

GENERAL TERMS AND CONDITIONS FOR PROCUREMENT OF WORKS

Zagreb, 1st June 2022

Content

I.	REQUEST FOR PROPOSAL.....	4
II.	PROCUREMENT DOCUMENTATION.....	4
III.	BID.....	4
IV.	BID SECURITY.....	5
V.	PURCHASE ORDER.....	6
VI.	CONTRACT.....	6
VII.	FRAMEWORK AGREEMENT.....	8
VIII.	CONTRACTS WITH CONTRACTORS OF DIFFERENT PRIORITIES.....	8
IX.	PRICE.....	8
X.	CALCULATION OF PAYMENT, INVOICING AND PAYMENT TERMS.....	10
XI.	ORGANISATION OF THE CONSTRUCTION SITE AND SAFETY MEASURES.....	11
XII.	ESTABLISHMENT, MAINTAINANCE AND CONSTRUCTION SITE SECURITY.....	12
XIII.	OCCUPATIONAL HEALTH AND SAFETY MEASURES AND FIRE PROTECTION MEASURES.....	13
XIV.	POSSESSION OF SITE AND COMMENCEMENT OF WORKS.....	14
XV.	MATERIAL AND EQUIPMENT PROCURED BY OIV.....	14
XVI.	COMPLETION DATE AND TIMELINES FOR COMPLETION OF WORKS.....	15
XVII.	CONTRACTING OF WORKS IN PHASES.....	16
XVIII.	SURPLUS AND SHORTAGE OF WORKS, SUBSEQUENT AND UNFORSEEN WORKS.....	16
XIX.	SUPERVISION.....	17
XX.	PARTICIPATION OF SUBCONTRACTORS.....	18
XXI.	RISK OF ACCIDENTAL DAMAGE OR PERISH.....	18
XXII.	QUALITY CONTROL, REMEDIATION OF DEFECTS AND HANDOVER OF THE COMPLETED WORKS.....	18
XXIII.	GUARANTEE PERIOD.....	20
XXIV.	INSURANCE AND LIABILITY FOR DAMAGE.....	22
XXV.	CONTRACTUAL PENALTY.....	22
XXVI.	GUARANTEE FOR RECOVERY OF ADVANCE PAYMENT.....	23
XXVII.	PERFORMANCE GUARANTEE.....	23
XXVIII.	INSURANCE CLAUSE.....	24
XXIX.	DEFECT LIABILITY PERIOD.....	24
XXX.	COVENANT OF INTEGRITY.....	25
XXXI.	ENERGY EFFICIENCY.....	25
XXXII.	FORCE MAJEURE.....	25
XXXIII.	CONFIDENTIALITY.....	26
XXXIV.	PROTECTION OF PERSONAL DATA.....	26
XXXV.	INFORMATION SECURITY.....	26
XXXVI.	COMMUNICATION.....	26
XXXVII.	TERMINATION OF CONTRACT.....	27

XXXVIII.	AMENDMENTS TO THE CONTRACT	27
XXXIX.	DISPUTE RESOLUTION	27
XL.	BILINGUAL CONTRACT/ PURCHASE ORDER	27
XLI.	FINAL PROVISION	27

These General Terms and Conditions (hereinafter referred to as: GTC) shall apply to every procurement of works and shall contain general terms and conditions under which the company Odašiljači i veze d.o.o. (hereinafter referred to as: OIV) procures works based on a contract/purchase order, unless otherwise agreed, in writing, by the Contracting Parties.

Any terms and conditions derogating from the terms and conditions herein, or from general terms and conditions of the counterparty, shall apply only if explicitly agreed upon, in written form, by OIV.

By accepting a purchase order or by signing a contract, these GTC shall become an integral part thereof.

If there is any discrepancy between provisions of the contract/purchase order and provisions herein, provisions set forth in the contract/purchase order shall prevail.

I. REQUEST FOR PROPOSAL

- 1.1. Depending on the subject matter, type and complexity of the procurement procedure, when submitting a request for proposals and/or procurement documentation, OIV shall refer to general terms and conditions herein, and provide a Bidder, along with the request, with a blank contract, i.e., a blank framework agreement.
- 1.2. When submitting a request for proposal, OIV shall refer to general terms and conditions herein. Depending on the complexity and type of procurement subject matter, OIV may also, in its request for proposal, set out different terms and conditions.

II. PROCUREMENT DOCUMENTATION

- 2.1. In its Procurement Documentation (hereinafter referred to as: PD), OIV shall specify terms and conditions for specific procurement in relation to: the form and content of the bid, bid validity period, bid price, method and terms of payment, type, instruments and conditions of guarantee, bid selection criteria, technical specifications (description of the procurement subject), location and time of a bid opening procedure, the possibility of Bidders' authorised representatives being present at bid opening procedure and evidence which Bidders are obliged to provide, along with their bid, to demonstrate they meet the capacity criteria.
- 2.2. Terms and conditions specified in the procurement documentation shall not be modified and are binding for all parties in the procurement procedure.
- 2.3. PD may contain a blank contract or framework agreement, in which case they shall constitute an integral part thereof.
- 2.4. Where OIV, in specific procurement procedures, envisages different rules than those specified in the general terms and conditions herein, OIV shall specify the differences in the procurement documentation.

III. BID

- 3.1. A submission of a bid shall be construed as acceptance of these GTC. A bid is a declaration of intent, in written form, to carry out works in line with OIV's terms and conditions and it shall contain all relevant elements of a contract.
- 3.2. All bids shall be prepared without any costs and fees charged.
- 3.3. Within the deadline for submission of bids, the Bidder may modify its bid or decide to withdraw it.
- 3.4. By submitting a bid to OIV, a Bidder guarantees that it is authorized to perform the type of works for which the bid is submitted, that it possesses sufficient material and human resources, machinery, etc. for unfrustrated and uninterrupted performance of the tendered works.

- 3.5. If the Bidder, during the bid preparation, had noticed omissions or ambiguities in OIV's requirements, including in the bill of quantities (item descriptions, missing items, incorrect units of measure, etc.), these omissions or ambiguities shall be clarified before the bid is submitted. If the Bidder establishes on the basis of the factual situation, proposed materials or its work experience that a certain version in the type of materials or works in terms of better quality of works would be more favourable, then such materials or works shall be described and clarified in detail with OIV prior to submitting the bid.
- 3.6. The Bidder is obliged to examine the PD and related documentation and after conducting an on-site visit, if provided for by the PD, to submit to OIV in writing all detected deficiencies or ambiguities or defects in the description of individual items in the bill of quantities or doubts related to performance of works. The Bidder shall duly inform OIV/OIV's representative in writing of any omissions or deficiencies detected at the construction site, which would be established by conducting an on-site visit. Subsequent comments made by the Contractor shall not be accepted.
- 3.7. The Bidder is obliged to thoroughly examine the relevant construction site i.e. the building where it is necessary to carry out the works as stipulated in the bill of quantities, examine the possibility of traffic access of construction machinery and equipment, the possibility of temporary disposal of materials, and it shall be deemed that the Contractor is fully aware of the scope and type of necessary works, that all items in the bill of quantities are unambiguous, which shall be confirmed by signature and verified with the seal of the Bidder.
- 3.8. In the event that the Bidder fails to fulfil the obligations as per Articles 3.5., 3.6. and 3.7, the Bidder undertakes to assume all incurred damage and increased costs. The provision herein shall also apply to all unforeseen and surplus of works that the Bidder, upon the on-site visit, was aware of or was supposed to have been aware of.
- 3.9. Acceptance of procurement documentation by the Bidder shall not constitute any obligation on behalf of OIV towards the Bidder. OIV shall select a bid as per its own criteria. The works shall be deemed contracted upon the conclusion of a relevant contract which shall stipulate the terms, value and the method of payment for the works performed, as well as all other relevant facts in this regard.
- 3.10. An integral part of the bid constitutes a completed and signed bill of quantities and a dynamic workplan by which the Bidder demonstrates the tendered construction completion date. If the Bidder fails to fulfil the bill of quantities or any of the bid selection criteria or changes the text or quantities/measures in the bill of quantities, such bid shall be deemed incomplete and invalid and shall not be taken into consideration.

IV. BID SECURITY

- 4.1. If so requested by OIV, the Bidder undertakes to submit a bid security, along with its bid, in the amount and form specified in the procurement documentation in the event that the Bidder withdraws its bid within bid validity period, fails to provide corrective documents, fails to accept a correction of a miscalculation, refuses to sign a contract or framework agreement, i.e., fails to sign a contract or framework agreement within a period of 3 (three) business days from the date of its receipt or fails to provide a mutually agreed dynamic financial workplan within a period of 7 (seven) business days from the date of concluding the contract or fails to submit performance guarantee or framework agreement when such a framework agreement stipulates that an agreement be concluded or performed.
- 4.2. All aforementioned events shall be listed exhaustively in the bid security.
- 4.3. The bid security shall be charged when one (any) of the aforementioned conditions is fulfilled with respect to the Bidder.

