

## **Terms and Conditions of the Financial Group of Komerční banka, a.s. Governing Construction Works, Number 001**

If the Supply under the Contract consists in the Contractor's obligation to carry out a Work for the Purchaser, consisting in alteration of immovable property, or construction, repair or alteration of buildings/facilities (hereinafter as the "**Work**"), the rights and obligations of the Contracting Parties shall also be governed by these "Terms and Conditions of the Financial Group of Komerční banka, a.s. Governing Construction Works" (hereinafter the "**Construction Works Terms and Conditions**"). The "Contractor" is the "Provider" within the meaning of the Business Conditions; the "Work" is the "Supply" within the meaning of the Business Conditions.

The Business Conditions shall mean the "Business Terms and Conditions of the Financial Group of Komerční banka, a.s., Number 003".

### **1. Parts of the Work; Execution of the Work**

- 1.1 The Work includes measurement of water and electricity consumption; fencing and marking of the construction site; land occupation such as a construction site and construction camp; passability of roads used for the transportation of building materials; repairs of possible road damages; removal and disposal of the waste resulting from the Work; and one copy of the as-built documentation of the construction. The Work also includes the preparation of the construction (tubing) for the supply and installation of the electric security alarm system (intrusion detection), electric fire alarm system, camera surveillance system (CCTV), access control system, and weak current distributions.
- 1.2 The Work *does not* include the supply and installation of the electric security alarm system, electric fire alarm system, CCTV, access control system, and weak current distributions – computer network cables, telephone cables, banking and security technology, corporate signs, ICT and office equipment.
- 1.3 The Contractor declares that it is thoroughly familiar with specific features Purchaser's operations, the location of execution of the Work, and the entire construction site and all documents provided to it by the Purchaser, and is aware that, during the execution of the Work, it shall not be entitled to request an adjustment to the contractual terms for reasons that could have been ascertained at the time of familiarizing itself with these documents, specifics and the location of execution of the Work.
- 1.4 The Contractor is obliged to execute the Work so that it is free from defects. The Contractor is also obliged to perform, under the agreed conditions, those works that shall arise from the Purchaser's individual requirements during the execution of the Work, or during the handing over and acceptance of the Work, or from the conclusion of the acceptance proceedings and are not covered by the Contract (additional works). Removal of defects and backlogs is not considered additional works.
- 1.5 The Contractor declares that it or its subcontractors are entitled and professionally competent to perform all the activities under the Contract.
- 1.6 The Contractor is obliged to obtain all permits and approvals necessary for the execution of the Work (including installation of temporary traffic signs).

### **2. Price of the Work; Additional and Cancelled Works**

- 2.1 The price of the Work is a final price and includes all costs necessary for the execution of the Work, its testing, handover, and putting it into operation, including related costs, in particular, equipment of the construction site; costs of auxiliary structures (scaffolding etc.); costs of transportation to and outside the site; charges for landfill; insurance premiums; prices of water, sewage, electricity and heating used for construction; costs of construction waste transport; charges for occupation of public space, traffic measures, and disconnection of power networks and utilities.
- 2.2 If the Purchaser asks the Provider to execute certain works not included in the scope of the Work (so-called additional works), the Contracting Parties shall amend the scope of the Work and, at the same time, agree on a corresponding increase in the Price of the Work. In determining the amount of such an increase, the Contracting Parties shall proceed from the method of calculating the additional works as agreed under Article 2.3.

