – “Risk Identification and Management” Criterion Forms

[Contracting authority's note: This Annex 7 to the Contract is identical to Annex 9 to Contractor Guidelines – “Risk Identification and Management” Criterion Forms. This **annex** to be prepared by the contractor and **submitted in his tender** in the scope and subject to the conditions (including formal particulars) specified in 16.4 “Risk Identification and Management” of the Contractor Guidelines.]

Annex 8 – “Value Add” Criterion Forms (object of the right of option)

[Contracting authority's note: This Annex 8 to the Contract is identical to Annex 10 to Contractor Guidelines – “Value Add” Criterion Forms. This **annex** to be prepared by the **contractor** and **submitted in his tender** in the scope and subject to the conditions (including formal particulars) specified in 16.5 “Value Add” of the Contractor Guidelines.]

Annex 9 – Technical Details for the Proposals and Actions for the Accomplishment of the “Expert Level” Criterion's Project Objectives

[Contracting authority's note: In detail and in accordance with other requirements of article 18 of the Contractor Guidelines the **selected contractor** must **not submit** Annex 9 to the Contract to the contracting authority until the **cooperation stage prior to contract execution** in the meaning of Section 122 (3) of the PPA.]

Annex 10 – Technical Details for the Proposals and Actions for Risk Management under the “Risk Identification and Management” Criterion

[Contracting authority's note: In detail and in accordance with other requirements of article 18 of the Contractor Guidelines the **selected contractor** must **not submit** Annex 10 to the Contract

to the contracting authority **until the cooperation stage prior to contract execution** in the meaning of Section 122 (3) of the PPA.]

Annex 11 – Technical Details for Additional Performance under the “Value Add” Criterion (object of the right of option)

[Contracting authority’s note: In detail and in accordance with other requirements of article 18 of the Contractor Guidelines the **selected contractor** must not submit Annex 11 to the Contract to the contracting authority **until the cooperation stage prior to contract execution** in the meaning of Section 122 (3) of the PPA.]

Annex 12 – Summary with Detailed Description of Jobs outside Contract Performance

[Contracting authority’s note: In detail and in accordance with other requirements of article 18 of the Contractor Guidelines the **selected contractor** must not submit Annex 12 to the Contract to the contracting authority **until the cooperation stage prior to contract execution** in the meaning of Section 122 (3) of the PPA.]

Annex 13 – Work’s Detailed Time Schedule

[Contracting authority’s note: In detail and in accordance with other requirements of article 18 of the Contractor Guidelines the **selected contractor** must not submit Annex 13 to the Contract to the contracting authority **until the cooperation stage prior to contract execution** in the meaning of Section 122 (3) of the PPA.]

Annex 14 – General Technical Terms

Annex 15 – Contracts of Insurance

The Parties hereby expressly declare that they have read this Contract prior to signing it and that it expresses their true and free will, in witness whereof they attach their respective signatures below.

Prague on this day of

..... on this day of

Client:

Contractor:

.....
Ing. Mojmír Nejezchleb
Deputy Director General for Infrastructure
Modernisation

.....

[Title]

Správa železniční dopravní cesty,
státní organizace

[.....]