CONTRACT FOR WORK

No. ……

**Concluded pursuant to Section 2586 et seq. of Act No. 89/2012 Coll., Civil Code, between the following parties:**

**1. LASSELSBERGER, s.r.o.**

Registered seat: Adelova 2549/1, 320 00 Plzeň – Jižní Předměstí

Registration: Commercial Register maintained by the Regional Court in Plzeň, Section C, file 22719

Represented by: Ing. Roman Blažíček, Company Executive

Ing. Ing. Václav Růžička, Production and Technical Director

Persons authorised to act in the matters of the Contract:

Ing. Petr Kolbek, Technical Manager, +420 603 299 111

Ing. Petr Mikuta, Investment and technical manager, +420 730 196 145

ID No.: 25238078

TAX ID: CZ25238078

Bank details: Česká spořitelna, a.s.

Account No.: 6221912/0800 (CZK)

IBAN: CZ21 0800 0000 0000 0622 1912

SWIFT: GIBACZPX

**hereinafter referred to as the *Customer***

**and**

**2. xxxxxxxx**

Registered seat: …………………………

Registration: …………………………

Represented by: …………………………

Persons authorised to act in the matters of the contract::

xxxxxxxx

xxxxxxxx

ID No.: …………………………

TAX ID: …………………………

Bank account:

Account No.:

IBAN:

SWIFT (BIC):

**hereinafter referred to as the *Contractor***

**2.**

**Subject of the Contract**

* 1. The Contractor undertakes to carry out the work at its own expense and risk - **xxxxxxx** (name) according to the Contractor's bid No. xxxx dated xxxx, which is an integral part of this Contract and forms Annex 1. The Contractor's tender defines the subject matter of the work. The work will be carried out in accordance with project documentation *No. xxxxxx + name of the documentation*, which was prepared by the company xxxxxxxx.
  2. The work in question will be carried out on the Customer's premises.
  3. The Customer declares that it is entitled to hand over to the Contractor the project documentation specified in paragraph 2.1 of this Article, and the Contractor further declares that it will use this documentation only for the implementation of the subject of the work. The Contractor declares that he has received the project documentation referred to in the preceding sentence as well as all other documents necessary for the execution of the work (all hereinafter collectively referred to as the “documents for the execution of the work”) from the Customer, that he is aware of their complete content, including the graphic and drawing parts, and that he has made a comprehensive understanding of the work to be performed on the basis of them. The Contractor is obliged to carry out all the performances specified in the documents for the execution of the work, while declaring that all these performances have been included in the Contractor's offer, which forms Annex 1 to this Contract.
  4. The Contractor declares that, before signing the Contract, he has thoroughly and fully verified all the documents for the execution of the work and all other documents that are decisive for the execution of the work, and has satisfied himself that they are complete, free of contradictions, and in accordance with all the regulations applicable to the execution of the work and the state of the technology.
  5. The place where the work is to be carried out is the production plant on the premises of **Lasselsberger, s.r.o., plant Borovany, Tovární 137, 373 12 Borovany, operating site production hall.**
  6. The Customer undertakes to accept the work duly and timely from the Contractor in accordance with the terms and conditions specified in this Contract and to pay the Contractor the agreed price.
  7. Annex 2 - List of persons responsible for the technical solution is part of this Contract

1. Annex 3 is part of this Contract - Specification of the technical solution according to which the work is carried out, i.e:

* Technical parameters (design, specification of materials used, ...)
* Performance parameters (speed, processed weight, m2, ...)
* Specification of operating conditions,...
* Manufacturers' specifications for major components (motors, gearboxes, bearings, PLCs,... )

1. If any changes are made to the detailed documentation during the execution of the work, the Contractor is obliged to hand over the documentation of the actual execution of the work to the Customer together with the completed work. Any change to the work in comparison to the detailed documentation requires the approval of the Customer in the form of an entry in the assembly/construction log or a change sheet.