- 4.4. In lieu of the bid security, the Bidder may guarantee its bid with a cash deposit in the amount equal to the required bid security. In the event herein, the Bidder shall submit evidence of the cash deposit.
- 4.5. In the event of a joint venture (joint bid) by several business entities, the bid security shall be addressed jointly to all members of the joint venture, and not exclusively to one member, and it shall specify that it pertains to a joint venture or each member may submit a bid security severally for their part of the guarantee. In such case, the cumulative amount of the submitted bid securities shall equal the total amount of the bid security as required. In the event of a joint venture by several business entities, one member can make the cash deposits for all members jointly or each member can make a cash deposit severally for their share of the bid security. In such case, the cumulative amount of the cash deposits shall equal the total amount of the the bid security as required.
- 4.6. In the event when the bid security is not charged, OIV shall return the bid security to bidders within a period of ten days from the date on which a contract or framework agreement has been signed, i.e., performance guarantee has been provided, a copy of which shall be deposited.
- 4.7. If the Bidder is required to extend the existing bid security for the reasons of bid security validity or is required to submit a new bid security, it shall be obliged to extend the bid security or provide a new bid security within a period of not less than 15 calendar days before the existing bid security expires. Otherwise, OIV shall retain the right to charge the existing bid securities.
- 4.8. The type and amount of bid security, consequences in the event that OIV is forced to use the bid security, the return of the bid security, the possibility for OIV to use the bid security, obligation to provide a new bid security in case of bid security period extension, consequences for failing to provide a bid security and other relevant provisions concerning the bid security shall be regulated in the PD or otherwise, on condition they derogate from these GTC.
- 4.9. Failure to submit a bid security shall be construed irremediable defect and such a bid shall be rejected.

V. PURCHASE ORDER

- 5.1. The purchase order shall contain the following information: number and date, contract number (if available), description and quantity, unit price and total price, completion date. Purchase order once issued shall, as a rule, be irrevocable and final. Purchase order may be withdrawn, replaced or cancelled only on reasonable grounds.
- 5.2. In the event of the counterparty's failure to meet deadlines, non-performance or defective performance of obligations, OIV can unilaterally cancel the purchase order, and shall be entitled to indemnities, covering the full amount of damage incurred. Indemnity shall include compensation for loss of profit.

VI. CONTRACT

- 6.1. OIV may conclude contracts in which the subjects of procurement are both works and goods/equipment. In such cases, the contract for procurement of works shall be the contract with higher estimated procurement value of works.
- 6.2. In the event that the contract for the procurement of works also includes the procurement of goods, the General Terms and Conditions for the procurement of goods shall apply along with these GTC.
- 6.3. In the event that the contract for the procurement of works also includes the procurement of services, the General Terms and Conditions for the procurement of services shall apply along with these GTC.

- 6.4. Where a procurement procedure is initiated with a view to concluding a procurement contract with successive performance of works, estimated price shall be determined in line with the accepted bid, based on unit prices up to a determined maximum amount, which shall not be binding for OIV.
- 6.5. For contracts with successive procurement of works, the Contractor shall perform the subject of procurement successively, in line with OIV's needs and based on a purchase order. In such cases, OIV shall not be obliged to procure the entire quantity of procurement subject matter.
- 6.6. In the event that a blank contract constitutes a part of the PD, the Contractor shall return the signed contract to OIV no later than 3 (three) business days from the date of receipt. Otherwise, it shall be construed that the Contractor has withdrawn from the contract. In the event herein, OIV shall be entitled to charge bid security.
- 6.7. In procurement procedures, when a blank contract does not constitute an integral part of the PD, the Contractor shall submit the response to the draft contract to OIV within the stipulated deadline, which shall not exceed 3 (three) business days from the date of receipt. Until the conclusion of the contract the Contractor shall provide OIV with all answers to inquiries related to the conclusion of the contract and comments to OIV's draft contracts within the stipulated deadline and it shall deliver its comments within the stipulated deadline which shall not exceed 7 (seven) calendar days from the date of receipt. OIV shall provide the Contractor with a response within 7 (seven) calendar days from the date of receipt. When the contract has been agreed in writing, the Contractor shall return the signed contract to OIV within the stipulated deadline which shall not exceed 3 (three) business days from the receipt of the agreed draft contract. Otherwise, it shall be construed that the Contractor has withdrawn from the contract. In the event herein, OIV shall be entitled to charge bid security. OIV shall retain the right to disqualify such a counterparty from subsequent procurement procedures for the period of up to two years.
- 6.8. The Contractor is obliged to submit a proposal of a dynamic financial workplan together with the signed contract, in accordance with the agreed completion date from the dynamic workplan.
- 6.9. Within a period no longer than five (7) business days from the date of conclusion of the contract or issuance of purchase order, the Contractor shall deliver to OIV a verified mutually agreed upon dynamic financial plan. Thusly agreed upon dynamic financial workplan shall constitute an integral part of the contract/purchase order.
- 6.10. When concluding an annex to a contract, irrespective of who had initiated the procedure, the Contractor shall provide OIV with a response to the draft annex within the stipulated deadline which shall not exceed 3 (three) business days from the date of the receipt. Until the conclusion of the annex the Contractor shall provide OIV with all answers to inquiries related to the conclusion of the annex and comments to OIV's draft annex within the stipulated deadline and it shall deliver its comments within the stipulated deadline which shall not exceed 3 (three) calendar days from the date of receipt. Otherwise, it shall be construed that the Contractor has accepted the draft annex and that the annex has been agreed, and OIV shall deliver draft annex to the Contractor for signing. The Contractor shall return the signed annex to OIV within the stipulated deadline which shall not exceed 3 (three) business days from the receipt of the agreed draft annex. Otherwise, it shall be construed that the agreed annex had been concluded and that deadlines for the performance of the obligations subject to the agreed annex have commenced from the deadline for the signing of the annex.
- 6.11. In the event when certain provisions of the contract fail to be agreed, and when the blank contract does not constitute an integral part of the PD, or annex, and when such provisions pertain to volumes of goods, item descriptions, prices and dates of completion, OIV shall retain the right to engage a certified court expert of the relevant profession whose expertise shall be deemed final. This provision shall apply when the Contractor and OIV fail to agree provisions, when the blank agreement does not constitute an integral part of the PD or annex even after 14

(fourteen) calendar days from the beginning of efforts to reach an agreement. The costs pertaining to court expertise shall be borne by OIV and the Contractor in equal share.

- 6.12. In the event of discrepancy between the contract and annexes thereto, the contract shall prevail. If the event of discrepancy between annexes to the contract, the relevant annexes drafted by OIV shall prevail. In the event of discrepancy between annexes drafted by OIV, OIV shall determine the relevant document.

VII. FRAMEWORK AGREEMENT

- 7.1. OIV may initiate a procurement procedure with the aim of concluding a framework agreement.
- 7.2. OIV may conclude a framework agreement with one or more Contracting Parties. The purpose of a framework agreement shall be to specify terms and conditions under which single contracts/ purchase orders are to be concluded over a specific period.
- 7.3. Framework agreement shall not oblige OIV to conclude a procurement contract based on such underlying framework agreement.
- 7.4. Negotiation completion dates, conclusion and return of signed framework agreements to OIV are subject to provision of Articles 6.6. and 6.7. of these GTC.
- 7.5. The conclusion of annex to the framework agreement, failure to agree certain provisions of the framework agreement when it does not constitute an integral part of the PD and discrepancy between the framework agreement and annexes thereof shall be subject to provisions of Articles 6.10., 6.11. and **Error! Reference source not found..** of these GTC.

VIII. CONTRACTS WITH CONTRACTORS OF DIFFERENT PRIORITIES

- 8.1. OIV may initiate a procurement process with the aim of concluding more procurement contracts with the same procurement subject matter with two or more Contractors from which the Bidder with the most advantageous tender constitutes the Contractor with A priority.
- 8.2. The purpose of contracts with Contractors of different priorities is to ensure OIV's business continuity and reduce adverse impacts arising from dependence on a sole contractor.
- 8.3. Procurement documentation shall also specify conditions and modalities of prioritising as well as other elements of contracting with Contractors of different priorities.

IX. PRICE

- 9.1. Price shall represent the maximum price to be paid by OIV to the Contractor and shall be specified in the contract/purchase order. It shall consist of unit price and total price. Value added tax (VAT) shall be calculated in line with applicable laws and subordinate legislation.
- 9.2. All and any procurement costs shall be included in the price in all types of contracts and framework agreements.
- 9.3. For contracts with successive procurement of works, total price shall be set in accordance with the contract, and it shall be calculated based on unit price from the bill of quantities, up to a maximum amount under the contract/purchase order, and shall not be binding for OIV.
- 9.4. In the case of a framework agreement, total estimated non-binding value shall be the value for the duration of the framework agreement.
- 9.5. The price shall include all costs and rebates (costs and any and all damage incurred by amendments and defect remediation of technical documentation, preparation of dynamic financial workplan, transfer to the site, accommodation costs, per diems, consumables, etc.), construction site set up, construction site security, construction site organization, waste disposal and similar costs, as well as costs of implementation of occupational health and safety at work

measures in accordance with the applicable Labour Act and Occupational Health and Safety Act. The price shall include other levies which the Contractor is required to pay for any reason, with no hidden costs for OIV, for the entire duration of the contract.