- 2.3 Unless otherwise agreed by and between the Contracting Parties, the additional works shall be valued at the unit prices as per the Work budget, which is an Annex to the Contract. If the Work budget is not part of Annex 1 to the Contract, or if the budget does not contain the appropriate unit prices for the valuation of the additional works, the additional works shall be valued at the unit prices comparable to those in the official price lists of construction works published in the given year. Additional works that cannot be valued as described above, small-scale additional works, and those with a significant cost component of wages shall be valued at a hourly rate or by individual calculation once the scope and extent has been agreed by the Purchaser.
- 2.4 The Contractor shall be obliged to appraise the additional works, if any, in the manner described above and to submit the appraisal to the Purchaser for approval in the form of a so-called change sheet, which shall include a specification of the additional works, their valuation (excluding VAT) and possibly also their division into components or extension of the term of supply. The change sheet specimen is an integral part of the Construction Works Terms and Conditions as Annex 1 hereto. If the additional works are mutually agreed (by both Contracting Parties signing the change sheet), a relevant entry shall be made in the site diary.
- 2.5 If the Purchaser asks the Provider not to execute any of the works included in the scope of the Work (so-called cancelled works), the Contracting Parties shall amend the scope of the Work and, at the same time, shall be obliged to reduce the Price of the Work in the amount of the non-executed works and deliveries at the bid price level. The Contractor shall be obliged to suspend these works as from the moment of delivery of a written request from the Purchaser for their non-performance or as from the moment of making the relevant entry in the site diary.
- 2.6 A separate list shall be kept for recording the additional works and the cancelled works.

### **3. Deadline for Delivering the Supply**

- 3.1 The fulfilment of the deadline for the execution of the Work, including its handing over to Purchaser, directly depends on the fulfilment of the agreed deadline for handing over the construction site by the Purchaser (including a building permit with a clause of legal force). The Contracting Parties have agreed that if the Purchaser makes default in handing over the construction site (and the building permit with a clause of legal force), they shall automatically extend the deadline for the execution of the Work by the period of such delay. In the event that the Work or its parts could not have been executed due to exceptional and unforeseeable circumstances as envisaged in Section 2913 of the Civil Code or for reasons specified under Section 2627 of the Civil Code, the deadline for the execution of the Work shall also be extended by the period of time for which the Work or its parts could not have been demonstrably executed.
- 3.2 The Contractor shall be obliged to follow the work procedure specified in Article 4.1 of the Contract and the work schedule, which shall always be specified in detail during the inspection days, and to ensure construction readiness for the execution of works and supplies provided by the Purchaser.
- 3.3 The Contracting Parties acknowledge that the adherence to the work schedule and deadlines as set forth in Article 4.1 of the Contract depends on the proper and timely cooperation between the Purchaser and respective Contractors installing the IT/data cabling, electric security alarm system, electric fire alarm system, camera surveillance system, weak current distributions and interior equipment. During the period of Purchaser's delay in providing assistance, the Contractor shall not be in default of its duties.

### **4. Handover and Acceptance of the Work**

- 4.1 The Purchaser shall accept from the Contractor the Subject of Work completed, in accordance with the Contract, by the Handover Protocol (acceptance report). The Purchaser shall not be obliged to accept the Work when it shows defects and arrears. If the Contractor asks the Purchaser to accept the Work before the agreed deadline, the Purchaser shall be obliged to accept the Work within the shortened period; however, this shall not apply if the Work shows defects and/or arrears, i.e., the Purchaser shall not be obliged to accept the Work that is not executed properly and in accordance with the Contract. The provisions of Section 2628 of the Civil Code shall not apply.

- 4.2 The Work shall not be handed over and accepted without a comprehensive testing of the supplied equipment and possibly also assemblies that form part of the Work according to the project documentation.
- 4.3 Unless agreed otherwise, the Contractor shall submit to the Purchaser the as-built documentation of the Work or its part no later than at the commencement of the process of acceptance of the Work. At the same time, the Contractor shall hand over to the Purchaser the documents necessary for the proper taking delivery and use of the Work (attestations, warranty certificates, inspection reports, subtest reports, operator training reports, certificates of conformity, etc.). All these documents shall be sorted by the Contractor according to the breakdown contained in Annex 2 to the Construction Works Terms and Conditions and handed over to Purchaser in paper and electronic form.
- 4.4 If the Work consists of separate partial deliveries, the provisions of this Article shall apply to the handover and acceptance of each of the partial deliveries.