**3.**

**Work completion and handover deadlines**

* 1. The Contractor shall perform the work in compliance with the Time Schedule of the Construction Works forming Annex 4 hereto.
  2. The Contractor is obliged to notify the Customer in writing of the expected date of completion and handover of the work at least 2 weeks in advance.
  3. A handover report shall be drawn up and signed by both parties (hereinafter referred to as the “handover report”). The handover report must include at least any defects found and the time limit for their rectification.
  4. The Contractor is obliged to hand over to the Customer at the handover of the work all the documents necessary for the use and application of the work, as well as all the documentation relating to the execution of the work with the recording of all possible changes according to the actual state of the work carried out, in particular all inspection reports of all construction and technical equipment (including gas, cold and hot water lines, all heating, ventilation and air conditioning equipment and distribution systems, electrical equipment, waste, cable and power networks, fire extinguishing equipment, enclosures and wiring diagrams, support equipment) and/or revision plans, all test certificates, if any, and other documents proving the performance of all tests prescribed by applicable law related to the execution of the work as well as its use and application, all necessary detailed drawings, operating rules and assembly/construction logbooks, as well as technical certificates and declarations of conformity for the materials supplied, all documents to be submitted being in the Czech language. In the event of a breach of this obligation by the Contractor, the Customer is entitled to refuse to accept the work.
  5. If, upon handover of the work, defects other than isolated minor defects arise which do not in themselves or in conjunction with others prevent or substantially limit the use of the work, the Customer is not obliged to accept the work. In such a case, the Contractor is obliged to remedy these defects within the shortest possible time, unless both parties agree otherwise. The same time limit for the removal of defects applies if the Customer finds that the work is being carried out in breach of this Contract and calls on the Contractor to remove them. The other claims of the Customer, in particular those referred to in Article 8 of this Contract, remain unaffected.
  6. The provisions of items 3.2 to 3.5 of this Contract shall apply mutatis mutandis if the handover of sub-performances or parts of the work is agreed, the use of which is to commence before the completion of the work or which are to be put into operation before the completion of the work, as well as in the case of handover after repairs (removal of defects) of the work.

**4.**

**Conditions for the implementation of the work**

* 1. The Contractor undertakes to establish and maintain an assembly/construction logbook in the scope prescribed by Decree No. 499/2006 Coll., where he is obliged to record, in addition to the data listed in the Annex to Decree No. 499/2006 Coll., all the facts necessary for the fulfilment of his obligations under this Contract.
  2. The parties undertake to keep each other informed of all the facts relevant to the performance of the Contract, in particular by means of entries in the assembly/construction log. The Contractor is obliged to inform the Customer immediately, in particular of all the events that could affect the timely performance of the subject of the Contract. The Contractor undertakes to submit the assembly/construction log to the Customer at the Customer's request, but at least once a week, and to allow the Customer to make entries in it. The Contractor is obliged to respond in writing to the Customer's entry in the assembly/construction log within 48 hours of the entry.
  3. If any changes, additions and/or modifications to the subject matter of the work occur during the execution of the work that **do not affect** the price of the work and/or the deadlines, both parties shall make an entry to this effect in the assembly/construction log, agreeing to these changes and containing the Customer's express written consent to their execution.
  4. If any changes, additions and/or modifications to the subject matter of the work occur during the execution of the work that **affect** the price of the work and/or the time limits, both parties shall make an entry to this effect in the installation/construction log. Before commencement of such works, changes, additions, an amendment to the Contract is required in the form of a written Change Letter, containing at least the specification of the change, the price and any impact on the implementation date and the express written consent of the Customer expressed by signing the Change Letter, order or amendment to the Contract by persons representing the Customer and the Contractor. Without the Customer's consent to carry out this work, the Contractor is not entitled to carry out and invoice for this work and the Customer is not obliged to pay for it.
  5. The Customer is entitled to inspect performance of the work on a continuous basis. Inspections may take place at any time during the Contractor's working hours.
  6. The Customer is entitled to demand, if defects are found during the execution of the work, that the Contractor remedy the defects and perform the work in a proper manner by means of an entry in the assembly/construction log or in another appropriate manner. The Contractor is obliged to remedy the defects thus detected at his own expense within the shortest possible time, unless both parties agree otherwise.
  7. If the Contractor fails to remedy the defects within the time limit specified in the preceding paragraph, the Customer is entitled to withdraw from this Contract.
  8. The Contractor is obliged to invite the Customer to inspect the essential assembly/construction work, the inspection of which becomes impossible in the further course of work on the subject of the work. If the Customer's representative fails to appear for inspection at the specified time or at an alternative time of which the Customer is demonstrably informed, the Contractor is entitled to cover these parts of the work if this covering is conditional on the execution of the follow-up work within the scope of the work.
  9. The Contractor declares that it has taken out adequate liability insurance for damage caused in the course of its business activities.
  10. The Contractor is obliged to maintain order and cleanliness at the workplace/construction site, is responsible for the organisation of work, meeting deadlines, compliance with safety and fire regulations and measures related to the COVID-19 epidemic.
  11. By signing this Contract, the Contractor undertakes to comply with all the regulations issued by the Government of the Czech Republic, the Ministry of Health of the Czech Republic, Regional Hygiene Stations or other public authorities in connection with the COVID-19 epidemic throughout the performance of this Contract.
  12. By signing this Contract, the Contractor further confirms that he/she has been informed of the current internal regulations of the Customer issued in connection with the epidemic COVID-19 and undertakes to comply with them throughout the performance of this Contract. In the event of a modification of internal company regulations, the Customer will inform the Contractor without undue delay. The Customer's in-house regulations consist in particular in the obligation to wear respiratory protection when moving around the Customer's premises/facilities, observance of increased hygiene measures, use of the Customer's premises only after agreement with the Customer and at the specified times, and observance of other related Customer's instructions.
  13. The Contractor undertakes to provide all the necessary means for the fulfilment of the above regulations independently and at his own expense (in particular respiratory protection, disinfection, etc.).
  14. The Customer is entitled to provide the investor's technical supervision from internal or external capacities, who will supervise the correctness of the work throughout the implementation of the work.
  15. The Contractor further undertakes to coordinate the work with the construction of other related parts of the project and to cooperate with the supplier of downstream technologies.
  16. Inspection days will be carried out 1 x per week with the mandatory participation of competent persons of the Customer and the Contractor, see. Annex 2.
  17. The Parties confirm that the Contractor is ready to take over the workplace/construction site from the Customer on dd.mm.yyyy. A written report will be drawn up on the acceptance, which will include the definition of the premises that the Contractor (or his sub-contractors or persons authorised by him) is entitled to use during the execution of the work in accordance with this Contract (e.g. for storage of assembly materials, parts of the equipment to be delivered, for the purpose of setting up a temporary soil dump, places for rubbish and debris, access roads, etc.).
  18. In any case, the Contractor is obliged to comply with any conditions set by public authorities resulting from the documents for the execution of the work. If compliance with these conditions results in extra costs, the Contractor is not entitled to additional payment, unless he proves that he could not have been aware of the imposition of such a condition even if he had exercised all due care, caution, professional care and knowledge of the applicable legal regulations.
  19. Operational, social and, if necessary, production facilities (equipment) at the designated workplace/construction site shall be provided by the Contractor upon agreement with the Customer. The costs of the project, erection, opening, maintenance, disassembly and removal of site equipment are included in the price of the work.
  20. In the case of works carried out at the Customer's workplace/site, the Customer must provide the Contractor with the necessary cooperation: …. *specifically list e.g.* electric power supply, water, air, HVAC, etc.