- 9.6. The price shall include costs of security of the surrounding areas outside the works zone and the cost of security of OIV's assets and assets of sites neighbouring the works zone for the duration of the works.
- 9.7. Procurement, supply and installation of materials for the implementation of individual items shall be construed included in the unit price of the item even when it is not explicitly stated in the description of the item. Unit prices, even when not stated in a specific provision, shall include all costs (works and material) required to ensure appropriate accommodation for workers and landfills for construction waste.
- 9.8. The price shall include appropriate office facilities for the purpose of the provision of supervision.
- 9.9. The prices stated in the contract are permanent and fixed, and all possible increases of the price of service or materials during the provision of service are contained therein. Such increases shall not impact the price, unless otherwise defined by the contract/purchase order or otherwise. Prices shall remain unchanged even in the event of changed circumstances.
- 9.10. For unforeseen works, the determined total price shall also include the value of unforeseen works that the Contractor was aware of or was supposed to have been aware of at the time of concluding the contract.
- 9.11. For subsequent and other unforeseen works, except those set forth in the previous Article, the price shall be determined in accordance with the market prices of identical or similar works and the conditions for performing subsequent and unforeseen works, taking into consideration unit prices of contracted works.
- 9.12. In cases when OIV requests performance of subsequent works including all supporting documents the Contractor was not obliged to obtain under the contract, such costs shall be borne by OIV provided that the Contractor has acted upon the request made by OIV.
- 9.13. If the price is determined in a total amount, the price determined in such a way shall not change due to surplus of works and shortage of works.
- 9.14. If the price is not determined in a total amount, the unit price shall also apply to surplus of works providing they do not exceed 10% (ten percent) of the contracted volume of works of a specific item in the bill of quantities. If the performed volume of works exceeds 10% (ten percent) of the contracted volume of works, OIV shall reserve the right to adjust prices in accordance with the real market price as approved by an authorised supervisor, with a detailed price analysis, previously prepared by the Contractor, which shall demonstrate cost items of materials and installation costs.
- 9.15. OIV shall retain the right to proportionally reduce the price if the quality of the installed materials or performed works is below the contracted price. OIV shall retain the right to proportionally reduce the price in the event when the facility is completed in an unaesthetic manner i.e. where such works are a consequence of the Contractor's deviation from the technical documentation without OIV's consent. The amount of the price reduction shall be determined by OIV at the proposal of authorised supervisor from OIV.
- 9.16. If the price for the works is determined in a fixed total amount i.e. turnkey project provision, regardless of who is responsible for the provision of the detailed design, the contracted price shall include the value of all unforeseen works and surplus works, thereby excluding the impact of shortage of works on the contracted price. The turnkey provision additionally means that the contracted price shall include the value of the works that are not specified in the bill of quantities, but are included in drawings and other design documentation.

- 9.17. The turnkey provision does not exclude modification to the contracted price due to payments made for subsequent works requested by OIV.

X. CALCULATION OF PAYMENT, INVOICING AND PAYMENT TERMS

- 10.1. Calculation of payment of works as a rule shall be made based on fixed and permanent contracted unit prices and measurements of undisputedly ordered and actual performed works and in accordance with the bill of quantities and project documentation and in line with contracted quality standards and applicable standards for a certain type of works, on the basis of measurement book and certificates previously verified by the authorised supervising engineer. If the Contractor refuses to participate in the final calculation without a justified reason or delays the payment calculation, OIV may perform the payment calculation and inform the Contractor thereof. Thusly performed calculation shall be construed final.
- 10.2. As a method of calculation of works, calculation according to the actual performed volume of works (m³, m², m, pcs., sets, working hours, etc.) is to be generally valid, whereby empty spaces, openings, niches, etc. are excluded from the actual performed volume of works. By accepting to perform the works the Contractor also accepts this basic principle of calculation of works even if it is contrary to the applicable Croatian standards or some other standards that are regularly applied in the Republic of Croatia (e.g. EN). For the actual performed volume of works additional costs or increased volume of works pertaining to the method of calculation of the actual performed works excluding openings, niches and empty spaces etc. shall not be accepted. In the matter of earthworks, all excavations, causeways, transport etc. shall be calculated exclusively in compact state, without any looseness coefficient. Derogation from the provisions hereof shall be made possible exclusively in the event when the individual item in the bill of quantities explicitly states otherwise. Unit prices for individual items shall remain unchanged even if there is a reduction in the volume of actual works performed.
- 10.3. If the contract provides for performance of works in the total duration of 30 days, the Contractor shall calculate the performed works on the basis of the final certificate. The Contractor undertakes, in cooperation with OIV's authorised supervisor, to keep a daily site diary and measurement book. The Contractor is authorised to submit the final certificate to OIV upon the certification of the performed works which shall be carried out by OIV's authorised supervisor. OIV shall pay for the performed works within sixty (60) calendar days upon mutual signing of the positive handover, based on the issued valid final payment certificate. Final certificate can be issued, at the earliest, upon successful handover. Payments on the basis of certificates are conditioned by receipts and certificates previously confirmed by OIV.
- 10.4. In the event that the contract sets out performance of works in a period longer than 30 days, the Contractor shall as a rule, calculate performed works monthly, on the basis of interim certificates and final certificates. The Contractor undertakes, in cooperation with OIV's authorised supervisor, to keep a daily site diary and measurement book. The Contractor is authorised to submit the final certificate to OIV upon verification of the performed works which shall be carried out by OIV's authorised supervisor. The Contractor shall submit monthly interim certificate to OIV's authorised supervisor no later than the 25th of the month for which the certificate is submitted and OIV's authorised supervisor shall verify the certificate within a period not exceeding 10 (ten) calendar days from the date of the submission of the certificate. Interim and final certificates shall be submitted with a copy of the verified relevant measurement book. OIV shall pay performed works within sixty (60) calendar days upon verification of the undisputed part of the interim certificate, on the basis of a valid issued invoice. In the event that OIV should dispute the interim certificate with regards to quality, volume and type of performed works, it shall be obliged to pay the undisputed part within the stipulated period, and discuss the disputed part with the Contractor no later than the issuing of the subsequent certificate. Payments on the basis of certificates are conditioned by receipts and certificates previously confirmed by OIV.

- 10.5. When contracting works in phases, with final certificate of each individual phase at least 10% (ten percent) of the value of the performed works of the phase shall remain.
- 10.6. If the contract provides for the performance of works in the duration of one year, the final certificate shall include at least 10% (ten percent) of the total value of the performed works. For contracts which provide for the performance of works in the duration exceeding one year, the final certificate shall include at least the value of the average monthly interim certificate.
- 10.7. If the price for works is determined in a fixed total amount as per the turnkey principle, the Contractor shall calculate the performed works on the basis of certificates, contingent on the duration of the works.
- 10.8. The Contractor shall attach previously confirmed receipts and certificates of its subcontractors to the invoice.
- 10.9. If the invoice is not valid, no obligation of payment shall be construed and OIV shall return the original invoice to the Contractor for correction, and the Contractor shall be required to correct the invoice and re-submitted it within three days.
- 10.10. Default interest for late payment shall amount to 6 % (six percent) on an annual basis, unless otherwise provided for in the contract/purchase order.
- 10.11. When issuing interim certificates and final certificates, as well as relevant invoices and other documents, the Contractor shall make reference to the reference number, identification number of the contract/purchase order.
- 10.12. An invoice shall contain all elements as stipulated by law.
- 10.13. Relevant elements such as price, invoicing, delivery of invoice, payment due date and other necessary elements shall be regulated in contract/purchase order or otherwise.

XI. ORGANISATION OF THE CONSTRUCTION SITE AND SAFETY MEASURES

- 11.1. The Contractor undertakes, in compliance with regulations, to insure and provide evidence on the insurance of the works and the construction site, prior to the commencement of works.
- 11.2. During the execution of works at the construction site, the Contractor shall undertake all necessary measures for insurance and protection of facilities, works, equipment, devices and installations, workers, passers-by and traffic, adjacent buildings and the environment, in accordance with the project requirements and other relevant regulations. In the event when several contractors perform works at the same construction site, each contractor shall undertake protection measures to ensure the safety of the works they perform and organize the work in such a manner as not to endanger either their own or others health and safety.
- 11.3. The bid, without specifically listing, contains all works for the purpose of insurance of the existing overground and underground buildings on the construction plot and boundaries thereof from damage caused by the performance of works as set out in the bill of quantities or which are necessary for the performance thereof.
- 11.4. The Contractor shall prepare the construction site establishment plan which shall be submitted to OIV's authorised supervisor for authorisation before the possession of site.
- 11.5. Site organisation chart shall be prepared by the Contractor and it shall be displayed on-site for the entire duration of the works.
- 11.6. With a prior written consent from OIV, and before possession of site, the Contractor shall establish construction site boundaries and mark them with appropriate signage, and where necessary with firm fencing.
- 11.7. In case when there is no possibility to use the existing facilities, the Contractor may set up and use temporary facilities on the construction site and containers for offices, changing rooms, sanitary facilities and smaller equipment.

- 11.8. Temporary facilities (containers and the like) are to be properly installed, where necessary grounded and with proper wiring.
- 11.9. Unless otherwise specified in the contract/purchase order or otherwise, the Contractor undertakes to, at its own expense, provide water, necessary connection to the electricity network and water installation and accompanying hygienic and technical infrastructure for the entire period of the performance of works, at no additional charge, so that works could be performed in a safe and unfrustrated manner. In the event that OIV provides water, electricity and accompanying hygienic and technical infrastructure, OIV shall reserve the right to charge the actual cost of their usage.
- 11.10. The Contractor shall be obliged to organise a portable sanitary facility (portable toilet) for its employees at no additional charge and install it at a location with the consent of OIV and the supervising engineer.