## **5. Workflow; Organization of Work; Supervision**

- 5.1 The Contractor shall be obliged to create on-site conditions that shall enable proper performance of the technical and authorial supervision by the Purchaser and the designer, and to provide all other participants in the implementation of the Work with the necessary information and assistance. The Contractor shall be obliged to ensure that its employees involved in the execution of the Work wear a uniform logo of the Contractor.
- 5.2 All materials and supplies for necessary for the completion of the Work shall be provided by the Contractor so that they comply with legal regulations, applicable technical standards, the procurement project, agreed terms, and Purchaser's individual requirements.
- 5.3 The coordination of supplies provided by the Contractor (and its subcontractor(s)) or by the Purchaser and the coordination of related works shall be particularized within the work schedule.
- 5.4 Before any shutdown of water, gas or electricity that could affect Purchaser's normal operation, the Contractor shall consult with the Purchaser's representative.
- 5.5 The Contractor shall be obliged to issue partial inspection reports concerning the individual parts of the Work according to the terms agreed upon in the work schedule.
- 5.6 The Purchaser shall be obliged to hand over the construction site to the Contractor, of which an official record shall be made. The handover shall also be recorded in the site diary. After the Work has been completed, the Contractor shall be obliged to hand over the construction site back to the Purchaser in proper condition, of which an official record shall be made again.
- 5.7 The Contractor shall be obliged to follow Purchaser's instructions, maintain order and cleanliness at the construction site, adjacent exits, pavements and roads, including existing utility networks, and remove waste and dirt arising from the execution of the Work. If the above conditions are not met, the Purchaser shall ensure order, cleaning or, as the case may be, vacating at Contractor's expense. Once the construction site has been handed over to the Contractor, it shall use it solely for the purpose of executing the Work.
- 5.8 The Contractor shall cooperate closely with Purchaser's direct Contractors and coordinate the workflow so that Purchaser's direct supplies and deliveries can be performed properly and on time.
- 5.9 The Purchaser shall be entitled to control the execution of the Work performed by the Contractor through the agency of the Purchaser's technical supervision. The technical supervision shall personally and systematically monitor the progress of the Work and make entries in the site diary. The technical supervision shall also be entitled to accept separate parts of the Work following their completion. The Purchaser's representative shall have free access to the construction site at any time to perform such inspection or accept some part of the Work.
- 5.10 The Contractor shall invite the Purchaser in writing to inspect those parts of the Work that shall become covered or inaccessible during the subsequent works, at least 3 working days before they are finally covered.

- 5.11 If any faults and defects occur during the execution of the works, the Purchaser's technical supervision shall be entitled to require Contractor to rectify the ascertained faults and defects immediately and to carry out the Work properly. If there are faults or defects preventing the use of the Work (e.g. before these construction parts are covered), the Purchaser's technical supervision shall be entitled to suspend the execution of the Work until the faults and defects are rectified.
- 5.12 During the execution of the Work, inspection days shall be held in which the authorized representatives of both Contracting Parties shall be obliged to participate and, where necessary, the Contractor shall be obliged to ensure the participation of its subcontractors or manufacturers of materials, products, etc. used in making the Work.
- 5.13 The Contractor declares that it is properly insured against liability for personal injury caused by an accident at work or an occupational disease. The Contractor also has all-risk or similar construction insurance, including cross-liability (i.e. including Contractor's liability for damage caused to the Purchaser). The Contractor shall be obliged to maintain this insurance to the required extent throughout the execution of the Work.
- 5.14 Before starting to execute the Work proper, the Contractor shall examine, with due care, the location where the Work is to be performed, in order to rule out the existence of any hidden obstacles as envisaged under Section 2627 of the Civil Code.

## **6. Maintaining the Site Diary**

- 6.1 Starting from the date of handing over the construction site until the date of acceptance of the Work by the Purchaser, the Contractor shall maintain a site diary containing records and entries on the performed works. The site diary must be kept in an accessible place of the workplace (construction site). Persons carrying out technical supervision on behalf of the Purchaser, the authorial supervision, and representatives of public authorities may consult the diary at any time, make extracts and copies, and make necessary entries in the site diary. The site diary shall be maintained as an original and two copies.
- 6.2 The Contractor, through the agency of the site manager, shall record in the site diary all pieces of information relevant to the proper execution of the Work, in particular information about the site, weather, extent and manner of works performed, commencement and completion dates of works performed, number of people on site, machinery used, as well as any events and obstacles related to the execution of the Work.
- 6.3 The Purchaser shall be obliged to monitor the content of the site diary and add its opinions to the entries within 5 working days from the date of the given entry. If the Contractor considers that any particular matter should be solved without any delay, it shall be obliged to record this fact in the site diary.
- 6.4 The daily records shall be legibly recorded and signed by the site manager, always on the day on which the works were performed, exceptionally on the following day.