**5.**

**Sub-contractors**

* 1. The Contractor may assign third parties (hereinafter referred to as “sub-contractors”) to perform its sub-tasks under this Contract and to commission construction, architectural and engineering work on its behalf, but may not transfer all its rights and obligations under this Contract as a whole to third parties; this is without prejudice to the Contractor's responsibility for the timely delivery of the duly completed work.
  2. The Customer may request that reference lists of sub-contractors whom the Contractor has commissioned or intends to commission be submitted to the Customer. The Customer is entitled to refuse to authorise any of the sub-contractors if it has a serious reason to do so. A serious reason is given in particular if there are concerns about the necessary economic or professional reliability of the subcontractor or if valid work permits or work contracts, including social security for the subcontractor's employees, or other necessary public permits or other decisions (e.g. relevant authorisations) of the sub-contractor are not submitted to the Customer, especially for non-Czech subcontractors. In the event of a refusal of a sub-contractor by the Customer, the Contractor is not entitled to assign such a sub-contractor to carry out work on the work.
  3. Only complete parts of the work may be sub-contracted.
  4. The Contractor shall be liable for the parts of the work carried out by the sub-contractor as if he had carried out the relevant part of the work himself.
  5. The Contractor undertakes to provide the Customer, at the latter's request, with an overview of the Contractor's debts to sub-contractors, including payments made to sub-contractors.

**6.**

**Price of the work**

* 1. The price for the completed and delivered work referred to in Art. 2 (Subject of the Contract) in item 2.1 is set by agreement of the parties and amounts to:

Price for tender 1 of the work according to Annex 1 …………………… CZK

Price for tender 2 of the work according to Annex 1 …………………… CZK

Price for tender 3 of the work according to Annex 1 …………………… CZK

Price for tender 4 of the work according to Annex 1 …………………… CZK

Price for tender 5 of the work according to Annex 1 …………………… CZK

Price for tender 6 of the work according to Annex 1 …………………… CZK

Price for tender 7 of the work according to Annex 1 …………………… CZK

**Total price for tenders 1 - 7** **of the work** according to Annex 1 **.......................... CZK**

or state the “total price of the work” - depending on whether or not revisions will be added to the price

**Electrical and gas revisions** will be addressed:

In the performance of the work - see section .... as per Annex 1

Electrical revisions: …………………… CZK

Gas inspection (including gas pipe leakage measurement): …………………… CZK

**Total price of the work** (including revisions) **.......................... CZK**

* 1. The price set out in item 6.1 of this Article is the maximum allowable price for the work, which includes all the costs for the complete execution of the work. The price increase in case of changes, additions and/or modifications to the subject matter of the work shall be subject to the prior written consent of the Client to such changes/additions/modifications to the subject matter of the work recorded in the assembly/construction log and the signing of the order or change sheet or amendment to the contract by the persons representing the Client.
  2. In the case of multiple works within the meaning of par. 4.4 and 6.2 of this Contract, these will be charged according to the rates below, while the Contractor is obliged to record the multiple works in weekly work statements, which must be mutually agreed.

