

1 Entering into an Agreement

1.1 These general terms and conditions (hereinafter referred to as the "GT&C") of MERO ČR, a.s. (hereinafter referred to as the "Client") govern the contractual relationship between the Client and the other Contracting Party (hereinafter referred to as the "Contractor"). The contractual relationship shall be entered into only on the basis of a submitted written order. The GT&C are an integral part of the order/agreement (hereinafter referred to as the "Agreement") entered into by and between the Contractor and the Client. Any and all contrary arrangements in the Agreement shall take precedence over the arrangements in the GT&C.

2 Subject of the Work and Place of Performance

2.1 The Contractor shall undertake to execute the work specified in the Agreement (hereinafter referred to as the "Work"), at its own expense and risk, in accordance with the tender documentation and/or the Contractor's offer in the public tender (hereinafter referred to as the "Contractor's Offer") and under the conditions stated in the Agreement, the GT&C and the documents to which they refer. The Client shall undertake to accept the duly executed work and to pay the Contractor the agreed price of the Work in the event that it is in compliance with the terms and conditions of the Agreement.

2.2 Unless otherwise agreed in the Agreement, the work includes, in addition to the supplies and work specified in the Agreement:

- a) elaboration of workshop (production, construction) drawings, which are necessary for the execution of the work and are not included as an annex to the Agreement, including obtaining the consent of the Client,
- b) construction of all of the equipment specified in the Agreement,
- c) supply of all parts, materials and equipment necessary for the execution of the Work,
- d) construction and installation of all equipment, including the necessary works and activities,
- e) transportation to the place of execution of the Work,
- f) provision and submission of attestations and certificates of all of the materials and equipment,
- g) individual tests and testing of the function of the Work, including the elaboration of test reports,
- h) ensuring documentation of the actual state of the Work,
- i) submission of all operating manuals and maintenance manuals, certificates and attestations relating to the Work or individual parts thereof,
- j) performance of all investigations of the actual situation necessary for the execution of earthworks,
- k) supply of all the construction parts and materials needed to put the equipment into operation, which is part of the Work,
- l) performance of all construction and assembly work,
- m) elaboration of all drawings that are not supplied by the Client,
- n) obtaining of permits, in particular:
 - official permission to close roads (if necessary) or other traffic measures,
 - permission to enter land, which is not provided by the Client under the Agreement,
- o) determination of the exact location of underground utility lines and installations that are or may be affected by activities related to the execution of the Work.

2.3 The Contractor shall undertake to hand over the Work at the place of execution of the Work.

2.4 The Contractor shall undertake to perform all of the supplies and works necessary for the full and entire completion of the Work. The cost of all supplies, services and work required to fully and entirely complete the Work is included in the price of the Work.

2.5 The Client shall be the owner of the completed Work. The Client shall acquire ownership of all materials, equipment, and supplies provided in accordance with the Agreement by the Contractor, which shall become part of the Work. The ownership to these materials, equipment, and supplies shall be transferred to the Client

- (a) on the day in which payment is made for the materials, equipment or supplies, or
- (b) on the day in which the materials, equipment, or supplies are delivered to the place of execution of the Work, whichever occurs first.

2.6 The Contractor shall bear the risk of damage to the Work until the handover and acceptance of the Work without defects or backlogs, i.e. until the defects of the Work specified in the handover and acceptance protocol are removed.

3 The Contractor's obligations

3.1 At its own expense, the Contractor shall observe or ensure compliance with the following during the performance of the Work:

- a) generally binding legislation;
- b) valid Czech technical standards and/or EN standards and recognized technical rules
- c) fire protection regulations (hereinafter referred to as "**fire protection**"),
- d) all legal and other generally binding legal regulations ensuring occupational health and safety (hereinafter referred to as "**OHS**")
- e) legislation in the fields of waste management, handling of harmful substances, chemical substances and preparations and legislation on air protection,
- f) the Client's internal regulations:
 - **SB-GR-50 General safety regulation of MERO ČR, a.s.**, which is published on the Client's website at <http://www.mero.cz/dokumenty-ke-stazeni/>,
 - **SO-GR-02 Rules for drawing documentation**, which are published on the Client's website at <http://www.mero.cz/dokumenty-ke-stazeni/>, any other internal regulations of the Client with which it has been acquainted,
- g) regulations for operated equipment affected by the execution of the work, from the Client and/or the owner and operator of the equipment. Unless agreed otherwise, these regulations shall be provided by the Client to the Contractor upon conclusion of the Agreement,
- h) conditions stipulated in the work permit issued by the Client pursuant to the Client's internal directive **SB-GR-02 Work permit**, which is published on the Client's website at <http://www.mero.cz/dokumenty-ke-stazeni/>,
- i) opinions and decisions of public authorities, local authorities or other competent authorities;
- j) relevant technological processes;
- k) orders of the Client regarding the manner of performing the Work,
- l) instructions of the manufacturers of supplies for the Work;