## **7. Ownership of the Work; Liability for Damage**

- 7.1 The Purchaser is the owner of the object under construction. The Contractor shall be the owner of all things and items procured by the Contractor in order to execute the Work until they become part of the Work.
- 7.2 From the moment of taking over the construction site from the Purchaser until the day of the handover of the Work, the Contractor shall bear the risk of damage to the Work being executed and the things and items procured by the Contractor in order to execute the Work.
- 7.3 If any parts of the Work are damaged or stolen after the risk of damage has been transferred to the Purchaser, the Contractor shall remedy such defect for consideration and under terms and conditions agreed with the Purchaser.
- 7.4 By the acceptance of the Work by the Purchaser pursuant to Section 4 hereof, the ownership right to the Work and the risk of damage to the Work shall be transferred to the Purchaser.

## **8. Rights from Inadequate Performance and Contractual Guarantee of Quality**

- 8.1 The Contractor shall be obliged to execute the Work in accordance with the Contract. The Work (as well as its individual parts) must be executed in such a way that they conform to the Contract; applicable law and national industrial standards (ČSN); terms and conditions set forth in the building permit, if issued; project documentation; Purchaser's orders and an expected purpose of the Work, this all while complying with the required standards applicable to the use of products and materials, and the manner of performance of the work under the Contract. The same applies to products, equipment and supplies delivered by Contractor's subcontractors. The Contractor shall not be liable for defects that may arise as a result of incorrect instructions or documents issued or provided by the Purchaser, to which the Contractor shall have alerted the Purchaser duly and timely by making a written record in the site diary, if the Purchaser still insists that its documents are valid and its instructions should be obeyed. In such a case, the Contractor shall be obliged to remedy the defects for consideration upon Purchaser's written request.
- 8.2 After the defects and outstanding works complained of have been remedied, the Contractor shall be obliged to hand over the Work to the Purchaser, of which an official record shall be made. By exercising the right from inadequate performance, the warranty period shall be suspended. The warranty period shall continue from the date on which the Purchaser shall have taken over the supply provided under the title of the removal of a defect during the warranty period.
- 8.3 If a dispute arises between the Purchaser and the Contractor in the matter of a submitted complaint, the Contracting Parties have agreed that until the court or other competent authority decides the dispute, the Contractor shall be obliged to proceed as if the Purchaser properly complained of the defect of the Work, i.e., the Contractor shall start to remedy the defect for free without any delay and shall be obliged to settle the complaint as soon as technically possible. If the Contractor eventually succeeds in the dispute, i.e., the court decides that there is no defect in the Work that the Contractor would be obliged to remedy, the Purchaser shall be obliged to pay to the Contractor for the work performed by the Contractor in relation with the disputed complaint, at prices valid at the time of the performance.
- 8.4 Upon Purchaser's request, the Contractor shall provide repair and maintenance services for all technological equipment that is part of the Work within and beyond the warranty period. The terms and conditions of their provision shall be regulated by separate service contracts.

## **9. Contractual Penalties**

- 9.1 The Contracting Parties have agreed that:
- (i) In the event of failure to comply with the deadlines for the execution of the Work or a separate partial delivery including its handing over to the Purchaser (as specified under Article 4.1 of the Contract or in the work schedule) and/or in the event of any delay in clearing and handing over the construction site after handing over the Work, the Purchaser shall be entitled to claim from the Contractor a contractual penalty of 0.5% of the Price of the Work (including VAT calculated in accordance with applicable law) for each commenced day of delay; the Contractor shall be obliged to pay such contractual penalty to the Purchaser;
  - (ii) In the event of failure to comply with the deadlines for removal of defects referred to under Article 5.3 of the Contract or the deadlines agreed upon by and between the Contracting Parties pursuant to the aforesaid Article, the Purchaser shall be entitled to claim from the Contractor a contractual penalty of 0.5% of the Price of the Work (including VAT calculated in accordance with applicable law) for each single defect and every commenced day of Contractor's delay with its removal until its actual removal; the Contractor shall be obliged to pay such contractual penalty to the Purchaser.
- 9.2 In case that the Contractor breaches the pledge of confidentiality as per Section XV of the Business Conditions, the Contractor shall be obliged to pay to the Purchaser, upon the latter's request, a contractual penalty of CZK 100,000.-- for every single case of breach.
- 9.3 In case that the Contractor breaches its duty to pay the VAT or its part, it shall be obliged to pay to the Purchaser, upon the latter's request, a contractual penalty of twice the amount of VAT unpaid, however at least CZK 50,000.-- for every single case of breach.