**Extra work** (in case of changes, additions and/or modifications to the subject of the Contract) will be charged at the following rates:

**Price of labour**

Bricklayer, stonemason ............ CZK/hour

Helper - construction ............ CZK/hour

Admin. worker, Coordinator - Mechanical ............ CZK/hour

Machine fitter ............ CZK/hour

Helper - mechanical ............ CZK/hour

Welder ………… CZK/hour

Pipefitter ………… CZK/hour

Admin. worker, programmer, coordinator - electrical ............ CZK/hour

Electrician ………… CZK/hour

Helper - electrical ............ CZK/hour

Project manager ............ CZK/hour

**Raw and auxiliary materials**

The Contractor shall provide the Customer with a precise written specification of the installation and ancillary materials with quantified costs and subsequently documented by delivery notes.

* 1. The Contractor is liable for the prices, correctness of calculation and technical design of its sub-contractors
  2. VAT at the legal rate shall be added to the price of the work according to item 6.1.

**7.**

**Invoicing and Payment Terms**

7.1 The Contractor is entitled to issue:

7.1.1 ***Advance invoice*** in the amount of 20% of the total price of the work on the basis of the mutual signing of this work Contract. The due date of the advance invoice is 14 days from the date of issue.

7.1.2 ***Partial invoice***after handover and acceptance of the defect-free partial part of the work, up to 80% of the total price of the work (the scope of the partial part of the work will be confirmed on both sides in a partial handover report signed by the responsible representatives of the Contractor and the Customer)

7.1.3 ***Final invoice*** equal to 20% of the total price of the work only after all the following requirements have been met:

1. The completed work will be handed over and the acceptance of the entire work without defects will be confirmed by a mutually signed handover report, which is a mandatory attachment to the final invoice;
2. The work will meet the technical parameters set out in the Specification of the technical solution, which forms Annex 3 and an integral part of this Contract, and this fact will be verified by a final test, with a report on the successful completion of the final test (test sheet) confirmed by both parties being a mandatory attachment to the final invoice.

***The deposit paid in accordance with paragraph 7.1.1 will be deducted from the final invoice***

* 1. The maturity of the partial invoices and the final invoice is agreed upon as follows **60 days** from the date of issue of the invoice.
  2. A condition for issuing a partial invoice is the fulfilment of the conditions for the execution of the subject of work according to Article 3 of this Contract and the handover of the partial part without obvious defects and defects preventing operation. The handover must always be recorded in a handover report signed by the responsible representatives of the Contractor and the Customer, which is an obligatory attachment to the partial invoice.
  3. The invoice will have the formalities of a tax document pursuant to Art. 26 et seq. of Act No. 235/2004 Coll. and the formalities of a commercial document within the meaning of Art. 435 of the Civil Code.
  4. If the relevant invoice does not contain the elements pursuant to Art. 7, par. 7.1 to 7.4, it may be returned within the due date for the issue of a new invoice for which the provisions of paragraph 7.2 of this Contract shall apply.
  5. By signing this Contract, the Parties confirm that, in accordance with the provisions of Act No. 235/2004 Coll., on Value Added Tax, as amended (hereinafter referred to as the “VAT Act”), they agree to the electronic transmission of invoices and at the same time confirm that they agree to the issue, receipt and use of the tax document in electronic form under the following conditions:

1. An invoice issued and sent electronically is a tax document within the meaning of the VAT Act.
2. TheContractor undertakes to send invoices electronically to the Customer'scontact e-mail for sending invoices: **fakturylb@cz.lasselsberger.com** in the PDF/A format (or PDF), with an electronic signature if the Contractor has one, maximum file size 10 MB.  One email will contain 1 invoice and attachments. It is not necessary to send any attachments in the PDF/A format (PDF). Files will not be compressed in zip, rar, etc. In the case of invoices issued and sent electronically, the Contractor will no longer send paper invoices.
3. An invoice sent electronically shall be deemed to have been received on the date of sending.
4. The Customer undertakes to inform the Contractor of any changes affecting the electronic sending of invoices, in particular changes to the contact e-mail address for sending invoices.
5. The Customer is entitled to withdraw consent to electronic invoicing by written notice to the Contractor. Withdrawal of consent shall be effective on the expiry of one month following the month in which the withdrawal of consent is delivered to the Contractor.
   1. Contractor’s e-mail for electronic invoices: **....................................................** *(it is necessary to list all the e-mail addresses of the Contractor from which invoices can be sent)*