XII. ESTABLISHMENT, MAINTAINANCE AND CONSTRUCTION SITE SECURITY

- 12.1. From the beginning of the construction until the handover of the works to OIV, the Contractor shall, in an appropriate manner, establish, maintain and protect the performed works, construction products/equipment from damage, deterioration, theft or destruction.
- 12.2. Establishment, maintenance of the construction site, protection of the performed works, construction products/equipment from damage, deterioration or destruction, debris removal and site clearance, all necessary ancillary facilities or containers for workers' accommodation and equipment etc. and all other works, material or facilities necessary for uninterrupted operation at the construction site shall be included in unit prices and shall not be calculated as separate items. Organisation of the construction site is to be carried out with written consent of the supervising engineer.
- 12.3. If at the construction site there are not sufficient premises to accommodate all necessary facilities (material warehouse, containers for workers' accommodation etc.), and OIV has not made additional premises available for the Contractor, the Contractor undertakes to provide all necessary premises at its own expense and maintain it for the entire duration of construction works.
- 12.4. The newly built facilities, as well as the existing facilities at the construction site, may be used for material warehouse or workers' accommodation only with special authorisation issued by OIV, which may be revoked, should the need arise. The Contractor shall bear all expenses related to adaptation of premises (provisional locking, lighting with electrical power distribution in line with professional standards etc.) and all expenses related to restoration of premises to their original state after the end of use. Operation of electrical or gas heaters and cookers in the facilities herein shall generally not be permitted.
- 12.5. Material, machinery and other equipment, ancillary equipment and facilities are not to disrupt the unfrustrated flow of works of any of the parties in construction, and if necessary, are to be relocated without additional charges in order to allow uninterrupted flow of work for all parties in the construction. If a disposal site for material, machinery, ancillary equipment, containers etc. is not agreed in advance with the supervising engineer, and it disrupts the flow of works, then the supervising engineer may authorise another contractor to remove the impediments, at the expense of the Contractor.
- 12.6. Works shall be performed in a manner so that noise emission, dust and the like are reduced as much as possible. During the entire duration of the performance of works, the Contractor undertakes to remove waste daily in an adequate and specially organized container and regularly remove and dispose of waste at no additional charge.
- 12.7. During the entire duration of the construction, the Contractor undertakes to keep the construction site clean and tidy. Wheels of the vehicles exiting the construction site towards public roads are to be cleaned of mud and the like and the section of the road at the entrance

to the construction site is to be cleared. All the works herein shall be undertaken by the Contractor at no additional charge.

- 12.8. The Contractor undertakes to perform delivery and removal of all necessary materials, workers, tools, special equipment and machinery required for the performance of works without any additional charge, unless it is explicitly stated as an item in the bill of quantities. All vertical and horizontal transport of material in the area of works (full surface area) shall also not be calculated separately. The Contractor shall compensate for the possible lack of premises required for material disposal by disposing material at an appropriate location, and the Contractor shall bear all the expenses incurred thereof.
- 12.9. In the event that works are performed by several contractors at the same construction site, each of them shall establish and maintain the construction site in proportion to the obligations from the contract and shall protect their works, construction products/equipment from damage, deterioration, theft or destruction.
- 12.10. On completion of the works or in the event of termination of contract, the Contractor shall be obliged to establish the construction site by way of removal and disposal of waste, debris, construction material scraps, inventory, ancillary facilities and completely clear and free the facility from persons and goods at its own expense, with terrain planning with relative accuracy of ± 3 cm.
- 12.11. The costs incurred in connection with the works set forth in the previous Article shall be borne by the Contractor.

XIII. OCCUPATIONAL HEALTH AND SAFETY MEASURES AND FIRE PROTECTION MEASURES

- 13.1. For the entire duration of the works, the Contractor shall duly comply with the provisions of laws and subordinate legislation regulating the area of occupational health and safety, social and labour rights, fire protection, environmental protection and other applicable laws and regulations. The Contractor shall notify persons who are not included in the course of the works and passers-by about all the dangers with appropriate signage. The Contractor undertakes to install a construction board with no additional charge (stable and secured against impacts of wind) which shall stipulate the investor, the construction, the construction site, the contractor and the number of the valid building permit.
- 13.2. The Contractor undertakes to provide a working plan and the construction site shall be registered with the authorised body in accordance with applicable regulations.
- 13.3. OIV undertakes to ensure availability of the facility, unrestricted access to the building as well as minimum area around it so that works could be provided in a safe manner, unless otherwise provided by the contract/purchase order or otherwise.
- 13.4. In the event that works are performed by several contractors, OIV shall appoint coordinator II, and the responsible works manager shall align occupational health and safety measures with works managers of other contractors, in line with binding instructions from coordinator II.
- 13.5. The person responsible for keeping records pertaining to occupational health and safety is the responsible works manager.
- 13.6. Specific hazards associated with the risk of fire can occur in places of storage of flammable materials and liquids and electrical installations during the performance of works. With hot work, i.e. metal cutting, welding, etc., the Contractor shall remove all flammable material from the works site and close all lower openings when the works are performed on a multi - storey building.
- 13.7. The Contractor shall be obligated to properly store combustible gases and liquids in accordance with applicable laws and subordinate legislation and OIV's Rulebook on fire protection. In case when there is a small amount of the above mentioned material, then it can be stored in the open space, whereby the distance of the temporary storage is at least 15 m from the possible ignition

sources (e.g. wooden barracks, combustible material landfills, public roads, high voltage and the like).

- 13.8. The Contractor shall be obliged to provide water for the purpose of fire extinguishing, on condition there is hydrant network in the proximity.
- 13.9. If there is a possibility of fire which is not or cannot be extinguished by water, the Contractor shall provide special extinguishing agents and train workers to operate them.
- 13.10. The responsible works manager shall request the assistance of firefighters if it estimates that its team cannot extinguish the fire, and shall prohibit access to the fire to unauthorised people and shall shut down the power supply.

XIV. POSSESSION OF SITE AND COMMENCEMENT OF WORKS

- 14.1. Possession of site and commencement of works shall be agreed by the Contracting Parties in mutual written agreement or by entry in site diary.
- 14.2. On possession of site and commencement of works OIV shall:
 - 14.2.1. hand over the construction site to the Contractor and provide the Contractor with the right of access to the construction site
 - 14.2.2. deliver the technical documentation in the required number of copies (main design and detailed design), if they are developed, to the Contractor for the performance of works
 - 14.2.3. submit to the Contractor the appointment of the authorised supervisor from OIV
 - 14.2.4. make sure the Contractor is familiar with the provisions of OIV's Rulebook on fire protection
 - 14.2.5. ensure to the Contractor unfrustrated performance of works for the entire duration of the works.
- 14.3. Prior to possession of site and commencement of works, OIV and the Contractor shall draft a report on the condition of roads and terrain, watercourses and installations, buildings in the construction zone, which shall be mutually signed by OIV and the Contractor. If necessary, photo documentation might be attached to the report.
- 14.4. The Contractor undertakes to commence the works immediately upon the possession of site.
- 14.5. In the course of possession of site, the Contractor shall submit to OIV the appointment of the certified works manager.
- 14.6. As per OIV's request, the Contractor's responsible person shall be obliged to attend the possession of site.
- 14.7. Completion date for the completion of works shall be considered to commence from the date of the possession of site unless otherwise defined by contract/purchase order or otherwise.
- 14.8. If the Contractor fails to commence works immediately upon the possession of the construction site within timelines specified by the contract, OIV shall retain the right to terminate the contract and charge the performance guarantee.

XV. MATERIAL AND EQUIPMENT PROCURED BY OIV

- 15.1. In the event that the contract sets out installation of equipment and materials procured by OIV, the Contractor is obliged to properly store and keep in good condition the materials and equipment received from OIV until their installation.
- 15.2. If the location and deadlines for handing over materials and equipment from OIV have not been specified in the contract, the materials and equipment shall be handed over at the construction site, and the deadline for handing over shall be determined in accordance with the agreed timelines for completion of works.

- 15.3. The costs of storage, keeping in good condition, and maintaining of the received materials and equipment shall be borne by the Contractor.