3.2 The Contractor shall hand over the originals of the following documents to the Client at the latest upon the handover and acceptance of the Work:

- a) actual implementation documentation
- b) building logbook or a simple record of the construction
- (c) certificates, test reports, declarations of conformity, material attestations, inspection reports, acceptance reports and other documents pursuant to the Agreement.
- d) drawings and other documents pursuant to the Agreement shall be provided 1x in printed form and 1x in digital form. Drawings must be supplied on CD-Rom in Autocad format (dwg, dgn.), texts in MS Word, and tables in MS Excel.
- (e) other documents relating to the Work.

3.3 The Contractor shall be obliged to maintain the building logbook for the duration of the Work and during the removal of any defects in accordance with the Building Act and Decree 499/2006 Coll. Any entry in the building logbook must be signed by the person authorized to make entries into the building logbook and the date on which the entry was made. The Client shall sign the entries made by the Contractor in the building logbook, comments on individual entries, records on detected shortcomings in the execution of the Work with a request for their removal and shall enter the Client's requirements regarding the execution of the Work. In the event that the Contractor disagrees with the entry made by the Client in the building logbook, then it must add its opinion to the entry no later than 3 days, otherwise it shall be deemed to agree with the entry. Entries to the logbook shall not be considered an amendment to the Agreement and may only serve as a basis for an amendment thereto.

3.4 The Contractor shall be obliged to invite the Client (by an entry into the building logbook signed by the authorized person of the Contractor) to inspect the Work that will be covered over or made inaccessible in the next phase of the Work, at least 3 working days in advance. In the event that the Client does not come to the inspection for which it has been duly and timely informed, without a prior apology, even on an alternative date, which shall also be recorded in the building logbook and shall not be less than 24 hours after the due date of inspection, then the Contractor shall be entitled to cover over such Work. Nevertheless, the Contractor's liability for any defects and unfinished work of such covered over Work shall not be affected. In the event that the Contractor does not invite the Client to the inspection, or if the Contractor does not allow the inspection, the Contractor shall bear the costs of any and all additional uncovering or inspection in any other way.

3.5 The Contractor shall not be authorized to delegate the execution of the Work or part(s) thereof to a third party without the prior written consent of the Client. In the event that the Contractor uses third parties in the performance of the Agreement, then it shall be as if it were being performed by itself.

4 Deadline of performance

4.1 The Contractor shall be obliged to complete and hand over the Work within the deadline specified in the Agreement.

5 Price and Payment Terms

5.1 The price for the work is agreed by the Contracting Parties in the Agreement (hereinafter referred to as the "**Price of Work**"). Unless otherwise agreed, the Price of Work (including unit costs) shall be fixed and unchanged.

5.2 The Price of Work shall include all costs necessary for the proper and timely execution and completion of the Work and the Contractor's profit.

- 5.3 The Contractor shall be entitled to invoice the Price of Work after the handover and acceptance of the Work without defects and backlogs, i.e. after removal of any defects specified in the handover and acceptance protocol.
- 5.4 Invoice maturity - the tax document shall be 30 calendar days from the delivery to the address of the Client's registered office. The invoice must be accompanied by the protocol of the handover and acceptance of the work, or a protocol confirming the removal of all defects with which the work was accepted.
- 5.5 The invoice - tax document must meet the requirements of the generally binding legal regulations, in particular the requirements pursuant to Act. 235/2004 Coll., on Value Added Tax, as amended, and the GT&C and the Agreement. The Client shall be entitled to return a tax document to the Contractor that does not have the requisites according to the GT&C, the Agreement or the particulars stated by the Act on VAT. The new maturity period shall begin upon delivery of a correct or new tax document.