**8.**

**Warranty and Complaint Conditions, Limitation of Liability**

1. The Contractor guarantees the high quality of the work and that the work meets the agreed parameters and the requirements of all the legal regulations and technical standards that apply to him. The Contractor is obliged to repair or replace as soon as possible within the warranty period specified below, parts that are proven to be defective due to poor quality of the material used, poor workmanship or incorrect assembly (in cases where the assembly was carried out by the Contractor himself or by a sub-contractor authorised by him), or to remedy other defects in the work, provided that they are not the result of normal wear and tear, or are not defects caused by insufficient ability or negligence on the part of the Customer, loads exceeding the contractual limits, or unauthorised intervention or handling by or at the order of the Customer. If defects are proven that are covered by the relevant warranty, the Contractor accepts responsibility for repairing or replacing the malfunctioning parts or remedying other defects in the work. Parts that need to be replaced in this way will be delivered at the Contractor's expense.
2. The warranty period, unless otherwise specified in writing, is **24 months for all assembly works and eventual deliveries from contractor** from the date of commissioning and shall expire at the end of that period. If the equipment has not been put into operation for reasons beyond the control of the Contractor, the warranty period is calculated from the date of delivery.
3. The Contractor's performance of warranty repairs does not affect the length of the original warranty period.
4. The Contractor undertakes by guarantee that the work will retain the agreed characteristics, or the usual characteristics if these have not been expressly agreed, for the agreed guarantee period.
5. In the event that warranty replacement and/or repair of defective parts requires the intervention of the Contractor's technical personnel, all costs and expenses related to such intervention, including transportation and travel expenses of the personnel, shall be borne by the Contractor.
6. For the avoidance of doubt, the Parties acknowledge that the rights of defective performance and the warranty under this Contract apply only to the materials supplied and used by the Contractor and the work performed.
7. Repairs or installations which, in the reasonable opinion of the Contractor, are of moderate technical difficulty shall be carried out by the Customer in accordance with the Contractor's instructions and at the Contractor's expense by the Contractor's own personnel. However, in the case of repairs or installations that are more technically demanding, the Contractor will send a specialised technician to the Customer's workplace to supervise the installation carried out by the Customer's personnel.
8. The Customer is obliged in writing to notify the Contractor of any defects in the work without any undue delay after the identification of such defects. The Contractor undertakes to start the removal of defects in the work within 2 calendar days from the date of the Customer's exercise of the right and to remove the defects within a technically reasonable period agreed between the Customer and the Contractor. If no agreement is reached between the Customer and the Contractor on the time limit for the removal of a defect, the Customer is entitled to proceed according to item 8.10.
9. Should the removal of a defect be unsuccessful or if defects are not corrected without a serious reason within the specified term, the Customer shall be entitled to entrust a third party with the correction and have the defect rectified at the Contractor’s costs. The costs incurred due to such delegation shall be reimbursed by the Contractor to the Customer
10. The Customer will claim rights from defective performance in the following order:
    1. The right to have defects in the work rectified by the Contractor free of charge (repair of defects, completion or delivery of a replacement)
    2. The right to reduce the price of the work
    3. All other legal rights
11. The Contractor must always have the right, in the case of remediable defects, to attempt to remedy the defect at his own expense at the first occurrence of the defect.
12. If the Customer specifically requests on-site intervention outside of warranty repairs, the Customer will be charged for all the travel expenses, transportation costs, travel time, price depending on the time of the work (normal or extraordinary working hours), food, accommodation and material transportation costs at the rate or rates agreed in advance with the Customer.
13. Contractual penalties that the Contractor is obliged to pay:
14. Contractual penalties relating to delays in the execution of partial parts of the work within the agreed time:

The Contractor must notify the Customer at least 3 weeks in advance of any possible delay in the execution of individual parts of the work within the agreed time according to the schedule in Annex 4 to this Contract. If the Contractor fails to do so, the Contractor shall pay any additional third-party costs incurred by the Customer (e.g. travel costs, installation costs) as a result of the delay.

If the Contractor is in default in the execution of the individual parts of the work within the agreed time, however, if the 3-week notification period is observed and the date of completion and handover of the entire work according to this Contract is observed, no contractual penalty will be payable.

1. Contractual penalties relating to delays in completing and handing over the work within the agreed time:

In the event of the Contractor's delay in completing and handing over the work within the agreed time (except for a change of the deadline mutually agreed by the Contracting Parties), the Contractor shall pay a contractual penalty to the Customer as follows:

* 1. In the event of a delay of up to 15 days: no contractual penalty is payable
  2. In the event of a delay of 15 days or more: a contractual penalty of 0.5% of the price of the work for each day of delay up to an agreed maximum of 20% of the price of the work, starting from the 15th day of delay.

The contractual penalty will be calculated from the total price of the work.