XVI. COMPLETION DATE AND TIMELINES FOR COMPLETION OF WORKS

- 16.1. The Contractor undertakes to commence with works immediately in line with completion dates stipulated in the contract and on OIV's order. Completion dates for works shall, as a rule, be agreed upon in calendar days.
- 16.2. Timelines for the performance of works are to be provided so that they are carried out in a continuous manner, without unnecessary interruptions and with good coordination of all works in the works area, so as to in the best possible manner take advantage of the period of relatively stable weather conditions. In the event of interruption of works, evaluation of performed works shall be made based on fixed and permanent unit prices and measurements of undisputedly ordered and actual performed works and in accordance with contracted unit prices, purchase order, technical description and the bill of quantities and in line with contracted quality standards and applicable standards for a certain type of works, on the basis of measurement book previously verified by OIV's authorised supervisor. No additional fee shall be charged for extensions of working hours within a business day and for work on Sundays and holidays, for special working conditions, work at height, etc. During performance of works the Contractor shall ensure that operations at neighbouring buildings and building plots are disturbed to the least extent possible. When submitting the bid, the Contractor undertakes to submit construction schedule of the works, which shall, providing it is accepted by OIV, constitute an integral part of the Contract.
- 16.3. Unless otherwise specified in the contract/purchase order or otherwise, the Contractor shall be obliged to commence the contracted works after signing of the contract, in accordance with OIV's purchase order, construction site registration and possession of site, provided that, as a rule, the commencement of works shall be calculated from the date of possession of the site.
- 16.4. The Contractor undertakes to complete and deliver all works within the completion dates provided by the contract/purchase order. The Contractor shall notify OIV in writing about the completion of the contracted works.
- 16.5. The Contractor shall be obliged to keep a site diary for the entire duration of the construction works, in line with applicable regulations, and shall be obliged to keep a measurement book for the purpose of demonstrating the volume of performed works. OIV's authorised supervisor shall examine and verify the measurement book, which shall serve as the basis for the preparation of interim and final certificates.
- 16.6. Works may be contracted on the basis of a turnkey project. In the event thereof, the Contractor undertakes to carry out works which have not been defined by the project in compliance with OIV's standards. For the forgoing works, the Contractor shall not be entitled to any additional charges from OIV.
- 16.7. Contracted completion dates for the performance of works may be extended based on the Contractor's request for the time extension provided that the failure to meet completion dates occurred as a result of OIV's failure to fulfil certain obligations. The extension of completion dates shall be proportional to non-fulfilment of obligations by OIV.
- 16.8. Contracted completion dates for the performance of works may be extended in the event of force majeure, pursuant to the provisions of the contract.
- 16.9. The contracted completion dates for the performance of works may be extended only upon argumented written request of the Contractor for possible surplus, subsequent and unforeseen works, which is to be determined by OIV's authorised supervisor with an entry in the site diary. Any extension of the completion date shall be agreed in accordance with the value or volume of subsequent and unforeseen works in relation to the value of contracted works. The new

completion date, if approved by OIV, shall be regulated by an annex to the contract/purchase order.

16.10. The Contractor shall submit to OIV in writing the request for the extension of the contracted completion date for the reasons specified in Article 16.9, and for extensions arising from possible major market disruptions in procurement and delivery of materials for installation, within a deadline not exceeding 7 calendar days from the date when it learnt about the disruption which had caused the delay in works. Otherwise, it shall not be entitled to extension of the completion date.

XVII. CONTRACTING OF WORKS IN PHASES

- 17.1. If the performance of works is envisaged in phases, the Contractor shall be obliged to complete and deliver all works of a particular phase in line with the dynamic financial workplan, no later than the completion date as per the contract. Each phase shall have its own dynamic financial workplan for the performance of works.
- 17.2. When contracting works in phases, the deadline for the execution of the particular phase shall be deemed as the agreed deadline with legally binding effect as set forth in these GTC.
- 17.3. Within a period no longer than seven (7) business days from the date of conclusion of the contract or issuance of purchase order, the Contractor shall deliver to OIV a mutually agreed upon dynamic financial workplan for a particular phase of works. Thusly agreed upon dynamic financial workplan for a particular phase of works shall constitute an integral part of the contract/purchase order.
- 17.4. OIV and the Contractor can agree upon and specify completion dates for performance of works for a particular phase by annexes to the contract.
- 17.5. Upon the handover of each individual phase, the contractor undertakes to ensure to OIV unobstructed use of the scope of the project.

XVIII. SURPLUS AND SHORTAGE OF WORKS, SUBSEQUENT AND UNFORSEEN WORKS

- 18.1. Surplus of works (additional works) are volumes of performed works which exceed the contracted volumes of works.
- 18.2. Shortage of works (insufficient works) are negative deviations of the performed works in relation to the contracted volume of works.
- 18.3. Subsequent works are such works which have not been contracted and are not necessary for the completion of the contract, and are requested to be performed by OIV. The Contractor is authorised to propose subsequent works to OIV, but in order for them to be carried out it shall be obliged to obtain a written authorisation from OIV.
- 18.4. Unforeseen works are such works that neither the Contractor nor OIV were or could have been aware of at the time of entering the contract. Immediately upon learning of the need to carry out unforeseen works, the Contractor shall inform OIV without delay in written form and request written consent for the performance thereof. Performed unforeseen works which have not been authorised by OIV, i.e. supervising engineer, shall not be subject to calculation for payment.
- 18.5. Surplus and shortage of works shall be deemed contracted works under the contract, in terms of unit prices, working conditions and other contractual terms and conditions.
- 18.6. All surplus of works which may arise, and which are necessary to perform for the purpose of completion of works shall be carried out by the Contractor with prior written consent of OIV's authorised supervisor.

- 18.7. All performed subsequent and unforeseen works to be carried out shall obtain prior written approval from OIV. Where a written consent from OIV has been obtained, the Contracting Parties shall conclude an annex to the contract.
- 18.8. All surplus, subsequent and unforeseen works which are carried out contrary to the described procedure shall not be accepted by OIV for payment calculation.
- 18.9. For all and any subsequent and unforeseen works the Contractor shall deliver standard construction calculation with calculation elements used for contracted items.
- 18.10. OIV's authorised supervisor shall duly prepare, together in cooperation with the Contractor, a list (bill of quantities) for subsequent and unforeseen works. The contractor shall be obliged to deliver an offer to OIV for all and any possible necessary subsequent and unforeseen works.
- 18.11. If OIV decides to decrease or increase the volume of works in a certain item, or omit certain items altogether from the Bid, then such procedures shall not have an impact on the increase of the tendered unit price. The Contractor shall not be entitled to claim loss of profit on that account.
- 18.12. OIV retains the right to review market prices and quality of individual items. With the exception of the Contractor, OIV may entrust a third party (subcontractor) with subsequent and unforeseen works, and the Contractor in the capacity of the lead contractor shall be entitled to 5% (five percent) handling fees for such works. Performance of subsequent and unforeseen works shall commence exclusively on the basis of an annex to the contract.

XIX. SUPERVISION

- 19.1. OIV, in accordance with the contract or PD, in order to ensure proper execution of the works performed, particularly with regard to type, quantity and quality of works, material and equipment including specified deadlines, shall engage and appoint by profession and in line with the content of the works an authorised supervisor (competent supervising engineer or authorised supervisor appointed otherwise by OIV) with all obligations and rights in compliance with applicable legal provisions.
- 19.2. OIV's authorised supervisor in all its activities shall maintain contact with the Contractor's representative.
- 19.3. The Contractor undertakes to appoint a responsible person principal site engineer, site engineer or certified works manager or a person responsible for management of less complex works who manages the construction or individual works and to submit the appointment to OIV no later than the date of possession of site.
- 19.4. The Contractor shall be obliged to provide continuous supervision over the performance of works and to act according to instructions from OIV's supervisor. OIV reserves the right to appoint an expert committee (hereinafter referred to as: the Committee) for the quality control of the performed works.
- 19.5. In cases when it is prescribed by law or subordinate legislation, PD or contract, the Contractor undertakes to appoint a person certified to manage construction or construction works (certified works manager) and submit the appointment to OIV no later than the date of possession of site.
- 19.6. When works are performed by two or more contractors, OIV shall, by means of construction contract, designate the main contractor. The main contractor shall be obliged and liable for mutual coordination of works, and shall appoint the principal site engineer, and shall submit the appointment to other contractors and OIV.
- 19.7. Daily working hours shall be determined by the Contractor in accordance with the needs of the construction site.

- 19.8. For the purposes of supervision, the Contractor is obliged to provide an appropriate office with: a meeting table, 1 desk, file cabinet with a lock and equip the premises with required lighting and connections to the electrical network, telephone, heating etc.

XX. PARTICIPATION OF SUBCONTRACTORS

- 20.1. The Contractor shall not assign or transfer to a third party rights and obligations arising from the contract, without prior written consent from OIV.
- 20.2. The Contractor shall not be authorised to engage subcontractors without prior written consent from OIV. The Contractor shall be obliged to ensure that OIV is not disadvantaged by contracting with a certain subcontractor.
- 20.3. In the event that the subcontractor fails to fulfil contractual obligations and/or provides poor quality, the Contractor shall be obliged to terminate the subcontractor's engagement at OIV's request.
- 20.4. The Contractor shall issue purchase orders to subcontractors in its own name and on its own behalf.
- 20.5. The Contractor shall bear all and any liability for activities undertaken, failure to fulfil contractual obligations and/or poor quality of fulfilment thereof by any subcontractor, worker or subcontractor's intermediary, in the same manner as if they were activities undertaken, failure to fulfil contractual obligations and/or poor quality of fulfilment thereof by the Contractor.
- 20.6. Where the Contractor were to engage subcontractors without prior written consent, it shall be construed material breach of contract.