6 Contractual penalty and interest due to delays

- 6.1 In the event of a delay by the Contractor in the completion and handover of the Work, the Client shall be entitled to charge the Contractor a contractual penalty of 0.2% of the Price of Work for each day of delay.
- 6.2 In the event of a delay by the Contractor in remedying a defect in the Work specified in the handover and acceptance protocol / claimed defect in the Work, the Client shall be entitled to charge the Contractor a contractual penalty of 1,000 CZK for each defect and each commenced day of delay.
- 6.3 In the event of a delay by the Client in payment of a financial commitment arising from the Agreement, it shall be obliged to pay the Contractor contractual interest due to the delay in the agreed amount of 0.01% of the outstanding amount for each commenced day of delay.
- 6.4 The Contractor shall undertake to pay a contractual penalty for non-compliance with the safety regulations and the use of all protective equipment, i.e. 5,000 CZK for each individual breach. The non-compliance shall be recorded in the building/assembly logbook by the Client's representative. This amount may be offset against the total cost of the Work.
- 6.5 The contractual penalty shall not affect the right to compensation for damage incurred. The contractual penalty and interest from a delay shall be payable within 15 days of receipt of the billing.

7 Completion, handover and acceptance of the Work

- 7.1 For the purposes of the Agreement, the Work shall be completed and handed over on the day of signing the handover and acceptance protocol, in which the Client's declaration that the Work is being accepted, by representatives of both Contracting Parties authorized to hand over and accept the Work (hereinafter referred to as the "**Handover and Acceptance Protocol**"). In the event that the work is accepted by the Client with defects, a list of these defects shall be included in the Handover and Acceptance Protocol and a deadline(s) for their removal shall be given. In the event that the Work shall be accepted by the Client with defects and/or backlogs, for the purposes of the Agreement, the Work shall be duly executed on the day of signing the protocol on the removal of defects and/or backlogs by the representatives of both Contracting Parties authorized to handover and accept the Work (hereinafter referred to as the "**Protocol on the Removal of Defects and Backlogs**").
- 7.2 Signing of the Handover and Acceptance Protocol and/or the Protocol on the Removal of Defects and Backlogs shall not affect the Contractor's liability for defects in the Work.

8 Warranty period

- 8.1 Unless agreed otherwise, the warranty period for the Work shall be 60 months from the handover and acceptance of the Work without defects and/or backlogs.
- 8.2 In the event that the machines, technological equipment and products are not an integral part of the Work, the warranty period for the supply of such equipment, products and machines, to which their manufacturer issues a separate warranty certificate, shall be agreed upon during the warranty period provided by the manufacturer, but not less than 24 months. The warranty period for the supply of equipment, products and machines for which the manufacturer does not issue a warranty certificate or does not provide a warranty shall be agreed upon for a period of 24 months.

9 Claims and removal of defects

- 9.1 The Client shall be obliged to submit a claim about the defects to the Contractor in writing (in e-mail form is sufficient). In the written claim, the defects must be described or it must be stated how they manifest themselves. In addition, the Client shall state in the claim how it requires the claimed defects to be remedied.
- 9.2 In the case of a repeated occurrence of the same defect, which is removed by the same technology or material, the Client shall be entitled to request a change in the technology or material used to remove the defect.
- 9.3 The Contractor shall be obliged to notify the Client in writing within 4 days after receiving the claim whether or not it accepts the claim, whether it will remedy the defect, and when the defect will be removed. Failure to do so shall mean it acknowledges the Client's claim. The Contractor shall be obliged to remove the claimed defect without undue delay, but no later than 30 days from the delivery of the notification of the defect, unless another period shall be agreed upon by the Contracting Parties.
- 9.4 In the event that the Contractor does not begin to remove the defect in the Work within the warranty period without undue delay, or no later than 7 days from the date of receipt of the Client's claim to remedy the defect in the Work (regardless of whether the claim is justified or not) or it does not remove the defect within the deadline specified in paragraph 9.3 of the GT&C, then the Client shall be entitled to remove the defect in the Work itself or to have it removed by another third party, both at the cost of the Contractor. In the event that the Client or a third party proposed by the Client removes the defect in the Work, this shall not affect the guarantee provided by the Contractor under the Agreement.
- 9.5 The guarantee of the quality of the Work shall also apply to part(s) of the Work already executed and accepted by the Client, in the event of termination of the Agreement for any reason.
- 9.6 The provisions of this Article shall survive the termination of the Agreement.