1. ~~Contractual penalties for non-compliance with the performance/quality requirements as per Annex 3 of this Contract:~~
2. ~~The Contractor will not pay any contractual penalty if during the acceptance test the performance/quality parameters reach at least 90% of the value guaranteed in the Contract and within 30 days the Contractor corrects the defects and thus 100% of the value guaranteed in the Contract is reached.~~
3. ~~If the performance/quality parameters of the work do not reach 100% of the value guaranteed in the Contract even after a 30-day remedial period, the Contractor shall pay the contractual penalty to the Customer as follows:~~

~~b1) If the performance/quality parameters of the work are no more than 5% lower than the performance/quality parameters specified in the Contract: no contractual penalty shall be payable;~~

~~b2) If the performance/quality parameters of the work are lower by more than 5%, compared to the parameters specified in the Contract, the Contractor shall pay the Customer a contractual penalty of 1% of the total price of the work for every 1% by which these parameters have decreased, up to the agreed maximum of 20% of the total price of the work.~~ *~~- here the highest limit of restriction~~*

~~b3) If the performance/quality parameters are lower than 90 % of the parameter value guaranteed in the Contract, the Customer has the option to withdraw from the Contract by means of a written withdrawal sent to the Contractor. A withdrawal from the Contract becomes effective upon delivery. A withdrawal from the Contract shall remove the obligation under the Contract from the beginning. If the Customer does not withdraw from the Contract, the Customer shall be entitled to have a new defect-free work performed on the basis of this Contract (complete and complete work without defects according to this Contract), free of charge.~~

1. The amount of the liquidated damages calculated pursuant to par. 8.13 of this Contract may not exceed an aggregate limit of 30% (thirty percent) of the total price of the Work (with the current total price of the Work set out in item 6.1 of this Contract).
2. The provision concerning the contractual penalty is without prejudice of the injured party's right to damages.
3. The Contractor acknowledges that a breach of legal regulations or contractual obligations by the Contractor may give rise to contractual penalties by the Customer. The obligations to which the contractual penalties apply are set out in Annex 5 - Schedule of Penalties, which forms an integral part of this Contract. The amounts of contractual penalties shown in the List of Penalties are stated as the maximum amounts. The Customer is entitled to impose a contractual penalty on the Contractor according to the severity of the breach up to the maximum agreed amount. The classification of the severity of the breach of legal regulations or contractual obligations is the sole responsibility of the Customer.
4. The Customer's demand for payment of the contractual penalty, including the reasons for it, must be made in writing. The Contractor undertakes to pay the contractual penalty imposed on the Customer within 14 days of the date of receipt of the demand for payment.
5. Any potential sanctions imposed on the Customer by the state administration authorities (Regional Labour Inspectorate, Fire Brigade, Regional Hygienic Station, etc...), especially in the field of OSH and OHS, related to the violation of legal regulations by the Contractor, will be borne by the Contractor.
6. Contractual penalties in the event of delay in payment of the invoice within the agreed due date:
   1. The Customer undertakes to pay the Contractor contractual interest on late payment at the rate of 0.5% of the amount due for each day of delay. The date of payment is the date of crediting the invoiced amount to the Contractor's account..

**9.**

**Contract validity period**

* 1. This Contract shall be valid and effective from the date of its signing by both parties.

**10.**

**Occupational safety**

* 1. The Customer's representative, according to item 10.3, is obliged to ensure the conclusion of the OHS Coordination Agreement, which is an integral part of this Contract for Work. If an OHS Coordination Agreement is already in place and valid with the Contractor, a new agreement shall not be entered into.
  2. The Contractor is obliged to hand over to the Customer's representative pursuant to item 10.3 the technological procedure of the work performed for the Customer, a list of risks arising from the Contractor's activities and a list of trained employees and, if applicable, employees of contractual partners who are allowed to enter the handed over workplace (construction site) at the latest before the commencement of the work.
  3. Prior to commencement of work, the Contractor's representative shall be briefed and trained in the safety and fire regulations applicable to the Contractor's activities with the Customer in the performance of the Contractor's obligations under this Contract for work. The Contractor's trained representative shall ensure that its employees and, where applicable, contractual partners who will be performing activities at the Customer's sites are informed and trained on these matters and the documentation received by Mr. **xxxx,** the Contractor's representative, on behalf of the Contractor as part of this submission of information.

The training and familiarisation was carried out by **Mr. Ing. Michal Krieger** , representative of the Customer.

* 1. Persons in charge of occupational safety:

For the Customer - designated coordinating person - **Ing. Michal Krieger, safety engineer**

For the Contractor - Contractor's representatives designated for training by the Customer - **Mr. xxxx**

* 1. The Contractor is fully responsible for compliance with the conditions of occupational health and safety at the handed over workplace (construction site) including related works and is obliged to follow the conditions of the applicable legislation. The Contractor is obliged to secure and mark the handed over workplace (construction site) in accordance with the principles of OSH and applicable legislation.
  2. The Contractor is obliged to hand over the work to the Customer in perfect condition in terms of legislative requirements and ČSN standards concerning OSH, including complete accompanying documentation (e.g. operating instructions) and to carry out final cleaning of the workplace (construction site).