- 9.4 The Contracting Parties have agreed that the fact that any contractual penalty shall have been paid by the Contractor to the Purchaser shall neither prejudice nor infringe the Purchaser's right to possible damages in a full extent.

## 10. Cancellation of the Contract

- 10.1 The Purchaser may cancel (withdraw from) the Contract if the Contractor substantially breaches the obligations set forth therein.
- 10.2 A substantial breach of the Contract by the Contractor shall mean a delay by more than 30 days in the fulfilment of any deadline agreed upon under Article 4.1 of the Contract.
- 10.3 The Purchaser may also cancel the Contract in the event that the Contractor loses its authorization to carry out the activities necessary to perform the Contract, files a petition for winding-up (liquidation), is in liquidation, insolvency proceedings have been opened against the Contractor or other proceedings with similar legal effects relating to Contractor's assets have been initiated (or the preconditions for initiating such proceedings have been met).
- 10.4 The cancellation of the Contract terminates the Contract from the beginning.
- 10.5 The cancellation shall become effective as of the date of delivery of the written notice of cancellation to the Contractor.
- 10.6 Settlement of rights and obligations and reciprocal performance. The Contracting Parties have agreed that if the contract is cancelled (hereinafter the "**Early Termination Date**"), the reciprocal performance/supplies delivered before the Early Termination Date and the mutual rights and obligations existing between them as at the Early Termination Day shall be settled as follows:
- a) The Purchaser shall retain any and all reciprocal performance/supplies received from the Contractor before the Early Termination Date.
- b) The Purchaser shall be obliged to:
- Pay to the Contractor any arrears for any performance/supply performed or procured under the Contract in the amount specified in the Contract within 30 days of the date at which the Contractor shall have handed over the construction site back to the Purchaser pursuant to paragraph 5.6 hereof;
  - Pay to the Contractor a proportional part of the price for work in progress made or procured under the Contract in the amount specified in the Contract after their delivery by the Contractor and formal acceptance by the Purchaser in the manner specified under Section 4 hereof within 30 days of the date at which the Contractor shall have handed over the construction site back to the Purchaser pursuant to paragraph 5.6 hereof.
- c) The Contractor shall be obliged to:
- Hand over to the Purchaser any performance/supply performed or procured under the Contract that has not yet been transferred to the Purchaser by the Early Termination Date; the provisions of Section 4 hereof shall apply to the handover and acceptance of such performance/supply; the provisions of Article 7.4 hereof shall apply to the transfer to the Purchaser of the ownership right and the risk of damage to such performance/supply,
  - Deduct advance payments made by the Purchaser,
  - Notify the Purchaser of any administrative proceedings pending and unfinished or of any other formally conducted proceedings procured by the Contractor on the Purchaser's behalf,
  - Return to the Purchaser any and all documents and other media that handed over to the Contractor and destroy all copies thereof,
  - Take any further action necessary to prevent and avert any possible damage,
    - this all within 10 days of the Early Termination Date,
  - Reimburse the Purchaser for the costs of a new tendering procedure within 30 days of the date on which the Contractor receives the Purchaser's request for the reimbursement, provided that the Contractor receives such a request the call for re-award costs within three (3) years of the Early Termination Date.