XXI. RISK OF ACCIDENTAL DAMAGE OR PERISH

- 21.1. When the Contractor provided the material for the performance of works, and the item has sustained damage or perished due to any reason before the handover to OIV, the risk shall be borne by the Contractor and it shall be entitled neither to compensation for the provided material nor to compensation for its work.
- 21.2. If OIV has examined and approved the works, it shall be construed that the item has been handed over and that it has been left in the Contractor's custody for safekeeping.
- 21.3. If OIV defaulted as a result of the failure to receive the tendered item, the risk of accidental damage or perish of the good shall be transferred to it.
- 21.4. Risk of accidental destruction or damage until the item is handed over to the Contractor shall be borne by OIV on condition it provided material for the production thereof. Accordingly, the Contractor shall be entitled to compensation only in the event that the item has been perished or damaged after OIV defaulted or in the event OIV had failed to act on an invitation duly extended by the Contractor to examine the item.

XXII. QUALITY CONTROL, REMEDIATION OF DEFECTS AND HANDOVER OF THE COMPLETED WORKS

22.

- 22.1. The Contractor shall perform works and deliver and install equipment, in the manner and within the completion date specified by the contract/purchase order, in accordance with applicable regulations, professional standards, technical norms and Croatian standards and due professional care.
- 22.2. If the Contractor fails to perform works in the manner and within the completion dates as specified by the contract, regulations and professional standards, project requirements, technical specifications, technical regulations and Croatian standards, as well as other relevant

applicable regulations and professional standards, OIV shall be entitled to request suspension of further performance of works and request that defects are rectified i.e. request continuation of performance of works in accordance with the contract/purchase order. In the event of the suspension of the performance of works, the Contractor undertakes to secure the previously performed works from degradation. Furthermore, the Contractor shall take appropriate measures to minimise the costs thereto. The costs pertaining to security of the performed works and any and all related expenses shall be borne by the Contractor. The Contractor shall indemnify OIV for the damage incurred by the suspension of the performance of works. Indemnity shall include compensation for loss of profit. In that case, OIV shall not be obliged to indemnify the Contractor.

- 22.3. If the Contractor fails to comply with OIV's request described in the foregoing paragraph no later than 7 (seven) business days upon the receipt of the request, OIV shall be entitled to terminate the contract by written notification with immediate effect and request compensation for incurred damage.
- 22.4. The works shall be deemed completed upon the performance of the contracted works and entries on the performed works into site diary by the Contractor and subsequent verification by the supervising engineer. Where the supervisor has been appointed and site diary has not been properly kept, the works shall be deemed completed based on a written notice on completion of the works certified by the supervisor.
- 22.5. The Contracting Parties shall commence quality control of the performed works no later than 7 (seven) business days after their completion. In the event of performance of works in phases, OIV reserves the right to request for the handover of certain groups of works within a particular phase even prior to the completion of all works.
- 22.6. Final quality and quantity control of the performed works shall be carried out during the quality control of the performed works. After the quality control of the performed works, a handover and acceptance documentation between authorised representatives of both Contracting Parties and OIV's authorised supervisor and the Contractor's certified works manager shall be drawn up no later than seven (7) calendar days from the date of delivery of a written notice by the Contractor on the completion of the construction works.
- 22.7. No later than at quality control of performed works the Contractor shall submit to OIV's authorised supervisor evidence on the usability requirements of installed materials and products in order to demonstrate the quality of performed works.
- 22.8. The Contractor shall be obliged to submit all evidence and attestations on the volume and quality of performed works and installed materials together with associated guarantees which are necessary for uninterrupted operation of the installed equipment and material and to enable their control.
- 22.9. The Contractor shall, prior to the handover, update the attest documentation of the performed works and installed material at its own expense.
- 22.10. The Contractor's responsible persons, OIV's authorised supervisor and the Committee appointed by OIV shall be obliged to be present at quality control of the performed works.
- 22.11. The Contractor shall, at its own expense, rectify all the defects in the performed works, which shall be duly recorded within the mutually agreed deadline, and which shall not be longer than 30 calendar days and no later than the date specified by the records of quality control. If the Contractor, during defect remediation process, fails to act in accordance with a reasonable request made by OIV and fails to rectify defects, OIV shall be entitled to indemnities due to defective work and non-fulfilment of contractual obligations.
- 22.12. If the Contractor, within reasonable time, fails to rectify defects identified during handover of the performed works, OIV may engage third person to carry out remediation of defects and the expense shall be borne by the Contractor. Reasonable deadline for remediation of defects

identified during handover of the performed works shall be determined by OIV at the proposal of authorised supervisor.

- 22.13. OIV has the right to retain a proportion of the contracted price for the remediation of defects mutually determined during the handover of works in the amount covering the cost of remediating defective work, unless otherwise provided for in the contract by means of other bid securities in a sufficient amount.
- 22.14. Works shall be deemed accepted by OIV upon mutual signing of the positive handover and acceptance documentation. The handover report must enclose all documentation related to the installed products and equipment such as manufacturer's certificates, instructions for use and maintenance and warranty cards (manufacturer's warranty) with a list of authorized services. The process of handover shall thereby be successfully completed. If the Contractor without justifiable cause refuses to participate in the handover or without justifiable cause fails to respond to notification of handover, OIV shall be entitled to draft the handover and acceptance documentation without the Contractor's participation. Thusly drafted handover and acceptance documentation shall be delivered to the Contractor. Consequences related to the handover occur on the date of delivery of the handover and acceptance documentation. If in the handover and acceptance documentation it is established that the Contractor shall complete, repair or rectify certain works at its expense, the Contractor shall commence with such works with immediate effect. If the Contractor fails to perform such works within the timelines defined by OIV, OIV may engage alternative person to carry out the works and the expense shall be borne by the Contractor.
- 22.15. Costs of quality control shall be borne by the Contractor in case it fails to enable OIV to duly carry out the control of all performed works and installed materials and equipment, and thereby incur costs at subsequent control that otherwise would not have existed. In that case, the Contractor shall bear all direct and indirect costs incurred due to untimely quality control.
- 22.16. In case of carrying out several types of consecutive works and in case of commissioning a part of the previously performed works, i.e. in case where subsequent control of previously performed works is impossible to perform, quality control and handover of performed works is partial.
- 22.17. When taking over certain types of works at the construction site which are followed by other types of works (e.g., reinforced concrete works/steel load-bearing structures, wall and floor finishes prior to laying down of final floor structure or wall claddings and floorings, reinforced concrete works/metalwork, etc.), it is necessary to perform handover of previously carried out works by recording and signing the site diary and measurement book of the party which had performed previous works and the party which takes over the state of performance and continues with its type of works. Thereby the party which performed the works shall hand them over in the state specified by the design and according to professional standards or other special regulations.
- 22.18. The party that preceded in the performance of works shall at its own expense provide all required controls to demonstrate the accuracy and quality of the performed works, and it shall rectify any and all defects without delay at its own expense. By taking over the previously performed works in a written manner, the next contractor excludes the right to any claim related to the previously performed works.

XXIII. GUARANTEE PERIOD

- 23.1. During the handover of works, the contractor guarantees that the performed works are not subject to defects that prevent or significantly reduce their value or purpose as stipulated in the contract.
- 23.2. Guarantee period starting from the date of mutual signing of the positive handover and acceptance documentation.

- 23.3. Manufacturer's guarantee for installed equipment shall be transferred starting from the date of commissioning of that equipment. The Contractor shall obtain and submit to OIV all documentation related to manufacturer's guarantee, along with instructions for use. The Contractor is obliged to ensure conditions specified by the manufacturer with regard to installation of equipment according to which the manufacturer shall issue the guarantee along with the proof that the Contractor has been licensed by the manufacturer for installation of the equipment. Manufacturer's supervision shall be mandatory on condition it is specified in the manufacturer's guarantee. Costs of manufacturer's guarantee shall be borne by the Contractor in their entirety.
- 23.4. Manufacturer's guarantee for installed material shall be transferred if the guarantee validity period is equal or longer than the validity period for works on installation of material, starting from the date of commissioning of that material. Otherwise, installation of material with shorter warranty period is not permitted without the special written approval of the designer, supervising engineer and OIV. The Contractor shall be obliged to provide instructions/conditions for performance of works from the manufacturer according to which the manufacturer shall issue the guarantee. Manufacturer's supervision shall be mandatory on condition it is specified in the manufacturer's guarantee. Costs of manufacturer's guarantee shall be borne by the Contractor in their entirety.
- 23.5. The Contractor shall guarantee to OIV that installed materials are of the most recent manufacture date, new, previously unused, without latent or visible defects and attested, which shall be verified in writing. The Contractor shall not be held liable for any latent defects which may arise after the period of two years from the proper handover of the installed equipment or installed material. The reference to latent defects does not exclude OIV's exercise of rights under guarantee period. Within a month of their detection, OIV can invoke latent defects which could not have been detected by an ordinary inspection.
- 23.6. If any irregularities in the performed works and/or irregularities in the delivered equipment or material due to manufacturing defects are identified during the guarantee period, the Contractor shall, entirely at its own expense rectify all identified defects which shall include replacing every and all defective or faulty part, or delivery of a new part or new equipment without delay or within the term defined by the contract.
- 23.7. The guarantee period for the quality of performed works, installed equipment and materials shall be extended for the period necessary for rectifying defects, repairing malfunctions or replacing damaged installed material.
- 23.8. The Contractor shall, within the guarantee period, provide and deliver parts necessary to repair malfunctions or rectify defects or replace installed equipment or material, without delay and no later than 48 (forty-eight) hours of the receipt of OIV's request to repair or rectify defected installed equipment unless otherwise defined by contract/purchase order or otherwise.
- 23.9. If the Contractor fails to rectify the defects within the time limit set forth in the previous Article, OIV reserves the right to rectify defects at the Contractor's expense by enforcing the defect liability guarantee. In the event that the defect liability guarantee proves insufficient, the Contractor shall submit a new guarantee in the amount collected, within 8 (eight) days from the request by OIV, so that the defect liability guarantee within the guarantee period equals to the amount specified in the contract.
- 23.10. The guarantee shall not include malfunctions and defects to the equipment resulting from improper operation and maintenance.
- 23.11. Lengths of guarantee periods vary and shall be specified in project documentation and procurement documentation.
- 23.12. If a project or procurement documentation does not specify the length of the guarantee period, the Contractor shall guarantee for the quality of all works performed, installed equipment and materials used for a minimum of 24 months, and 15 (fifteen) years for the security of reinforced

concrete structures and flat roofs, 10 (ten) years for sloping roofs and for all latent defects, starting from the day of signing the positive handover and acceptance documentation.