**11.**

**Workplace / construction site handover and acceptance**

* 1. The workplace/construction site **does / does not** feature an increased fire hazard.
  2. The Customer declares that during the handover and acceptance of the workplace/construction site, he has informed the Contractor of all the facts known to him that are important in terms of ensuring the safety and health protection of persons staying at the workplace (construction site) and the Contractor confirms this fact by signing this Contract.
  3. Compliance with safety regulations by the Contractor's employees when working at the Customer's workplaces/sites will be monitored by the Customer's employee responsible for coordinating the implementation of measures to protect the safety and health of the employees.
  4. The Contractor is obliged to remove at his own expense from the workplace/construction site within 7 calendar days of handing over the work all the machinery, equipment, and material of the Contractor or sub-contractors and waste arising in connection with the execution of the work, which are located on the workplace/construction site.
  5. The Contractor shall arrange for the transportation and storage of machinery, equipment or structures, assembly materials, all building materials and parts, materials and products to the job site/construction site at his own expense.
  6. The Customer or a third party authorised by the Customer may enter the workplace/site at any time after prior notification to the construction management, provided that the safety regulations are observed. The Contractor is responsible for the health and safety of his co-workers as well as any third parties on the work site/construction site.
  7. The Contractor is entitled to use diesel-powered machinery (forklifts, platforms) for dismantling and assembly work, even in the production halls.

**12.**

### **Duty of care, safety, and other obligations of the Contractor**

1. 1. The Contractor is responsible for the general order of the workplace/construction site. The Contractor is obliged to comply with all the relevant generally binding regulations and official requirements.
   2. The Contractor shall take all the measures necessary to secure the worksite/construction site on his own responsibility and, if necessary, remove and dispose of snow, ice and pollution and protect the work from any winter damage and groundwater.
   3. The Contractor undertakes to perform his services and behave at the workplace/construction site in such a way as to prevent damage to the Customer, its representatives, the Contractor's own employees and uninvolved third parties.

The Contractor is especially obliged to:

* + - * 1. Examine the equipment, devices, and machinery used before their use and operate and maintain them safely
        2. Comply with all the accident prevention regulations
        3. Take all the necessary measures to protect its works
  1. The Contractor is solely responsible for the safety and protection of all the objects belonging to the Contractor's property and the persons cooperating with him, even at night.
  2. The Contractor is obliged to store his own sensitive parts, machines, and devices at his own expense and risk.

The Customer undertakes to provide a lockable, tempered space for sensitive parts, as well as any other supplies that may be damaged by low temperatures, humidity, weather conditions, which will meet the parameters for storage of such parts or supplies.

* 1. The entire worksite/construction site is located on the Customer’s premises. The fencing of the workplace/construction site will be carried out by the Contractor and adjusted according to the construction progress so that the operation of the Customer's plant is not endangered and the safety of the Customer's employees at the Customer's plant is ensured.

**13.**

### **Cleaning of the construction site, clearing of the workplace/construction site**

* 1. If the Contractor produces any waste in the course of its activities under this Contract, he shall be fully responsible for complying with all of his waste management obligations, including disposal at his own expense, and including obligations for the management of selected products, selected wastes and selected equipment and obligations related to the recording and reporting of waste and equipment. If the Contractor uses hazardous substances or hazardous preparations within the meaning of the Chemical Substances and Chemical Mixtures Act in its activities for the Client, it shall be fully responsible for compliance with its obligations under this Act and the regulations implementing it.
  2. The Contractor is obliged to keep the workplace/construction site in order and in such a condition that no damage to the Customer or third parties occurs or is threatened. In particular, the Contractor is obliged to remove all the construction waste as well as waste, packaging material and similar items at the end of the daily working hours and to remove them from the workplace/construction site without any special request.
  3. If the Contractor fails to fulfil his obligations under item 13.2 of this Contract, the Customer is entitled to ensure immediate fulfilment of this obligation at the Contractor's expense, without any further notice.
  4. Upon completion of the work, storage areas and worksites/construction sites that have been made available by the Customer, driveways and the like, if possible and necessary, shall be returned to their original condition and cleared and returned to the Customer.
  5. If the Contractor causes any damage to the equipment or devices that the Customer has allowed the Contractor to use or damage to the land during the execution of the work, the Contractor is obliged to immediately ensure the restoration to the original condition or compensate for the damage.
  6. If the Contractor fails to comply with the obligation to restore the work to its original state despite a reminder within a reasonable period of time, the Customer is entitled to carry out the restoration to its original state at the Contractor's own expense or have it carried out at the Contractor's expense. The Customer’s other claims remain unaffected.

**14.**

**Dispute settlement**

* 1. In the event of disputes arising, both parties shall attempt to find an amicable solution through joint negotiations. If no amicable solution can be found, the dispute shall be settled in accordance with the Civil Procedure Code.
  2. The Contracting parties hereby agree, according to Art. 89a of the Civil Procedure Code, on the court having local jurisdiction according to the Customer’s registered seat at the time that this Contract is signed.