10 Rights and obligations of the Contracting Parties resulting from a force majeure

- 10.1 The Contracting Parties shall be exempt from liability for partial or total failure to fulfill their contractual obligations for reasons of a force majeure.

11 Withdrawal from the Agreement

- 11.1 The Contracting Parties shall be entitled to withdraw from the Agreement in accordance with the relevant provisions of the Civil Code.
- 11.2 The Client shall be entitled to withdraw from the Agreement especially in the following cases:
- a) a delay by the Contractor in completing and delivering the Work of more than 15 days,
 - b) a delay by the Contractor in the fulfillment of the partial deadline of performance (if so agreed) of more than 10 days,
 - c) in the event that a petition to initiate insolvency proceedings pursuant to Act 182/2006 Coll., on bankruptcy and methods of its resolution (the Insolvency Act), as amended, is filed against the Contractor, regardless of whether a decision on bankruptcy will be made or not,
 - d) the Contractor entrusts the execution of the Work/part(s) of the Work to a third person without the prior written consent of the Client,
 - e) the Contractor does not perform the Work properly and does not remove the defects specified in the period provided by the Client.
- 11.3 Withdrawal from the Agreement shall terminate any and all rights and obligations of the Contracting Parties thereunder, unless stated otherwise in the GT&A, at the time of the effectiveness of the withdrawal (*ex nunc*) and the Contracting Parties shall not be obliged to return any performance mutually provided prior to the withdrawal.

12 Other arrangements

- 12.1 The rights and obligations of both Contracting Parties in the Agreement not expressly regulated shall be governed by the relevant provisions of the Civil Code and other generally binding legal regulations of the Czech legal order.
- 12.2 The GT&C and the Agreement, together with all documents referenced to therein, shall express the entire agreement between the Contracting Parties regarding its subject matter and shall supersede and terminate any and all prior proposals, agreements, commitments, declarations, warranties, assurances and arrangements of any nature, written or oral, relating to this subject. The Agreement may only be amended by agreement of the Contracting Parties, in the form of written and ascending numbered addenda with signatures of the Contracting Parties attached to the same document.
- 12.3 The Contractor declares that it is entitled and fully qualified to enter into the Agreement and holds all necessary approvals of its bodies and third parties, which it needs to conclude and properly perform the Agreement. The Contractor also declares that there it has no obligation to any other person or claims from the State, the Tax Office or any other state administration or local body that would prevent it from entering into and performing the Agreement.
- 12.4 The Contractor shall not be entitled to assign its rights or transfer its obligations under the Agreement with the Client without prior written consent of the Client.
- 12.5 In the event that the Parties to the Agreement cease to exist, all rights and obligations arising from the Agreement shall pass to their legal successors.
- 12.6 The Client hereby notifies the Contractor that within the meaning of Act 340/2015 Coll. on the Register of Contracts (Act on the Register of Contracts), as amended, it is a person obliged to publish agreements in the Register of Contracts and that within the meaning of Act 134/2016 Coll. on Public Procurement, as amended, as the contracting authority, it shall be obliged to publish concluded agreements including their amendments and additions, the amount of the price paid for the performance of the public tender and the list of subcontractors of the Contractor of the public tender.
- 12.7 The Contractor shall not be entitled to assign its rights and obligations arising from the Agreement to third parties without the prior written consent of the Client.
- 12.8 The Contractor shall undertake to comply with the principles for reducing energy intensity within the framework of ISO 50001: 2011.

- 12.9 The Client hereby notifies the Contractor that it is subject to Act 181/2014 Coll., on cyber security and on amendments to related acts (the Cyber Security Act), as amended, and implementing legislation. In this context, the Contractor acknowledges that the Client shall be obliged to comply with the obligations arising from the above legal regulations.
- 12.10 The Contractor shall be obliged to inform the Client about security incidents or other extraordinary events that have occurred in its information systems and is directly related to the subject of this Agreement and which could result in a breach of the security of information of the Client and/or its protection.
- 12.11 The Contractor shall assume the risk of changing circumstances pursuant to Article 1765(2) and Article 2620(2) of the Civil Code.
- 12.12 The Contractor shall undertake to protect and, without the prior written consent of the Client, not share, publish or disclose information (regardless of the form in which the information is provided), which it has acquired from the Client in connection with the Agreement and which the Client has explicitly designated as confidential information. The Contractor shall be entitled to use the confidential information obtained from the Client only for the purpose of performance of the Agreement.