- 23.13. For all delivered and installed equipment, materials and performed works the Contractor shall submit the required attest documentation, certificates of compliance etc. Prior to installation of material the Contractor shall carry out all quality assessments required for a particular type of performed works, and all as per applicable law and subordinate legislation which regulate construction industry. Where the methods of testing equipment and materials have not been specified in the technical documentation or technical regulations, they shall be determined by OIV. The Contractor shall be obliged to perform the aforementioned at no additional charge.
- 23.14. If, after successful signing of handover and acceptance documentation, the contract provides for a technical inspection of works, all possible deficiencies that might be discovered during the technical inspection of works shall be considered deficiencies within the guarantee period.
- 23.15. Exceptionally, OIV may specify a different beginning date and length of the guarantee period, which shall be set out in PD and/or contract.
- 23.16. The beginning date and the length of the guarantee period as well as other relevant provisions related to guarantees shall be specified in the contract or otherwise.
- 23.17. In the event that the guarantee period is shorter than two years, the provision on latent defects stipulated in these GTC shall apply.

XXIV. INSURANCE AND LIABILITY FOR DAMAGE

- 24.1. The Contractor shall undertake all necessary measures to prevent occurrence of possible material or non-material damage for OIV in the course of performance of works, or shall compensate to OIV all incurred damage in full and at its own expense.
- 24.2. The Contractor shall compensate all the damage caused to OIV and/or third parties which occurred in the course of performing works by its employees and machinery and by other equipment and by acting contrary to professional standards and contrary to instructions of certified works manager and OIV's authorised supervisor.
- 24.3. For the entire duration of the performance of works, the Contractor shall undertake all necessary measures for insurance and protection of facilities, works, equipment, materials, workers, passers-by and traffic.
- 24.4. The Contractor shall for the entire duration of the performance of works under the contract insure all works with an appropriate insurance company in line with the contract.
- 24.5. Pursuant to this Article, insurance shall mean performance of physical works, assigning its employees for control and supervision, as well as insurance with an insurance company. OIV shall bear no liability in that regard.
- 24.6. In the event of breach of contractual relationships (non-performance or faulty performance of obligations) the Contractor shall compensate to OIV all and any damage, to the full amount of the damage. Indemnity shall include compensation for loss of profit. In the event of a joint venture by several business entities, unless otherwise specified in the Contract, all partners shall be jointly and severally liable.

XXV. CONTRACTUAL PENALTY

- 25.1. Where the Contractor fails to perform any obligations under the contract/purchase order or any phase of works in a timely manner, the Contractor undertakes to pay for each day of delay an amount of 0.5 % (zero-point five percent) of the total contracted price and the total contractual penalty shall not exceed 10 % (ten percent) of the total contracted price, unless otherwise provided in the contract/purchase order or otherwise.

- 25.2. Payment of contractual penalty shall not release the Contractor from the obligation to meet its contractual obligations.
- 25.3. Where, as a result of the Contractor's delay in performance of contractual obligations or any particular phase where performance of works in phases is envisaged, OIV suffers damage exceeding the amount of the highest contractual penalty, OIV shall be entitled to indemnities beyond the amount of contractual penalty, covering the full amount of the damage incurred.
- 25.4. In the event of Contractor's delay in performance of any obligation under the contract purchase order of more than 30 (thirty) calendar days after specified completion dates under the contract/purchase order, OIV shall, in addition to contractual penalty and indemnities, have the right to terminate the contract with immediate effect.
- 25.5. The Contractor shall pay contractual penalty within a period of 10 (ten) calendar days from the date on which an invoice is issued. Otherwise, OIV shall charge the amount of contractual penalty from the existing bid securities.

XXVI. GUARANTEE FOR RECOVERY OF ADVANCE PAYMENT

- 26.1. As a rule, OIV shall not make advance payments, unless it so specifies in procurement documentation or in extraordinary situations when it is so specified in the contract.
- 26.2. Where advance payments are made, the Contractor shall provide advance recovery guarantee in the amount of the contracted advance.
- 26.3. In lieu of the advanced recovery guarantee, the Contractor may guarantee with a cash deposit in the amount equal to the stipulated advanced recovery guarantee.
- 26.4. If the Contractor is required to extend the existing advanced recovery guarantee or required to submit a new advance recovery guarantee, it shall be obliged to extend the guarantee or provide a new advance recovery guarantee within a period of not less than 15 calendar days before the existing advance recovery guarantee expires. Otherwise, OIV shall retain the right to charge the existing bid securities.
- 26.5. Delivery time, amount, form, repayment and other relevant provisions related to advance recovery guarantee shall be specified in the contract/purchase order or otherwise.

XXVII. PERFORMANCE GUARANTEE

- 27.1. For breach of any contractual obligation, the Contractor shall provide a performance guarantee for a contract, or for a framework agreement when performance is stipulated therein, or for a contract based on the underlying framework agreement when no performance obligation is specified in the framework agreement.
- 27.2. OIV shall charge the amount of contractual penalty from the performance guarantee. The Contractor undertakes to ensure that the performance guarantee provides the possibility of charging contractual penalty as specified in this Article.
- 27.3. Where a framework agreement is concluded, a performance guarantee shall specify a percentage for the maximum contracted price, which shall not be binding for OIV, unless otherwise stipulated by the contract/purchase order or otherwise.
- 27.4. In lieu of the performance guarantee, the Contractor may guarantee its contract performance with a cash deposit in the amount equal to the stipulated performance guarantee.
- 27.5. In the event of a joint venture (joint bid) by several business entities, the performance guarantee shall be addressed jointly to all members of the joint venture, and not exclusively to one member, and it shall specify that it pertains to a joint venture or each member may submit a performance guarantee severally for their part of the guarantee. In such case, the cumulative amount of the submitted guarantees shall equal the total amount of the performance guarantee

as required. In the event of a joint venture by several business entities, one member can make the cash deposits for all members jointly or each member can make a cash deposit severally for their share of the defect liability guarantee. In such case, the cumulative amount of the cash deposits shall equal the total amount of the the defect liability guarantee as required.

- 27.6. Unless otherwise specified by the contract/purchase order or otherwise, when concluding annexes that might result in an increase of the contracted price, the Contractor shall submit a new guarantee issued in proportional increased amount so that it shall amount to 10% (ten percent) of the new total contract value with annexes or it shall provide a guarantee for the difference in the amount. In the event the contract is extended, the Contractor shall extend the performance guarantee validity, unless otherwise specified in the contract/purchase order or otherwise.
- 27.7. If the Contractor is required to extend the existing performance guarantee or required to submit a new performance guarantee, it shall be obliged to extend the guarantee or provide a new performance guarantee within a period of not less than 15 calendar days before the existing performance guarantee expires. Otherwise, OIV shall retain the right to charge the existing bid securities.
- 27.8. The type and amount of performance guarantee, consequences in the event that OIV is forced to use performance guarantee, the return of the guarantee to the Contractor, the possibility for OIV to use the guarantee, obligation to provide a new guarantee in case of guarantee period extension, consequences for failing to provide a guarantee and other relevant provisions concerning performance guarantee shall be regulated in the contract/purchase order or otherwise.

XXVIII. INSURANCE CLAUSE

- 28.1. When stipulated by PD, contract/purchase order or otherwise, OIV shall request from the Contractor to deliver the original of the professional liability insurance policy obtained from a prime insurance company, and which shall include employer's liability insurance and the original of the Contractor's all risk comprehensive insurance policy in construction and installation works obtained from a prime insurance company. Types of required policies, conditions of insurance, insured risks, scope of risk, policy value, policy duration and other detailed provisions shall be defined by the PD, contract/purchase order or otherwise.

XXIX. DEFECT LIABILITY PERIOD

- 29.1. OIV may request from the Contractor a guarantee for defect liability period. A guarantee for defect liability period shall be valid in cases where the Contractor fails to fulfil the obligation to rectify potential defects which may occur within the guarantee period.
- 29.2. If for objective reasons, the Contractor is unable to permanently rectify the damage within 48 hours (provide and deliver all equipment and materials), with prior written consent from OIV, the Contractor agrees to carry out temporary remediation no later than 48 hours from the receipt of the request in order to prevent greater damage of OIV's assets.
- 29.3. In lieu of the defect liability guarantee period, the Contractor may guarantee its contract performance with a cash deposit in the amount equal to the stipulated defect liability guarantee.
- 29.4. In the event of a joint venture (joint bid) by several business entities, the defect liability guarantee shall be addressed jointly to all members of the joint venture, and not exclusively to one member, and it shall specify that it pertains to a joint venture or each member may submit a defect liability guarantee severally for their part of the guarantee. In such case, the cumulative amount of the submitted guarantees shall equal the total amount of the defect liability guarantee as required. In the event of a joint venture by several business entities, one member can make the cash deposits for all members jointly or each member can make a cash deposit

severally for their share of the defect liability guarantee. In such case, the cumulative amount of the cash deposits shall equal the total amount of the the defect liability guarantee as required.