**15.**

**Insurance**

1. In order to optimally cover all the risks associated with the execution of the work, the Contractor is obliged to ensure insurance of these risks at his own expense and, at the Customer's request, which can be invoked at any time, to prove the existence of such insurance to the Customer by submitting the relevant insurance Contracts, including payment of the insurance premium.
2. Contractor:
3. declares that he has taken out liability insurance with ............................... insured amount CZK
4. undertakes to take out insurance for the work with a minimum sum insured of .............................CZK and to arrange with the insurer with whom the Contractor has taken out this insurance for the payment of the insurance benefit in favour of the Customer - this insurance does not include insurance for the construction site equipment and machinery owned by the Contractor;

and to prove these insurances to the Customer and, in the case of insurance according to letter b) of this item, to prove the establishment of an insurance indemnity in favour of the Customer.

1. The Contractor is obliged to ensure that all the selected sub-contractors have sufficient liability insurance for damages arising in connection with the execution of the work prior to commencement of the work.

**16.**

**Final provisions**

* 1. If the Contractor causes damage to the Customer in connection with the performance of its obligations under this Contract, the Contractor shall be liable to the Customer for such a damage under the conditions laid down by law.
  2. The conditions of operation of motor vehicles on the Customer's premises are regulated by generally binding legal regulations and the internal transport safety regulation. The Customer will inform the Contractor about the conditions of operation of motor vehicles on the Customer's premises, resulting from the Customer's internal regulations, and a written record will be made and stored with the Customer. The Contractor undertakes to ensure compliance with the Customer's internal traffic regulations on the Customer's premises by his employees and other persons sent by him, whose presence has been notified to the Customer. At the same time, the Contractor shall provide a written list of its trained employees who will be on the worksite/construction site and the registration number of the Contractor's vehicles entering the Customer's premises. Entry to the Customer's premises is not permitted without the Customer's consent.
  3. The Contractor is obliged to put all the premises in the Customer's premises used by him in connection with the execution of the work in proper condition, including access roads, before the completion of the work.
  4. If the Contractor's activities result in any oil spill on the Customer's premises, the Contractor is obliged to notify the Customer immediately and to proceed in accordance with the applicable legal regulations.
  5. This Contract and legal relations arising out of it shall be governed by the applicable provision of Act No. 89/2012 Coll., the Civil Code.
  6. The parties agree, contrary to Art. 558 par. 2 of the Civil Code, that no commercial custom shall prevail over the dispositive provisions of the law.
  7. In accordance with the provision of Art. 1740 par. 3 of the Civil Code, the Customer excludes the acceptance of an offer to enter into a Contract contained in this document with an amendment or derogation. The provisions under Art. 1757 par. 2 of the Civil Code, shall not be applied to the relationship between the contracting parties established by virtue of this Contract.
  8. The contracting parties represent that this Contract is the result of their bilateral negotiations, in which both of them enjoyed equal positions. The contracting parties declare and confirm that neither party feels or considers itself to be the weaker of the two contracting parties. In view of the above, the two contracting parties declare that neither party considers itself to be the originator of the wording of the Contract for the purposes of its interpretation, and thus the expressions contained herein that allow multiple interpretations may not be interpreted to the detriment of either contracting party. If any of the provisions of the Contract become invalid due to changes in the law, the validity of the other provisions of the Contract shall not be affected.
  9. Any additions or amendments to this Contract may only be made in writing with the consent of both parties.
  10. This Contract has been executed in two counterparts, each of which as valid as the original. Each Party receives one copy.

List of Annexes: Annex 1 – Subject of the contract

Annex 2 – List of persons responsible for the technical solution

Annex 3 – Description of technical solution

Annex 4 – Detailed schedule of works

Annex 5 – Schedule of penalties

In ……………………. On ……………................... In Plzeň on …………….

**For the Contractor: For the Customer:**

………………………………. ………………………………….

Ing. Roman Blažíček

Executive Head

…………………………………..

Ing. Václav Růžička

Production/Technical Director

**Annex 1 – Subject of the contract**

**Annex 2 - List of persons responsible for the technical solution**

**Customer's responsible persons:**

|  |  |
| --- | --- |
| Name  ……………………… | Position  ……………………….. |
|  |  |
|  |  |
|  |  |
|  |  |

**Contractor's responsible persons:**

|  |  |  |
| --- | --- | --- |
| Name  ……………………… | | Position:  ……………………….. |
|  |  | |

**Annex 3 - Description of Technical Solution**

Description

Parameters

Required types/brands of filling components

**Annex 4 – Detailed schedule of works**

*Attach the hmg table or list the dates in items*

**Annex 5 – Schedule of penalties**