## 11. Special Provisions

- 11.1 In the event that the Purchaser has granted the Contractor with a power of attorney in order to represent the Purchaser before governmental and local authorities to ensure the proper performance of the Contract, the provisions of this Section, which override the provisions of Section XII of the Business Conditions, shall apply to the rights and obligations of the Contracting Parties.
- 11.2 “**Corruption Practices**” means a deliberate act committed directly or indirectly by any person, such as a third party intermediary, consisting of (a) providing, offering or promising any contribution, gift, invitation, reward or valuable consideration to any person (including any public office holder), or (b) requesting or accepting any contribution, gift, invitation, reward or valuable consideration from any person (including any public office holder), whether on their own account or on behalf of a third party, which is or could be considered as an incitement to corruption practices or intentional corruption practices, always in order to induce a person in question (including any public office holder) to use the power of his/her office or position in an unacceptable or dishonest manner and/or in order to gain any unjustified advantage.
- 11.3 “**Influence Peddling**” means a deliberate act, committed directly or indirectly, consisting of (i) handing over, offering or promising any contribution, gift, invitation, reward or valuable consideration to any person (including any public office holder) or (ii) accepting any contribution, gift, invitation, reward or valuable consideration from any person (including any public office holder), whether on their own account or on behalf of third parties, always in order to misuse their actual or anticipated influence or because such misuse has already occurred, and to obtain a favourable decision or unjustified advantage from the public office holder.
- 11.4 Any and all payments for the performance of the Contract provided to the Contractor shall be made solely in the country in which the Contractor has its registered office, in which it performs its principal activity, or in which the supply is provided.
- 11.5 If, in accordance with the Contract, the Purchaser has given its prior consent to Contractor appointing its representatives or agents (e.g., subcontractors), the Contractor may appoint a third party (hereinafter the “**Agent**”) to fulfil all or part of the obligations under the Contract, provided that the Contractor has verified that the appointed Agent (i) where necessary, is authorized or licensed to perform the duties delegated to him/her within the jurisdiction for which he/she has been appointed, (ii) undertakes to comply with the contractual terms, and (iii) undertakes not to delegate any of his/her responsibilities to another third party. The Contractor agrees and acknowledges that it is within its responsibility to guarantee to the Purchaser that the appointed Agent shall fulfil the obligations arising from the Contract and delegated to him/her under all circumstances. The Contractor is solely responsible for any and all payments made to the Agents in connection with their activities under the Contract, while the Purchaser has no obligation to pay in this respect.
- 11.6 The Contractor hereby represents the following and shall guarantee it to the Purchaser throughout the term of the Contract:
- (i) The Contractor is familiar and shall comply with the legal provisions on the fight against corruption and Influence Peddling that apply to the performance of the Contract;
  - (ii) The Contractor is familiar with the *Société Générale Code Governing the Fight against Corruption and Influence Peddling* (available at [www.kb.cz/dodavatele](http://www.kb.cz/dodavatele));
  - (iii) Neither the Contractor nor, to the best of its knowledge, any of its employees, associates, members of the statutory and/or supervisory body, or any person controlled by the Contractor, its Agent, or any other person in charge of performance of the Contract (hereinafter the “**Controlled Persons**”):
    - a) Has perpetrated any act of Corruption Practices and/or Influence Peddling and
    - b) Is not subject to any prohibition imposed by any national or international authority to take part in tender procedures, enter into agreements with such authority, or cooperate with such authority on account of any proven or alleged case of Corruption Practices, nor is it treated as if it were subject to such prohibition;
  - (iv) When fulfilling their duties under the Contract, the Contractor and all the Controlled Persons undertake:

- a) Not to violate any applicable law governing fight against corruption and/or Influence Peddling;
  - b) Not to act in a manner that would result in the Purchaser's violation of applicable law governing fight against corruption and/or Influence Peddling, and refrain from any such action;
  - c) Have appropriate rules and procedures in place as envisaged by applicable law and/or appropriate to its size and activities in order to prevent any Corruption Practices and/or Influence Peddling (hereinafter the "**Internal Rules**");
  - d) To keep reasonably detailed accounting books, records and accounts necessary for the performance of the Contract, in a form and manner appropriate to its size and activities;
  - e) To provide the Purchaser, within the scope of applicable law, with the documents and data relating to the performance of the Contract for the purpose of meeting legal and regulatory requirements or in case of any legal proceedings;
  - f) The Contractor shall make it possible for the Purchaser to perform an audit of accounting books, records, guidelines, and procedures at any time during the term of the Contract with the proviso of the 30-day notice period, directly or through an agent of its choice and within the scope of applicable law if there is a reasonable suspicion of Corruption Practices or Influence Peddling in connection with the performance of the Contract. The Contractor undertakes to provide the necessary assistance in carrying out such an audit;
  - g) Promptly notify the Purchaser in accordance with applicable law of any suspected fraud, Corruption Practices or Influence Peddling or illegal practices in connection with the performance of the Contract;
  - h) Ensure that any and all natural or legal persons that are Contractor's external partners and provide services under the Contract shall be bound by written arrangements that are identical to or more stringent than the provisions binding the Contractor. The Contractor shall see to it that the persons in question shall comply with these arrangements. The Contractor shall be directly liable to the Purchaser for any breach of such arrangements.
- (v) The Contractor (i) shall notify the Purchaser of any changes that could adversely affect the effectiveness of the Internal Rules governing fight against corruption and/or Influence Peddling, and (ii) upon reasonable request from the Purchaser, shall remove any shortcomings from the Internal Rules. If the Contractor is not able to remove such shortcomings, the Purchaser shall be entitled, subject to compliance with applicable law and at its discretion, without assuming responsibility for any damage, to suspend the performance of the Contract without prior notice or compensation for a maximum period of six months or for the time necessary for the Contractor to take appropriate measures, whichever is shorter, without prejudice to Purchaser's other rights under the Contract or Contractor's existing financial obligations to the Purchaser under the Contract as at the date of its suspension or termination. In the event that the Contractor fails to remove the shortcomings from its Internal Rules by the end of the maximum period for the suspension of the performance by the Purchaser, the latter shall be entitled to cancel the Contract with an effect from the date of delivery of a written notice of cancellation to the Contractor.
- (vi) The Contractor shall indemnify the Purchaser for any damage resulting from a breach of this provision.

11.7 The Contractor undertakes to provide the Purchaser with a list of (i) gifts presented to the Purchaser or its employees in the total amount of CZK 1,500 or more per an individual per year, and (ii) invitations to social events offered to the Purchaser's employees in the relevant calendar year. The Purchaser's Compliance Manager shall be entitled to require such a list. The Provider shall be obliged to send the list at the address: Purchaser's Compliance Manager, Na Příkopě 33, 114 07 Praha 1, or at the electronic address [dary@kb.cz](mailto:dary@kb.cz), within 10 working days from the receipt of the request sent by the Purchaser's Compliance Manager, unless agreed otherwise.

11.8 In case that the Contractor breaches any of its duties under this Section, it shall be obliged to pay to the Purchaser, upon the latter's request, a contractual penalty of CZK 3,000.-- for every single case of breach. The fact that the contractual penalty as per this Article shall have been paid shall neither prejudice nor infringe the Purchaser's right to possible damages in a full extent.

11.9 Without any prejudice to other termination clauses, the Purchaser shall be entitled to (i) cancel the Contract at any time with an effect from the date of delivery of the written notice of cancellation to the Contractor if the Contractor or a Controlled Person has committed any Corruption Practices or Influence Peddling, otherwise fails to comply with the obligations under the Contract, or its representations and warranties are found to be false or invalid, whether or not the breach of the Contract or the inaccuracy of the representations and warranties can be remedied/corrected by Contractor, or (ii) terminate the



Contract in writing without stating the reason with a three-month notice period starting on the first day of the month following the delivery to the Contractor of the written notice and ending on the last day of a calendar month.

- 11.10 The Purchaser shall be entitled to immediately suspend all payments to the Contractor, as well as payment commitments, or payment authorizations (or the donation of any valuable item or asset) without prior notice or compensation, if the Purchaser has reasonable grounds to suspect that the Contractor or a Controlled Person have perpetrated Corruption Practices or Influence Peddling. In particular, all publicly available information concerning the perpetration of Corruption Practices or Influence Peddling are reasonable grounds for suspicion. This suspension shall only last for the time necessary to investigate whether the suspicion is justified or not.

## **12. Annexes**

- 12.1 The following annexes are inseparable part of these Construction Works Terms and Conditions:

Annex 1 – Change sheet (specimen in the Czech language only)

Annex 2 – Structure of the documents to be submitted (specimen in the Czech language only)

## **13. Force and Effect**

- 13.1 The Construction Works Terms and Conditions shall become valid and effective as of 01 March 2020.