- 29.5. If the Contractor is required to extend the existing defect liability guarantee or required to submit a new defect liability guarantee, it shall be obliged to extend the guarantee or provide a new defect liability guarantee within a period of not less than 15 calendar days before the existing defect liability guarantee expires. Otherwise, OIV shall retain the right to charge the existing bid securities.
- 29.6. Upon expiration of the warranty period, OIV shall return the defect liability guarantee to the Contractor on condition that the Contractor has fulfilled all obligations arising from the warranty period.
- 29.7. The type of defect liability guarantee, guarantee amount, defect liability period, consequences in the event that OIV is forced to enforce the guarantee, return of the guarantee to the Contractor, the possibility for OIV to use the guarantee, obligation to provide a new guarantee in the case of guarantee period extension, consequences for failing to provide a guarantee and other relevant provisions concerning defect liability period shall be regulated in the contract/ purchase order or otherwise.

XXX. COVENANT OF INTEGRITY

- 30.1. Where the works being procured exceed HRK 100, 000, the Bidder shall provide, and attach to their bid, a certified Covenant of Integrity, to be provided by OIV with the invitation to submit a bid.

XXXI. ENERGY EFFICIENCY

- 31.1. When procuring works which have or might have an impact on significant energy use, when applicable, technical specifications for procurement and bid selection criteria shall include requirements on energy efficiency, and bid evaluation process shall take into consideration energy efficiency, all in line with procurement documentation.
- 31.2. When applicable, OIV shall, as a rule, apply the following criteria to assess energy use, consumption and efficiency during planned or expected operational useful life of a product and installed equipment which are expected to have significant impact on energy efficiency: energy consumption, energy cost, required number of units per year, costs of annual maintenance and repair, expected lifespan and disposal costs.
- 31.3. Technical specifications for energy supply shall, as a rule, contain requirements ensuring efficient energy use, for example, requirements for energy quality, energy availability, environmental impact and similar. If necessary, specifications proposed by an energy supplier may be used.

XXXII. FORCE MAJEURE

- 32.1. The Contracting Parties shall not be liable for non-performance of any obligation if such non-performance is a result of force majeure event - an event beyond the control of the Contracting Parties and not a consequence of their own will, which directly impacts performance of contractual obligations and is not a result of negligence, which could not have been anticipated or avoided, provided that the Party affected by force majeure event has notified the other party thereof.
- 32.2. Force majeure shall include, but shall not be limited to, natural disasters, war, strike, embargo, restrictions.
- 32.3. In the event of force majeure, the affected Party shall do everything possible to fulfil its obligations.

- 32.4. The Contracting Party affected by force majeure event shall forthwith notify the other Party, in writing, thereof, it shall provide evidence for force majeure event and specify which obligations it is not able to meet as a result of force majeure event. In the event of force majeure, the causes of which last longer than 30 (thirty) days, OIV shall reserve the right to terminate the Contract by way of written notice and with immediate effect.

XXXIII. CONFIDENTIALITY

- 33.1. Any confidential business information, business secret or data provided by one Contracting Party to the other Contracting Party or any information disclosed by Contracting Parties or by any other person on their behalf and in relation to the contract or any provision therein or any information obtained during the contract performance shall be confidential. The Contracting Parties shall not disclose any information concerning the content of the contract, without a prior written consent of the other Party. In addition, the Contracting Parties cannot prevent each other from disclosing any such information when doing so is requested by relevant authorities, when this is necessary in judicial procedure or if so prescribed by law.
- 33.2. The Contracting Parties shall be responsible for the conduct of their employees, for those who have any legal relation for the purpose of the contract, for their suppliers or those acting on their behalf on any legal grounds, including confidentiality clause herein, as if they performed those activities themselves.
- 33.3. Derogation from confidentiality provisions shall be made possible exclusively in the event when it is provided for in PD, contract/purchase order or otherwise.

XXXIV. PROTECTION OF PERSONAL DATA

- 34.1. The Contractor shall process personal data, collected in the course of performing its contractual obligations, in line with Regulation 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation), the Act on the Implementation of the General Data Protection Regulation (OG 42/2018) or other national regulation based on this Regulation, applying adequate technical and security measures designed to prevent unauthorised access, abuse, disclosure, loss or destruction.
- 34.2. The Contractor guarantees that all personal data obtained during the performance of the contract shall be kept secret and used exclusively for the purpose of fulfilling the contractual obligations. The Contractor shall further ensure that access to personal data is restricted only to employees who participate in the performance of the Contract and these employees shall maintain confidentiality of these data prior to access, processing and subsequent permanent deletion upon contract termination.

XXXV. INFORMATION SECURITY

- 35.1. The Contractor guarantees compliance with the safety instructions set forth in ISMS-ZAP-009 Information Security Requirements for Suppliers and External business partners, published on OIV's website.

XXXVI. COMMUNICATION

- 36.1. Communication or any other exchange of information between OIV and the Contractor may be done via post, electronically, by fax or through a combination of these means, as per OIV's choice. Communication between OIV and the Counterparty shall be verifiable regardless of the chosen means of communication. Selected means of communication must be generally available

and must not lead to discrimination. Electronic means of communication must not have discriminatory technical features and must be compatible with generally available IT technology products. Communication that is not recorded in writing shall have no legal effect.

- 36.2. Information on contact persons shall be provided in the sections for the receipt of notifications, which are attached to contracts and are an integral part thereof. Where a contact person has been changed, the Contracting Parties shall inform each other thereof within the shortest possible period via usual means of communication, in which case, an appendix to contracts shall not be required.

XXXVII. TERMINATION OF CONTRACT

- 37.1. In the event of the Contractor's failure to meet completion dates, non-performance or defective performance of obligations, which have a significant impact on contract performance, OIV can unilaterally terminate the contract and shall be entitled to indemnities, covering the full amount of damage incurred. Indemnity shall include compensation for loss of profit.
- 37.2. If contractual penalty reaches the total amount pursuant to Article 25.1., OIV reserves the right to terminate the contract with immediate effect.

XXXVIII. AMENDMENTS TO THE CONTRACT

- 38.1. Amendments to the contract shall have legal force only if such amendments are made in writing and duly signed by authorised representatives of both Contracting Parties.
- 38.2. Any verbal agreements or any statements made by representatives of the Contracting Parties shall not have any legal effect and shall not be binding for any Contracting Party.

XXXIX. DISPUTE RESOLUTION

- 39.1. Any disputes shall be settled amicably by the Contracting Parties. Where disputes cannot be resolved by negotiation, the Contracting Parties shall, where appropriate, resort to mediation to resolve the dispute and refer the matter to the Mediation Centre at the Croatian Chamber of Economy in accordance with relevant mediation rules. If the settlement of disputes by negotiation, mediation or conciliation may not be resolved, the competent court in Zagreb shall have jurisdiction.

XL. BILINGUAL CONTRACT/ PURCHASE ORDER

- 40.1. Where the contract/purchase order is made in Croatian and English languages, in case of any divergence of interpretation, the English text shall prevail.

XLI. FINAL PROVISION

- 41.1. The following customs of individual paragraphs and indents of the Special Construction Customs (Official Gazette of the SFRJ 18/1977, 29/1978, OG 53/1991, 35/2005) shall not be applicable, as follows: custom 18, custom 19, custom 20, custom 21, custom 22, paragraph 2. custom 24, custom 25, custom 26, custom 27, custom 29, custom 32, custom 33, custom 34, custom 35, custom 38, custom 39, paragraph 2. custom 43, custom 44, custom 45, custom 46, custom 49, custom 51, paragraphs 2. i 3. custom 54, custom 55, paragraph 2. custom 56, custom 58, paragraph 2. custom 59, custom 60, custom 62, custom 64, custom 65, custom 66, custom 71, paragraph 2. custom 72, custom 74, paragraphs 4. i 5. custom 76, custom 77, custom 78, custom 79, custom 80, custom 83, paragraph 3. custom 91, custom 92, paragraph 2. custom 96, custom 98 i paragraph 3. custom 104. In the event of any inconsistency between the provisions of these

General Terms and Conditions and Special Construction Customs, the provisions of these General Terms and Conditions shall apply.

- 41.2. Matters not regulated by provisions herein, by contract/purchase order or otherwise, shall be subject to legal provisions and relevant regulations of the Republic of Croatia.
- 41.3. These GTC shall come into force on the date of their publication on OIV's website www.oiv.hr. OIV shall retain the right to update these GTC at any time and publish the updates on the website. The Bidder undertakes the responsibility to stay informed of any and all possible updates to these GTC published on OIV's website.

These General Terms and Conditions for Procurement of Works shall come into force on 1st June 2022.